**Every Day** 







### **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, personalized recommendations, Prime, Fulfillment by Amazon, Amazon Web Services (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.

### Look out for these symbols throughout the report:

☑ A link that directs you to a website

∃ A link within the report

业 A link to a download

### Look out for these common abbreviations throughout the report:

AWS—Amazon Web Services

**UN—United Nations** 

NGO—Nongovernmental organizations

CO<sub>2</sub>—Carbon dioxide

CO<sub>2</sub>e—Carbon dioxide equivalent

### **About This Report**

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 Sustainability Report builds on our sustainability progress over the last decade—particularly since we cofounded The Climate Pledge in 2019 and announced our commitment to achieve net-zero carbon emissions across our business by 2040. This report also includes 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.

All financial figures are reported in U.S. dollars (\$), unless otherwise stated.

Please note that data within this report 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.

This report includes appendices that are informed by the following frameworks: the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD). and the United Nations Guiding Principles (UNGP) Reporting Framework.

## **Contents**

### Introduction

- 3 Opening Letter From Kara Hurst, Vice President, Worldwide Sustainability
- Our Business
- 5 Sustainability Around the Globe
- Goals and Progress
- 7 Continuing Our COVID-19 Response

### **Environment**

- 10 Our Carbon Footprint
- 14 Growing The Climate Pledge
- 16 Investing in Innovation Through The Climate Pledge Fund
- 18 Supporting Nature-Based Solutions
- 20 On the Path to 100% Renewable Energy
- 22 Incorporating Sustainability Into **Our Buildings**
- 24 Decarbonizing Transportation
- 26 Avoiding and Managing Waste
- 28 Improving Our Packaging
- 30 Product Sustainability
- 35 Sustainability in the Cloud

### Society

- 41 Respecting Human Rights Throughout Our Business
- 46 Providing a Range of Employee Benefits
- 51 Fostering Diversity, Equity, and Inclusion
- 57 Employee Engagement: Listening to Our People
- 59 Safety, Health, and Well-Being at Amazon
- 61 Building a Supply Chain That Puts People First
- 69 Supporting Our Communities

### Governance

- 75 Corporate Governance
- 77 Business Ethics
- 78 Advocacy and Public Policy
- 79 Partnerships

### **Appendix**

- 81 SASB
- 84 UNGP Reporting Framework
- 90 TCFD
- 96 UN SDGs
- 97 Carbon Footprint Data
- 98 Supplier Assessments
- 99 Our Workforce Data
- 100 Disclaimer and Forward-Looking Statements

## **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 organization. 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 organizations 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 decarbonize 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 mobilized \$1 billion 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 U.S. to cover treatment for non-life-threatening medical issues when travel is required, including elective abortion and infertility, starting in 2022.

2021 Sustainability Report

In our communities, we are supporting initiatives to address the affordable housing crisis—including a commitment of more than \$2 billion 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 Black Business Accelerator program in partnership with our Black Employee Network affinity group; and we launched a \$12 million, five-year partnership with the U.S. 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 guickly mobilized 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 honored 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 recognize we have more to do. Our everyday actions to deliver progress are in service of achieving long-term, systemic change that improves the well-being 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 Sustainability Report.

### With gratitude,

### **Kara Hurst**



## **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.



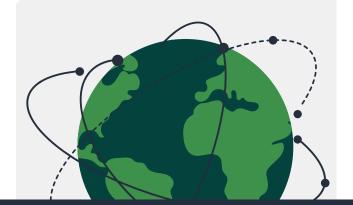
### **Our Communities**

We leverage our scale and assets for good to support charitable organizations 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 underrepresented 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 programs that enable them to grow their businesses; developers and enterprises of all sizes through 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 center 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.



## Goals and **Progress**

Bold thinking and relentless innovation. That's what we do at Amazon, and how we approach sustainability is no exception.

Our approach combines long-term commitments and everyday actions, reinforced by our Leadership Principles and our "Day 1" mentality. We apply our history of invention to ideas and efforts that support people and communities. We make targeted investments to support our ambitions and the development of sustainable technologies. These are just some of the many ways we are working to deliver progress on the path to achieving our long-term goals.

**Learn more** about our Goals and Progress ☑ on our website.

On a path to powering our operations with 100% renewable energy by 2025



274

Renewable projects announced as of the end of 2021

85%

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

#1

World's largest corporate purchaser of renewable energy

### **Transforming Our Operations**

Make 50% of **Amazon shipments** net-zero carbon by 2030



100M+

Packages delivered to customers' doorsteps using zero-emission vehicles in 2021 1.5M+

Tons of packaging eliminated since 2015

38%

Reduction in per-shipment packaging weight since 2015

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



+70%

Increase in the number of Black directors and vice presidents in 2021

45.5%

Female representation on Amazon's Board of Directors as of 2021

100K+

Employee participants in Amazon affinity groups globally in 2021

### Contributing to a **More Equitable Society**

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



\$1.2B

Investment as part of our Upskilling 2025 pledge

\$300M+

Investments in safety, including capital improvements and new technology, in 2021

\$18+

Average starting wage per hour for roles in fulfillment and transportation in the U.S.

**Success and Scale Bring Broad** Responsibility



225M+

In-kind donated items, including personal protective equipment and essentials, in 2021

**\$2B** Investment through the Amazon Housing Equity Fund to

support affordable housing

9K+

Amazon transportation associates trained to identify and respond to potential victims of human trafficking

### **Activating Collective Impact**

**Inspire and empower** others to join us on a mission to reach net-zero carbon by 2040



300+

Companies that have joined Amazon in signing The Climate Pledge

370M+

Climate Pledge Friendly units shipped to Amazon customers in 2021

**\$2B** 

Investment through The Climate Pledge Fund to support the development of sustainable technologies



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

Since the early stages of the COVID-19 pandemic, we have worked nonstop to make hundreds of changes to our operational processes to protect the health of our employees and communities. In 2021, amid new variants and further lockdowns, we continued to invest heavily in supporting our employees, customers, and communities.

customers, employees, and communities through the COVID-19 pandemic.

COVID-19-related costs incurred since the start of the pandemic to help keep employees safe while delivering for our customers

### **Vaccine Support**

From March through early December 2021, we hosted more than 1.800 on-site vaccination events for front-line employees. We also launched the Max Your Vax sweepstakes to encourage our front-line operations employees to get vaccinated. We offered a variety of weekly prizes—including two \$500,000 grand prizes, six \$100,000 cash prizes, five new vehicles valued at \$40,000 each, and five vacations each valued at \$12,000 that included 40 hours of paid time off.

### **Empowering Customers to Manage Health and Safety**

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 program to ensure front-line employees have access to free, regular testing in the U.S. and the UK.

By January 2021, our national COVID-19 testing lab located in Kentucky processed more than 1 million COVID-19 tests 
☐ for front-line employees from more than 700 testing sites, and provided access to COVID-19 testing to nearly all front-line employees. At the height of the pandemic, our labs were processing more than 30,000 tests each day.

We took what we learned from this process to create our own at-home COVID-19 test collection kit \(\mathbb{Z}\) for customers. The tests received Emergency Use Authorization from the U.S. Food and Drug Administration in June 2021, providing an affordable, reliable, and convenient way for customers to test for COVID-19 at home. The kits are processed by Amazon's in-house laboratory using the diagnostic approach recommended by the U.S. Centers for Disease Control and Prevention 2.

### **Enabling Global Innovation**

Our infrastructure has also been helping scientists gain and share knowledge of RNA viruses in record time. Diseases caused by RNA viruses include the common cold, influenza, SARS, COVID-19, hepatitis C, Ebola, rabies, polio, and measles.

An international team of scientists from the Serratus project built a powerful supercomputer on AWS \(\mathbb{Z}\) in just eight weeks. The supercomputer searched almost 6 million publicly available biological samples for the presence of RNA viruses in less than two weeks for \$24,000—achieving what would have taken a standard computer well over 2,000 years and cost at least 10 times more. Through this process, the research team used the AWS Cloud to identify more than 130,000 new RNA viruses, including nine new coronaviruses, creating a "global viral surveillance system" that could help prevent future pandemics.

### A Helping Hand

In early 2021, Amazon took immediate action to help address the COVID-19 surge in India. We utilized our global logistics network to purchase, airlift, and deliver medical equipment identified as critically needed by the government of India and local charities.

We worked with industry partners and nongovernmental organizations (NGOs) to deliver more than 8,000 oxygen concentrators and 500 BiPAP machines to India. This medical equipment was donated to hospitals and public institutions to increase their capacity to help COVID-19-infected patients across multiple cities. We also joined the U.S. Chamber of Commerce's Global Task Force on Pandemic Response to deliver ventilators to India. In Nepal, Amazon teamed up with the UN World Food Programme to donate and deliver supplies to communities affected by COVID-19, including 850,000 personal protective items.

### **AWS Diagnostic Development Initiative**

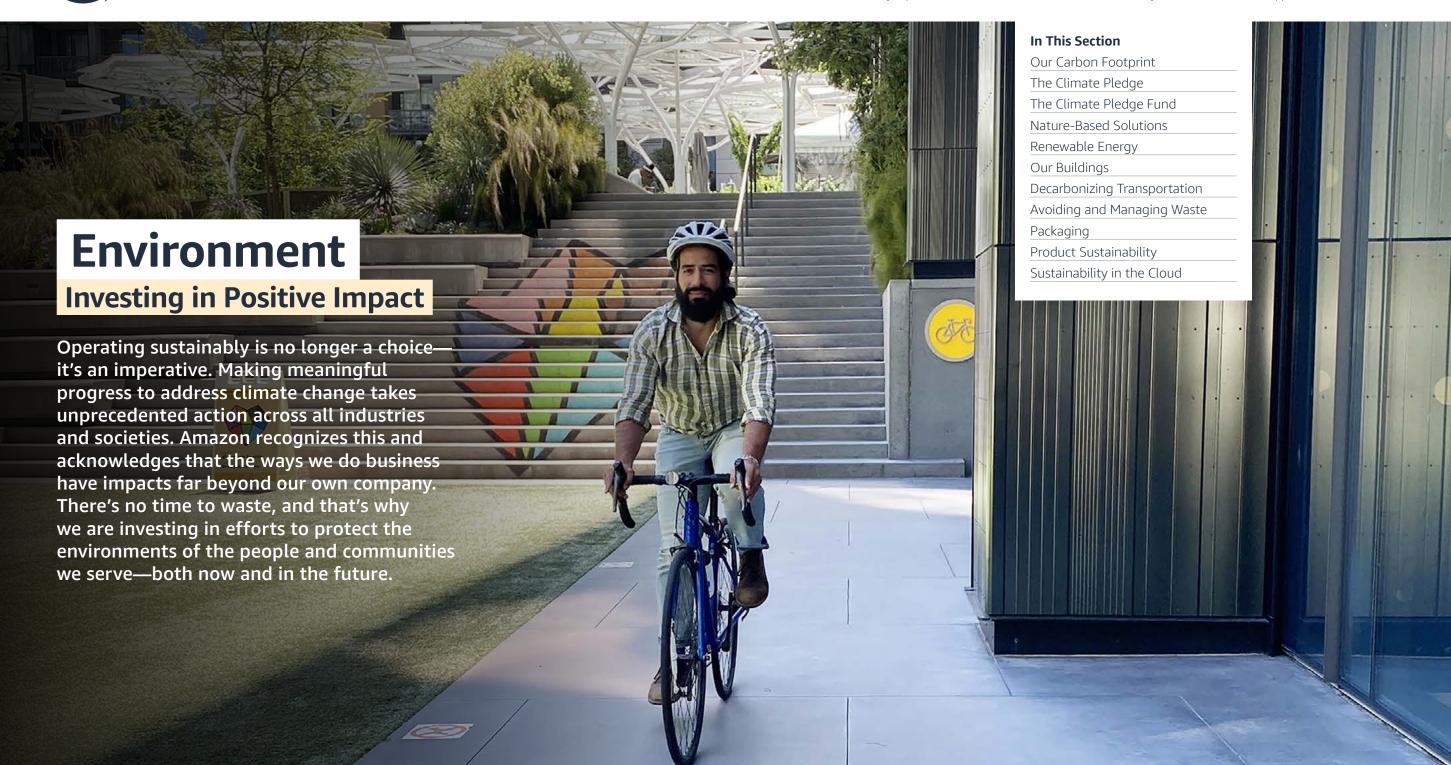
The AWS Diagnostic Development Initiative (DDI) ☐ is a two-year, \$20 million commitment to accelerate research and innovation to advance the collective understanding and detection of COVID-19 and other infectious diseases in order to mitigate current and future outbreaks.

In the first phase of the AWS DDI Z, AWS supported 87 organizations in 17 countries, ranging from nonprofits and research institutions to startups and large businesses. AWS awarded \$8 million to support a range of diagnostic projects, including molecular tests for antibodies, antigens, and nucleic acids; diagnostic imaging; wearables; and data analytics tools that use artificial intelligence and machine learning to detect COVID-19.

In April 2021, AWS launched the next phase and broadened the Initiative's scope to three new areas: 1) early disease detection to identify outbreaks at the individual and at the community level; 2) prognosis to better understand disease trajectory; and 3) public health genomics to bolster viral genome sequencing worldwide.

### Helping Employees Get Back to Work

When the time came for employees to start returning to corporate offices, we engaged with our teams to find out what kind of flexibility they needed to keep everyone safe, rather than specifying a one-size-fits-all approach for all business units. We encouraged leaders to determine how many days their team members would be in the office and which days those would be, so long as that decision was guided by what would be most effective for our customers and safest for our employees. Some teams continue working mostly remotely, others work a combination of remotely and in the office, and others work mostly in the office.



### Commitment

Reach net-zero carbon emissions across our operations by 2040

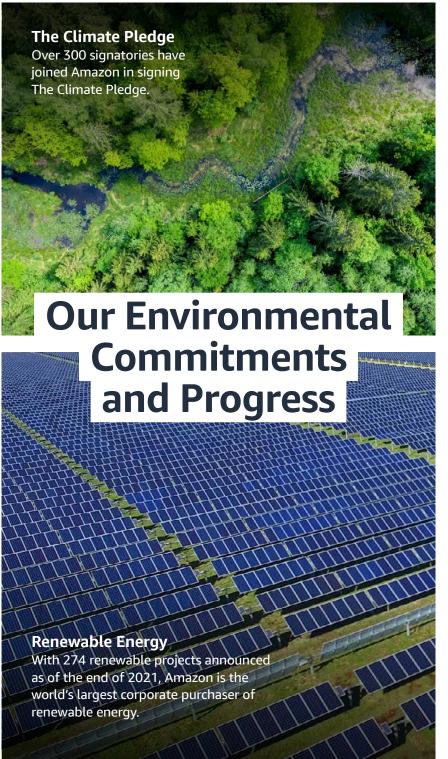




### Commitment

Reduce food waste by 50% across our U.S. 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.

Introduction

## **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 The Climate Pledge, a commitment to reach net-zero carbon by 2040—10 years ahead of the Paris Agreement. Since we created the Pledge in 2019, more than 300 companies have joined Amazon in making this commitment. The path to decarbonization remains challenging. This is especially true for a business of the size and broad scope of Amazon. We operate businesses—delivery and transportation logistics, physical stores, grocery, manufacturing, and cloud computing services—that involve moving products, manufacturing goods, and creating computing capacity, all at scale. While some of these businesses—including cloud computing and e-commerce offer greater efficiencies, some are more carbon-intensive endeavors. In reducing their carbon footprint through investment and innovation, we will enable even greater efficiency and more-sustainable choices for our customers.

As we work to decarbonize our company, Amazon is growing rapidly. We have scaled our business at an unprecedented pace to help meet the needs of our customers through the pandemic. From early 2020 to the end of 2021, we created more than 750,000 full-time and part-time jobs worldwide and doubled the size of the fulfillment network that we had built over the previous 25 years. At the same time, an increasing number of companies around the world moved their technology to the cloud, gaining significant speed, innovation, and cost advantages, and AWS grew its revenue by 37% year-over-year in 2021.

These developments meant we had to build new facilities for both our consumer and cloud businesses—and expand our transportation 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. In AWS, the team spent considerable resource innovating on power efficiency, removing the central Uninterruptible Power Supply from our data center

design, integrating power supplies into our racks, and utilizing Graviton EC2 instances that use up to 60% less energy for the same performance than comparable Amazon FC2 instances

2021 Sustainability Report

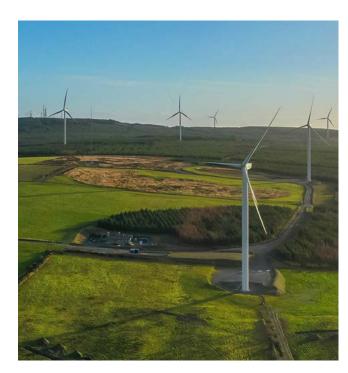
With all of our growth in 2021, our absolute carbon emissions increased by 18% in 2021; however, importantly, our carbon intensity decreased by 1.9%—this is the third year in a row we've seen our carbon intensity decrease. This measurement quantifies total carbon emissions, in grams of carbon dioxide equivalent (CO<sub>2</sub>e), per dollar of gross merchandise sales (GMS). 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. See the Appendix ∃ for our carbon data.

While we've had success cutting emissions from some operations, we are still early in the process of transforming others. Some actions and investments have immediate carbon savings, while others will take years to demonstrate results. The path to net-zero carbon has many obstacles, but we thrive on big challenges. A few of those big challenges include:

- Powering our operations with 100% renewable energy by 2025
- Developing more-sustainable transportation infrastructure
- Constructing more-sustainable buildings
- Decarbonizing the supply chain

### **Powering Operations With 100%** Renewable Energy

In 2021, we reached 85% renewable energy across our operations, and we are on a path to achieve 100% by 2025—five years ahead of the original target of 2030. This transition to 100% renewable energy benefits our customers as well. Studies by the international analyst firm 451 Research found that moving on-premises computing workloads to AWS can lower workload carbon footprint by nearly 80% compared to surveyed enterprise data centers. That number could improve to as high as 96% once AWS is powered with 100% renewable energy—a target we are on path to meet by 2025. AWS' infrastructure is 3.6 times more energy efficient than the median of surveyed U.S. enterprise data centers and up to five times more energy efficient than the average European enterprise data center.







technologies: Amazon's Climate Pledge Fund—a corporate venture fund that invests in sustainability—recently announced it has invested in EH2 in the U.S. and Sunfire in Germany, two companies helping to push the green hydrogen industry forward.

It will take time to remove carbon emissions from heavy transportation systems, including ocean shipping, aviation, and trucking. Governments and the private sector need to come together on this important work. Amazon is at the heart of such industry initiatives and government partnerships, including the Cargo Owners for Zero Emission Vessels network (coZEV), the First Movers Coalition, the Sustainable Aviation Buyers Alliance Aviators Group (SABA), and the Clean Energy Demand Initiative.

renewable energy through a combination of off-site and on-site solar projects. And we plan to achieve Leadership in Energy and Environmental Design (LEED) Platinum certification, the highest sustainability building certification issued by the U.S. Green Building Council.

We also continue to innovate with construction techniques to make our fulfillment centers more sustainable. Many of our fulfillment facilities throughout the U.S., Europe, and India are powered by on-site solar, where a rooftop installation can power up to 80% of the facility's energy use. As of 2021, 115 of our global fulfillment facilities have rooftop solar installations.

Constructing our AWS data centers also presents challenges related to sustainability. Concrete and steel used in construction are two of the largest contributors of embodied carbon in a data center building, and we have multiple initiatives to reduce their carbon impact. For example, our design standards now require concrete with a 20% reduction in embodied carbon compared with standard concrete for new U.S. data centers, and we are expanding this requirement globally. Also, instead of using steel from oxygen furnaces that burn coal or gas, we are moving to steel from electric-arc furnaces, which use scrap steel and can create steel using renewable energy and up to 100% recycled content. In 2021, six AWS data centers were constructed with steel made this way, and we have plans to build more in the future.

### **Developing More-Sustainable Transportation Infrastructure**

Reducing carbon emissions in transportation is a complex challenge for many companies. We plan to make half of our shipments net-zero carbon by 2030, and to do that, we are creating a worldwide fleet of zero-emission vehicles. Right now, the vehicles and charging infrastructure don't exist at the scale needed to serve customers. We need the supply to increase dramatically. We have ordered 100,000 electric vehicles (EVs) from Rivian, and thousands more from manufacturers such as Mercedes-Benz. Stellantis, and Mahindra Electric. These orders have sent a demand signal that is shifting the market to meet not only our needs, but also the needs of other companies around the world.

We announced in November that, in the city of Paris, two-thirds of our shipments are delivered using zeroemission transport such as EVs, electric cargo bikes, and on-foot deliveries. We also are exploring green hydrogen

### **Constructing More-Sustainable Buildings**

Businesses also face the challenge of removing carbon emissions from new building construction. Via The Climate Pledge Fund, Amazon has invested in CarbonCure Technologies, which enables concrete producers to make the same high-quality concrete with a lower carbon footprint, and Brimstone Energy, which seeks to make cement carbonneutral through a process focused on calcium silicate rocks, which have no embedded CO<sub>2</sub>, as well as magnesium species, which passively absorb CO<sub>2</sub>. Amazon is lowering the carbon footprint of our buildings by using CarbonCure's systems and Brimstone Energy cement in some new construction, including in Amazon's second headquarters in Virginia (HQ2).

HO2 will be a model for sustainable construction. We've electrified the operations of HQ2, eliminating the use of fossil fuels for buildings systems and food service. We have committed to powering 100% of HQ2's operations with







### **Decarbonizing the Supply Chain**

Amazon utilizes an extensive supply chain to deliver goods and services to our customers. Our carbon accounting process addresses all three Scopes of emissions under the Greenhouse Gas Protocol. Since 2019, we have shared the Scope 1, 2, and 3 emissions included in our footprint through our annual Sustainability Report, along with a detailed description of the comprehensive methodology underlying our calculations

Measurement is critical as we work toward our goal of netzero carbon by 2040—we have to measure and understand emissions in order to eliminate them. Like other companies, we are working to improve the granularity of data available and will continue to seek improvements to our reporting processes. We already work with organizations and regulatory bodies around the globe to promote transparent and comparable climate reporting.

One example of this is through our partnership with the We Mean Business Coalition, a group of nonprofits focused on accelerating the transition to a net-zero economy. We support the Coalition's SME Climate Hub—a global initiative that gives small and medium-sized enterprises, like those in our supply chain, free tools and resources to measure and report their emissions. With the Hub's support, these companies are committing to halve their emissions by 2030 and to reach net-zero by 2050.

### We Thrive on Big Challenges

The challenges we collectively face on the path to net-zero carbon are considerable. Many new technologies are showing promise in their ability to reduce carbon emissions, but may still require significant development. We need to both invent new solutions and scale and drive down the costs of known solutions.

In 2021, we reached 85% renewable energy across our operations, and we are on a path to achieve 100% by 2025—five years ahead of the original target of 2030. Progress is not easy, and we are far from done. However, our success in deploying renewable energy globally provides us with a playbook that we are deploying to tackle big challenges like transportation, building construction, and supply chain decarbonization strategies. With our relentless culture of innovation, and a tenacious team of sustainability scientists and professionals, we are committed to reaching our 2040 target.

But we can't do it alone. We will continue to work with partners in the public and private sectors to drive innovation, technology advancements, and global policy change. To the public sector, we say: We support and encourage policies and public-private partnerships that will help accelerate climate solutions. And as one of more than 300 signatories to The Climate Pledge, we say to the innovators, scientists, builders, and entrepreneurs: Our door is open. We all need to decarbonize. The work may not make the headlines or bring immediate rewards, but a challenge like this will never be resolved overnight. These are the hard steps that need to be taken. We welcome you to join us in finding solutions to this global crisis.

The path to decarbonization is incredibly complex, but we thrive on big challenges. Here's a snapshot of how we are addressing some of them.





## **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, organizations, individuals, and partners working together to address the climate crisis and solve the challenges of decarbonizing our economy.

### **Our Approach**

Joining The Climate Pledge is an opportunity for companies to be part of a community committed to transformational action to protect the environment from the disruptive risks associated with climate change. Signatories commit to reaching net-zero carbon emissions by 2040 and play a critical role in stimulating investment in the development of low-carbon products and services.

Amazon became the first company to sign The Climate Pledge after co-founding the initiative with Global Optimism, a purpose-driven organization led by Christiana Figueres and Tom Rivett-Carnac, who oversaw the delivery of the historic Paris Agreement, the first global accord on climate change.

The Climate Pledge joins leading organizations like the We Mean Business Coalition, Race to Zero, TED Countdown, and the Science Based Targets initiative (SBTi) to provide resources and support to mobilize the private sector to reach net-zero carbon by 2040.

### **The Pledge Commitments**

Signatories of The Climate Pledge agree to three areas of action:

**Regular Reporting:** Measure and report greenhouse gas emissions on a regular basis.

**Carbon Elimination:** Implement decarbonization strategies in line with the Paris Agreement through real business changes and innovations, including efficiency improvements, renewable energy, materials reductions, and other carbonemission-elimination strategies.

Credible Offsets: Neutralize any remaining emissions with additional, quantifiable, real, permanent, and socially beneficial offsets to achieve net-zero annual carbon emissions by 2040.

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

"In the face of great peril, which is what the latest science depicts, the business community must have a clear path forward. Step up and accelerate emissions reductions so that we might avoid the worst of the damages yet to come. It's encouraging that 300 companies are committed to working together to achieve net-zero carbon by 2040 or sooner through The Climate Pledge. But 300 companies are not enough to deliver the transformations we need. I encourage all business leaders to get to grips with the science, translate it for their businesses, and enable the changes we need without delay."

### **Christiana Figueres**

Founding Partner of Global Optimism, Former Executive Secretary of the UN Framework Convention on Climate Change

Collectively, The Climate Pledge signatories represent:

300+

Businesses and organizations In global annual revenue

8M+

**Employees** 

Industries

Countries

**Progress in 2021** 

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





### Putting Principles Into Practice

The power of The Climate Pledge is bringing companies together to accelerate action—and that's just what happened with Climate Pledge Arena ☑. Oak View Group ☑, the Seattle Kraken ☑, and Amazon—all signatories of The Climate Pledge—worked together to build the most sustainable arena in the world.

Named by Amazon and opened in 2021, Seattle's history-making Climate Pledge Arena embodies the spirit of the Pledge and aims to set a new sustainability bar for the sports and events industry. In November 2020, the arena submitted its net-zero carbon registration to the International Living Future Institute. If certification is achieved, Climate Pledge Arena will be the first net-zero carbon certified arena in the world.

Renewable electricity from on-site solar panels and off-site renewable energy powers 100% of the arena's operations. The stadium uses reclaimed rainwater stored in the ice rink system, a concept called "Rain to Rink," to create the greenest ice in the National Hockey League (NHL). The building itself is also a feat; the original 44-million-pound roof from the previous Key Arena was reused in the construction to significantly reduce the embodied carbon of the new arena.

The arena is also aiming to divert over 97% of waste and eliminate 100% of single-use plastics by 2024. As for the guest experience, at least 75% of the ingredients of food served in the arena will be sourced within a 300-mile radius and on a seasonal basis to support regional farmers and producers. All viable unused food from events will be donated to local community food programs.

The arena stands as a living example of what's possible in the transition to a low-carbon economy. It's not about giving up things we love—it's about using innovation, technology, and great design to do them better than before.









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

We know that substantial investment is needed to develop solutions that will facilitate the transition to a low-carbon economy. The Climate Pledge Fund is a \$2 billion venture investment program supporting the development of sustainable technologies and services that will enable Amazon to meet our netzero carbon goal. As of the end of 2021, Amazon had invested in 13 companies across multiple industry sectors since launching this fund in 2020.

### **Investments in 2021**

In 2021, Amazon invested in the following companies and initiatives to accelerate sustainability progress across the areas of transportation, aviation, freight, packaging, farming, and technology:

to power that will be emission-free at the point of use. With the potential to become one of the first scalable ammoniato-power systems, Amogy's technology carries enough energy density to support long-distance transportation such as cargo shipping. This would be a significant step in helping decarbonize the main transport mode for global trade. Amogy's technology also has future implications for Amazon's own decarbonization goals, including those set by The Climate Pledge.



BETA Technologies ☑ is reshaping air transportation with an electric vertical takeoff and landing (eVTOL) aircraft. This aircraft, called the ALIA, can carry three cargo pallets, or up to six people, for zero operational emissions delivery of cargo, medical supplies, or passengers. Amazon's investment in BETA Technologies advances our path to zero-emissions package delivery and builds on our previous investment in ZeroAvia, the developers of hydrogen-electric aviation solutions



boxes tailored to the dimensions of the items in each order. This technology lowers or removes the need for single-use plastic padding while still protecting items during shipping. Amazon expects that by the end of 2022, this technology could reduce the cubic volume of the boxes we use for package deliveries by 24% on average, and the technology is projected to reduce our use of approximately 1 billion plastic air pillows by the end of 2022.



Hippo Harvest ☑ is an agricultural company using plant science, machine learning, and robotics to grow leafy greens and other produce in greenhouse environments. Hippo Harvest's technology addresses the emissions and waste that result from traditional produce farming. These include fertilizer and land use, transportation, and landfill methane from wasted produce, which account for roughly 30% of the emissions from crops grown for human consumption. The greenhouse system can be deployed almost anywhere, allowing produce to be grown closer to consumers. This cuts down emissions from produce transportation and increases the shelf life of fresh produce by up to five days. As a grocery retailer, Amazon is committed to supporting new produce solutions like those offered by Hippo Harvest as we grow our product offerings at our Amazon Fresh and Whole Foods Market stores.



Introduction



Infinium ☑ is a renewable electrofuels solution provider that focuses on converting captured carbon dioxide and hydrogen feedstocks into net-zero carbon fuels for use in today's air transport, marine freight, and heavy truck fleets. Infinium electrofuels have the potential to enable organizations to meet their carbon-reduction goals by accelerating the transition away from fossil fuels.



ION Energy ☑ develops software to improve the life and performance of lithium-ion batteries that power electric vehicles (EVs) and energy-storage systems. ION works with more than 75 customers in the mobility and energy industry across 15 countries, including India, France, Spain, and the U.S. We believe that ION's mission to improve the life and performance of lithium-ion batteries will ultimately scale solutions that help us all achieve our ambitious climate goals.

Resilient Power (RP) ☑ builds efficient and effective transformer-based EV charging technology. RP's technology enables EV fast-charging infrastructure to be built at onetenth the size and installation time of traditional charging technology, and is capable of charging up to 24 vehicles at a time without requiring expensive distribution grid upgrades. RP's technology has the potential to help Amazon meet our goal of deploying 100,000 Rivian electric vans by 2030, by ensuring that vehicles can be quickly recharged to support delivery of customer packages.





### **Collaborating to Accelerate Invention**

In 2021, The Climate Pledge Fund joined Greentown Labs Z, the largest climate tech startup incubator in North America. Greentown Labs has a growing network of industry-leading organizations committed to climate action and innovation. The Climate Pledge Fund's engagement with climate tech startups will help accelerate the transition to a low-carbon economy.

The Climate Pledge Fund has also joined Elemental Excelerator's Scale-Up Program 2. Together, Elemental Excelerator and Amazon are working to accelerate a pathway to decarbonization that mitigates the impact of climate change more quickly and equitably by identifying and supporting technology startups at the forefront of clean energy, mobility, agriculture, and the circular economy.

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



Climate science is telling us that, even with aggressive decarbonization efforts, companies will need to go beyond their own operations to reach netzero emissions by 2050. We believe that companies, including Amazon, can drastically reduce their own emissions while also investing outside their operations in initiatives that significantly contribute to achieving the Paris Agreement. One way we are doing this is by investing in nature-based solutions that conserve, restore, and improve land management activities to increase carbon storage in a variety of habitats.

### **Our Approach**

In 2019, Amazon created the Right Now Climate Fund, a \$100 million fund for nature-based solutions to restore and conserve forests, wetlands, and grasslands around the world.

Amazon uses nature-based solutions to mitigate carbon emissions outside of our value chain and supplement the carbon-reduction efforts we are driving across our operations. Nature-based solutions also have the additional benefit of helping to preserve the natural world by conserving wildlife habitats, protecting biodiversity, improving water quality, and reducing flood risk. All of these impacts can greatly enhance well-being in communities around the world.

We follow scientific research to fund initiatives that are critical to hitting the targets of the Paris Agreement and staving off the most catastrophic effects of climate change. Our approach to carbon neutralization focuses on three actions outside our value chain that can deliver needed mitigation and that have a significant unmet need for investment:

- Reducing deforestation to near zero, especially in tropical regions
- Scaling up the removal of carbon from the atmosphere with nature-based solutions such as reforestation and agroforestry
- Scaling up carbon-removal technologies, such as direct air carbon capture and storage

### **Scaling Up Nature-Based** Carbon Removal

Nature-based carbon removal has the potential to take billions of tons of carbon dioxide out of the atmosphere. Our nature-based carbon removal actions center on developing systems, tools, scientific knowledge, and

scalable business models for reforestation and regenerative agroforestry. Over time, we will look to expand our focus to include other forms of nature-based carbon removal, such as restoring mangrove forests and marine ecosystems.

### Nature-Based Carbon Removal in Brazil

2021 Sustainability Report

In 2021, Amazon partnered with The Nature Conservancy to launch the Agroforestry and Restoration Accelerator  $\square$ . The Accelerator will restore native rainforest to naturally trap and store carbon and mitigate climate change. It will also create a more sustainable source of income for thousands of local farmers in the Brazilian Amazonian state of Pará. The Accelerator is experimenting with innovative ways to support farmers and nurture markets for sustainable commodities. and will advance new approaches and satellite-based technologies to quantify and monitor carbon removal.

### **Reducing Emissions From** Deforestation

Significant investment is urgently needed to help communities set a course that both provides for sustainable economic development and protects forests, particularly in tropical forest regions.

### **Protecting the World's Tropical Rainforests**

In 2021, Amazon helped to create the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition ☑, a global initiative of governments and leading companies that has already mobilized \$1 billion to protect the world's tropical rainforests ☑. The public-private project is designed to accelerate climate action by providing financing to help countries protect their tropical rainforests. In November 2021, the coalition signed Letters of Intent with five tropical forest countries: Ecuador, Costa Rica, Ghana, Vietnam, and

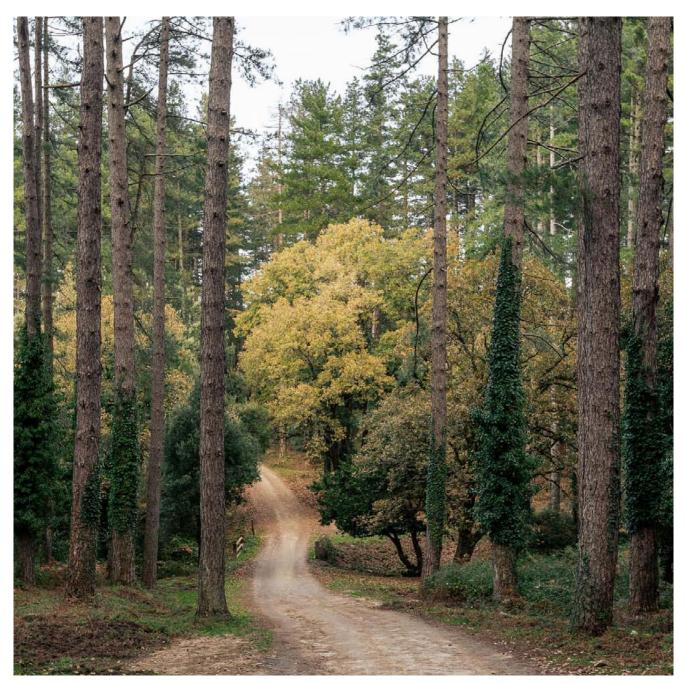
Nepal. The LEAF Coalition is expected to become one of the largest initiatives ever to protect tropical forests and support sustainable development, and will benefit billions of people around the world who depend on the rainforests.

### Supporting Family Forests in the U.S.

In 2020, Amazon committed \$10 million to support two programs in collaboration with The Nature Conservancy. The programs help family forest owners sequester carbon across the Appalachian region of the Eastern U.S., which has been identified as disproportionately important for conserving biodiversity and mitigating climate change. Amazon's grant supports efforts to expand the programs to new regions, develop a scientific approach to measuring regional carbon impact, and enhance carbon verification methodology for these projects. In 2021, the programs added 107 new family landowners and expanded access to the program to 130 counties.







### **Nature-Based Investments in Communities Across Europe**

Nature can transform urban communities while also mitigating some of the effects of climate change, like urban heat, flooding, and biodiversity loss. Therefore, in addition to our work and funding toward large-scale carbon emissions mitigation through nature-based solutions, we are also funding smaller-scale nature projects in the communities where we operate.

As part of our Right Now Climate Fund, Amazon has committed €20 million 🗹 toward nature-based projects in communities across Europe. These projects will have robust, science-based environmental benefits for carbon removal and biodiversity, along with social benefits such as job creation and access to nature.

### **Promoting Reforestation in Italy**

In 2021, Amazon committed €2 million to support Parco Italia, an urban forestry program that aims to plant 22 million trees across 14 metropolitan areas in Italy. This translates to one tree planted per city resident. Amazon's support for this project will help cities become more resilient to climate change by increasing urban biodiversity, improving air quality, and promoting urban cooling.

### **Urban Greening in Germany**

In 2020, Amazon committed €3.75 million to The Nature Conservancy's Urban Greening Program in Germany, which promotes biodiversity, reduces urban heat islands, and improves stormwater management in the face of climate change. With Amazon's support, the program launched in Berlin's Charlottenburg-Wilmersdorf district in 2020. In 2021, the Urban Greening Program developed mapping and analysis for roofs, grasslands, and urban streetscapes for greening potential.

**Learn more** about Amazon's science-driven approach to carbon neutralization and nature-based solutions &.



## On the Path to 100% Renewable **Energy**

Transitioning to renewable energy is one of the highest-impact ways to immediately lower emissions. 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.

As of the end of 2021, Amazon had announced:

274

Global renewable energy projects

105

Utility-scale wind and solar projects

169

Solar rooftops on facilities and stores

### **Our Approach**

Since 2014, Amazon has invested in global renewable energy generation to decarbonize our business across our worldwide operations. We procure new renewable energy through contracts for utility-scale wind and solar, on-site rooftop solar installations, and green tariffs with local utilities that deliver new, renewable energy to the grids where we operate.

Our projects supply renewable energy for a variety of Amazon facilities, including corporate offices, fulfillment centers, data centers, and physical stores, which collectively serve millions of customers globally. These projects also help meet Amazon's commitment to produce the clean energy equivalent of the electricity used by every customer's Echo device. We are making additional large-scale investments in wind and solar farm capacity, which will produce the clean energy equivalent to the electricity used by all Echo, Fire TV, and Ring devices worldwide by 2025.

### **Our Journey**

In 2021, we reached 85% renewable energy across our business, with more than 12 gigawatts (GW) of renewable energy production capacity across our global portfolio. Once these projects are fully operational, they are expected to deliver up to 33,700 gigawatt-hours of energy annually the electricity output equivalent to powering more than 3 million U.S. homes for one year.

These projects helped power more than 30 million megawatt-hours (MWh) of electricity used by Amazon in 2021 and led to a 23% reduction in our carbon emissions from purchased electricity from 2020 to 2021.

In 2021, we expanded our renewable energy footprint into new geographies, and by the end of the year, announced renewable energy projects across 18 countries. Our first solar projects in South Africa and the United Arab Emirates came online, and we announced new projects in Singapore, Japan, Australia, and China. Our projects in South Africa and Japan are the first corporate-backed, utility-scale solar farms in these countries.

We also announced two new offshore wind projects in Europe, including our largest renewable energy project to date. As of December 2021, we have enabled more than 3.5 GW of renewable energy in Europe through 80 projects, making Amazon the largest purchaser of renewable energy in Europe.

In June 2021, Amazon announced our largest renewable energy project in Canada. Once online, Amazon's renewable projects in Canada will produce more than 1 million MWh each year—enough to power more than 100,000 Canadian homes.





## A South African Solar Farm

In 2021, Amazon's first operational solar project in South Africa ☑ started to supply clean, renewable energy to the grid that powers AWS data centers, contributing to the country's 2030 renewable energy goals. Located in the Northern Cape province, the 10-megawatt (MW) solar project is expected to generate up to 28,000 MWh of renewable energy per year, which is equivalent to the annual electricity consumption of over 8,000 average South African homes.

The solar project consists of more than 24,000 solar panels that track the sun from east to west, rotating on a single point. Altogether, the project covers an area of 20 hectares in the Northern Cape, where sunlight is an abundant resource. The project's design will avoid an estimated 25,000 tons of carbon emissions annually, the equivalent of removing 5,400 cars from the road in South Africa.

The solar project is majority-owned by local women and operated by a fully South Africanowned company. The project has reduced waste by donating unused materials from construction, including pallets and electrical cable drums, to local furniture businesses and special skills schools to support small and medium-sized businesses.

24K+

Solar panels

25K

Tons carbon emissions avoided annually



2021 Sustainability Report

Keeping the power grid supplied when the sun isn't shining and the wind isn't blowing demands innovative solutions to continually generate carbon-free electricity. In 2021, Amazon announced our first solar energy and storage projects ☑, which provide the infrastructure required to store solar energy generated when the sun is shining. These utility-scale projects help enable electricity grids to operate with carbonfree electricity when the sun isn't shining.

### **Making the Grid Greener Through Renewable Energy Optimization**

As our use of renewable energy grows, we monitor the operational performance of hundreds of global projects to help us achieve our renewable energy goals. We employ a team dedicated to renewable energy optimization (REO) Z, which leverages AWS Cloud technology to improve the performance of Amazon's portfolio of wind and solar projects. Our REO team developed an end-to-end solution using AWS services to perform near real-time monitoring of our renewable energy projects. The team used AWS Internet of Things-based architecture to create a highly secure, reliable, scalable, and low-cost solution that manages data from hundreds of renewable energy projects. This enables us to rapidly identify and troubleshoot inefficiencies and find more opportunities for greater impact.

By 2025, we expect these optimizations will deliver the same amount of additional clean energy as a new 150-MW wind farm.

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



## **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.

### **Our Approach**

We leverage industry best practices and emerging technologies in facility design and operation to drive reductions across carbon, energy, water, and waste. We focus on the direct emissions that result from powering our buildings, as well as the indirect emissions from the embodied carbon—the carbon emitted during construction—in our building materials and equipment. We use proven technologies to enhance efficiency across our facilities and pilot new ideas, including innovations supported by The Climate Pledge Fund, to transition our buildings to net-zero carbon.



### **In Corporate Offices**

We use innovative design to build sustainability into our physical campuses. Energy-efficient lighting, low-flow water fixtures, composting, and recycling are common features in our corporate offices. Many of our office buildings offer plazas and open green spaces for public use, along with green roofs that provide outdoor amenity space while supporting ecological functions like stormwater management. We also offer plug-in electric vehicle (EV) charging stations and bicycle parking to encourage lowcarbon transportation for employees and visitors.

2021 Sustainability Report

In 2021, we unveiled our latest plans for sustainable design enhancements at PenPlace 2, the second phase of our HQ2 development in Virginia. From the start, sustainability has been a key element of our HQ2 campus and we are committed to achieving Leadership in Energy and Environmental Design (LEED) Platinum certification, the highest sustainability certification for a development issued by the U.S. Green Building Council.

Once completed, we aim for PenPlace to achieve a minimum of:

- 10% reduction in the amount of embodied carbon compared to typical construction practices, followed by a commitment to offset 100% of the remaining embodied carbon.
- 50% reduction in water consumption beyond national standards, using low-flow fixtures and reclaimed water.
- 30% energy savings below the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) baseline, with electrified building systems powered by 100% renewable energy through a combination of both on-site solar and local off-site solar generation.

Informed by an active and ongoing engagement process with Arlington County, we are reintroducing native plant species and creating a green, walkable, safe, and enjoyable community park for employees, nearby residents, and visitors. We are also expanding the planted area by 5,500 square feet, bringing the total area of public space at PenPlace to 2.5 acres.

In addition, we are making it easier for pedestrians and cyclists to navigate the campus. Protected bike lanes connect PenPlace to the comprehensive local bike transit plan, ensuring our presence helps push forward Arlington's own sustainability ambitions.

### In Fulfillment Facilities

Our fulfillment facilities \(\mathbb{Z}\) are state-of-the-art warehouses where we process orders for our customers. In 2021, we conducted pilot projects at several new fulfillment facilities using a low-carbon concrete technology produced by CarbonCure, a company Amazon has invested in through The Climate Pledge Fund. CarbonCure's technology enables the concrete industry to sequester carbon permanently in fresh concrete, reducing embodied carbon at new construction sites.

We also launched pilot projects at fulfillment facilities in North America to improve our on-site water management. This involved retrofitting sites to divert excess water runoff away from stormwater drains and toward ponds that exist on each facility's property.

In addition, many of our fulfillment facilities throughout the U.S., Europe, and India are powered by on-site solar, where a rooftop installation can power up to 80% of the facility's energy use. As of 2021, 115 of our global fulfillment facilities have rooftop solar installations and we continue to scale this program globally.

### In Our Stores

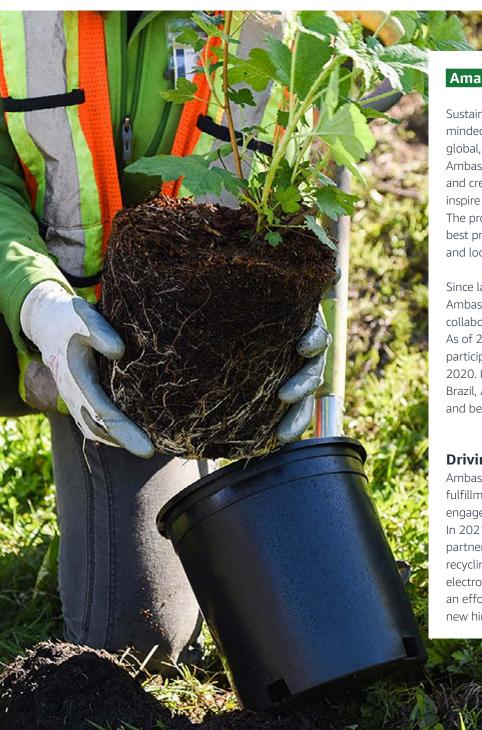
Sustainable building design is also important in our physical stores. In early 2022, our Amazon Fresh location in Seattle, Washington, became the world's first grocery store to pursue Zero Carbon Certification ☐ from the International Living Future Institute, a leading nonprofit dedicated to advancing sustainable building practices.

More than a dozen upgrades were incorporated throughout the development of the store, including transitioning to a CO<sub>2</sub>-based refrigeration system that reduces greenhouse gas emissions by 38 metric tons per year compared to a conventional system. The store also uses steel byproducts in the concrete floor to reduce embodied carbon by nearly 40% compared to a standard concrete floor.

Other key features include a fully electric kitchen space that reduces the need for fossil fuel combustion in the store, electrifying the store using 100% renewable electricity sourced from Amazon's renewable energy projects, incorporation of low-flow fixtures in restrooms and kitchens to reduce water use, and free EV charging for customers. As a result of these upgrades, we expect the store will save nearly 185 tons of CO<sub>2</sub>e each year—the equivalent of driving around the Earth 18 times in a standard passenger vehicle.1

Our Whole Foods Market stores feature similar sustainability benefits and upgrades. At the end of 2021, 200 EV charging stations were available in Whole Foods Market parking lots throughout the U.S. Nearly 50 Whole Foods Market stores utilized refrigeration systems that rely on natural refrigerants with low global warming potentials and over 70 Whole Foods Market stores had solar rooftops.

<sup>1</sup> Calculation based on CO<sub>2</sub>e saved, using the U.S. Environmental Protection Agency (EPA) carbon calculator 2.



### Amazon Sustainability Ambassadors

Sustainability Ambassadors are sustainabilityminded Amazon employees who work to amplify global, companywide efforts at the local level. Ambassadors lead projects on Amazon campuses and create virtual engagement opportunities to inspire fellow employees, both at work and at home. The program also serves as a community for sharing best practices among teams in different settings and locations.

Since launching in 2018, the Sustainability Ambassador program has transformed into a collaborative network across 1,250 global locations. As of 2021, more than 8,900 Amazon employees participate in the program—up from 7,500 in 2020. In 2021, we launched new chapters in India, Brazil, Australia, Mexico, the United Arab Emirates. and beyond.

### **Driving Local Impact, Globally**

Ambassadors who work at physical sites, like fulfillment centers, focus on opportunities to engage fellow employees through on-site initiatives. In 2021, Ambassadors at a facility in Wisconsin partnered with a local waste vendor to install recycling stations for employees to deposit used electronics. In Italy, an Ambassador spearheaded an effort to include sustainability information in new hire orientation programming for thousands

of new Amazon employees. In Tennessee, more than 35 Ambassadors hosted an event at a nearby middle school to plant a total of 44 trees that will help sequester carbon and divert stormwater at the school campus. Ambassadors in Singapore also led a tree-planting event to support the Singapore Botanic Gardens.

Ambassadors in our corporate offices are focused on sustainability initiatives that can be done virtually in any setting. In 2021, 5,600 Ambassadors across the globe participated in the Four-Week Sustainability Challenge, picking up litter or eating plant-based foods, among other everyday actions that help promote a more sustainable lifestyle. As part of the challenge, a group of participants in Europe collected more than 2,500 pieces of plastic waste in just 15 days.

For the second year in a row, Sustainability Ambassadors led Amazon's Sustainability Summit, a virtual educational event available to all employees to learn more about our corporate sustainability programs and partnerships. The event drew 13,000 registrations across 23 virtual sessions in 2021 and featured speakers from Amazon's sustainability leadership team, Sustainability Ambassador chapters, and signatories of The Climate Pledge. The summit also featured our second crowdsourcing challenge for Amazon employees to present innovative ideas on sustainability, which received 89 submissions.

## **Decarbonizing Transportation**

Delivering for our global customers requires Amazon to rely on a variety of transportation solutions for long and short distances. Decarbonizing our transportation network is a key part of meeting The Climate Pledge by 2040 and making 50% of Amazon shipments net-zero carbon by 2030, which is why we are actively transforming our fleet network and operations.

### **Our Approach**

One of the ways we are decarbonizing our transportation network is by deploying technical solutions including zeroemission vehicles and low-carbon fuels. We are preparing our systems and facilities to accommodate the largescale adoption of zero-emission vehicles in the coming years, which will require new refueling infrastructure and operating patterns.

Achieving our net-zero carbon goal will also demand longterm solutions that have not yet been invented, along with an abundant supply of clean energy sources to power those technologies. Knowing this, we are investing in breakthrough innovations through The Climate Pledge Fund and forging industry partnerships to accelerate change.

## **Deploying Solutions Across**

In 2019, we ordered 100,000 custom electric delivery vehicles from Rivian—the largest order ever of electric delivery vehicles. We rolled out the first of these vehicles in 2021. We expanded our European electric delivery fleet with an order for 1,800 electric vans from Mercedes-Benz, a signatory of The Climate Pledge. In India, we are adding 10,000 electric vehicles (EVs) to our existing fleet, including the Middle East.

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 EVs. More than 100 Amazon delivery stations across North America and Europe are equipped for EV usage, and all new delivery stations are designed to meet the needs of our current and future electric delivery fleets.

Additionally, we are using micromobility technologies to transform the way packages are delivered, particularly in urban settings. In 2021, more than 5 million shipments across 17 European cities and 30 million packages in Manhattan, New York, were delivered to our customers' doorsteps using cargo bikes and walkers. Our global bicycle fleet includes traditional bicycles and electric bikes connected to cargo trailers that can carry up to 45 packages at a time. More than 400 cargo bikes are used to make deliveries for Whole Foods Market and Amazon Fresh to customers in Manhattan and Brooklyn in New York City.

## **Our Network**

### **Last-Mile Delivery**

We use a range of delivery methods to reduce emissions on last-mile routes to our customers' doorsteps. These include electric delivery vehicles and micromobility technologies that can be used for shorter journeys.

two-wheeler, three-wheeler, and four-wheeler vehicles built by local manufacturers. We are also piloting electric delivery vehicles in other locations, including Latin America, Asia, and

## 100M+

Packages delivered across Europe with zero-emission vehicles

5M+

Shipments delivered in Europe using micromobility solutions

Packages delivered in Manhattan, New York, using cargo bikes and walkers





When it comes to transporting goods over longer distances, we rely on transportation across roads, rail, air, and water, each of which offers few existing low-carbon solutions that can be immediately deployed at scale. 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 transportation for the future.

In North America and Europe, we increased our total rail load volume and expanded our Amazon and leased rail assets in 2021. We started deploying battery EV trucks across our heavy commercial trucking fleets and began switching to vehicles that use alternative fuel sources, like compressed natural gas (CNG) trucks. As of 2021, we had ordered more than 3,000 CNG vehicles, and we are procuring millions of gallons of renewable natural gas created from waste stocks to power them, significantly reducing carbon emissions and particulate matter pollutants.

We are investing in alternative fuels, such as sustainable aviation fuel, which reduces carbon emissions in flight up to 20% over standard aviation fuel. Amazon secured more than 5 million gallons of low-carbon aviation fuel in 2020 and agreed to purchase up to 6.5 million gallons in 2021 and 2022. We also joined the Sustainable Aviation Buyers Alliance 

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 also purchased sustainable fuel made from waste cooking oil to reduce shipping emissions in ocean shipping. This purchase was estimated to have reduced emissions by approximately 20,000 metric tons of CO<sub>2</sub>e in 2021, which will be continued in 2022. We continue to advance public policies at the national and multinational levels that will support the decarbonization of the maritime shipping sector.

### Partnering to Support Solutions of the Future

We know that moving to more-sustainable transportation will require innovative solutions and sustainable fuels that do not yet exist. Through The Climate Pledge Fund \(\mathbb{Z}\), we are helping inventors and entrepreneurs move faster with an investment portfolio that includes breakthrough transportation technologies, such as those being developed by Rivian, BETA Technologies, Resilient Power, Amogy, Infinium, and ZeroAvia.

In 2021, we helped launch 
☐ 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 while gaining support from shipping lines, cargo owners, ports, and other organizations that can enable energy transition. We also became a founding private sector member of the First Movers Coalition to lead decarbonization of the maritime shipping industry. The coalition brings global companies together to harness their purchasing power and supply chains to create early markets for innovative clean energy technologies that are key for tackling the climate crisis. With this launch, we announced our commitment to use ships with zero-emission fuels for at least 10% of the volume of our goods shipped internationally by 2030 and 100% by 2040.

Additionally, we are driving policies that support the adoption of green technology around the world. In May 2021, we supported a policy proposal to the Japanese government for the adoption of zero-emission vehicles in the delivery industry by the Japan Climate Leaders' Partnership 

☑. The government set a new target of 100% electric or fuel cell vehicles in new delivery vehicle sales by 2040. It also introduced intensive measures to adopt EVs over the next decade through the 

2021 Sustainability Report

"By joining the First Movers Coalition, we are sending a clear signal that companies like Amazon are seeking long-term, low-carbon fuel solutions to help us achieve net-zero carbon by 2040. We welcome the Biden administration and the World Economic Forum's decision to launch the First Movers Coalition, which will help further accelerate our efforts to decarbonize our operations through real business change and innovation."

### **Andy Jassy**

President and CEO, Amazon



### Amazon FASTforward

Amazon works with thousands of external transportation providers, from individual truck owners to multinational logistics service companies. As part of our work to decarbonize our transportation network, we want to make clean technologies available and accessible to all of them. In 2021, we held our first virtual transportation sustainability summit ☑, FASTforward, focused on Future Advanced Sustainable Transportation. The summit brought together industry leaders, fleet operators and manufacturers, researchers, and policy experts from Europe to share experiences and inspire action.



# **Avoiding and Managing Waste**

Beyond Amazon's commitment to decarbonize our operations, we are working to send less material to landfills and more back into the circular economy loop. The majority of the waste we produce comes through our customer fulfillment operations, from materials that become obsolete in our supply chain, or from surplus inventory, including items that are overstocked, returned, cosmetically damaged, or near expiration.

### **Our Approach**

The best way to reduce waste is to avoid creating it in the first place, through waste-prevention programs and optimized inventory management. Reuse is the next best option, and is achieved by repairing, repurposing, and donating usable items—all actions we've developed programs 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.

### Reimagining the Product Lifecycle Through Amazon Second Chance

Through Amazon Second Chance Z, we provide customers with ways to responsibly retire their products. Customers in the U.S., UK, Canada, France, Germany, Italy, Spain, Sweden, and Japan can access a range of services to recycle, repair, or trade in their items, as well as shop for like-new and refurbished products. We also provide guidance on the responsible disposal of Amazon packaging.





### How to shop pre-owned items:

2021 Sustainability Report

Amazon Renewed of offers refurbished products such as electronics, home appliances, and more. All products are professionally inspected and tested to work and look like new and are backed by the Amazon Renewed Guarantee.

Amazon Warehouse 2 gives a second life to products returned by customers. Each product undergoes a rigorous 20-point inspection process before being sold at a discount.

Pre-Owned Amazon Devices provides customers with access to certified refurbished, like-new Amazon devices that have been screened and tested by Amazon and are backed with the same limited warranty as a new device.



### How to recycle or trade in products:

 $\underline{\text{Amazon Trade-In}} \boxtimes \text{ allows customers in the U.S., UK, and} \\ \underline{\text{Germany to trade in thousands of eligible electronics, such} \\ \text{as Amazon devices and select third-party cell phones,} \\$ 

tablets, video games and consoles, Bluetooth devices, and more, in exchange for an Amazon Gift Card. Traded-in Amazon devices are processed and resold to new owners, and any devices not qualified for resale are recycled through an Amazon-approved recycler.

For electronic equipment that cannot be repaired or traded in, customers can recycle their items free of charge through Amazon Device Recycling  $\square$  in the U.S. and through various recycling initiatives  $\square$  in Europe. These programs route electronic equipment to recycling partners and verify that they are recycled and repurposed.



### How to repair items:

Free <u>product support</u> ot in 2000 provides customers with technical assistance for select items, encouraging customers to fix items and maximize their lifespan before replacing or disposing of them. In the U.S., repair support is also available through iFixit ot in 2000.

### **Avoiding Waste Through Product Donations**

At our global fulfillment centers, we use software to identify and sort eligible items that are fit for donation. We partner with local community organizations to collect these items from Amazon facilities and distribute them to people in need. By donating surplus inventory to charitable organizations, we keep usable products out of the waste stream and help strengthen our local communities.

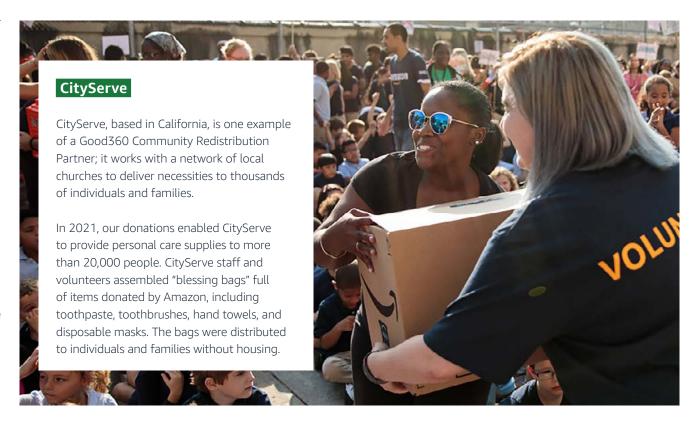
Many of our product donations are generated through our Fulfillment by Amazon (FBA) donations program, which automates the process for Amazon selling partners to donate their overstocked or returned items. The service requires no additional action from selling partners, allowing Amazon to easily scale product donations through our existing logistics.

We distribute the majority of our product donations through Good360, a nonprofit that works with a network of 100,000 charity partners in the U.S. Through our partnership with Good360, Amazon product donations are distributed to lowincome households, foster families, individuals with special needs or disabilities, seniors, veterans, immigrants, and more. In Europe, we partner directly with more than 100 charities and local organizations to distribute product donations.

Since 2019. Amazon has contributed more than 100 million products to our global charity partners in North America, Europe, Australia, and Japan. We are continuing to expand our product donations program globally by adding new locations in the Middle East, North Africa, and South America.

### **Redirecting Food Waste**

As an online food retailer and an operator of physical grocery stores, Amazon is committed to reducing our food waste



by 50% across our U.S. and Europe operations by 2030. We became a member of the Food Loss and Waste 2030 Champions 
☐ through the U.S. Environmental Protection Agency in 2020, and extended our commitment to reducing food waste to our Europe operations in 2021. To achieve this, we are optimizing our food inventory management systems to minimize waste from the outset and prioritizing ways to avoid landfills.

Wherever possible, we donate surplus food to individuals and families who need it most through community redistribution programs. In 2021, we donated 85 million pounds of food—equivalent to more than 70 million meals—through Feeding America in the U.S. Feeding America is a network of food banks, pantries, soup kitchens, shelters, and other community-based agencies that helps Amazon maximize the impact of our food donations. In Europe, we donated more than 4,000 tons of food—equivalent to 10 million meals—in

2021. All of our UK grocery stores have a donation partner in place that helps deliver surplus food to charities around London. Similarly, all of our U.S. grocery stores have a donation partner.

For food that can't be donated, we turn to processes that avoid landfills, such as composting and anaerobic digestion. In 2021, we diverted 27,000 tons of food through composting and anaerobic digestion across our worldwide operations. All Amazon Fresh stores operating in the U.S. have composting programs for food that cannot be donated, and we are expanding our on-site composting capabilities across our facilities.

At our Whole Foods Market stores, we have active composting programs at nearly 470 locations and collectively diverted more than 155,000 tons of food waste by the end of 2021. Another 2,775 tons of food waste were sent

to anaerobic digestion facilities through an organic waste recycling system called Grind2Energy. The Grind2Energy system has helped to divert 12,500 tons of food waste at Whole Foods Market stores since 2014. As a result, we have prevented nearly 9,000 metric tons of CO2e from entering the atmosphere and produced enough clean, renewable energy to power over 2,500 U.S. homes for a month.

### **Recycling Solutions Across Our Operations**

Corrugated board is the most common material that flows through our fulfillment center operations, and we work with third-party recycling haulers to remove excess corrugate from our facilities for off-site recycling. Many of these haulers also supply Amazon with the packaging materials that we use for customer shipments, converting waste material recovered from Amazon operations into new, recycled packaging.

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 programs. 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.

We continue to explore alternative solutions for other materials that are challenging to recycle. In 2021, we completed a pilot to recycle and repair damaged bags used to sort and stow items in our fulfillment operations into reusable materials. Additionally, we work with our shipping label suppliers in several European locations to recycle the silicone backing paper from shipping labels to make new ones.



## **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 per-shipment packaging weight by 38% and eliminated over 1.5 million tons of packaging.

### **Our Approach**

Amazon customers want right-sized, recyclable packaging that minimizes waste and ensures damage-free delivery. We work to reinvent and simplify our sustainable packaging options using a science-based approach that combines lab testing, machine learning, materials science, and manufacturing partnerships to scale sustainable change across the packaging supply chain.

### **Eliminating Packaging Where Possible**

Frustration-Free Packaging (FFP) 
☐ is Amazon's flagship program designed to reinvent the packaging experience. FFP products offer more-sustainable packaging that is easy to open, fully recyclable, and capable of shipping without additional packaging protection. In 2021, we began offering incentives to vendors that convert their packaging to FFP to encourage more vendors to adopt these best-inclass standards. We also offer additional incentives when those changes include reductions in total cubic volume. This generates less packaging waste for customers and enables more packages per delivery vehicle. By the end of 2021, more than 2 million products qualified under our FFP programs.



### **Partnering for Better Packaging**

Some products are more difficult to ship than others. Stemware, for example, is fragile and frequently arrives with multiple layers of padding to prevent damage. This additional material can make for a frustrating customer experience and doesn't always protect the product.

To demonstrate that e-commerce packaging can be both minimal and effective, we facilitated a complete redesign of stemware packaging for Lenox, a wellknown brand that has specialized in tableware and glassware for over 130 years.

This novel packaging design includes changing product orientation to optimize for space. It also includes a protective corrugate insert, replacing the need for bubble wrap, further reducing plastic waste and improving the customer experience. The result is a fully recyclable package that uses 83% less material weight and 78% less volume without compromising protection of the item inside.

### Cold Groceries, Delivered More Sustainably

In 2021, U.S. grocery teams launched new curbsiderecyclable packaging to replace nonrecyclable insulation that protects chilled items in grocery deliveries. This has eliminated the annual need for 1.500 tons of natural cotton fiber and 7,500 tons of nonrecyclable mixed plastic that was previously required to safely deliver chilled or frozen groceries from Amazon Fresh and Whole Foods Market.

It is particularly challenging to design new solutions that maintain adequate insulation properties to keep products chilled. Our innovative packaging uses layers of tissue to provide both durability and insulation without sacrificing recyclability.

Customers were with us for every step of this journey.

**Learn more** about how we tested this packaging in several U.S. cities and incorporated improvements into the design based on customer feedback \(\mathbb{Z}\).

**Algorithm Packaging Efficiencies** 

29

## Optimizing Materials Where Packaging Is Necessary

When additional Amazon packaging is required to ship a product, we strive to optimize that packaging for increased recyclability along with reduced waste and carbon. We are transitioning to materials that are compatible with local paper and plastic recycling streams where we operate. We also support initiatives to expand the availability of curbside recycling infrastructure to the public through investments in The Recycling Partnership and the Closed Loop Infrastructure Fund.

In the U.S., we expanded the use of our recyclable paper padded mailer, replacing nearly 70% of our mixed material bubble mailers in 2021. We also improved the composition of our single-use plastic packaging to use less material and incorporate more recycled content. In 2021, we increased the recycled content of our plastic film bags from 25% to 50% and that of our plastic padded bags from 15% to over 40%. Through these 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 fulfillment centers in 2021. We also removed a wide range of single-use plastic products from our European stores. In Australia, we replaced all single-use air pillows with 100% recyclable paper material to protect goods during shipping. Amazon also became a founding member of the India Plastics Pact after removing single-use, thin film plastics from Amazon packaging throughout India fulfillment centers in 2020.

## Using Technology to Optimize Packaging Type and Fit

We use a range of boxes and mailers across our fulfillment network, and for every shipment that requires packaging, we use science-based systems to determine optimal packaging sizes and types. This starts with using machine learning to identify products that can be delivered safely with less material. Machine learning algorithms help us determine when smaller products are suitable for flexible packaging, such as padded mailers and bags, which are up to 75% lighter than similar-sized boxes. Over the past five years, these algorithms have allowed us to reduce the use of corrugated boxes by over 35%.

In 2021, we deployed data-science algorithms to optimize the number and size of boxes used for 12 geographies around the world. These algorithms—which help our fulfillment centers maintain the right mix of box sizes—now cover 65% of global box shipments, with plans to scale to 97% in 2022.

We also introduced advanced fitting algorithms designed to reduce packaging specifically for shipments with multiple items. These new algorithms calculate the possible arrangements of products for best fit in a three-dimensional virtual package. Since launch, this technology has downgraded the size or type of packaging for 7% of total shipments and we plan to deploy it globally in 2022.

# Size with old algorithm 2.133 inch<sup>3</sup> 34.7% Size with new algorithm External cube 1,393 inch3 reduction



## **Product Sustainability**

As part of our mission to be Earth's most customer-centric company, we are giving customers access to products that are more sustainable. This includes both our Amazonbranded products and the thirdparty items we offer that feature sustainability certifications through our Climate Pledge Friendly program.

### **Making Sustainable Shopping Simpler**

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.

### **Our Approach**

Through the Climate Pledge Friendly ☑ program, we are helping customers in the U.S. and Europe discover and shop for more-sustainable products. To identify these products, we partner with a wide range of trusted and transparent external certifications 2. Qualifying products are labeled in shopping results and have additional sustainability information on their product pages.

We also developed our own certification, Compact by Design ☑, to identify products that have a more efficient design. By eliminating excess air, water, and packaging, products require less packaging and become more efficient to ship. At scale, these small differences in product size and weight lead to significant carbon-emission reductions.

Since we launched Climate Pledge Friendly in 2020, the number of products included in the program has grown from 75,000 to more than 250,000 by the end of 2021. Search rates for these products have also increased significantly during the same time frame. 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 program. See a full list of 

Additionally, in 2021, we launched 17 features and experiments to increase the discoverability of Climate Pledge Friendly products. This included a new Guided Buying ☐ tool for Amazon Business Prime customers, designed to spotlight Climate Pledge Friendly products. The tool has been adopted by 1,650 organizations since launching in July 2021. Guided Buying steers business customers to Climate Pledge Friendly products as the preferred procurement option by their organizations.

### **Everyday Essentials, Consciously Created**

In early 2022, Amazon launched Amazon Aware, a new line of everyday essential items with thirdparty certifications featured in our Climate Pledge Friendly program.

With Amazon Aware

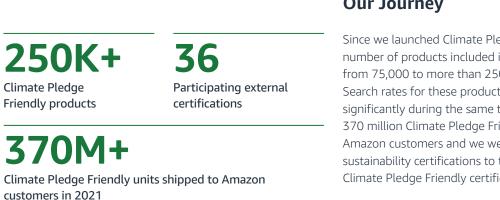
Amazon Aware helps customers in the U.S., Canada, and Europe to shop for products made from materials such as recycled polyester, organic cotton, and bio-based ingredients. The line features products across apparel,

home, beauty, and other categories—all with productspecific certifications, such as Global Recycled Standard for recycled polyester content in apparel items.

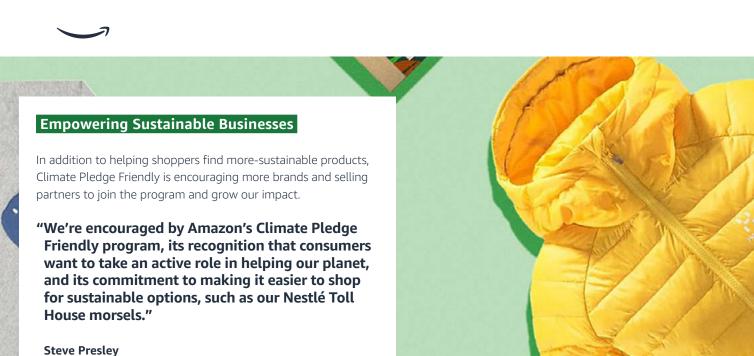
Bedding and bath products use certified organic cotton and are certified by MADE IN GREEN by OEKO-TEX, which verifies that products are tested for harmful substances and made in safer workplaces with reduced environmental impacts. Household cleaners are made with U.S. Department of Agriculture-certified, bio-based cleaning formulas.

**Learn more** about the launch of Amazon Aware ☑.

### **Our Journey**







U.S. Market Head and CEO. Nestlé USA

### **Hear From Climate Pledge Friendly Certification Partners**

continuously calculated and reduced, with any remaining emissions offset. The Carbon neutral label has been on the market for more than a decade and is recognized as a trustworthy certification by independent and governmental institutions.

"People want to shop more consciously and Amazon is making that easier. ClimatePartner is proud to be part of this important journey, providing transparency and credibility with its verification of climate neutrality."

### **Tristan Foerster**

CEO and Co-Founder. ClimatePartner

EWG VERIFIED I products are reviewed to ensure they are free from Environmental Working Group (EWG)'s known chemicals of concern and adhere to strict health standards. For almost 30 years, EWG has tracked chemical safety and warned consumers about companies that use hazardous chemicals in items such as cosmetics and other personal care products.

"We are delighted that Amazon has selected EWG VERIFIED to include in its effort to feature more-sustainable products as a way to protect our climate. When Amazon shoppers see the Climate Pledge Friendly label on a product that has earned the EWG VERIFIED mark, they'll know that it is also one of the products identified as more sustainable on Amazon, in addition to meeting our industry-leading benchmarks for health."

### **Ken Cook**

President. EWG

### **Sourcing Sustainable Materials**

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 lifecycle impacts across our product categories by asking: How can these products be better?

### **Our Approach**

We are working to enhance the certification and traceability of key raw materials and ingredients in our consumable products. We also participate in industry partnerships and working groups that drive greater adoption of sustainable and responsible practices. Additionally, we are increasing the amount of recycled fiber used in many of our Amazon Private Brands apparel products.



2 As used here, Amazon's grocery Private Brands include brands under our Fresh, Kitchen, and Consumables businesses. Whole Foods Market refers to Whole Foods Market in the U.S., except where stated otherwise.

The following set of sustainability commitments guide Amazon Private Brands and Whole Foods Market decisions for sourcing materials and ingredients:



### **Animal Welfare**

As retailers of animal-derived products, we recognize our responsibility to uphold animal welfare within our supply chain. We expect our suppliers to uphold the Five Freedoms framework for animal welfare, which mandates freedom from hunger and thirst: freedom from discomfort: freedom from pain, injury, or disease; freedom to express normal behavior: and freedom from fear and distress. We expect our suppliers to comply with all applicable laws and to take a zero-tolerance approach to animal cruelty, abuse, and neglect. We encourage suppliers to continuously improve their animal welfare standards and practices, and to work toward recognized animal welfare certifications or industry guidelines that include welfare provisions. For information about animal welfare at Whole Foods Market, see our Meat Department Quality Standards 2.



### Cocoa, Coffee, and Tea

Amazon is committed to sourcing cocoa, coffee, and tea that is certified against sustainability standards by Rainforest Alliance or Fairtrade International for our grocery Amazon Private Brands<sup>2</sup> selection in Europe. For cocoa products in Europe, other independently verified third-party schemes (such as Cocoa Horizons) may also be used, subject to review and approval. Most of our Private Brands ground, whole bean, and pods coffee products in North America are also certified by Rainforest Alliance, Fairtrade International, or Fair Trade USA, and we expect the remaining selection to transition in 2022

All 365 by Whole Foods Market brand chocolate bars, chocolate chips, and baking chocolate are certified by Fair Trade USA, and in 2021, we transitioned all tea under the same brand to be certified by either Fair Trade USA or Rainforest Alliance. In addition, all 365 by Whole Foods Market packaged coffee is responsibly sourced and certified according to an approved third-party certification, including Rainforest Alliance, Fair Trade USA, or Fairtrade International. Whole Foods Market is also a member of Conservation International's Sustainable Coffee Challenge, a collaborative effort of companies, governments, NGOs, research institutions, and others to transition the coffee sector to be more sustainable.



### Cotton

We are striving to source all cotton for our Amazon Private Brands apparel products from more-sustainable sources by the end of 2022. This includes using cotton sourced from recycled materials, from farms certified as producing organic cotton, or through Better Cotton 🗹, a global nonprofit that aims to transform the cotton supply chain by developing Better Cotton as a sustainable mainstream commodity.



Amazon is committed to sourcing cage-free eggs in our grocery Private Brands whole shell egg products in North America and Europe. At Whole Foods Market, all shell and liquid eggs sold in our dairy cases and used in our kitchens and bakeries in the U.S. go beyond cage-free and are audited to one of four production systems to meet Whole Foods Market's Market in Canada, all eggs come from cage-free hens.



### Leather

We are striving to source all leather for our Amazon Private Brands apparel and shoe products from more-sustainable sources by the end of 2023. To achieve this, we will source from tanneries that meet the Leather Working Group's \(\mathbb{Z}\) bronze level award or higher.



Amazon Private Brands consist of products across several category types, including apparel, grocery, home, electronics, and more. Explore our Private Brands on Amazon.com 2.



### Man-Made Cellulosic Fibers

We are striving to source all man-made cellulosic fibers—including rayon, viscose, lyocell, and modal—for our Amazon Private Brands apparel products from more-sustainable sources by the end of 2022. We use the nonprofit Canopy's ☑ tools and reports to help avoid fibers sourced from endangered forests, endangered species' habitats, or other controversial sources.



### Palm Oil

Amazon uses palm oil certified against sustainability standards in our Private Brands food and nonfood products in North America and Europe. In a small number of cases, palm oil credits may be used to cover small volumes and complex derivatives. We revisit these cases annually with applicable suppliers and agree on plans to transition to physically certified palm oil where possible. In addition, 100% of 365 by Whole Foods Market brand food items containing palm oil, palm kernel oil, palm fruit oil, and palm shortening are produced using sustainable oil products \(\mathbb{Z}\).



### Pape

In North America and Europe, Amazon grocery Private Brands are committed to sourcing paper products such as paper towels, toilet paper, and facial tissue that are certified against sustainability standards or as recycled by organizations such as the Forest Stewardship Council (FSC), Sustainable Forestry Initiative, and Programme for the Endorsement of Forest Certification. In addition, all 365 by Whole Foods Market paper products are either made from 100% recycled materials or certified by FSC.



### Pork

In addition to complying with the European restrictions on the use of gestation crates, Amazon is committed to sourcing gestation crate-free pork by 2025 in our grocery Private Brands fresh pork products in North America. At Whole Foods Market, all pork sold in the Meat Department is also crate-free and certified by the Global Animal Partnership—a nonprofit alliance of producers, retailers, animal advocates, and scientists that certifies producers' animal welfare practices to more than 100 animal welfare standards. See Whole Foods Market's Meat Department Quality Standards \(\mathbb{Z}\) for more information.



### **Recycled Fabrics**

We are increasing the use of recycled fabrics in Amazon Private Brands apparel products, including moving from conventional to recycled polyester, and launching products made from innovative recycled fibers.



### Seafood

Amazon is committed to sourcing seafood that is certified or rated against sustainability standards for our grocery Private Brands selection in North America and Europe, as well as throughout Whole Foods Market's Seafood Department. For wild-caught seafood under these selections, single-ingredient fresh, frozen, and canned products must be sourced from fisheries that are certified against sustainability criteria by the Marine Stewardship Council Standard or rated "Green" or "Yellow" by Monterey Bay Aquarium Seafood Watch program. Amazon's grocery Private Brands wild-caught seafood products may also be part of a credible fishery improvement program with a progress rating of C



or higher. For single-ingredient farmed seafood, Amazon grocery Private Brands products must be certified by the Aquaculture Stewardship Council, certified organic by EU organic, Naturland, or other approved schemes, or certified 2 stars or higher by the Global Aquaculture Alliance's Best Aquaculture Practices. All Whole Foods Market farm-raised fresh or frozen seafood meets our Responsibly Farmed standards, is traceable to the source, and requires third-party verification of water quality and dozens of other quality standards. See Whole Foods Market's Seafood Department Quality Standards of for more information.

**Learn more** about our <u>Restricted Substance List</u> <u>L</u>, which provides an extensive list of chemicals we seek to avoid in Amazon Private Brands baby, household cleaning, personal care, and beauty products, and applies to all suppliers of these product categories in the U.S. and Europe.

Our Food Contact Materials Restricted Substance List  $\underline{\,}$  outlines the chemicals of concern and nonrecyclable materials we prohibit in Amazon Kitchen food contact packaging.

In addition, every food product sold by Whole Foods Market must meet rigorous <u>quality standards</u>  $\square$ , which prohibit more than 230 preservatives, flavors, colors, sweeteners, and other ingredients. Whole Foods Market also has standards for all <u>household cleaning</u>  $\square$ , <u>beauty</u>, and body care  $\square$ .



## **Designing Our Devices and Services for Sustainability**

Amazon devices and services are a part of everyday life for millions of customers around the world. They inform, entertain, and connect our customers, and we are working hard to make our devices more sustainable. That includes helping customers reduce their impact on the environment through our products and services.

### **Our Approach**

We design our devices to be more sustainable by measuring and reducing carbon emissions at all stages of the product lifecycle, from how the devices are made to how they are used and ultimately disposed of. We extend our impact by delivering products and experiences to help customers manage their own environmental impact.



### **Materials and Chemicals**

We incorporate recycled materials into many new Amazon devices. In 2021, we launched several Echo, Fire TV, Fire Tablet, Kindle, and Smart Home devices and accessories that include up to 60% recycled molded plastic, up to 100% recycled fabrics, up to 100% recycled aluminum, and up to 70% recycled magnesium, depending on the product. We also incorporated 50% recycled plastic into certain power adapters that ship with our devices.

To advance the move to safer chemistry, we joined <a href="ChemFORWARD">ChemFORWARD</a> \( \vert^2 \) as a co-design partner. Through this partnership, we are collaborating with industry peers to proactively identify harmful chemicals and safer alternatives ahead of regulations.



### Packaging

In 2020, we committed to making Amazon device packaging 100% recyclable by 2023. Additionally, we are working to source 100% of the wood fiber in our packaging from responsibly managed forests or recycled sources. We have made significant progress toward our goals, eliminating more than 29 million plastic bags from our device packaging between September 2020 and September 2021. For new Echo, Fire TV Stick, Fire Tablet, and Kindle Paperwhite devices launched in 2021, 94%–98% of the packaging is made of wood fiber-based materials from responsibly managed forests or recycled sources, depending on the product.



### Energy

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 also making investments in additional wind and solar farm capacity that, by 2025, will be equal to the energy use of Fire TV and Ring devices worldwide. Combined, we expect these projects will produce over 5 million megawatt-hours of clean energy per year—that's enough to power more than 400,000 homes.

To accompany our investments in renewable energy, we also continue to make our devices more energy efficient. We have been rolling out Low Power Mode to new devices, as well as to older devices already in customers' homes. By the end of 2021, over 50% of all Echo and Fire TV devices in customers' homes had Low Power Mode. We also launched a number of new Fire Tablet, Fire TV, and Amazon Smart Home devices in 2021 that were designed for energy efficiency and earned the ENERGY STAR certification.



### Reliability

We design our devices with best-in-class reliability models so that they are more resilient, last longer, and don't need to be replaced as often. We also release over-the-air software updates for our customers' devices with feature and security updates.



### **Suppliers**

We work with our suppliers to encourage sustainability as a top priority. In 2021, we launched our Zero Waste to Landfill program for suppliers. Ten of our supplier sites responsible for the final assembly of some of our most popular Echo, Kindle, and Fire TV devices achieved UL's Zero Waste to Landfill Silver or Platinum certification—a significant step toward achieving our zero-waste ambitions. This certification indicates that waste has been handled in environmentally responsible ways, diverting more than 90% of a facility's waste from landfill through methods other than waste to energy.



### Climate Pledge Friendly

We partner with trusted and transparent external certifications to validate the sustainability of our products and clearly communicate this to customers with the Climate Pledge Friendly label. In 2020 and 2021, our Echo, Fire TV, Fire Tablet, Kindle Paperwhite, and Smart Home devices and accessories launched with the Climate Pledge Friendly label. Many of these products carry the Carbon Trust's Reducing CO<sub>2</sub> certification, demonstrating a reduction in the carbon emissions of a product year over year. The Amazon Smart Thermostat is the first Amazon device to be ECOLOGO Silver certified—a certification that demonstrates products meet standards that can reduce the environmental impact of one or more stages of the product lifecycle.



### Alexa

We are making it easier for customers to understand their home energy use with the Alexa energy dashboard , available in the U.S. The dashboard works with compatible smart lights, plugs, switches, water heaters, thermostats, televisions, and Echo devices, allowing customers to easily estimate the energy used by these devices. Customers can also enable Alexa to help them conserve energy with Hunches. For example, if Alexa has a Hunch that a customer is away and forgot to turn off a light, Alexa can automatically turn it off, helping customers save energy and reduce carbon emissions.



### **Extending Our Impact**

To drive change beyond our business, we look for ways to share learnings and innovations that have shaped the way we design our products. This allows others to leverage our expertise and make more-sustainable products for their own customers. In early 2022, we published a paper called Decarbonizing and Neutralizing the Use Phase of Connected *Devices* ⊌, focused on how we are integrating carbonreduction strategies across the use phase of our devices. These strategies account for an estimated 10%–15% of the overall carbon footprint of rechargeable battery-operated devices and an estimated 60%-80% of the footprint of plugged-in devices. At Amazon, we recognize that we cannot solve this challenge alone, and we are eager to invite other consumer electronics companies and connected device manufacturers to join the mission of driving to a net-zero carbon use phase.



AWS is the world's most comprehensive and broadly adopted cloud offering, with millions of global users depending on it every day. To build a sustainable business for our customers and for the world we all share, we are designing data centers that provide the efficient, resilient service our customers expect while minimizing our environmental footprint—and theirs.

### **Our Approach**

We focus on efficiency across all aspects of our infrastructure, from the design of our data centers and hardware to modeling the performance of our operations for continuous enhanced efficiency. We are on a path to power our operations with 100% renewable energy by 2025. These renewable energy investments help power our data centers, as part of our commitment to reach net-zero carbon across our operations by 2040.

For AWS, operating sustainably also means reducing the amount of water we use to cool our data centers. Our holistic approach minimizes both energy and water consumption in our operations and guides the development of our water use strategy for each AWS Region where we operate.

In addition, we work to reduce the carbon emitted during the extraction, manufacturing, and transportation of materials to data center construction sites. Reducing this embodied carbon offers a significant opportunity to cut our overall emissions from data centers.

### **Energy Efficiency**

We are using innovation to improve power efficiency in multiple ways, including our investment in AWS-designed chips and the AWS Nitro System. For instance, AWSdesigned Graviton3 is our most power-efficient generalpurpose processor. Graviton3-based Elastic Compute Cloud (EC2) instances use up to 60% less energy for the same performance than non-Graviton EC2 instances. With the world's increasing need for computing and as machine learning has become mainstream, continually innovating at the chip level will be critical to sustainably powering the workloads of the future

AWS also continually innovates on cooling efficiency. For example, we worked with our vendors to optimize the longevity and airflow performance of the cooling medium used in our data center cooling systems. The new medium provides twice the service life and allows air to pass through more easily than previous iterations, saving fan energy. This has significant impacts on building energy performance, reducing the energy use of cooling equipment by 20%.

### **Predicting and Tracking Performance**

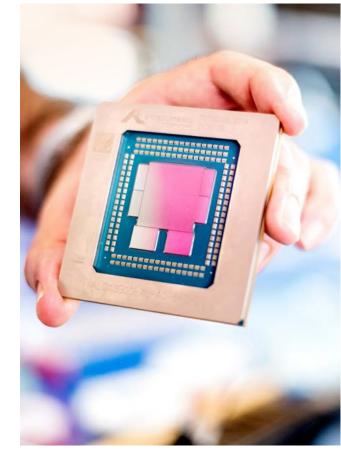
We use advanced modeling methods, such as computational fluid dynamics tools, to optimize our data center design. This allows us to fully understand how the data center will perform before it is ever built, enabling us to optimize for higher reliability and energy efficiency in our systems. Once our data centers are operational, real-time, physicsbased models allow us to further improve and optimize our designs. We build these custom models using AWS services and weather datasets from the Amazon Sustainability Data Initiative to predict system performance for our sites and track their performance against how they should be operating.

### **Reducing Embodied Carbon**

In addition to emissions from our energy usage, AWS addresses a wide range of indirect emissions—including those associated with the construction of our data centers. Steel is one of the largest contributors of embodied carbon in the structure of AWS data centers and we are lowering these emissions by working with mills using electric arc furnace production processes. Unlike conventional steel produced from primary materials, coal, and gas, our suppliers are using up to 100% recycled content and are powered by electricity only, reducing embodied carbon up to 70%. We

delivered six projects constructed with recycled steel in 2021 and will expand this to all future U.S. and European data centers moving forward.

Concrete also contributes a large share of embodied carbon in data center construction, and AWS has multiple initiatives to reduce the carbon impact of the concrete required. For example, our design standards now require concrete with a 20% reduction in embodied carbon versus standard concrete for new U.S. data centers, and we are expanding this requirement globally.



3.6x

AWS is 3.6 times more energy efficient than the median of U.S. enterprise data centers surveyed

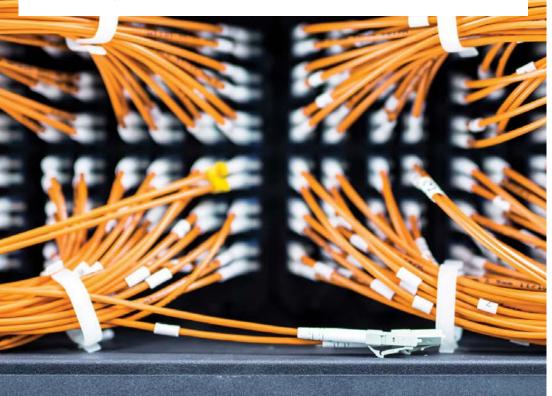
**5**x

AWS is up to five times more energy efficient than the average data center surveyed in Europe

### Moving to AWS Can Help Significantly Lower Carbon

Studies by 451 Research &, part of S&P Global Market Intelligence, have shown that AWS' infrastructure is more efficient than on-premises data centers. AWS is 3.6 times more energy efficient than the median of U.S. enterprise data centers surveyed and up to five times more energy efficient than the average in Europe. A similar study that surveyed organizations in Japan, South Korea, Singapore, Australia, and India found that, on average, moving to the cloud was up to five times more energy efficient than using their on-premises data centers.

After analyzing several regions, 451 Research also found that AWS can lower customers' workload carbon footprints by nearly 80% compared to surveyed enterprise data centers, and up to 96% once AWS is powered with 100% renewable energy—a target we are on path to meet by 2025.



### AWS Customer Carbon Footprint Tool

As AWS continues to invest in sustainability across our infrastructure, many of our customers have asked us to help measure the carbon footprint of their AWS workloads—both to understand how moving to AWS reduces their carbon footprint and to report their overall footprint.

visualizations to show customers their historical carbon emissions, evaluate related trends as their use of AWS evolves, estimate emissions avoided by using AWS instead of an on-premises data center, and review forecasted emissions based on their current usage.

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 toward net-zero carbon by 2040.

In addition, historical carbon emissions data is available based on a customer's AWS use from January 2020 onward. This data includes Scope 1 and Scope 2 emissions. Scope 1 emissions come directly from a company's operations, while Scope 2 emissions come from the generation of purchased energy, such as the electricity used to power Amazon facilities.

The customer carbon footprint tool uses carbon data that meets the widely adopted international standard of the Greenhouse Gas Protocol, which supplies the world's most widely used greenhouse gas accounting standards. When signed into the AWS Billing console, customers can view their carbon emissions data by geographical location and by AWS service, such as EC2 and Amazon Simple Storage Service (Amazon S3). They can also measure changes in their carbon footprint over time, as they deploy new resources in the cloud.



37

# **Water Stewardship in Data Centers**

Amazon knows water is a precious resource. Our holistic approach minimizes both energy and water consumption in our data center operations and guides our water use strategy for each AWS Region. This starts with evaluating climate patterns, local water management and availability, and opportunities to avoid using potable water sources whenever possible. We are committed to conserving and reusing water, both in our on-site operations and by working with private and public entities to support water availability in communities where we operate data centers.

## **Evaporative Cooling**

Our preferred cooling strategy for data centers uses evaporative technologies. We analyze the weather in each region and monitor our cooling system, which is designed to maximize environmental cooling and minimize water use During the hottest months of the year, we have optimized systems to minimize water usage. Outside air is cooled through an evaporative process and pushed into the server rooms to keep hardware at stable operating temperatures. With this design, even our largest data centers at full capacity would use, on average, about the same water in a year as only 25 U.S. households. During cooler months, where possible, outside air is supplied directly to the data center without needing to be cooled.

We are constantly innovating the design of our cooling systems to further reduce water usage. We are installing sensors that provide real-time water-use data to operators and sustainability teams. By analyzing this data, we can identify opportunities to reduce water usage and rapidly make operational changes.



# **Recycled Water**

We evaluate the opportunity to reduce our consumption of potable water and are actively expanding our use of nonpotable and recycled water for cooling purposes. In certain regions, we work directly with utilities and regulators to obtain approval for the use of recycled water in direct evaporative cooling technology. We are continuing to work with water utilities in various regions to expand this recycled water infrastructure. Through these actions, we are actively contributing to sustainable water solutions by reducing our impact on the local potable water supply for the communities where we operate.

#### **On-Site Water Treatment**

We use on-site, modular water-treatment systems in multiple regions, which allow us to remove scale-forming minerals and reuse water for more cycles. Increasing our "cycles of concentration" contributes to reducing the water intake needed to cool our data centers.

# **Community Water Programs**

Water is a key resource we share with those who live where we operate, so we look for opportunities to return water to these communities. For example, we partnered with the City of Umatilla and the West Extension Irrigation District to deliver water to farmers in Oregon. Instead of going to a wastewater treatment plant, our clean cooling water goes into a canal that delivers the water to farmers for use in irrigation. With this project, we reuse up to 96% of the wastewater we discharge from our data centers in this region.

In 2021, we funded watershed restoration efforts by The Nature Conservancy in Cape Town, South Africa, and São Paulo, Brazil. These completed projects have restored 365 hectares of land and increased water supply availability by 45 million gallons per year.

Through partnerships with Water.org and WaterAid in India and Indonesia, we initially intended to provide clean water to 165,000 people. By the time these partnerships concluded in early 2022, we surpassed our goal and provided clean water and sanitation to over 250,000 community members. In 2022, we began supporting a new set of projects, which include wetland creation in the Thames River Basin in England and water quality projects in the Chesapeake Bay watershed in the U.S.







The Amazon Sustainability Data Initiative (ASDI) 
☐ helps researchers scientists and innovators around the world advance their work on sustainability-related research. The program provides publicly available, free access to important scientific data that can otherwise be hard for researchers to access or analyze.

# **Our Approach**

ASDI works with scientific organizations around the world to identify important datasets, which are then hosted for free by the AWS Open Data Sponsorship Program. The program currently hosts petabytes of data including weather observations, ocean temperatures, climate projection data, and satellite imagery.

Our approach allows sustainability experts to analyze massive amounts of data in minutes, regardless of where they are in the world or how much local storage space or computing capacity they can access.

# **Innovating for Sustainability in** the Cloud

From university researchers to local governments and federal agencies to private startups, organizations leverage ASDI to help address major sustainability challenges. ASDI encourages this by providing cloud grants to those interested in exploring the use of AWS' technology. Here are some examples of how ASDI is helping drive sustainability innovations:



#### Solcast

Solcast is an Australian company that builds forecasts for solar industry customers using cloud cover, solar radiation, and photovoltaic (PV) power data. The forecasts help solar producers predict the amount of solar irradiance and the amount of solar PV energy that their farms may receive. Solcast's forecasts rely on large datasets from a global fleet of weather satellites, including Geostationary Operational Environmental Satellites (GOES) data from the U.S. National Oceanic and Atmospheric Administration (NOAA), which Solcast accesses through ASDI.

The data helps solar customers orchestrate renewable energy generation across electrical grids, visualize the impact of thousands of PV systems, and optimize utility-scale batteries and solar farms. In addition, the data helps identify the best locations for solar farms, enabling governments around the world to plan their transition toward a 100% renewable energy future. Learn more on the AWS blog \(\mathbb{Z}\).

# **Digital Earth Africa**

Digital Earth Africa is a nonprofit working with African nations to provide local leaders with information to plan for impacts related to climate change, like flooding, droughts, and erosion. Through a collaboration with ASDI, Digital Earth Africa is using satellite imagery hosted on AWS to create a platform that helps monitor environmental conditions in the African continent.



In Zanzibar, Tanzania, government officials and the State University of Zanzibar are using the Digital Earth Africa platform to monitor how coastal erosion, rising sea levels, and deforestation are contributing to the degradation of mangrove trees on the island. The data hosted on AWS, which local officials previously had no way to access, has helped leaders understand the need to restore their mangroves and led to an effort to plant 1,000 mangrove seeds per week \(\mathbb{Z}\).



# nauticAi

nauticAi is a maritime startup company from Finland that offers ocean freight shipping companies a real-time cloud platform to help them operate their fleets more efficiently. The technology analyzes a variety of data, including weather forecasts, engine performance, humidity, and motion, which operators can use to improve ships' performance and help vessels avoid damaging storms.

Weather data in particular can help shippers optimize their routes. Traditionally, these and other climate-related datasets have resided around the world in large files and complex systems, making them hard to access without the aid of specialized computers. To solve this, nauticAi is leveraging weather forecast data through ASDI from NOAA and the Finnish Meteorological Institute. nauticAi's technology also uses machine learning and artificial intelligence tools on AWS to further improve maritime operations.



## Ohub

The Earth Science Information Partners Lab. a scientific nonprofit, is working with ASDI to extend cloud credits to support the deployment of Qhub, a development space on the AWS Cloud that gives more than 90 scientists across four U.S. government agencies an area to share and analyze data.

This new space enables the U.S. federal government and the scientists to collaborate in ways that were previously difficult due to the lack of a shared computing infrastructure. The effort has helped accelerate research on everything from flooding to illegal mining while helping the scientists learn the benefits of collaborative data and computing.



# **Leadership Principle**

**Success and Scale Bring Broad** Responsibility

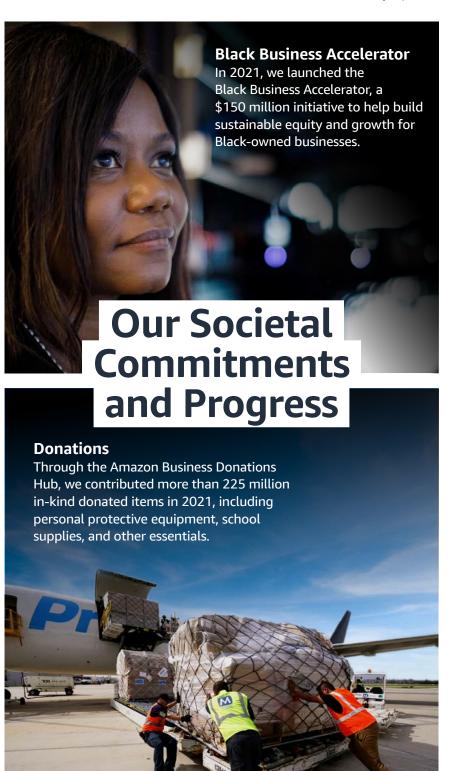




# Commitment

**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.



# 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 Approach**

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, prioritizing, and addressing risk through mechanisms; transparency and stakeholder engagement; and enabling access to effective remedy.

We work to continuously improve, tracking our progress on our human rights commitments and reviewing and updating our policies, processes, and practices to put people at the center of our work.



# **Strong Policies**

Our efforts are anchored in policies that apply across our business—from our own operations to our supply chain, and from the design and use of our technology to the communities we impact. We regularly review our policies to identify areas for update and improvement, engaging external stakeholders and benchmarking against international human rights standards and evolving industry norms.

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.

Our Supply Chain Standards & detail the requirements and expectations for our suppliers, their supply chains, and selling partners that list products in our stores. They are grounded in principles of inclusivity, continuous improvement, and supply chain accountability. We engage with suppliers that are committed to these same principles; suppliers commit to these standards as a condition of doing business with us. At least every three years, in line with industry best practices, we review our Supply Chain Standards against policies developed by industry associations. Additionally, we review these standards in consultation with human rights experts and organizations, including Business for Social Responsibility (BSR), Impactt Limited, International Center for Research on Women, Nest, the Responsible Business Alliance (RBA), and UN Women.

# **Embedding Human Rights Into Our Business**

We are committed to embedding human rights considerations into decision-making across our company and into our policy and governance framework. 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 responsibility for certain risks to its committees.

Among other duties and responsibilities, the Nominating and Corporate Governance Committee oversees Amazon's environmental, social, and corporate governance policies and initiatives. This includes policies and initiatives related to corporate social responsibility, such as human rights and ethical business practices, and related risks most relevant to Amazon's operations and engagement with customers, suppliers, and communities. Among other duties and responsibilities, the Leadership Development and Compensation Committee oversees Amazon's strategies and policies related to human capital management, including diversity and inclusion, workplace environment and safety, and corporate culture. The Committees regularly meet with management and review these matters.

As a global company, we recognize the responsibility and opportunity we have to raise awareness among our employees on human rights issues. We have a central team that works across the company to operationalize human rights due diligence and embed human rights considerations into everyday business decisions. We also offer trainings tailored to salient human rights risks. For example, our forced labor awareness program makes ongoing training available to employees around the world to recognize indicators of forced labor and report concerns to appropriate authorities in a way that puts the interests of potential victims first.

# Mechanisms to Assess, Prioritize, and **Address Risk**

We are committed to assessing, prioritizing, and addressing adverse human rights impacts connected to our business and we are continually working to improve our approach. At Amazon, businesses deploy a variety of mechanisms to do this.

In our supply chain, we assess and respond to risk by leveraging internal and external data and guidance from external stakeholders, including industry experts, civil society groups, and NGOs. We engage directly with suppliers and their workers and conduct independent audits to verify compliance with our Supply Chain Standards. We also work with suppliers on appropriate remediation measures and offer partnerships and programs to help them address risks and invest in worker well-being.



We recognize that audits alone are insufficient to drive longterm change across industries. We, like many companies in similar industries, are exploring new ways to encourage improvement in worker protections. This includes supporting suppliers' efforts to improve their grievance mechanisms, supplier capacity-building programs, worker trainings, and collaborations with other brands and civil society. We currently focus our supply chain efforts on key commitment areas: Safe Workplaces, Freely Chosen Employment, Gender Equity, Fair Wages, Environmental Protection, and Grievance Mechanisms.

**Learn more** about our work to source products responsibly ∃.

Within our own operations, our central team focuses on human rights due diligence and collaborates with teams dedicated to assessing, prioritizing, and addressing human rights risks to our employees. These teams focus on establishing open communication with Amazon employees, providing them with meaningful grievance mechanisms, building a diverse and inclusive workplace, and keeping our employees safe. We know we have more to do, and we are committed to widening our lens to better understand the potential human rights impacts of our business.

**Learn more** about our approach to employee engagement ∃; our efforts on diversity, equity, and inclusion ∃; and our investments in workplace safety \(\frac{1}{2}\).

## **Identifying Salient Human Rights Risks**

The UNGPs guide companies to prioritize the most severe risks to people connected to their operations and business relationships and are the foundation of our human rights due diligence approach. Teams use a variety of tools saliency assessments, human rights impact assessments (HRIAs), and other human rights-based processes grounded in the UNGPs—to assess, prioritize, and address the most severe risks to people.

In 2020, Amazon worked with sustainability and human rights consulting firm Article One Advisors to conduct our first enterprisewide saliency assessment, focused on identifying salient human rights risks across our business. We consulted a diverse group of external human rights

experts, incorporated their feedback into the results, and benchmarked the results against internationally recognized human rights standards. The assessment identified a set of priority human rights values, three foundational commitments, and key salient human rights risks for Amazon.

The saliency assessment was a key milestone in the development of our human rights due diligence strategy. Building on this work, in 2021, we made progress on our salient human rights risks and furthered our efforts to implement human rights due diligence mechanisms. What follows are some examples of how we assessed and addressed our salient risks, prioritizing our three foundational commitments.

# Amazon's Enterprisewide Salient Human Rights Risks

#### Salient Risks **Human Rights Values** Respect Human Rights Earn and Keep the Trust Diversity, Equity, Freedom of Association and Inclusion in Our Supply Chain of Our Customers Future of Work Safe and Healthy **Empower Employees** Strengthen the Right to Privacy and Contractors Communities We Serve Working Conditions Product Safety Modern Slavery and and Security Forced Labor Social, Economic, and Fair Wages and Hours Environmental Justice **Three Foundational Commitments** Meaningful Consultation Opportunity for Concerns to Focus on Vulnerable Groups with Stakeholders be Heard and Issues Resolved

43



#### **Meaningful Consultation With Stakeholders**

We worked with human rights expert organizations to advance our human rights due diligence, including Article One Advisors, BSR, Impactt Limited, and The Centre for Child Rights and Business. Some of the outcomes from Amazon's partnerships and collaborations that were accomplished in 2021 include:

- We created a \$150 million Black Business Accelerator. program in partnership with our Black Employee Network affinity group and strategic partners with experience supporting Black businesses, including the Minority Business Development Agency and the U.S. Black Chambers, Inc. Learn more on page 54 ∃.
- We engaged the Policing Project at New York University School of Law to audit the Neighbors application and Neighbors Public Safety Service—which provide users with real-time crime and safety alerts—to help improve our Ring products and services from a civil liberties and policing ethics
- We signed and adopted the UN Women's Empowerment Principles (WEPs) ☑ as part of our long-standing commitment to gender equality. The WEPs were established by the UN Global Compact and UN Women to offer businesses guidance on ways to promote gender equality and women's empowerment in the workplace, marketplace, and community.
- We also signed the Trusted Cloud Principles ☑, including principles recognizing that "international human rights law enshrines a right to privacy," and committed to the Partnership on Al ☑, working with partners to help drive responsible artificial intelligence solutions for people and society.

• We launched a \$12 million, five-year partnership with the U.S. National Safety Council to uncover new ways to prevent and address musculoskeletal disorders.

**Learn more** about our engagement with stakeholders on our website 2.

#### Opportunity for Concerns to be Heard and Issues Resolved

We developed a set of Worker Voice Criteria, outlining key expectations for worker voice mechanisms in our supply chain. This is part of our efforts to build our capacity to provide suppliers and service providers with a variety of trusted tools, products, and systems in order to hear directly from workers about their experiences and to support the resolution of issues from workers' perspectives.

**Learn more** about our Ethics Line ∃.

**Learn more** about our help email for inquiries or complaints about our handling of Amazon customers' personal information or about our privacy practices generally on Amazon.com \(\mathbb{Z}\).

#### Focus on Vulnerable Groups

We signed the memorandum on "Standing up for Children's Rights in the Digital Environment" at the 2021 Paris Peace Forum. Additionally, we expanded partnerships with RBA and the International Organization for Migration to help strengthen suppliers' practices around responsible recruitment of foreign migrant workers.

| **Learn more** in our 2021 Modern Slavery Statement <u>↓</u>.



# **Human Rights Impact Assessments**

2021 Sustainability Report

Our teams use 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. HRIAs surface detailed information about our human rights risks and root causes, as well as stakeholder perspectives, so that we can address those risks with targeted action. For each HRIA, we partner with an independent human rights consulting firm to conduct the assessment, facilitate stakeholder engagement, and deliver recommendations for improved business practices to address the relevant human rights risks.

Below we provide an update on our first HRIA, summarized in our 2020 Sustainability Report &.

# **Update on Our Devices Supply Chain HRIA**

In 2020, we conducted Amazon's first HRIA on the raw and recovered materials supply chain for Amazon-branded digital devices. Using the UNGPs as a framework to guide the assessment, the HRIA results indicated we are directly linked to potential risks for Tier 1–2 manufacturing and reverse logistics suppliers. For minerals, metals, plastics, and synthetics suppliers, results indicated we are indirectly linked to potential risks. We have policies and mechanisms in place to help address these potential risks, including our Supply Chain Standards, regular supplier assessments, and grievance mechanisms.

In 2021, we began implementing recommendations from the HRIA, 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 multiyear, Amazon-branded digital devices strategy to address risks, seeking perspectives from organizations with expertise in human rights, inclusive economy, circularity, and responsible innovation to meet the expectations of our customers and impacted communities.

In 2021, several final assembly and manufacturing suppliers of Amazon-branded digital devices participated in the RBA Factory Lead Certification Program. The program trains factory management on effective worker communication and maintaining safe working conditions, allowing suppliers to proactively prevent or mitigate potential issues before they arise.

# Transparency and Stakeholder Engagement

We are committed to driving best practices in human rights due diligence through increased disclosures about our approach and by expanding our stakeholder engagement. Each year, we track progress on our human rights commitments and publicly share up-to-date information about our programs, including external partnerships with organizations that share our core human rights values.

## Transparency

Transparency is an important tool to help us understand and address risks in our value chain and identify opportunities for collaboration on systemic issues. We publish an interactive supply chain map ☑ that provides details on suppliers of Amazon-branded apparel, consumer electronics, food and beverage, and home goods products. We provide data from supplier assessments annually, including year-over-year data on high- and medium-level issues in our supply chain. We report on actions to prioritize the three foundational commitments identified in our enterprisewide saliency assessment. We also contribute lists of our apparel suppliers \(\mathbb{Z}\) to the Open Apparel Registry to foster brand collaboration and action in the apparel industry.

We report annually in line with the UNGP Reporting Framework and publish an annual Modern Slavery Statement 4.

# **Stakeholder Engagement**

Engagement with external stakeholders is key to our human rights due diligence approach. This collaboration is essential to identifying positive outcomes for people connected to our business and is part of our responsibility to respect human rights in line with the UNGPs. We rely on experts and affected rights-holders to inform our approach and validate that our efforts have the intended impact. Through regular stakeholder engagement and strategic partnerships, we incorporate invaluable expert input into our work, helping us achieve greater impact on people connected to our business around the world.

**Learn more** about our partnerships on our website □, or see a list of our partners  $\exists$ .

# **Gender Equity**

In 2021, we signed and adopted the UN Women's Empowerment Principles (WEPs) ☑. Supported by more than 6,000 corporate signatories, the WEPs were established by the UN Global Compact and UN Women to offer businesses guidance on ways to promote gender equality and women's empowerment in the workplace, marketplace, and community.

"Our support of the Women's Empowerment Principles underscores our long-standing work to promote gender equality and empowerment in the workplace, marketplace, and communities, and we are encouraged to see other like-minded businesses coming together to drive positive change."

#### **Andy Jassy**

President and CEO, Amazon

We also made a \$1 million contribution to the Resilience Fund for Women in Global Value Chains 

☑. The Resilience Fund pools corporate investments to drive local, womenled solutions to some of the toughest problems facing women in global value chains. Established by BSR, the UN Foundation, and Women Win, the Resilience Fund aims to raise at least \$10 million to make strategic, long-term investments in women's economic resilience, health, and well-being. Amazon's donation will be invested in local organizations globally, serving women in manufacturing, apparel, and agricultural supply chain communities.

**Learn more** on About Amazon ☑.



# **Grievance Mechanisms and Effective Access to Remedy**

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. Focusing on 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.





In our operations, consistent, honest, and open communication with our employees allows us to continually improve our workplace experience, empowering individuals to voice concerns and have them directly addressed by leadership. Our goal is to hear from and listen to everyone. Dedicated teams across the company focus on establishing open communication with our employees, providing them with meaningful grievance mechanisms and avenues for dialogue with leadership. Aligning with the UNGP framework, Amazon's policies and practices are designed to promote respect for the rights of freedom of association and collective bargaining and to comply with the legal requirements of the countries where we operate. As stated in our Leadership Principles, we Strive to be Earth's Best Employer, offering a safer, more productive, higher performing, more diverse, and more just work environment. We have many policies, practices, and mechanisms in place to provide open lines of communication between leadership and employees and act regularly to address employee concerns and make improvements. We recognize that Success and Scale Bring Broad Responsibility. We must begin each day with a determination to make better, do better, and be better for our customers, our employees, our partners, and the world at large.

**Learn more** about our approach to employee engagement 3.

Our aim is that every worker across our supply chain has access to an effective grievance mechanism. We work with suppliers to increase their capacity to develop these mechanisms by creating channels to hear directly from workers about their experiences and to support the resolution of issues from workers' perspectives.

**Learn more** about our Responsible Sourcing Program 2.

# **Worker Voice Mechanism Criteria**

We developed a set of Worker Voice Criteria to outline key expectations and drive best practices for our suppliers and service providers that are implementing and maintaining worker voice mechanisms. These criteria draw from the UNGPs and the Worker Engagement Supported by Technology (WEST) Principles 
☐ to align these mechanisms with internationally recognized human rights.

**Worker Inclusive:** Worker trust is paramount; workers should have input into the mechanisms' design and performance, particularly how worker voice mechanisms will address and resolve issues.

**Privacy Ensured:** Mechanisms must never cause harm to workers; mechanisms must have adequate safeguards in place, providing workers with notice of how data will be protected.

**Equitable and Accessible:** Mechanisms should accommodate diversity and ensure that workers have reasonable access to the information, advice, and expertise necessary to engage with the mechanism. Workers who face particular barriers due to language, literacy, or disability should have adequate assistance.

Transparent and Predictable: Mechanisms should provide users with clear procedures to set expectations on time frames, how outcomes will be monitored. and how stakeholders will be informed about the mechanism's effectiveness.

**Source of Continuous Learning:** New mechanisms should be adequately resourced, developed to complement existing mechanisms, and used to understand areas of risk and integrate feedback into the design and implementation of programs.

In 2021, we expanded our efforts to help suppliers build and employ worker voice tools and improve their capacity to respond to worker grievances in Cambodia, China, India, Pakistan, Bangladesh, and Vietnam.





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

We believe that a diverse. passionate workforce is key to a successful business. Amazon is building a strong culture and making investments to attract and retain the talented employees we need today and in the future.

# **Our Approach**

Amazon strives 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.

# **Going Above and Beyond With Starting Wages**

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

# The Ripple Effect

Sylvia's Café, a Caribbean-style restaurant run by wife-and-husband team Sylvia Burke and François Theodore, is located near a 2.4 million squarefoot Amazon fulfillment center in Opa-locka, Florida. Throughout the pandemic, the presence of Amazon employees looking for great food meant that the doors of Sylvia's Café didn't shut. This was thanks, in part, to employees like Nelly Nelson, whose higher wage means she can make better food choices

# "Instead of fast food, I'm able to eat better, healthier food," she said.

There are similar stories across our operations network, from EastBrew Café and Bakery near a fulfillment center in Eastvale, California, to The Parlor Salon and Spa in Murfreesboro, Tennessee. These are small examples of the big impact our wages are having on communities across the U.S.

Learn more on About Amazon ☑.





# 2021 Awards and Recognition

#1

LinkedIn's Most Desired Place to Work in the U.S.

Fortune's Top Companies in 2021

#4

Forbes World's Best Employers in 2021

#1

AmbitionBox Best Place to Work in India Amongst Mega Companies

Amazon also received several awards from Comparably, a company that reviews and compares company cultures and market compensation to showcase the most fair and accurate display of employer brands.

These awards included:

- Best Global Culture
- Best Place to Work (Seattle, Atlanta, Los Angeles, and Austin)
- Best Engineering Team
- · Best Operations Team
- Best Product & Design Team
- Best Company Outlook

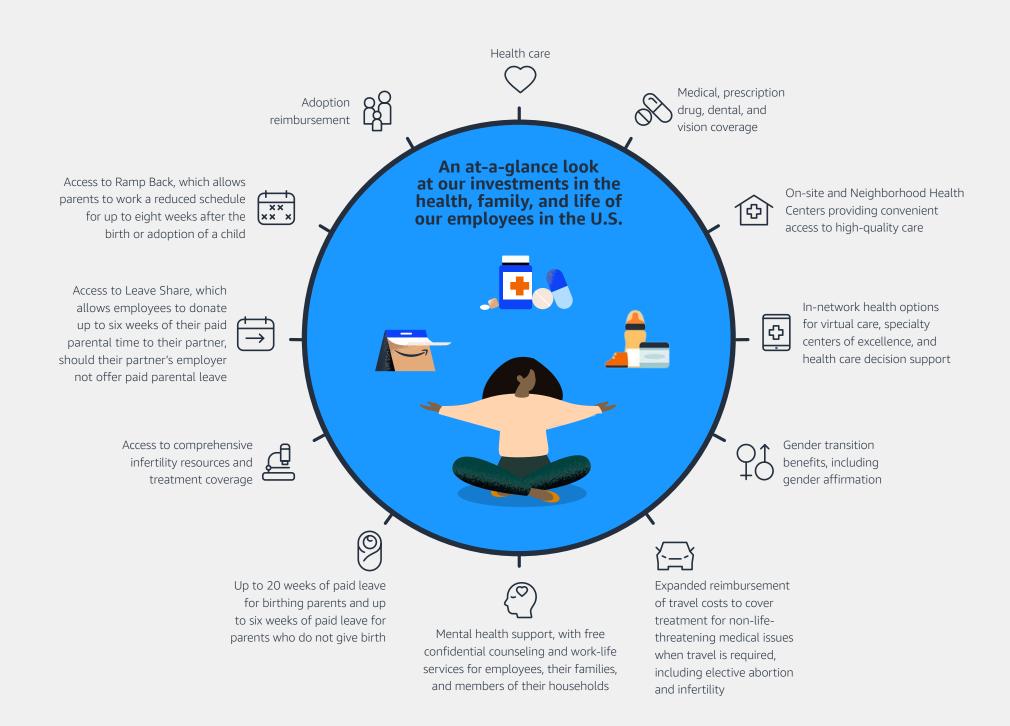
**2021 Top Employer** In France, Italy, and Spain (Top Employers Institute)

# **Our Inclusive Benefits**

Taking care of our employees' health and wellness is a priority. We strive to offer benefits that are inclusive for our employees, regardless of their personal circumstances.

We offer health care benefits to all regular, full-time Amazon employees in the U.S., including medical, prescription drug, dental, and vision coverage. In regions with fewer options for convenient access to high-quality and affordable primary and mental health care, we launched Neighborhood Health Centers to support our employees and their families, with 17 locations across the U.S. as of the end of 2021.

We also developed a health care benefits system that, where possible, provides gender transition benefits, including gender affirmation. We maintain internal resources to help managers and team members support employees who are transitioning.





The benefits offered by Amazon can be truly life-changing. Take Luv-Luv ☑, a former hairdresser who chose to work at an Amazon fulfillment center because of the quality of health benefits offered from the first day on the job. Crucially for Luv-Luv, this includes equal health coverage for transgender individuals, without exclusion for medically necessary care.

Since starting at the Amazon fulfillment center in Shakopee, Minnesota, nearly four years ago, Luv-Luv's health benefits have covered four surgeries.

"Before Amazon, I was pre-op transgender, and since then, I've fully transitioned," she said. "Amazon paid for all that."

Though the insurance benefit was her main reason for joining the company, the pay at Amazon helped Luv-Luv and her two pets afford a comfortable lifestyle. In addition to finding a healthy environment and work she loves, Luv-Luv's role at Amazon offered another important benefit: inclusion, on her terms.

"Amazon has allowed me to live a comfortable life that I've always dreamed of," she said. "I live on my own terms and I'm not dependent on anyone else. It's been a phenomenal journey for me."

| **Learn more** about our support for LGBTQ+ employees ∃.

RESTRICTED AREA AUTHORIZED PERSONNEL ONLY



# A Family-Friendly Employer

We know that the time employees spend at work is just one part of what makes them who they are, and that balance between work and home is essential for their well-being. We prioritize benefits that support employees' families of all kinds.

In the U.S., for eligible full-time and reduced-time employees, Amazon offers up to 20 weeks of paid leave for birthing parents and up to six weeks for non-birth parents or parents who adopt. We also offer adoption reimbursement and access to comprehensive infertility resources and treatment coverage. In addition, our Leave Share program allows U.S. employees to donate up to six weeks of their paid parental leave to their partner should their partner's employer not offer paid parental leave. Our Ramp Back program allows parents to work a reduced schedule for up to eight weeks after the birth or adoption of a child.

Mental health resources are available 24/7 to all employees, their families, and anyone in their household through Amazon's employee assistance program (EAP), which also offers virtual treatment options. This includes free access to a new mental health benefit launched in the U.S. in 2021, called Resources for Living. This service provides a streamlined place for personalized, convenient, and confidential mental health and daily life support. For employees outside of the U.S., we offer 24/7, on-demand support for mental health and work-life concerns, along with immediate consultation and support after a critical incident or traumatic event. These services are available through our global EAP partners, including Workplace Options.

We also believe in providing support for child and adolescent mental health, including clinical guidance for parents of children who have neurodevelopmental disorders, such as autism spectrum disorders, or any type of behavioral,



social, learning, or emotional challenge. Amazon provides employees in the U.S. free access to expert consultants and educational materials for parents to help children build the skills needed to reach their full potential. In 2022, we are expanding our programs globally to reach more employees, provide more mental health support for children and teens, and offer innovative solutions to meet the needs of neurodiverse families. This will include access to therapists and coaches, on-demand resources, and integration with other benefits such as the EAP.

We continue to evolve our benefits programs to support the needs of our diverse workforce. For example, in the U.S., Amazon offers FamilyFlex benefits to help bring more women and parents back to the workforce. These include Anytime Shift, which allows employees who choose these roles to create their own work schedule. There are currently over 23,000 open roles that qualify for Anytime Shift, and more than 100,000 employees have taken advantage of this option.

# **Empowering Employees Through Training and Education**

We believe all employees should have the opportunity to learn new skills, grow, and build their careers as they develop their professional journeys. Some employees focus on skills that benefit their work at Amazon and some focus on skills that benefit their long-term career aspirations.

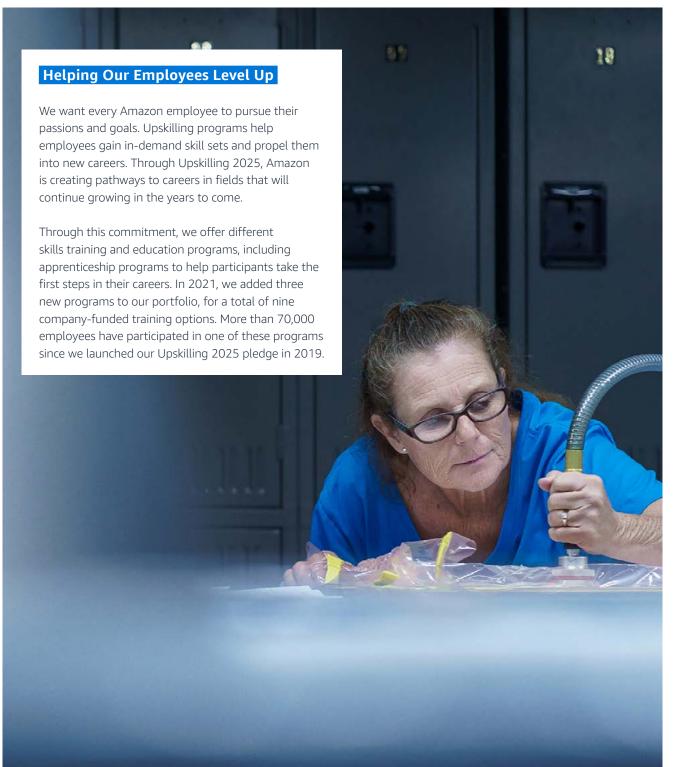
"There are very few companies out there that are willing to invest in new people in this manner... This program opens the door for people to get paid to learn and figure out if they enjoy a field. And if they do really well, they'll have a job."

#### Melfi Perez

Amazon Technical Apprenticeship

**Learn more** about the range of programs we offer in our Upskilling 2025 Report ₺

Amazon investment to upskill 300,000 of our own employees by 2025 as part of our Upskilling 2025 pledge



# **Subsidizing Tuition Fees Through Career Choice**

For many people aspiring to grow professionally, education may be the first stepping stone—and yet, it can be challenging to find the flexibility or resources to do so while working.

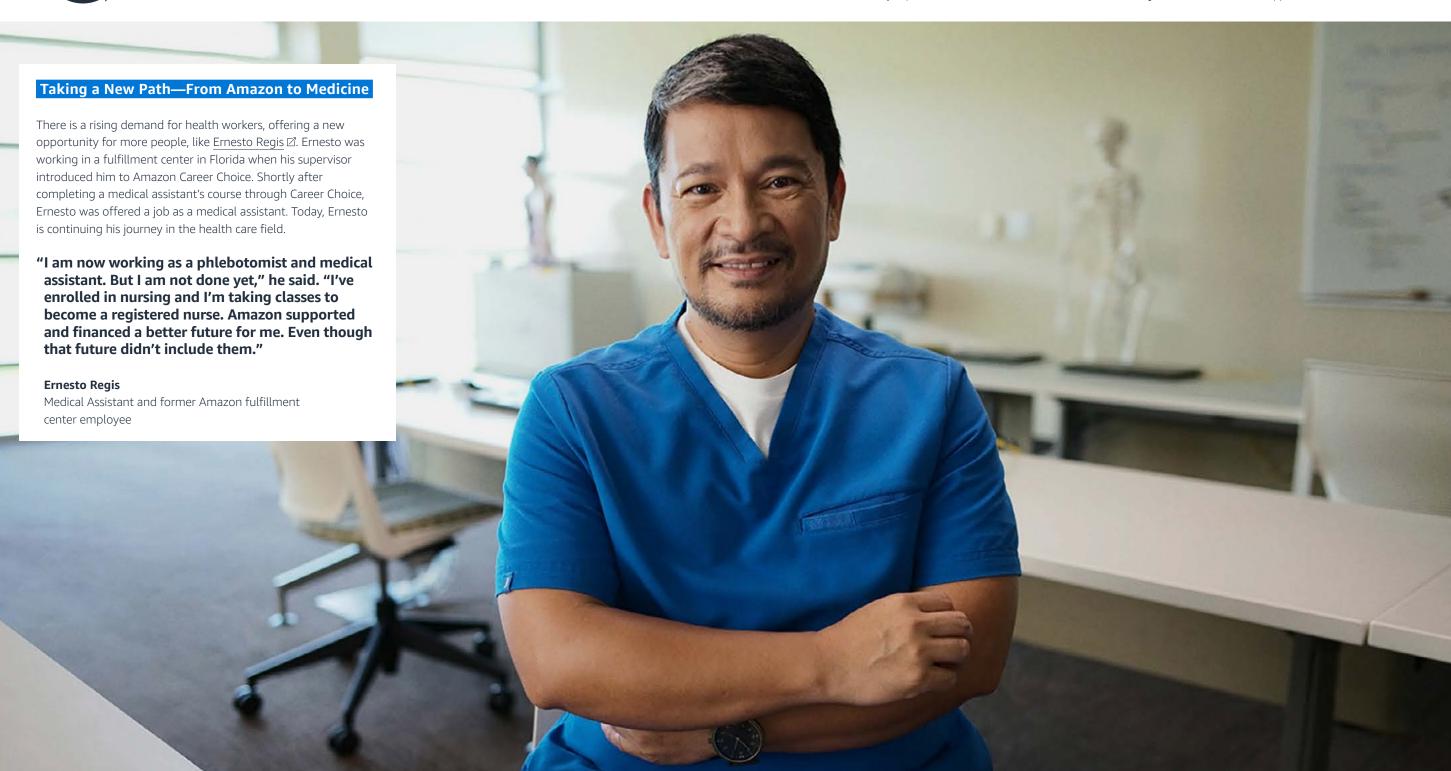
Thanks to Amazon Career Choice ☑, our pre-paid tuition program, thousands of hourly employees in 14 countries are earning certificates and degrees. As of early 2022, courses available through Career Choice include those that employees can take to pursue an associate degree or bachelor's degree in fields ranging from information technology to computer science, and from health care to transportation. In addition, our Career Choice program also supports employees pursuing high school completion, General Education Diplomas (GEDs), and English as a Second Language (ESL) proficiency certifications.

U.S. hourly employees who have been employed at Amazon for 90 days are eligible to participate in Career Choice. To make training even more accessible and reduce the need to commute to classes, we've built more than 140 on-site classrooms, enabling employees to take college and technical classes inside our fulfillment centers

50K+

Employees have participated in Career Choice

On-site classrooms globally



51



# **Fostering Diversity, Equity,** and Inclusion

Amazon's ability to innovate on behalf of our customers relies on the perspectives and knowledge of people from all backgrounds. 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 center of everything we do.

# **Our Approach**

We respect and value people of all identities and backgrounds, including gender, gender identity, race, ethnicity, religion, sexual orientation, military status, disability, and more. We take an intersectional approach to the policies, programs, and strategies we create for our employees, selling partners, suppliers, and customers to build representation and inclusion into our business.

"When I think about Amazon and the potential for impact, I'm energized by the possibilities. This work will require us to engage all communities, think globally, and cultivate a workplace that not only is diverse but also inspires a deep sense of belonging for every one of our employees. If we get this right, together we can create a greater sense of inclusion, not only within Amazon, but for Amazon customers around the world."

#### **Candi Castleberry**

Vice President of Global DEI, Amazon

\$30M

Commitment through the **AWS Impact Accelerator** 

\$150M

Commitment through the **Black Business Accelerator** 

100K+

Employees participated in affinity groups in 2021

# A Team Powering Change

2021 Sustainability Report

Setting goals, regularly reviewing progress, and strong management are vital to driving lasting action and improving representation and inclusion throughout our business. In 2021, we welcomed a new Vice President of Global DEI, bringing in-depth expertise and experience. Candi Castleberry and her team are leading the refinement of Amazon's global DEI strategy and companywide goals.

## **Our DEI Champions**

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. Our approach to embedding DEI across our organization also extends to how we support our selling partners and launch products and services to the world.

For example, we launched the AWS Impact Accelerator ☑, a \$30 million commitment to providing Black, Latinx, women, and LGBTQ+ founders of startups with equitable access to training, mentorship, tools, and resources. Startups will receive an unrestricted \$125,000 cash grant and up to \$100,000 in AWS Activate credits, as well as guidance from AWS technology experts, investors, and partners.

# **Scaling Our Work Through Strategic External Partnerships**

We believe we can achieve more by collaborating with leading organizations that are making a difference in historically underrepresented communities. Amazon partners with nonprofits like Management Leadership for Tomorrow, which works to strengthen the recruitment and retention of Black, Latinx, and Native American talent. In addition, our affinity groups are instrumental in building and nurturing external relationships as brand ambassadors.



# **Accessibility Across Amazon**

When we think inclusively and design with different needs in mind, technology can empower everyone and support people with disabilities in new ways. We are continually enhancing our devices and services with new accessibility features, whether integrating Braille into our Fire tablet or improving Alexa to support our customers with disabilities. Alexa accessibility features range from adaptive listening to on-screen captioning and more.

**Learn more** on About Amazon ☑.

# **Creating an Inclusive Culture**

At Amazon, inclusion means being valued, trusted, connected and informed so that we can deliver the best results for our customers.

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. Amazon's culture of inclusion is reinforced by our Leadership Principles 2, which remind team members to seek diverse perspectives, learn and be curious, and lead with empathy. One of our newest Leadership Principles—Strive to be Earth's Best Employer—specifically calls on leaders to work every day to create a safer, more productive, higher performing, more diverse, and more just work environment.

#### **Our Inclusion Goals**

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 noninclusive 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's Affinity Groups**

Our affinity groups 
☐ are Amazon communities where 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

"Diversity exists when you go above and beyond being aware of differences or accepting differences, to actively including people who are different from you and inviting them to influence."

#### Renita Clarke

Area Manager, Global Specialty Facilities, Amazon

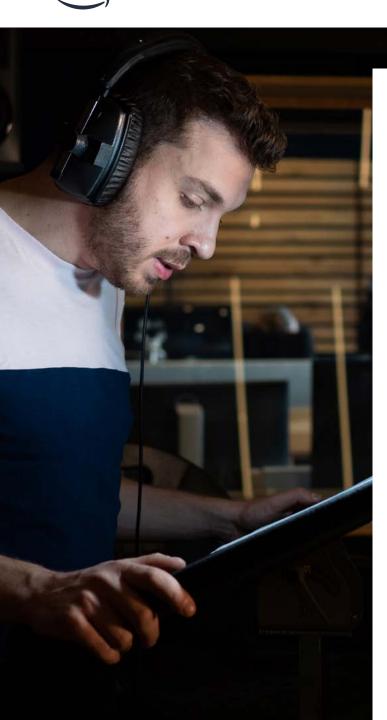
# LGBTQ+ Equality

Amazon and our employees stand together with the LGBTQ+ community. As of 2021, there were more than 100 global chapters of Glamazon, our LGBTQ+ affinity group. We are committed to advancing equal rights and have a long track record of advocating for protections for the LGBTQ+ community.

In the U.S. and India, Amazon provides transgenderinclusive health benefits and gender transition benefits based on the Standards of Care published by the World Professional Association for Transgender Health. Amazon also holds a gender identity conference to build community, educate those outside of the LGBTQ+ community, and provide professional development opportunities for those at Amazon who are transitioning openly in the workplace.

**Learn more** about our inclusive benefits for employees  $\exists$ .





# Amazon Studios' Inclusion Playbook

The work of DEI requires everyone to disrupt biases that build barriers and create inequities. This includes representation in the workplace, as well as in the media we consume daily. The work is not easy, but we are committed to achieving real, lasting change.

Working closely with the University of Southern California's Annenberg Inclusion Initiative, the International Documentary Association, and to help people recognize biases that occur across the lifecycle of a series or movie—from production to launch. The Playbook explores this issue further by allowing people to understand how they can meet the Amazon Studios Inclusion Policy.

By thinking about a story, casting, crewing up, and how to track and report inclusion successes, the Playbook is specifically designed to advance the visibility and responsible depictions of underrepresented communities.

We view this as an evolving document that will be updated over time, offering a much-needed tool to guide decision-making in creative hiring practices.

"This Inclusion Playbook adds important, additional depth and guidance for our internal teams and external partners to ensure we continue to advance our shared mission of amplifying the best creatives and content around the world."

# Latasha Gillespie

Executive Head, DEI, Amazon Studios

# **Representation in Our Workforce**

2021 Sustainability Report

We are committed to increasing representation of employees from historically underrepresented backgrounds at every level of our organization. To do so, we focus on hiring, retention, growth, development, and promotion.

To find the best talent and support our search for diverse talent, we partner with organizations and academic institutions linked to underrepresented communities. In the U.S., these organizations include historically Black colleges and universities (HBCUs), Hispanic-serving institutions, women's colleges, and tribal colleges.

Students visit Amazon's campus for a range of programs and career enrichment experiences, such as our Represent the Future Summit. We also partner with organizations like Grace Hopper Celebration, Global Entrepreneurship Monitor Consortium Fellows, AfroTech, AnitaB.org, Lesbians Who Tech, Girls in Tech, American Indian Science and Engineering Society, and others.

Amazon developed an online certification program with City University of Seattle to offer training to military employees and their families for higher-paying jobs. We also work with City University on its Apprenti program, which trains newcomers to the tech industry and places them in paid apprenticeships at companies like Amazon.

# **Our Goals for Increasing Representation**

In 2021, we set a number of goals to guide our efforts and progress for improved representation:

Double the number of U.S. Black employees in Level 8 (Director) and Level 10 (Vice President) positions year over year from 2020 numbers.

30%

Increase hiring of U.S. Black employees in Level 4 through Level 7 positions by at least 30% year over year from 2020 hiring.

**30%** 

Increase the number of women at Level 8 and Level 10 positions in tech and science roles by 30% year over year.

40%

Increase the number of U.S. Black software development engineer interns by at least 40%.

# 100K+

Hire more than 100,000 U.S. veterans and military spouses by 2024, building on our commitment to military families after exceeding our 2016 White House pledge to hire 25,000 veterans and military spouses by May 2021.

1.6M

Reach 1.6 million underrepresented students globally through Amazon Future Engineer with realworld-inspired virtual and hands-on computer science project learning.

# **Retain Employees**

Retain employees at statistically similar rates across all demographics.

# **Living Our Principles**

Amazon prioritizes equal pay. When we evaluate 2021 compensation, including base compensation, cash bonuses, and stock, our reported data demonstrates that women globally and in the U.S. earned 99.8 cents and 99.9 cents, respectively, for every dollar that men earned performing the same jobs. Racial and ethnic minorities in the U.S. earned 99.2 cents for every dollar that white employees earned performing the same jobs.

In 2021, we further strengthened our long-standing commitment to gender equality by signing the UN Women's Empowerment Principles (WEPs) 

☐. The WEPs were established by the UN Global Compact and UN Women to offer businesses guidance on ways to promote gender equality and women's empowerment in the workplace, marketplace, and community.

**Learn more** about our partnerships and investments to promote gender empowerment in the workplace and community  $\exists$ .

# **Advancing Social and Racial Justice**

We are committed to using our scale to amplify historically underrepresented voices and empower diverse communities. One of the ways we are doing this is by bridging the technology and science divide for underrepresented groups through science, technology, engineering, and math (STEM) education programs and various learning events. This includes Amazon Future Engineer ☑, our new Advanced Placement equity and launched with Code.org. We also partner with Girls in Tech through AWS Academy, where we work closely with minority-serving institutions (MSIs) and community colleges to provide a free, ready-to-teach cloud computing curriculum.

In 2021, we also announced 21 undergraduate and graduate recipients from HBCUs and MSIs for our Supply Chain Optimization Technologies organization's fellowship \(\mathbb{Z}\). Through AWS education programs, we announced a collaborative effort with Howard University to equip students with competitive technical skills, provide educators with professional development opportunities, and drive entrepreneurship at the university. We've also launched statewide training and education initiatives, which are typically anchored by community colleges. Collaboration with community colleges helps AWS reach diverse populations of minority, underrepresented, and veteran populations, as well as urban and rural communities. In 2021, we also announced the \$10 million AWS Artificial Intelligence and Machine Learning Scholarship ☑, designed to prepare underrepresented and underserved students globally for careers in machine learning.

**Learn more** about our investments in education to eliminate the STEM gap ∃.

# **Introducing Amazon's Black Business Accelerator**

2021 Sustainability Report

In 2021, we launched the Black Business Accelerator (BBA) ☑ to target barriers to access and advancement, to drive economic equity for Black entrepreneurs, and to play a part in increasing the number of Black business owners in our industry.

Through our \$150 million commitment, we are providing access to capital, business guidance, growth, and marketing support for current and aspiring Black small business owners selling in Amazon's store to grow their businesses.

We are proud to have created this initiative with our Black Employee Network affinity group and strategic partners,

including the Minority Business Development Agency and the U.S. Black Chambers, Inc., which have deep experience in supporting Black businesses.

As part of the Accelerator, we also introduced a 12-month mentorship and networking benefit called BBA Connect to provide ongoing support for entrepreneurs.

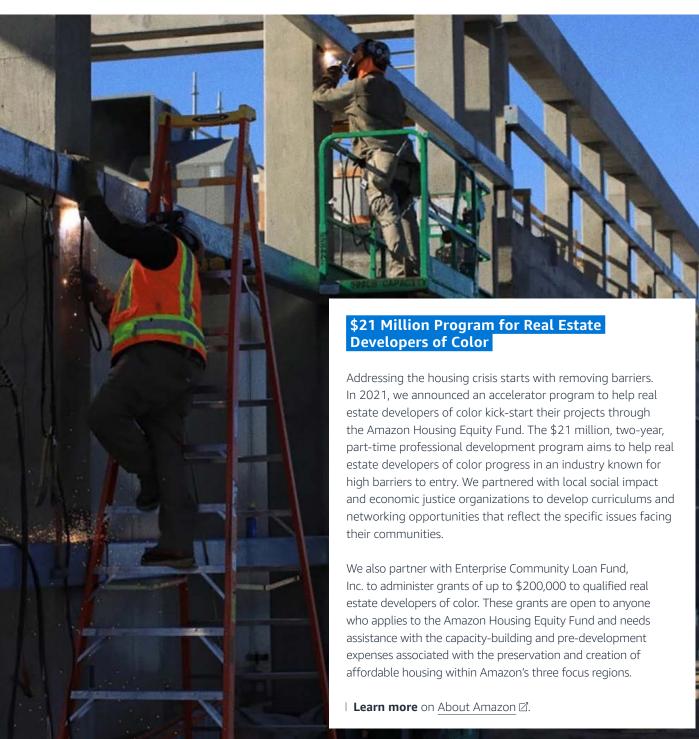
"The opportunity to connect with people inside Amazon to continue to help us mature our capabilities is super validating but also extremely rewarding. With Amazon's support, the sky really feels like it's the limit."

# Pernell Cezar

BLK & Bold







# **Supporting Inclusivity in Our Communities**

We are committed to promoting people in our communities who come from historically underrepresented communities. For example, at Whole Foods Market, our Inclusive Product Strategy expands our existing partnerships with brands that are owned and operated by women, members of the LGBTQ+ community, and people of color. As part of this strategy, we spotlight one supplier per month across internal communications channels. Select supplier spotlights from 2021 include:

- Shea Radiance ☑, a Black- and women-owned beauty brand whose shea butter is sourced directly from women-run cooperatives to create economic access through trade.
- Undefined Beauty ☑, a Black-, women-, and LGBTQ+-owned business that delivers innovative and high-quality products at an accessible price point.
- Pop & Bottle ☑, a women-operated and -owned, plantbased bottled coffee business founded by two new mothers with an interest in wellness.

Another example is our continued commitment to the Amazon Literary Partnership (ALP) ☐—a grant program founded in 2009 that funds organizations championing diverse, marginalized, and underrepresented authors and storytellers. In 2021, ALP awarded 80 grants totaling more than \$1 million to organizations across the country that support writers and underrepresented voices.

**Learn more** about how we support diverse entrepreneurs, business owners, and local producers \(\frac{1}{2}\).

"Our work at the Asian American Writers' Workshop centers the safeguarding and cultivation of our community's imaginations, and we are incredibly grateful to the Amazon Literary Partnership for their continued support that makes this critically necessary work possible."

#### Jafreen Uddin

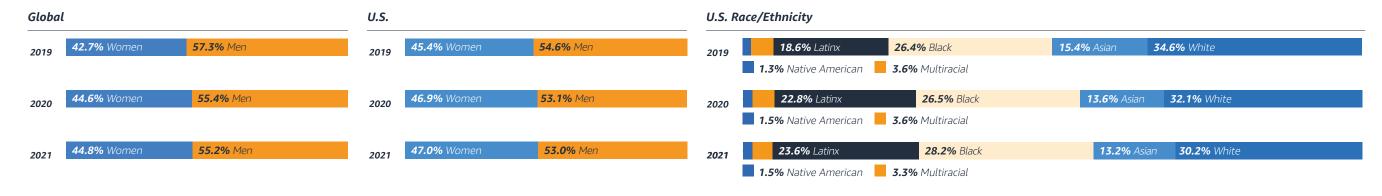
Executive Director, Asian American Writers' Workshop

56

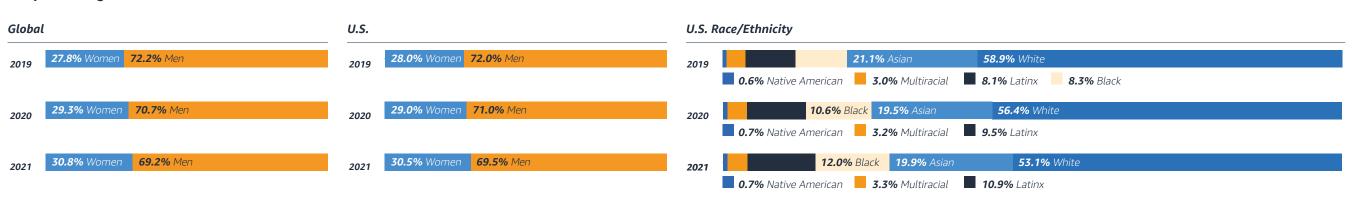
# **Inclusion: By the Numbers**

Real progress requires actions that can be tracked. We measure and share DEI data to better understand where we are in our journey and where we need to go. See the Appendix 🗗 for the full set of diversity and inclusion data, including for Field and Customer Support, Corporate Employees, and Senior Leaders.

# **Amazon Workforce (All Levels)**



# **People Managers**



# **Employee Engagement:** Listening to **Our People**

With more than 1.6 million direct employees worldwide, employee engagement is fundamental to our success. 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.

# **Feedback Mechanisms**

We are committed to providing our employees with grievance mechanisms and remedial action, regardless of collective bargaining presence. We work hard to listen to our employees, make continual improvements, and invest heavily to offer competitive pay and benefits in a safe and inclusive workplace.

#### Voice of the Associate Boards

We offer our team members the opportunity to express themselves openly. For our associates, our Voice of the Associate (VOA) boards and their digital counterpart, MyVoice, are available at Amazon facilities around the globe. These give employees a forum for expressing their concerns, offering suggestions, and asking questions on a daily basis. Leadership teams reply directly, promoting dialogue and efficient remediation of issues. In 2021, Amazon managers received and responded to more than 210,000 submissions.

### Connections

Connections is 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.

Employees can choose to respond to a question or not, and individual responses are aggregated and shared with managers at the team level to maintain confidentiality. Connections analyzes response data and provides insights to managers and leaders to review and take actions as necessary. Employees respond to Connections guestions in 55 countries, and guestions are delivered in 26 languages.

### **Appeals Process**

We believe that everyone deserves to have their voice heard, including when appealing any decisions. In the U.S. and Canada, Amazon offers an online, paperless appeals process, through which eligible employees can challenge certain disciplinary actions. The appeals may involve a review from a second-level manager or general manager to verify that policies have been applied correctly. If this is not found to be the case, we remediate as appropriate.

#### **Ethical Behavior**

While working, our employees should always act lawfully, ethically, and in the best interests of Amazon. Our Code of Business Conduct and Ethics ☑ (Code of Conduct) sets out basic guiding principles for all employees. Employees may raise questions or report suspected violations of our Code of Conduct through Amazon's Ethics Line, by phone or online.

#### **Ethics Line**

The Ethics Line is a commonly utilized method for employees to raise concerns, offered in 165 languages and 63 countries. Reports to the Ethics Line are answered by an independent third party and may be made anonymously on request. Our Business Conduct and Ethics team records, reviews, investigates (or directs others to investigate), and reports alleged violations of the Code of Conduct, tracking any remediation required.

We take all allegations of unlawful conduct in the workplace extremely seriously. We carefully review and investigate allegations of unlawful conduct or other conduct that violates any of our policies. In addition, we will not allow retaliation against an employee for reporting misconduct by others in good faith. Our senior leadership team receives regular updates on any allegations of unlawful harassment and discrimination



# **Open-Door Philosophy**

We believe candid and constructive communication in an environment of mutual respect is essential to our collective success. Our open-door philosophy means we welcome and encourage any employee to discuss suggestions, concerns, or feedback with their manager, a Human Resources team member, or any member of Amazon's leadership team.

against employees in director-level positions or above and is kept apprised of the progress and findings of our investigations.

The Leadership Development and Compensation Committee of the Board of Directors, comprising independent directors, receives detailed quarterly updates on any allegations of unlawful harassment and discrimination against employees in vice-president-level positions or above or employees investigated on behalf of Amazon by an external investigator. Upon completion of each investigation, we take appropriate action against anyone found to have engaged in unlawful conduct or to have violated our policies.

210K+

Suggestions, questions, and comments addressed through VOA boards

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



# **Engaging Our Employees**

We value employee feedback. We believe it is in the best interests of our employees and our company to continue our direct communications, and that the best way to effect positive change is for our employees and managers to continue working together directly.

We encourage our employees to provide feedback regularly. Employees have daily opportunities to engage with leaders, raise issues, and make suggestions to continually improve our workplace through all-hands meetings with general managers, stand-up meetings with direct supervisors, and one-on-one meetings.

#### **Associate Roundtables**

The purpose of Associate Roundtable meetings is to provide leaders and associates with meaningful opportunities to discuss issues. Leaders hear directly from hourly associates, who can ask questions about any topic and share thoughts about their job, work environment, and any challenges they might be facing. The leadership team uses the information to improve the workplace and the associate experience.

#### **Associate Forums**

Amazon has dozens of Associate Forums in Europe and Africa that enable employees to regularly interact directly with their site leadership teams. Associate Forums consist of site leadership and representatives elected by workplace employees who meet regularly to share information, feedback, and ideas. This gives associates and leaders at the site an opportunity to consult directly on key decisions that affect the site or associate experience, including working practices, shift schedules, and associate well-being.

#### **Associate Safety Committees**

Another way Amazon obtains feedback and input from employees is through Associate Safety Committees. These committees exist at many sites around the world, including in jurisdictions or states in the U.S. where they are not legally mandated.

# Practices Related to Freedom of **Association and Collective Bargaining**

2021 Sustainability Report

We respect freedom of association and our employees' right to join, form, or not to join a labor union or other lawful organization of their own selection, without fear of reprisal, intimidation, or harassment. These rights should be exercised in an informed and thoughtful manner. Amazon has a variety of elected associate forums and work councils around the world, and we have associates represented by some form of collective bargaining in many countries.

We value worker feedback, and are committed to providing our employees with grievance mechanisms and remedial action, regardless of collective bargaining presence. We firmly believe it is in the best interests of our employees and our company to continue our direct communications, and that the best way to effect positive change is for our employees and managers to continue working together directly. We work hard to listen to our employees, make continual improvements, and invest heavily to offer competitive pay and benefits in a safe and inclusive workplace.





# Safety, Health, and Well-Being 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.

# **Our Approach**

We structure our operations to fulfill customer orders as efficiently and safely as possible, and work to optimize our processes, equipment, and facilities for safety and productivity. We provide extensive safety training, coaching, and engagement opportunities to our operations employees to continually improve workplace safety. We employ thousands of safety professionals to solve complex problems, maintain safety equipment, and establish new industry best practices.

We continually identify opportunities to innovate and invest in achieving better outcomes and solutions for our people. These range from integrating new safety technology, such as vehicle safety controls for our delivery network, to engineering ergonomic solutions for employees in our fulfillment centers. We continue to research, invest, and apply data and insights to improve safety in our workplaces.

# **Prioritizing Safety From Day 1**

From an employee's first day at Amazon, we highlight and reinforce the importance of safety through our new-hire orientation program, which details safety expectations and policies. Helping employees understand how to use the equipment and processes designed to keep them safe through training opportunities—such as microlearning, justin-time training, and learning by doing—is a top priority. This provides our staff with the chance to build safety skills and competencies on an ongoing basis. We provide continual training on topics such as body mechanics and fall hazards through routine reminders, alerts when logging on to a workstation, and messages in our mobile app for employees. Every operations manager also participates in annual safety training, reinforcing basic concepts like emergency preparedness and hazard identification.

# **Smart Tech for Smarter Work**

We use technology to help reduce physical demands on our employees. For example, we provide our fulfillment center employees with intelligent, wearable safety items that can communicate with robotic equipment in real time. We also have mobile and vehicle technology to help drivers perform pickups, deliveries, and returns efficiently and safely. We are constantly evaluating new opportunities and learning programs to create innovative solutions in technology, robotics, and automation that improve safety across our operations.

One major area of focus is using technology to advance 2022 to bring innovations in ergonomics and driver assistance active systems like automatic emergency braking, technologies that improve visibility, and alerts for nearby vehicles.

In 2021, we piloted our custom electric delivery van, built in partnership with Rivian, in over 15 U.S. cities. These vans collaborating with drivers to develop vehicle improvements

# driver-centric customization throughout our delivery fleet and bringing safety to the forefront of vehicle design. We are investing an incremental \$100 million across our fleet in technologies. All Amazon-branded delivery vehicles are equipped with driver safety and comfort features, including

are designed with the human body in mind, and include 12 advanced driver assistance features that consider the safety and comfort needs of our drivers. We are also based on their feedback.

# Safety at a Glance:

\$300M+

Invested in safety projects in 2021

\$15B+

COVID-19-related costs incurred since the start of the pandemic to help keep employees safe

Five-year partnership with the U.S. National Safety Council (NSC) launched to uncover new ways to prevent and address musculoskeletal disorders (MSDs)



# **Green Cross Safety Innovation Award**

Amazon was the 2021 recipient of the Green Cross for Safety Innovation Award, presented annually by the NSC

## **How Technology Is Making Roads Safer**

In 2021, thousands of drivers navigated over 2 billion miles delivering packages to our customers around the world. As our transportation businesses have expanded, we've focused on making our roads safer for our drivers and communities through innovative mobile and vehicle technology.

Artificial intelligence reduces accidents by capturing data and providing real-time alerts for unsafe driving behavior, such as driver distraction, close following distance, stop sign and signal violations, and seatbelt infractions. Our 2021 investment of more than \$130 million in new transportation safety technology and programs resulted in nearly 50% fewer accidents since October 2020, and we are investing an incremental \$100 million in 2022 to scale innovations in ergonomics and driver assistance technologies across our delivery fleet.

Our 2021 Impact:

\$130M+

Investment in vehicle tech and programs

~80%

Nearly 80% reduction in stop sign violations

~50%

Nearly 50% reduction in accidents

**75%** 

Reduction in driver distraction

# Vehicle Safety Technology

In-vehicle camera safety technology installed in Amazon-branded delivery vehicles operated by Delivery Service Provider drivers "As a driver, I feel protected and safer with Amazon's technology. If something happens, the footage is there to help me. Alerts provide a level of safety that wasn't there before, helping me consciously think about safety—even after my shift ends when I'm driving my own vehicle."

#### Nick

Operations Manager, Amazon



# **Boosting Wellness and Well-Being**

When people are given the tools to take care of their well-being at work and at home, they are not only less prone to injuries but they feel better, healthier, and happier. We proactively help employees manage their health and wellness through a wide range of programs. We also provide access to convenient health care through our Neighborhood Health Centers Z, with 17 facilities located near fulfillment centers in the U.S. as of 2021.

Our innovative WorkingWell program 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. After the onboarding phase, WorkingWell continues to provide support to employees through Huddles, which are meetings among small groups of employees covering topics such as training, conditioning, bending, and handling objects. These regular connections provide opportunities to discuss the benefits of strong body mechanics and provide ongoing safety education.

We also provide short activities called Mind and Body Moments, which appear on workstation screens at sites across North America, South America, India, and Europe. These messages encourage employees to take regular breaks to stretch, breathe, and be mindful. The goal is to improve employees' mental and physical well-being, reduce fatigue and stress, and improve health and safety engagement.

WorkingWell 2021 Impact:

~1.2M

Employees reached

130

Huddles customized to sites based on operation type and language 15%+

Reduction in MSD incidents for those participating in Huddles compared to nonparticipants 1 App

In the U.S. to enable even more employees to access sessions whether at work or home



"The app was developed with employees, for employees. We wanted to make sure it's not only easy to use but also beneficial, whether someone is starting their health and wellness journey or continuing their safety education."

#### **Chandni Chandihok**

Workplace Health and Safety Product Manager, Amazon

**Learn more** in <u>our report</u>  $\@alpha$  on safety, health, and well-being at Amazon.



Amazon is committed to conducting our business in a lawful and responsible manner, including engaging with suppliers that respect human rights, provide safe and inclusive workplaces, and promote a sustainable future.

# **Our Approach**

Our goal is for our products and services to be provided in a way that respects human rights and the environment. Our global teams work closely with suppliers to communicate our standards and help suppliers build their capacity to provide working environments that are safe and respectful of human rights.

#### **Supply Chain Standards**

We set a high bar for ourselves and our suppliers. Amazon's Supply Chain Standards & detail the requirements and expectations for our suppliers, their supply chains, and selling partners that list products in our stores. They are grounded in principles of inclusivity, continuous improvement, and supply chain accountability. We engage with suppliers that are committed to these same principles, and suppliers commit to these standards as a condition of doing business with us. At least every three years, in line with industry best practices, we review our Supply Chain Standards against policies developed by industry associations. Additionally, we review these standards in consultation with human rights experts and organizations, including Business for Social Responsibility (BSR), Impactt Limited, International Center for Research on Women, Nest, Responsible Business Alliance (RBA), and UN Women.

# **Supply Chain Risk Assessments**

We evaluate our supply chain to understand the highest risks to workers and to prioritize our efforts. To do this, we engage key internal and external stakeholders, analyze our risks using international risk indices such as the World Bank's Worldwide Governance Indicators, run worker surveys, and conduct assessments that include worker interviews. management interviews, document reviews, and on-site visits. We regularly consult industry experts to review our

approach to risk assessment against globally recognized international standards and industry best practices.

We conduct regular assessments of suppliers of Amazonbranded products, including Amazon Private Brands and Amazon devices, as well as a curated selection of brands exclusively sold in Amazon's store. We expect our suppliers to consistently monitor and enforce our standards in their own operations and supply chain, as well as making improvements to meet or exceed our expectations.

## Continuous Improvement

Our approach is based on a commitment to workers and to continuous improvement. We put the safety and interests of workers first and work to strengthen suppliers' capacities to manage and mitigate risks in their value chains. We have dedicated teams in key sourcing regions that engage directly with suppliers and their workers. If an issue is found, we work with suppliers to remediate the issue by prioritizing worker feedback and offering suppliers resources to help them invest in worker well-being and safe workplaces. Teams across the company set goals with senior leadership to track progress and incentivize improvement across our supply chain.

**Learn more** about our Responsible Sourcing Program, including our Supply Chain Standards, our Supplier Manual, and our supply chain map, on our website \(\mathbb{Z}\).

# **Top Five Sourcing Countries in 2021**

China, India, Japan, United Kingdom, United States

# Selling Partners

Selling partners are third-party sellers and retail vendors that offer products for sale in Amazon's stores. Our Supply Chain Standards apply to every product sold in our stores and we expect selling partners to do their own due diligence in support of producing every product in safe, healthy, and inclusive work environments.

We evaluate credible allegations of selling partner violations of our Supply Chain Standards including, but not limited to, those published by governments, civil society, reputable investigators, journalists, or human rights defenders. If we have reason to suspect certain products do not meet our standards, we may request that the selling partner demonstrate the products it sells in our store were manufactured in accordance with Amazon's Supply Chain Standards, such as providing evidence of auditing protocols, showing processes for assessing factory working conditions, engaging in unannounced audits, participating in an approved industry association that includes factory monitoring, or verifying where the products are made.





# **Supply Chain Transparency**

Supply chain transparency is essential to our approach to 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. We publish a supplier list and interactive supply chain map that provides details on suppliers of Amazon-branded apparel, consumer electronics, food and beverage, and home goods products. We update our supply chain map at least annually to provide customers and external stakeholders visibility into where we source. Open Apparel Registry to foster brand collaboration and action in the apparel industry.

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



# **Our Progress in 2021**

In 2021, we strengthened our engagement with suppliers, workers, and communities to further embed respect for human rights throughout our value chain. We are building our efforts in our key commitment areas, including Gender Equity and Responsible Recruitment, and strengthened our due diligence mechanisms. Workers remain at the center of our work; we support our suppliers to mitigate risk and invest in supply chain worker well-being.

# **Supply Chain Commitments**

We evaluate our supply chain to identify the industries, countries, and issues where we have the greatest opportunities to identify and address risks and have a positive impact on workers. We work closely with our suppliers around the world, and consistently work to identify partnerships and programs to help our suppliers invest in worker well-being and safe workplaces. We are proud to share our progress on our key commitment areas

**Learn more** about our key supply chain commitment 

# Safe and Healthy Workplaces

Maintaining safe and healthy workplaces is a top priority for Amazon. We have global teams who partner with suppliers to increase worker awareness of safety issues, promote worker participation in their facility's safety culture, and promote initiatives focused on the well-being of workers on issues that matter most to them.

In 2021, we continued to strengthen our mechanisms to address and improve workplace safety by conducting building, electrical, and fire safety assessments for at-risk suppliers in Bangladesh and Pakistan. We also trained selected suppliers on how to improve management systems and workplace dialogue, and we created issue-specific guidebooks to enable suppliers to better understand the root causes of these issues and help prevent issues from occurring.

We expanded our work with the Sustaining Competitive and Responsible Enterprises (SCORE) program, a lean manufacturing program focused on improving productivity and safe working conditions in small and medium-sized manufacturers, with an emphasis on worker participation as an essential component to strong safety management practices. To date, we have enrolled 50 suppliers located in India, China, and Vietnam, providing over 28,900 workers with a cumulative 8,800 hours of training. Through an independent assessment of the program, we found a reduction in health and safety findings and accidents, and increased productivity and worker satisfaction.

To provide programs to workers in our supply chain, we partner with Swasti, a global nonprofit committed to ensuring access to quality health care for workers in marginalized communities. As of 2021, Swasti reached over 1,200 workers in Amazon's supply chain in India, providing critical mental health, health care, and social entitlement support to workers, their families, and their communities. Swasti provides a telecare health counseling program, factory management training on COVID-19 prevention and management, and screening for harmful health conditions, including hypertension and diabetes.

"I feel proud to be a part of the program under Swasti. Before the training, I was not very conscious of my health. I have not been eating well in the morning. The training helped me to understand how to address symptoms I was experiencing and counseled me on ways to manage through healthy lifestyle and exercise. The easy accessibility to the health counselor and nutritionist helped me gradually control and improve my symptoms."

#### T. N. Manjula

Supervisor at Just Jute Products and participant in Swasti health training





# **Protecting Workers During COVID-19**

Millions of workers worldwide remain affected by deepening poverty, inequality, and job uncertainty due to the lingering impacts of the COVID-19 pandemic. In many parts of Asia, which are critical manufacturing and sourcing regions for Amazon's goods, workers continue to experience health and financial challenges due to low vaccination rates and reoccurring lockdowns, which can shutter factories.

Building on our 2020 investments in organizations providing critical front-line support to workers impacted by the pandemic, in 2021, we made an additional \$1.65 million investment to collaborate with several organizations and invest directly in suppliers of Amazon-branded products. This investment will help provide an estimated 54,000

workers with access to crisis response resources, with a focus on Asia's most COVID-vulnerable regions.

Through a collaboration with Catalyst Management Services, a social investment specialist group, and PATH, a global public health nonprofit, this commitment will facilitate vaccine assistance, provide a medical hotline for workers and their families, and assist factories in establishing crisis response plans. Additionally, we continue our collaboration with Nest to provide tools and training to help more than 70 artisan small business owners in Indonesia, Cambodia, and the Philippines weather the financial impact of shop closures, staffing shortages, and canceled orders.

**Learn more** on About Amazon ☑.

# **Gender Equity**

Gender equity is a fundamental human right and a necessary foundation of a sustainable supply chain. Quality jobs for women translate to positive impacts for communities, and we are actively working to empower women to make their own decisions on health, finances, and career development.

In 2021, we scaled our work and investments to advance the rights of female workers in supply chains. We made a \$1 million investment in the Resilience Fund for Women in Global Value Chains. The Resilience Fund pools corporate investments to drive local, women-led solutions to some of the toughest problems facing women in global value chains. Established by BSR, the UN Foundation, and Women Win, the Resilience Fund aims to raise at least \$10 million to make strategic, long-term investments in women's economic resilience, health, and well-being.

We 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.

In addition, we signed and adopted the UN Women's Empowerment Principles (WEPs) 2. Supported by more than 6,000 corporate signatories, the WEPs were established by the UN Global Compact and UN Women to offer businesses guidance on ways to promote gender equality and women's empowerment in the workplace, marketplace, and community.

Learn more about our human rights partnerships ∃.





# **Amazon Partnership With Nest**

To advance our gender equity commitments, we support female business leaders, entrepreneurs, and makers across our supply chain. As part of this effort, in 2021, Amazon Handmade and Nest teamed up to support artisan and maker businesses to increase their sales and impact by leveraging the power of Amazon's marketplace. Nest, a nonprofit supporting the responsible growth and creative engagement of the artisan and maker economy to drive gender equity, supports a growing network of over 1,600 artisan businesses across 120 countries. The partnership between Nest and Amazon Handmade led to the launch of a dedicated cohort of Nest artisan businesses that were promoted through a dedicated gateway on Amazon Handmade.

In the wake of COVID-19, providing artisan businesses with a multichannel sales strategy is essential to their resilience and ability to withstand unprecedented times for small maker businesses. For example, Espacio Handmade, based in Austin, Texas, is a women-owned leather goods business that was highlighted in our 2020 Sustainability Report. Amazon Handmade also featured the business in the "Our Favorite Finds" section, and within weeks, Espacio Handmade had received hundreds of orders. Amazon Handmade is proud to support creative maker and artisan businesses as they navigate optimal ways to leverage the direct-to-consumer platform that both Amazon and Amazon Handmade provide.

Learn more on About Amazon ☑.





# **Gender Equity Training for Workers** in Our Supply Chain

Amazon partners with BSR's HERproject, an initiative that brings together global brands, their suppliers, and local partners to create and implement workplace-based interventions on health, financial inclusion, and respect for women's rights. Through our BSR partnership, we engage suppliers in China, Bangladesh, Vietnam, and India. As of 2021, we supported nearly 16,000 workers—including 10,000 women—with trainings on health and financial skills, and we helped workers and factory management to combat gender-based discrimination in the workplace.

Sunita Giri is a garment worker at Dhruv Globals Ltd. in India who attended a HERfinance program. She is a single mother of two children, and her family depends on her income alone. Through HERfinance training, Sunita learned the value of investing and saving for health and future expenses. The training taught her about financial planning tools and options to build her savings to support her short-term and long-term goals. It also inspired her to open a savings account, where she regularly deposits funds, and enabled her to use digital payment tools that support fair wage payments. Sunita shared what she learned with her colleagues, family, and neighbors, so that they also benefited from the information she received.

"It is because of this training that I have started to think about myself and my future, as I do not want to depend on anyone [in] my old age," she said.



We are committed to working closely with suppliers, business partners, and multistakeholder associations to monitor and promote continual improvement in working conditions, including fair and on-time payment of wages. We have dedicated teams across the globe that work directly with suppliers to track and report performance against these standards. Our suppliers are required to pay legally required compensation, including overtime and benefits, and we encourage them to continually evaluate whether their workers earn enough to meet their basic needs and the needs of their families.

Making sure workers are paid fairly is a challenge across all industries in global supply chains. We are working to better understand wage payments in our supply chain to meaningfully engage with suppliers and enhance our due diligence under the UN Guiding Principles on Business and Human Rights on this issue. We will continue to enroll our suppliers in international programs that improve livelihoods, help suppliers invest in worker well-being, and contribute to the social and economic development of regions where we source and operate. Programs such as SCORE and Better Work address the holistic challenges workers face by focusing on improving working conditions and promoting respect for labor rights. An independent impact assessment of the SCORE program found increased productivity and increased wages for Amazon suppliers participating in the program.

# **Responsible Recruitment and Freely Chosen Employment**

Amazon does not tolerate the use of forced labor. Forced labor is a hidden crime that is hard to combat, and workplace environments and recruitment practices are dynamic. For vulnerable groups such as foreign migrant workers, we are increasing our understanding of forced labor risk across both home and destination countries. Worker voice mechanisms are important to enable workers to raise issues in a safe and confidential manner. We recognize real progress in this space will only be achieved through collaborative action by companies, governments, and civil society—to spur systemwide change.

With operations and supply chains spanning the globe, we are committed to improving the working conditions of people who are connected to our business and recognize the need to monitor for conditions that put workers at risk of modern slavery. We work to identify and reduce the risk of forced labor. Our Supply Chain Standards prohibit all forms of forced labor and human trafficking, and set requirements aimed at reducing risk. For example, workers must not be required to pay recruitment fees, and suppliers must not retain passports or personal documentation. During assessments of Amazonbranded suppliers, we track where workers migrated from and how much they paid in recruitment fees. If fees have been paid, we require the supplier to reimburse workers in full.

In 2021, we expanded our relationships with key external partners RBA and the International Organization for Migration (IOM). We also began partnering with the Issara Institute to address issues of human trafficking and forced labor through worker voice, partnership, and innovation. We are working with these organizations to better understand hotspots across our supply chain so that the rights of workers vulnerable to forced labor continue to be respected and promoted. We are also working with them to leverage collective industry responses for improved due diligence and develop impactful risk mitigation strategies that put the interests of workers first.

Additionally, we expanded our training on responsible recruitment practices to over 50 suppliers through the RBA's Responsible Labor Initiative and IOM. We also offered worker awareness training to workers at sites in high-risk regions to improve the well-being of foreign migrant workers. These training programs focused on modern slavery risks and the importance of responsible recruitment, including teaching participants how to implement effective risk mitigation controls, identify issues in their recruitment and hiring processes for migrant workers, and draft an implementation plan for addressing these issues.

# **Standing in Partnership Against** Child Labor

The UN designated 2021 as International Year for the Elimination of Child Labour. Building on our work with The Centre for Child Rights and Business, Amazon committed to the Joint Action Pledge to strengthen the protection of children's rights and accelerate action to address child labor in global supply chains.

Through this commitment, we will work with other retailers to further extend due diligence, remediation, and monitoring activities. This will enable us to increase our understanding of child labor in supply chains, deliver programs to support juvenile workers, build the capabilities of suppliers to address child labor, work collaboratively as a group to share learnings, and establish best practices to address child labor.

"Amazon is committed to ensuring our products and services are provided in a way that respects human rights, and combating forced and child labor in global supply chains is an important part of that pledge. In this International Year for the Elimination of Child Labour, we are proud to reinforce our commitment by joining the Joint Action Pledge and look forward to working collaboratively with The Centre for Child Rights and Business, peer companies, and other stakeholders to strengthen protections for children's rights and eliminate child labor."

## **Leigh Anne DeWine**

Director of Social Responsibility, Amazon

# **Combating Forced Labor**

Amazon is currently working with these organizations to devise holistic approaches to combating forced labor:

- Amazon supports **Polaris**, a nonprofit leading a social justice movement to fight sex and labor trafficking at the massive scale of the problem—25 million people worldwide deprived of the freedom to choose how they live and work. Through the U.S. National Human Trafficking Hotline, Polaris has responded to more than 73,000 situations of human trafficking since 2007. AWS works with Polaris to infuse cutting-edge technology into its infrastructure to accelerate the development of the largest known U.S. dataset on trafficking. With the guidance of survivors, Polaris uses that data to improve the way trafficking is identified, how victims and survivors are assisted, and how communities, businesses, and governments can prevent human trafficking by transforming the underlying inequities and oppressions that make it possible.
- Amazon is a member of the Responsible Labor Initiative, a multi-industry, multistakeholder initiative focused on ensuring that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted.
- Amazon partners with **StolenYouth**, a Seattle-based organization with the mission to end child sex trafficking in the state of Washington through prevention, connecting trafficked youth to resources and services, and empowering survivors along their path to recovery and a promising future. We support StolenYouth by providing both financial support and goods donations.

- **Tech Against Trafficking** is a coalition of companies collaborating with global experts to help eradicate human trafficking using technology. Amazon sits on the organization's steering committee and has leveraged the expertise and resources of AWS to help explore and scale the use of technology solutions across the antitrafficking field.
- **Thorn**, an organization that builds technology to defend children from sexual abuse, leverages AWS machine learning tools in its Spotlight product. Spotlight's sophisticated machine learning capabilities save time for investigators by automatically flagging ads likely to represent victims of child sex trafficking. Investigators search Spotlight's constantly growing database of ads and set up automated alerts to empower proactive investigations. Spotlight has helped identify more than 20,000 child sex trafficking victims.
- Amazon is an official corporate sponsor of Truckers Against Trafficking (TAT), an organization dedicated to combating human trafficking in the trucking industry. We began incorporating TAT training modules into trainings for our internal fleet of drivers to teach them how to identify and respond to potential victims of human trafficking. Since launching this partnership, we have trained over 9,000 Amazon transportation associates.
- We support the UK-wide Modern Slavery & Exploitation Helpline operated by **Unseen**, investing in its efforts to provide immediate and long-term assistance to potential victims of modern slavery and to ensure the helpline's continued growth. The helpline provides direct response and services to potential victims of modern slavery and helps shape trainings and wider services for vulnerable people.





### **Environmental Protection**

We are committed to sourcing products and services that do not cause unnecessary environmental harm, and work with industry experts on ways to understand the environmental impact of our products. We are a member of the Sustainable Apparel Coalition, an industrywide group of leading apparel and footwear brands, retailers, manufacturers, NGOs, academic experts, and government organizations working to reduce the environmental and social impacts of apparel products around the world.

We encourage our Amazon-branded suppliers to evaluate their practices using the Coalition's Higg Index, a tool to help manufacturers measure the social and environmental performance of their facilities. We are committed to driving adoption of this assessment and helping our suppliers understand their environmental impacts. Our aim is to work with industry partners and our suppliers to understand their environmental footprints and set goals to reduce environmental impacts.

#### 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 well-being, 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 organizations 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. Across these mechanisms used in 2021, 92% of closed issues have had worker verification of remedial actions.

As an example of our work in this area, we enrolled our Bangladeshi suppliers in Amader Kotha, a helpline that provides workers in the ready-made garment sector a safe and effective way to report and resolve workplace issues. We provide ongoing capacity-building to suppliers enrolled in Amader Kotha, assisting with grievance handling mechanisms and worker voice tools. In our third year of working with Amader Kotha, we are seeing significant impact. More than 88% of workers employed with our Bangladeshi suppliers reported that they were satisfied with the usage of the Amader Kotha Helpline. In 2021, workers placed 530 calls to the helpline—86% related to labor issues and 4.6% related to safety issues. These cases are resolved directly in partnership with factory management in line with the helpline's protocols.

**Learn more** about our spotlight on worker voice ∃.

# **Commodities and Traceability**

## **Assessing and Mapping Risk**

Commodity supply chains are complicated and fragmented and improved visibility into raw material supply chains better enables businesses to identify human rights and labor rights violations and hold suppliers accountable.

In 2021, we completed our first commodity and materiality risk assessment for Amazon-branded products and identified eight commodities with salient social and environmental risks as a key milestone in the development of our responsible commodity sourcing roadmap.

#### Focus on Cotton

In 2021, we continued to strengthen our efforts to address human rights risks in global cotton supply chains. Amazon joined Better Cotton's Retailer and Brand Advisory Panel on Traceability to help steer Better Cotton's initial vision and strategy toward achieving more traceable cotton in the coming years. We also participated in the Responsible Sourcing Network's initiative YESS: Yarn Ethically & Sustainably Sourced. YESS works to address forced labor in the cotton value chain by providing training to, and managing the assessment of, spinners and fabric mills to identify and address forced labor in cotton production.

#### **Focus on Minerals**

In 2021, we increased our support for industry collaboration toward responsible mineral sourcing. We remain members of the Public-Private Alliance for Responsible Minerals Trade and the Responsible Minerals Initiative (RMI). We also enhanced our cobalt due diligence program using the RMI's cobalt reporting template.

We supported RMI's Smelter Audit Fund to increase assessments for tin, tungsten, tantalum, and gold smelters. These assessments are critical to responsible mineral

sourcing in our supply chains. In 2022, we will implement additional smelter due diligence protocols as we work toward 100% of tin, tungsten, tantalum, and gold mineral smelters and refiners in our supply chain being certified using a recognized minerals assurance program.

## **Purchasing Practices**

Supplier feedback on our purchasing practices is important in understanding how we can improve supplier relationships and understanding our potential impact on human rights in our supply chain. In 2021, Amazon partnered with the Better Buying Institute to capture anonymous supplier feedback on our purchasing practices through an annual survey. Benchmarked against industry peers, we identified key areas, including planning and forecasting, supplier engagement, and on-time payments, where we can improve practices to drive a better supplier experience of working with Amazon.

In 2021, Amazon partnered with Better Buying and other brands to create an e-learning course to raise awareness about the importance of the issue.

We are proud to have been part of the effort to end state-imposed forced labor in Uzbekistan's cotton sector. In 2019, Amazon signed the Cotton Campaign's Uzbek Cotton Pledge with over 300 brands and retailers to raise awareness and oppose the systemic use of forced labor in Uzbekistan's cotton production. As of March 2022, the International Labour Organization has independently verified that the government of Uzbekistan has ended the practice of state-imposed forced labor in its cotton sector and the Cotton Campaign has lifted the Uzbek Cotton Pledge, ending the boycott of Uzbek cotton.

# **Supplier Assessments**

We assess our suppliers of Amazon-branded products across four main categories: 1) Labor, 2) Health and Safety, 3) Environment, and 4) Ethics. These categories are divided into subcategories, such as nondiscrimination, emergency preparedness, hazardous substances, and transparency. Findings within each subcategory are flagged as High, Medium, or Low depending on the level of severity. Amazon focuses on setting a high bar for new suppliers and refusing to go to production until suppliers remediate High-level findings identified in our assessments. We recognize that some issues may take time to effectively remediate. For Medium-level issues, we expect suppliers to show they are making meaningful progress toward remediation within a defined timeline. For Low-level issues, we monitor suppliers for continual improvement. We have dedicated teams based in key sourcing countries around the globe that work directly with our suppliers to identify solutions to challenging problems and promote open dialogue. We seek to create long-term relationships with suppliers that align with our values and are committed to constantly improving conditions. Where we see trends in issues beyond individual suppliers, such as widespread health and safety deficits or industrywide failures to responsibly protect migrant workers, we work to define regional or global strategies to address underlying systemic challenges.

We share our supplier assessment ∃ data (see Appendix) to demonstrate our commitment to transparency and contribute to industrywide knowledge on complex and changing supply chain conditions. In 2021, we conducted 5,952 assessments to help us determine which suppliers to work with and, for those we do engage, to help us understand and continually improve those suppliers' practices. We utilize three types of assessments:

- Pre-Production Assessments: Suppliers must submit an Amazon-approved assessment of their facilities before beginning production of Amazon-branded products (28% of assessments conducted in 2021 were Pre-Production Assessments).
- Ongoing Assessments: Suppliers must submit Amazonapproved assessments on an ongoing basis while producing Amazon products (51% of assessments conducted in 2021 were Ongoing Assessments).
- Verification Assessments: Where issues are identified, suppliers must develop a corrective action plan detailing actions to address identified issues and a long-term plan to prevent reoccurrence, and where necessary, must undergo a follow-up assessment to remediate issues (21% of assessments conducted in 2021 were Verification Assessments).

Our assessment data reflects findings for suppliers evaluated in 2019, 2020, and 2021, and includes assessments of suppliers we no longer work with, or with which we never began a business relationship. Assessments may have found more than one issue listed. We accept assessments completed by qualified independent audit firms based on our own assessment standards and those of industry associations, including Sedex, amfori, and RBA; certification standard Social Accountability International (SA8000); and the Better Work program.

Our assessment data helps us determine where to focus our efforts and resources, and provides insight into industrywide challenges and systemic issues. We are continually innovating to include new assessment types and data sources in our due diligence program. We attribute the increase in transparency issues to the 2021 introduction of a remote

assessment tool, which requires suppliers to provide records and documentation in real time. We now provide suppliers with additional notice of this expectation to help preempt transparency issues. In other cases, the increased rate of findings in specific categories represents industrywide challenges that require industry-level, long-term solutions. We have dedicated teams engaging directly with our suppliers on key safety-, wage-, and working hours-related findings. We recognize that we cannot address many of these systemic issues alone, and we are committed to engaging in industry-level interventions in order to drive improvement in working conditions. We are dedicated to working with our suppliers to understand root causes and build strong management systems to address and mitigate issues.

Learn more about our supplier assessments ☑.





69

# **Supporting Our** Communities

Amazon's culture is built around solving impossible problems—a culture we know has the power to drive meaningful change. 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.

# **20M**

Meals delivered as of 2021 in 25+ U.S. cities, as well as in communities in Australia. Japan, Singapore, Spain, and the UK

Nonprofits supported across the U.S. in 2021 through in-kind personal protective equipment donations

# 225M+

In-kind donated items, including personal protective equipment and essentials, in 2021

In-kind donations of school supplies and other essential items to meet hyperlocal community needs in communities where we operate throughout North America, the UK, and Europe

# **Our Approach**

Working alongside community partners, we create solutions to some of the world's most pressing challenges and build long-term programs 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. We also look to the future, by providing programs that support science, technology, engineering, and math (STEM) education and skills training.

#### Access to Food and Basic Needs

We help address urgent issues faced by children and families from underserved communities by improving access to food and basic necessities. We leverage our logistics network to support food banks and community organizations, delivering groceries and pre-packaged meals directly to vulnerable families

We also work to eliminate barriers to learning by providing students with clothing, hygiene products, and other supplies that help them focus on their studies. We donate to nonprofits supporting school districts in Washington state's Puget Sound region, Northern Virginia, and Nashville, Tennessee. As of 2021, Amazon has provided more than \$8 million and 50,000 instances of support to students and their families since 2018

# **Supporting Charitable Organizations** With AmazonSmile Donations

2021 Sustainability Report

AmazonSmile ☑ makes it easier for Amazon customers to give back to charitable causes with just one click. AmazonSmile is available in the U.S., Germany, and the UK, and offers customers the opportunity to support their favorite charity from a list of over a million organizations. Amazon donates 0.5% of the purchase price of eligible orders to the chosen charity. Customers can also donate items directly to charities using AmazonSmile Charity Lists.

AmazonSmile donations support charities ranging from global humanitarian efforts and animal welfare groups to parent-teacher associations and local hospitals. Organizations around the world have been able to expand their work and make a meaningful impact in their communities thanks to these donations and the customers who choose to shop using AmazonSmile.

"Donations from AmazonSmile support Save the Children's work in the U.S. and around the world. With funds from AmazonSmile donations, Save the Children can provide temporary learning centers for more than 3.500 children who are out of school amid conflict, deliver food for more than 14,000 children missing meals due to the pandemic, and equip 14 mobile health units, ensuring vital care to thousands more. We couldn't do it without you."

# **Perry Yeatman**

Head of Corporate, Save the Children U.S.



70



# **Health Equity for Communities**

In 2021, AWS committed \$40 million over three years to help organizations develop solutions to improve health outcomes for underserved or underrepresented communities. The program ☑ is open to organizations around the world that want to harness AWS technology and expertise to advance health equity in any of the following areas:

- Increasing access to health services for underserved communities
- Reducing disparities by addressing social determinants of health
- Leveraging data to promote more equitable and inclusive systems of care

This program gives organizations another way to access AWS credits and technical expertise to advance their missions.

In collaboration with local nonprofits, AWS also launched community development initiatives in villages adjoining AWS infrastructure sites in West Java, Indonesia, and Telangana, India. Initiatives include renovation of schools, provision of clean water facilities, toilets, waste management systems, hyperlocal environmental initiatives, and skill development programs for local youth.

# Whole Foods Market

Whole Foods Market was founded with the purpose to nourish people and the planet. To make an impact in our communities, Whole Foods Market has three foundations to support strategic programs that make an impact across the globe:

• Whole Planet Foundation ☐ is committed to alleviating global poverty for people living in communities in the U.S. and around the world that supply products for Whole Foods Market stores.

- and nutrition education by partnering with community-led organizations to build thriving local food systems.
- Whole Kids Foundation ☑ supports schools and inspires families to improve children's nutrition and wellness.

Each quarter, Whole Foods Market supports nearly 500 community-based nonprofits with aligned missions and values through the Team Member Directed Giving program. This program is led by local team member networks and focuses on addressing specific needs within each community we serve. From October to December 2021 alone. Whole Foods Market donated more than \$1.1 million to 489 nonprofits in the U.S. and Canada.

#### **Sourced for Good**

In 2021, Whole Foods Market launched Sourced for Good Z, an exclusive program dedicated to helping customers easily identify products that support workers, communities, and environmental stewardship where our products are sourced. With our Sourced for Good seal, we are committed to demystifying the decision-making process by helping our customers easily identify these products.

Customers can find the Sourced for Good seal on more than 100 products in stores, including on bananas, asparagus, peppers, tomatoes, and tulips. We've also expanded the program to seafood as well as to domestic suppliers, as we strive to serve more communities. Purchasing Sourced for Good products directly contributes to causes that Whole Foods Market and our customers champion, including fair wages, ethical trade, improved health care access,

scholarships, planting trees, and more—with millions of dollars raised annually for hundreds of communities across 12 countries.

## **Supporting Local Producers**

We support local food producers through Whole Foods Market. In addition to featuring local products in our stores, we are providing loans to small, local, independent farmers and artisanal food producers to help them expand their businesses through the Whole Foods Local Producer Loan Program 2. Loan recipients have included organic vegetable farmers, a heritage turkey grower, a nutritional protein bar maker, and many others. The Local Producer Loan Program has provided more than 370 loans since 2007, representing \$26 million in capital, to our suppliers. In 2021 alone, more than \$536,000 was awarded through six loans.



# **Celebrating 10 Years of Growing Healthy Kids**

Ten years ago, a cash register campaign—as well as the enthusiasm of contributing team members and customers planted a seed of an idea, which eventually grew into Whole Kids Foundation. The idea: Given the right opportunities, kids will get excited about fresh fruits, vegetables, whole grains, and other nutritious whole foods. Since its founding in 2011, Whole Kids Foundation's community investments in the U.S., Canada, and the UK have increased access to nutritious school food and transformed the way students eat and think about food. The Foundation facilitates environments and partnerships to create lasting change.

10 years of impact through Whole Kids Foundation:

10M

Students

12K+

Schools

**700** 

Salad bars

7K+

22K+ Trained teachers

**Beehives** 

Learn more about the Whole Kids Foundation ☑.

# Fresh Thinking in Disaster **Relief Planning**

To enable an even faster response to natural disasters, we opened our first disaster relief hub in our Atlanta fulfillment center in 2021—a major advancement in disaster relief planning.

It can take multiple days to respond to a natural disaster and assess, procure, consolidate, and pack supplies. To accelerate this process, Amazon analyzed data across four years of support to prepare ahead of hurricane season in the U.S. and Caribbean.

We donated and pre-stocked over 500,000 relief supplies in our hub, which spans 10,000 cubic feet big enough to fill an Amazon Air 767 cargo plane. This preparation ensured readiness for helping six of Amazon's humanitarian relief partners, and the hub was instrumental in providing support to Louisiana communities following Hurricane Ida.

"Amazon's donation of critical relief supplies and advance pre-positioning efforts allow the American Red Cross to stand ready to help at a moment's notice. We're honored to count Amazon as one of our most valued partners and are grateful for their continued support to fulfill our mission."

### **Trevor Riggen**

Senior Vice President, Disaster Cycle Services, American Red Cross



# **Disaster Relief and Response**

Amazon's disaster relief and response efforts leverage our innovative technologies and global logistics network to provide fast and effective aid for communities impacted by natural disasters. We have filled cargo jets and shipped truckloads of Amazon-donated items to communities across the globe. We also enable customers to donate products and cash on Amazon.com and we help disaster response organizations expedite their response efforts at scale through AWS. Since 2017, we have donated more than 18 million relief supplies and emergency aid items, including flashlights, tents, and search and rescue equipment.

In 2021, Amazon supported global communities impacted by natural disasters, including:

- Severe floods in Western Europe and New South Wales, Australia
- Wildfires in Turkey and Canada
- A tornado in the Czech Republic
- A volcanic eruption in Saint Vincent and the Grenadines
- Monsoon season in India
- An earthquake in Haiti
- Winter storms in Texas, Mississippi, Tennessee, and Alabama

Through the AWS Disaster Preparedness and Response program, we work alongside governments, nonprofits, international aid organizations, and private entities. We offer support through cloud computing technology, technical expertise, and volunteer time to help communities at every stage of a disaster lifecycle.

In addition, we provide support and financial assistance, often in the form of grants, to employees and partners facing unexpected hardship. In 2021, we provided more than 19,000 grants, totaling \$14 million, for natural disaster relief, including hardship due to a COVID-19 diagnosis or quarantine. We also supported nearly 1,800 employees, partners, and their families with nearly 100,000 essential items, nearly 17,000 hot meals, and critical personal services such as housing, transportation, and counseling.

Natural disasters Amazon provided relief for in 2021

18M+

Relief supplies Amazon has donated and delivered since 2017

# **Skills Training and STEM Education Programs**

Amazon believes in the power of education to unlock human potential, which is why we are investing in a range of subjects and tools to help children, higher education students, and adults tap into their potential.

Skills training and STEM education can have a big impact in an increasingly digitized, technological world, and we are helping people pursue careers of the future through computer science and coding skills. In 2020, we pledged to help 29 million people around the world grow their technical skills with free cloud computing skills training by 2025. To support this commitment, we have a number of initiatives, ranging from equipping higher education institutions with a free, ready-to-teach cloud curriculum to helping teachers bring coding classes to rural areas, and inspiring girls and young women to pursue careers in tech. Our programs include Amazon Future Engineer ☑, AWS Training and Certification ☑, AWS re/Start ☑, AWS Academy ☑, AWS Educate ☑, AWS Think Big Experience ☑, our partnership with Girls in Tech \(\mathbb{Z}\), and AWS GetIT \(\mathbb{Z}\).

For example, Amazon Future Engineer is our global childhood-to-career computer science program created to inspire and educate thousands of students each year from underserved and underrepresented communities. As part of this program, students explore computer science by meeting actual Amazon employees in virtual live career talks or explorations of our real-world innovations. In 2021, Amazon Future Engineer reached 1.8 million students, and it is now available in the U.S., the UK, India, France, Germany, and Canada.

1.8M

Students reached through Amazon Future Engineer in 2021

Amazon Future Engineer also awards 250 students in the U.S. each year with \$40,000 scholarships and paid internships at Amazon, as well as honoring Teacher of the Year Award winners with more than \$30,000 for themselves and their schools.

Through Amazon Future Engineer, Amazon announced a new Advanced Placement Computer Science programming curriculum 🗹, in partnership with Code.org. Designed with equity at its core, the curriculum is intended to empower every student, regardless of their background, to envision themselves using computer science to bring their dreams to life.

prepare underrepresented and underserved students globally for careers in machine learning. In addition, the AWS InCommunities Scholarship Program ☑ offers a total of \$100,000 in scholarships to students from U.S. states where AWS has data center operations to support their higher education ambitions in STEM. The program is open to students enrolling in courses such as electrical and electronics engineering, computer science, artificial intelligence, biochemistry, software engineering, and physics. Since 2019, AWS has awarded 120 scholarships to students across four U.S. states.

The AWS Infrastructure Community Engagement Program ☐ (AWS InCommunities) forges local relationships and creates communityfocused programs where AWS builds, operates, and is expanding our physical infrastructure. AWS InCommunities focuses on four key pillars:

- 1. STEM/STEAM (STEM + arts) education, equity, and access
- 2. Local tech upskilling
- 3. Environmental stewardship

2021 Sustainability Report

4. Employee engagement

In addition, AWS InCommunities' Signature Programs use AWS' unique resources to develop or inspire future builders from underrepresented and underserved communities. These include Girls' Tech Day, AWS Tech Week, Family Tech Series, and Think Big Space.

10K+

Employee volunteer hours

1.2M

Positive community interactions

# **Technology Ireland CSR Award**

Received for our "Take on a Cause" program sponsoring nonprofits and community groups

# **Special Commendation Award**

Received from the Federation of Indian Chambers of Commerce & Industry for our contributions to COVID-19 relief efforts in India





## **Housing Equity**

We believe that all people should have access to housing they can afford. In January 2021, Amazon launched the Amazon Housing Equity Fund ☑, a commitment of over \$2 billion 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.

The Housing Equity Fund helps create inclusive housing developments and preserve existing housing through low-rate loans and grants to community-based organizations, mission-driven housing providers, traditional and nontraditional public agencies, and minorityled organizations.

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

**Learn more** about our progress in our Housing Equity Fund Impact Report 🕹

\$1.2B+ Loans and grants funded

8K+

Affordable homes created or preserved

18K+ People supported









Amazon's Board of Directors is responsible for the control and direction of Amazon. The Board represents the shareholders, and its primary purpose is to build long-term shareholder value.

## **Board Leadership and Risk Oversight**

Amazon's Board of Directors 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 responsibility for certain risks to its committees.

The Nominating and Corporate Governance Committee oversees management of risks related to our environmental, sustainability, and corporate social responsibility practices, including risks related to our operations and our supply chain.

The Leadership Development and Compensation Committee oversees management of risks related to succession planning, compensation for our executive officers, and our overall compensation program, including our equity-based compensation plans, as well as risks related to other human capital management matters, including workplace safety, culture, diversity, discrimination, and harassment.

The Audit Committee oversees management of risks related to our financial statements and financial reporting process, business continuity, and operational risks, the qualifications, independence, and performance of our independent auditors, the performance of our internal audit function, legal and regulatory matters, and our compliance policies and procedures.

**Learn more** about our committee charters on our Investor Relations website \(\mathbb{Z}\).

#### **Board and Committee Engagement in 2021**

The Board meets regularly during the year, holds special meetings, and acts by unanimous written consent whenever circumstances require. During 2021, there were five meetings of the Board. In addition, the Board participated in regularly scheduled teleconference discussions on various topics. generally on a monthly basis.

The Nominating and Corporate Governance Committee held four formal meetings during 2021 and reviewed matters that included:

- The Board's composition, diversity, and skills in the context of identifying and evaluating new director candidates to ioin the Board
- The Board's recruitment and self-evaluation processes
- Board compensation
- Board Committee membership and qualifications
- Consideration of Amazon's policies and initiatives regarding the environment and sustainability, corporate social responsibility, and corporate governance
- Feedback from shareholder engagement

The Leadership Development and Compensation Committee held six formal meetings during 2021 and reviewed matters that included:

- Design, amounts, and effectiveness of Amazon's compensation for senior executives
- Management succession planning
- Our benefit and compensation programs
- Our human resources programs, including review of workplace discrimination and harassment reports, worker safety and workplace conditions, and diversity, equity, and inclusion matters
- Feedback from shareholder engagement

The Audit Committee held seven formal meetings during 2021 and reviewed matters that included:

- Our risk assessment and compliance functions
- Data privacy and security<sup>3</sup>
- Public policy expenditures
- Treasury and investment matters
- Tax matters
- Accounting industry issues
- The performance of our internal audit function
- The reappointment of our independent auditor
- · Pending litigation



### **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

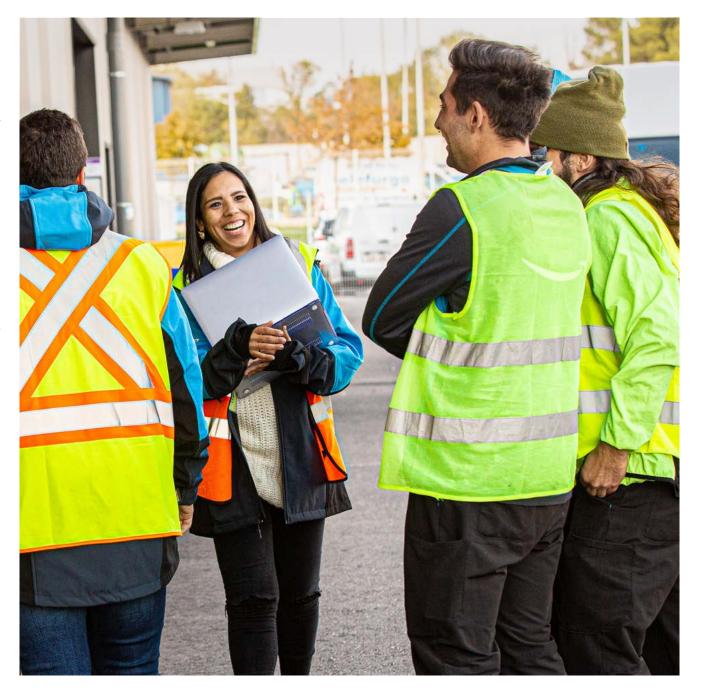
#### **Board Diversity**

The Nominating and Corporate Governance Committee seeks out candidates with a diversity of experience and perspectives, including diversity with respect to race, gender, geography, and areas of expertise. The Nominating and Corporate Governance Committee includes, and has any search firm that it engages include, women, individuals from underrepresented racial/ethnic groups, and individuals who identify as LGBTQ+ in the pool from which the Committee selects director candidates. When considering candidates as potential Board members, the Board and the Nominating and Corporate Governance Committee evaluate the candidates' ability to contribute to such diversity. The Board assesses its effectiveness in this regard as part of its annual Board and director evaluation process. Currently, of our nine independent director nominees, five are women, two are from underrepresented racial/ethnic groups, and three have served for five years or less.

### **Shareholder Engagement**

We believe that effective corporate governance includes year-round engagement with our shareholders and other stakeholders. In a typical year, we will engage with dozens of shareholders, including our largest shareholders, two to three times. This outreach is complementary to the hundreds of touchpoints our Investor Relations team has with shareholders each year. We find it beneficial to have ongoing dialogue with our shareholders throughout the year on a full range of investor priorities. Depending on the circumstance, our lead director or another independent director may engage in these conversations with shareholders as well.

In 2021, as part of our corporate governance engagement, we met with corporate governance representatives at shareholders owning over 35% of our stock (not counting the approximately 13% voted by our founder and Executive Chair) and responded to numerous letters from our investors. Our direct engagement with shareholders helps us better understand our shareholders' priorities, perspectives, and issues of concern while giving us an opportunity to elaborate on our many initiatives and practices and to address the extent to which various aspects of these matters are (or are not) significant given the scope and nature of our operations and our existing practices. We take insights from this feedback into consideration and regularly share them with our Board as we review and evolve our practices and disclosures.



## **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 behavior 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 in any form for any of our businesses. Our anti-corruption compliance program is implemented as part of a centralized global compliance program, led by the Vice President for Business Conduct and Ethics. The program 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.

Our Business Conduct and Ethics program includes a risk assessment and compliance goal-setting process that gathers broader business input through regular client interviews, a whistleblower hotline, centralized investigation and reporting of violations, due diligence processes designed to detect potential compliance issues before engaging in transactions with third parties, and a wide variety of online and in-person training about compliance-related topics and the company's compliance policies.

Amazon has extensive controls relating to financial transactions, through which groups such as accounting, finance operations services, accounts payable, and payroll all own processes that identify, monitor, and evaluate risks including fraud, misappropriation of assets, corruption, and the integrity of financial reporting. Other control functions such as finance, procurement, and internal audit all work together with the Business Conduct and Ethics team to prevent, detect, and deter corruption.

## **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 and services, our principled approach to privacy ☑ begins with transparency, customer control, and security.

We inform our customers of our privacy and data security policies, practices, and technologies through our privacy AWS Privacy Notice ☑. We are also enhancing cybersecurity awareness beyond Amazon by offering the training we use \(\mathbb{Z}\) for our own employees free to individuals and businesses.

#### **Data Privacy Oversight**

An ad hoc committee of the Board appointed in 2022 receives reports from management and reports to the Board at least annually on data protection and cybersecurity matters. This committee also reviews the measures implemented by Amazon to identify and mitigate data protection and cybersecurity risks. Amazon requires employees with access to information systems, including all corporate employees, to undertake data protection and cybersecurity training and compliance programs annually.

## Whistleblowing

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 Business Conduct and Ethics. 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. The Legal Department has provided guidelines for how employees can report concerns. We do not allow retaliation against an employee for reporting misconduct by others in good faith. Employees must cooperate in internal investigations of potential or alleged misconduct, and those who violate the Code of Conduct will be subject to disciplinary action up to and including discharge.

In addition, suggestions or complaints emailed to a member of the senior leadership team are considered Executive Escalations. Any employee can utilize this method of providing a suggestion or raising a concern to leadership. All escalations are independently reviewed by Human Resources, used as a learning opportunity, and may be used to update our processes to prevent gaps in the future.

# Advocacy and **Public Policy**

We operate in regions all over the world, and remain committed to giving customers everywhere the same standard of excellence.

## **Our Approach**

We engage with authorities at the local, state, national, and international levels to oversee the seamless operations of our international business through different legislative demands and compliance requirements. Our Public Policy teams work with a wide range of policymakers, multilateral organizations, industry associations, coalitions, and other partners across numerous regulatory and policy issues. Like our business interests, our policy issues are broad, forward thinking, and driven by what is best for our customers.

We have publicly stated our position on several key issues. These include, but are not limited to:

- Our belief that the minimum federal wage should be raised
- Our statement that bold action is needed to combat humaninduced climate change
- Our recognition of the fundamental importance of diversity, equity, and inclusion
- Our support for the Black, LGBTQ+, and indigenous communities
- Our commitment to access to affordable housing
- Our belief in the protection of data privacy
- Our support for common sense immigration reform
- Our commitment to help promote democracy and respect for human rights

**Learn more** about each of these positions on About Amazon \(\mathbb{Z}\).

## **Supporting Our Principles**

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. We seek out opportunities to partner with the public sector to advance new technologies, invest in needed solutions, and support public policies that provide certainty and advance innovation.

In 2021, we supported the U.S. federal government's actions to address climate change. This included supporting emissions-reducing investments in the Bipartisan Infrastructure Law and the climate provisions in the proposed Build Back Better legislation. We advocated for alternative fuel vehicles, electric vehicle charging infrastructure, sustainable aviation fuels, renewable electricity data, federal fleet electrification, wind and solar energy, and low-carbon research and development. We also joined the We Mean Business Coalition in calling for the U.S. to set as soon as possible an ambitious and attainable goal to reduce emissions by 2030. We also publicly supported the lowcarbon fuels standard proposed by the state of Washington.

In addition, we continued to advocate for higher federal and state minimum wages 2 and renewed our commitment to immigrant rights and immigration reform 

☑. We collaborated with the public sector on housing equity \(\mathbb{Z}\) and called for greater support and funding for computer science education in public schools Z, especially in underrepresented communities.

**Learn more** about our advocacy and public policy work on About Amazon \overline{\pi}.

our Investor Relations website. The statement details our lobbying activities in the U.S. and discloses our specific spending on ballot initiatives and public organizations, as well as with representatives at state and local levels.







## **Partnerships**

Partnerships enhance our impact and help support sustainability efforts beyond Amazon. We collaborate with credible, knowledgeable, and innovative industry partners around the world who share our vision.

- Advanced Energy Buyers Group
- Advanced Energy Economy
- Amader Kotha Helpline
- American Clean Power Association
- American Council on Renewable Energy
- amfori
- Article One Advisors
- Aspen Institute
- Better Buying Institute
- Better Cotton
- Better Work
- Bipartisan Policy Center
- Brand Ethical Working Group
- Building Transparency
- Business Alliance to Scale Climate Solutions
- Business for Social Responsibility (BSR)
- BSR HERproject
- Carbon Leadership Forum
- Cargo Owners for Zero Emission Vessels
- Catalyst Management Services
- Center for Climate and Energy Solutions
- Ceres
- City Harvest London
- Clean Energy Buyers Association
- Clean Energy Demand Initiative
- Clean Energy Investment Accelerator Indonesia
- Climate Neutral Data Centre Pact

- Closed Loop Partners, Closed Loop Infrastructure Fund
- Corporate Electric Vehicle Alliance
- Ellen MacArthur Foundation
- Feeding America
- First Movers Coalition
- Global Logistics Emissions Council
- Global Optimism
- Good360
- Green Chemistry & Commerce Council
- In Kind Direct
- International Center for Research on Women Advisors
- International Organization for Migration
- Issara Institute
- Japan Climate Leaders' Partnership
- Leather Working Group
- Lowering Emissions by Accelerating Forest finance Coalition
- Nest
- Open Apparel Registry
- PATH
- Polaris
- Public-Private Alliance for Responsible Minerals Trade
- RE-Source Platform
- Renewable Energy Demand Enhancement Initiative, India
- Resilience Fund for Women in Global Value Chains
- Responsible Business Alliance
- Responsible Labor Initiative
- Responsible Minerals Initiative

- Responsible Sourcing Network
- Sedex
- SolarPower Europe
- StolenYouth
- Sustainable Apparel Coalition
- Sustaining Competitive and Responsible Enterprises

79

- Swasti
- Tech Against Trafficking
- Textile Exchange
- The Centre for Child Rights and Business
- The Mara Partners
- The Nature Conservancy
- The Recycling Partnership
- Thorn
- Truckers Against Trafficking
- U.S. Cotton Trust Protocol
- United States Council for International Business
- Unseen
- We Mean Business Coalition
- WindEurope
- World Business Council for Sustainable Development
- World Economic Forum, 1t.org



### In This Section

SASB

**UNGP Reporting Framework** 

TCFD

UN SDGs

Carbon Footprint Data

Supplier Assessments

Workforce Data

Disclaimer and Forward-Looking Statements

# **Sustainability Accounting Standards Board (SASB)**

SASB is an independent standards board that is accountable for the due process, outcomes, and ratification of the SASB Standards, which seek to identify financially material sustainability information. The table below lists topics classified as applicable to the E-commerce industry. This table includes a selection of metrics from the full SASB index.

Metric	Code	Disclosure
Hardware Infrastructure Energy and Water Management		
<ul><li>(1) Total energy consumed,</li><li>(2) percentage grid electricity,</li><li>(3) percentage renewable</li></ul>	CG-EC-130a.1	In 2021, Amazon consumed 30.88 million megawatt-hours of electricity and reached 85% renewable energy across our business. Read more about our path to achieving 100% renewable energy by 2025 a on pages 20–21.
Discussion of the integration of environmental considerations into strategic planning for data center needs	CG-EC-130a.3	AWS carefully chooses our data center locations to mitigate environmental risk, such as flooding, extreme weather, and seismic activity. We also leverage weather data from the Amazon Sustainability Data Initiative to better assess the impact of weather on AWS data centers. Read more about how we are innovating for sustainability in the cloud and pages 35–38.
Data Privacy and Advertising Standards		
Description of policies and practices relating to behavioral advertising and user privacy	CG-EC-220a.2	Interest-based ads are sometimes referred to as personalized or targeted ads. We show interest-based ads to display features, products, and services. Amazon offers all customers the choice to not receive interest-based ads through Amazon Advertising Preferences 2. See Interest-Based Ads 2, Amazon.com Privacy Notice 2, and About Cookies 2.
Data Security		
Description of approach to identifying and addressing data security risks	CG-EC-230a.1	We design our systems with customer security and privacy in mind. We work to protect the security of personal information during transmission by using encryption protocols and software. We maintain physical, electronic, and procedural safeguards in connection with the collection, storage, and disclosure of personal customer information. Our security procedures mean that we may occasionally request proof of identity before we disclose personal information to customers. Our devices offer security features to protect them against unauthorized access and loss of data. Users can control these features and configure them based on their needs. We follow the Payment Card Industry Data Security Standard when handling credit card data. See Amazon.com Privacy Notice 2.
		In addition, AWS architects our network, services, and data centers to protect AWS customers' information, identities, applications, and devices. See AWS Cloud Security 2 and AWS Privacy Notice 2.



## **Sustainability Accounting Standards Board (SASB)**

Metric	Code	Disclosure
Employee Recruitment, Inclusion, and Performance		
Employee engagement as a percentage	CG-EC-330a.1	Connections is a real-time, companywide employee feedback mechanism, designed to listen to and learn from employees at scale to improve the employee experience. Connections questions are delivered to every Amazon employee daily across 55 countries and in 26 languages, generating more than 1.5 million responses each day. Read more about our approach to employee engagement and on pages 57–58.
Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and	CG-EC-330a.3	As of December 31, 2021, among people managers globally, 30.8% identify as women and 69.2% identify as men. Among people managers in the U.S., 19.9% identify as Asian, 12% as Black, 10.9% as Latinx, 3.3% as Multiracial, 0.7% as Native American, and 53.1% as White.
(3) all other employees		As of December 31, 2021, among senior leaders globally, 23.1% identify as women and 76.9% identify as men. Among senior leaders in the U.S., 21.5% identify as Asian, 5.5% as Black, 4.5% as Latinx, 1.8% as Multiracial, 0.2% as Native American, and 66.4% as White.
		As of December 31, 2021, among all employees globally, 44.8% identify as women and 55.2% identify as men. Among all employees in the U.S., 13.2% identify as Asian, 28.2% as Black, 23.6% as Latinx, 3.3% as Multiracial, 1.5% as Native American, and 30.2% as White.
		See our workforce data on pages 56 a and 99 a.
Product Packaging and Distribution		
Total greenhouse gas (GHG) footprint of product shipments	CG-EC-410a.1	See our carbon footprint 🗗 on page 97.



Entity-defined measure of user activity

## **Sustainability Accounting Standards Board (SASB)**

Metric	Code	Disclosure
Discussion of strategies to reduce the environmental impact of product delivery	CG-EC-410a.2	Shipment Zero is our goal to deliver 50% of Amazon shipments with net-zero carbon by 2030 through sustainable process improvements, recycled materials, investments in vehicle electrification, renewable energy initiatives, and more. 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. Also in 2021, more than half a million packages were delivered to our customers' doorsteps in North America with electric vehicles (EVs). Approximately 8% of Amazon shipments were delivered to customers in North America and Europe without additional packaging in 2021.  To decarbonize our <b>transportation</b> network, we are deploying zero-emission vehicles, using low-carbon fuels, investing in emerging technologies, and collaborating to accelerate cross-sector innovation. In 2019, we ordered 100,000 custom electric delivery vehicles from Rivian and thousands more from manufacturers such as Stellantis and Mahindra Electric. We started deploying battery EV trucks across our heavy commercial trucking fleets and began switching to vehicles that use alternative fuel sources, like compressed natural gas trucks. Micromobility technologies, such as cargo bikes and walkers, are used to deliver packages in urban settings. Read more about how we are decarbonizing our
		To reinvent and simplify our sustainable <b>packaging</b> options, we use a science-based approach that combines lab testing, machine learning, materials science, and manufacturing partnerships to scale sustainable change across the packaging supply chain. Frustration-Free Packaging is our flagship program to offer more-sustainable packaging that is easy to open, fully recyclable, and capable of shipping without additional packaging protection. Since 2015, we have reduced per-shipment packaging weight by 38% and eliminated over 1.5 million tons of packaging. Read more about how we are improving our packaging at on pages 28–29.
		With 274 <b>renewable energy</b> 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. See our public methodology do for more on our approach. As of 2021, 115 of our global fulfillment facilities are powered by on-site solar, where a rooftop installation can power up to 80% of the facility's energy use. Read more about our investments in 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. See our public methodology do for more on our approach. As of 2021, 115 of our global fulfillment facilities are powered by on-site solar, where a rooftop installation can power up to 80% of the facility's energy use. Read more about our investments in renewable energy and is on a path to powering our operations with 100% renewable energy and is on a path to powering our operations with 100% 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. See our public methodology do for more on our approach. As of 2021, 115 of our global fulfillment facilities are powered by on-site solar, where a rooftop installation can power up to 80% of the facility's energy use. Read more about our investments in renewable energy and in the facility of the
Activity Metrics		

There are more than 200 million paid Prime members around the world.

CG-EC-000.A

The UNGP Reporting Framework provides comprehensive guidance for companies to report on human rights issues in line with their responsibility to respect human rights. This is an index of Amazon's public content related to each subsection of the UNGP Reporting Framework and represents information as of June 2022.

Section	Indicator/Question	References and Links
Policy Commitment	A1 What does the company say publicly about its commitment to respect human rights?	• 2021 Modern Slavery Statement 년 • 2021 Sustainability Report (See Society (Human Rights, pages 41–45 된; Supply Chain, pages 61–68 된); Governance (Advocacy and Public Policy, page 78 된)) • 2022 Proxy Statement 년 • Code of Business Conduct and Ethics © • Global Human Rights Principles © • Our Positions © • Supply Chain Standards Manual 년 • Supply Chain Standards હ
	A1.1 How has the public commitment been developed?	2021 Modern Slavery Statement      2021 Sustainability Report (See <i>Society</i> (Human Rights, pages 41–45 ☑))     Global Human Rights Principles ☑
	A1.2 Whose human rights does the public commitment address?	- 2021 Modern Slavery Statement 년 - 2021 Sustainability Report (See Society, pages 41–68 ☑) - Code of Business Conduct and Ethics ☑ - Global Human Rights Principles ☑ - Supply Chain Standards Manual 년 - Supply Chain Standards ₺
	A1.3 How is the public commitment disseminated?	• 2021 Modern Slavery Statement ك • 2021 Sustainability Report (See Society, pages 39–73 至) • 2022 Proxy Statement ك • Global Human Rights Principles ☑ • Supply Chain Standards Manual ك • Supply Chain Standards ك



Section	Indicator/Question	References and Links
<b>Embedding Respect</b>	A2 How does the company demonstrate the importance it attaches to	• 2021 Modern Slavery Statement 🖳
	the implementation of its human rights commitment?	• 2021 Sustainability Report (See <i>Society</i> (Human Rights, pages <u>41–45</u> 된; Supply Chain, pages <u>61–68</u> 되))
		• <u>2022 Proxy Statement</u> <u>L</u>
		• Corporate Governance Documents and Charters 2
		• Supply Chain Standards Manual 년
	A2.1 How is day-to-day responsibility for human rights performance	• 2021 Modern Slavery Statement ப
	organized within the company, and why?	• 2021 Sustainability Report (See Society (Human Rights, pages 41–45 ∃; Supply Chain, pages 61–68 ∃))
		• Corporate Governance Documents and Charters 🗹
	A2.2 What kinds of human rights issues are discussed by senior	• 2021 Modern Slavery Statement 🖳
	management and by the Board and why?	• 2021 Sustainability Report (See <i>Society</i> (Human Rights, pages <u>41–45</u> ⊴); <i>Governance</i> (Corporate Governance, page <u>75</u> ⊴))
		• <u>2022 Proxy Statement</u> ⊎
		• Corporate Governance Documents and Charters 2
	A2.3 How are employees and contract workers made aware of the ways	• 2021 Modern Slavery Statement ₪
	in which respect for human rights should inform their decisions	• 2021 Sustainability Report (See Society, pages 41–68 ∃)
	and actions?	• Code of Business Conduct and Ethics ☑
		• Global Human Rights Principles 🗹
	A2.4 How does the company make clear in its business relationships the	• 2021 Modern Slavery Statement ₺
	importance it places on respect for human rights?	• 2021 Sustainability Report (See Society (Human Rights, pages 41–45 ∃; Supply Chain, pages 61–68 ∃))
		• Seller Central Policies 🖒
		- Supply Chain Standards Manual ⊍
		• Supply Chain Standards 止
	A2.5 What lessons has the company learned during the reporting period	• 2021 Modern Slavery Statement ₺
	about achieving respect for human rights, and what has changed	• 2021 Sustainability Report (See Society (Human Rights, pages 41–45 ∃; Supply Chain, pages 61–68 ∃))
	as a result?	



Section	Indicator/Question	References and Links
Statement of Salient Issues	B1 Statement of salient human rights issues associated with the company's activities and business relationships during the reporting period.	• 2021 Modern Slavery Statement ك • 2021 Sustainability Report (See Society (Human Rights, pages 41–45 至); Partnerships, page 79 至) • 2022 Proxy Statement ك • Amazon France Logistique S.A.S. Duty of Vigilance Plan 2021 ك • Global Human Rights Principles ☑
Explanation of Salient Issues	B2 Describe how the salient human rights issues were determined, including any input from stakeholders.	• 2021 Modern Slavery Statement ك • 2021 Sustainability Report (See <i>Society</i> (Human Rights, pages 41–45 ☲; Supply Chain, pages 61–68 ☲); <i>Partnerships</i> , page 79 ☲) • Amazon France Logistique S.A.S. Duty of Vigilance Plan 2021 ك
Geographical Focus	B3 If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	2021 Modern Slavery Statement
Additional Severe Impacts	B4 Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside the salient human rights issues, and explain how they have been addressed.	• 2021 Modern Slavery Statement
Specific Policies	C1 Does the company have any specific policies that address its salient human rights issues, and if so, what are they?	• 2021 Modern Slavery Statement 년 • 2021 Sustainability Report (See Society (Human Rights, pages 41–45 된; Supply Chain, pages 61–68 된)) • Code of Business Conduct and Ethics 전 • Global Human Rights Principles 전 • Our Positions 전 • Supply Chain Standards Manual 년 • Supply Chain Standards 년
	C1.1 How does the company make clear the relevance and significance of such policies to those who need to implement them?	• 2021 Modern Slavery Statement 년 • 2021 Sustainability Report (See Society, pages 41–68 ∃) • Supply Chain Standards Manual 년 (available in 11 languages) • Supply Chain Standards 년 (available in 18 languages)



Section	Indicator/Question	References and Links
Stakeholder Engagement	C2 What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	<ul> <li>2021 Modern Slavery Statement           —</li> <li>2021 Sustainability Report (See Society (Human Rights, pages 41–45 至; Supply Chain, pages 61–68 到); Partnerships, page 79 到</li> <li>Global Human Rights Principles ☑</li> </ul>
	C2.1 How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	<ul> <li>2021 Modern Slavery Statement du</li> <li>2021 Sustainability Report (See Society (Human Rights, pages 41–45; Supply Chain, pages 61–68 ∃); Partnerships, page 79 ∃)</li> </ul>
	C2.2 During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	2021 Modern Slavery Statement      2021 Sustainability Report (See Society (Supply Chain, pages 61–68 至); Partnerships, page 79 至);
	C2.3 During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/ or its approach to addressing it?	• 2021 Modern Slavery Statement ك • 2021 Sustainability Report (See <i>Society</i> (Human Rights, pages 41–45 ⅓; Supply Chain, pages 61–68 ⅓); Partnerships, page 79 ☒)
Assessing Impacts	C3 How does the company identify any changes in the nature of each salient human rights issue over time?	2021 Modern Slavery Statement       2021 Sustainability Report (See <i>Society</i> (Human Rights, pages 41–45 至; Supply Chain, pages 61–68 到)
	C3.1 During the reporting period, were there any notable trends or patterns in impacts related to a salient issue, and if so, what were they?	• 2021 Modern Slavery Statement du • 2021 Sustainability Report (See <i>Society</i> , pages 46–68 ☑)
	C3.2 During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	• 2021 Modern Slavery Statement 년 • 2021 Sustainability Report (See Society, pages 46–68 ∃)

Section	Indicator/Question	References and Links
Integrating Findings and Taking Action	C4 How does the company integrate its findings about each salient human rights issue into its decision-making process and actions?	• 2021 Modern Slavery Statement 년 • 2021 Sustainability Report (See Society, pages 41–68 ☑) • Corporate Governance Documents and Charters ☑ • Global Human Rights Principles ☑ • Supply Chain Standards Manual 년
	C4.1 How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	• <u>2021 Modern Slavery Statement</u> 也 • <u>2021 Sustainability Report (See Society (Human Rights, pages 41–45</u> 到) • <u>Amazon France Logistique S.A.S. Duty of Vigilance Plan 2021</u> 也
	C4.2 When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	2021 Modern Slavery Statement      2021 Sustainability Report (See Society (Supply Chain, pages 61–68 至))     Corporate Governance Documents and Charters      Global Human Rights Principles      Supply Chain Standards Manual      Supply Chain Standards Manual
	C4.3 During the reporting period, what actions has the company taken to prevent or mitigate potential impacts related to each salient issue?	• 2021 Modern Slavery Statement 业 • 2021 Sustainability Report (See <i>Society</i> , pages <u>41–68</u> ᢒ; <i>Partnerships</i> , page <u>79</u> ᢒ)
Tracking Performance	C5 How does the company know if its efforts to address each salient human rights issue are effective in practice?	- <u>2021 Modern Slavery Statement</u> <u>⊌</u> - <u>2021 Sustainability Report (See <i>Society</i> (Supply Chain, pages <u>61–68</u> <u>¬</u>))</u>
	C5.1 What specific examples from the reporting period illustrate if each salient issue is being managed effectively?	• 2021 Modern Slavery Statement 년 • 2021 Sustainability Report (See <i>Society</i> (Supply Chain, pages 61–68 ব))



Section	Indicator/Question	References and Links
Remediation	C6 How does the company enable effective remedy if people are harmed by its actions or decisions in relation to the salient human rights issues?	• 2021 Modern Slavery Statement ك • 2021 Sustainability Report (See Society, pages 46–68 ➡; Partnerships, page 79 ➡) • Amazon France Logistique S.A.S. Duty of Vigilance Plan 2021 ك • Code of Business Conduct and Ethics ♂ • Global Human Rights Principles ♂ • Supply Chain Standards ك
	C6.1 Through what means can the company receive complaints or concerns related to each salient issue?	<ul> <li>2021 Modern Slavery Statement ₺</li> <li>2021 Sustainability Report (See Society, pages 46–68 ₺)</li> <li>Code of Business Conduct and Ethics ₺</li> <li>Global Human Rights Principles ₺ (See Employee communication)</li> <li>Supply Chain Standards ₺</li> </ul>
	C6.2 How does the company know if people feel able and empowered to raise complaints or concerns?	• 2021 Sustainability Report (See <i>Society</i> , pages <u>46–68</u> ਤ)
	C6.3 How does the company process complaints and assess the effectiveness of outcomes?	• 2021 Modern Slavery Statement ⊌ • 2021 Sustainability Report (See <i>Society</i> , pages 41–68 ⊕; <i>Partnerships</i> , page 79 ⊕) • Code of Business Conduct and Ethics ☑
	C6.4 During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue?	2021 Modern Slavery Statement      2021 Sustainability Report (See Society, pages 46–68 ⊕)
	C6.5 During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	• 2021 Modern Slavery Statement ك • 2021 Sustainability Report (See <i>Society</i> (Supply Chain, pages 61–68 ☑))

# Task Force on Climate-related Financial Disclosures (TCFD)

### **Our Approach**

We aim to consistently deliver progress on our climaterelated performance, whether in our own operations or by enabling meaningful change beyond our business. We take a science-based, customer-centric approach to climate, using a structured lifecycle assessment (LCA) model to measure and map environmental hotspots across our value chain.

Our approach to quantifying our carbon footprint reflects the complexity of our business. Our team of researchers and scientists has combined cutting-edge LCA science and AWS technology to develop a robust software solution that processes billions of operational and financial records from Amazon's operations across the world to calculate our carbon footprint. The software estimates carbon emissions for all activities within our system boundary using a dollarbased environmental assessment model, then enhances the accuracy of carbon-intensive activities with detailed, processbased LCA models.

We categorize climate risks and opportunities by considering customer and stakeholder expectations, regulations, business risks, industry best practices, and emerging trends. We embed a variety of mechanisms across our business operations to address sustainability issues, including climaterelated risks, and we integrate sustainability practices into our everyday operations through goal-setting, metrics, and leadership reviews.

#### Governance

We have an established governance framework to help ensure that risks associated with climate change are considered at the most senior levels of our business.

- **Board Oversight:** The Nominating and Corporate Governance Committee of Amazon's Board of Directors oversees environmental, sustainability, and corporate social responsibility practices, and our corporate governance policies and initiatives. The committee also oversees our progress on The Climate Pledge and risks related to our operations, supply chain, and customer engagement.
- Management Oversight: Amazon's Worldwide Sustainability team, along with dedicated teams across the company, are working to make operational changes that reduce or eliminate carbon in our business. Our companywide carbon accounting model provides specific operational metrics to business teams on their emissions and allows them to track progress on decarbonization. We also hold quarterly business reviews with Amazon leadership teams to track our progress.
- Learn more about our corporate governance ∃.

## **Metrics and Targets**

We have a comprehensive understanding of the carbon emissions across our business and have done extensive analysis to develop science-based targets, strategies, and metrics to reduce them. Learn more about the science and technology behind our carbon footprint in our 

Our carbon footprint ∃, including Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, is available on page 97.

Amazon co-founded The Climate Pledge—a commitment to be net-zero carbon across our business by 2040. We have a goal to deliver 50% of Amazon shipments with net-zero carbon by 2030. We are also on a path to powering our operations with 100% renewable energy by 2025—five years ahead of our original target of 2030. See our public methodology \(\precedut\) for more on our approach.

As part of our commitment to The Climate Pledge, we are proud to have joined the Science Based Targets initiative (SBTi) and are working toward setting science-based targets. This reaffirms our commitment to reduce carbon emissions in line with our ongoing science-based approach to tackle climate change.

## Climate-related Risks and Opportunities

We are committed to minimizing our carbon emissions by optimizing our transportation network and investing in electric vehicles; improving product packaging to drive efficiency in the distribution of products; implementing energy efficiency measures in our operations; using renewable energy to run our business; and supporting global reforestation. We have joined numerous industry partnerships including Ceres, American Council on Renewable Energy, Advanced Energy Buyers Group, Carbon Leadership Forum, We Mean Business Coalition, First Movers Coalition, and Clean Energy Buyers Alliance to express support for action on climate change and to accelerate the transition to a low-carbon economy.

## Task Force on Climate-related Financial Disclosures (TCFD)

### Climate-related Risks:

We have identified the following climate-related risks based on TCFD risk types and classifications. Physical risks are classified as either: 1) Acute (extreme weather events) or 2) Chronic (changing weather patterns and rising mean temperature and sea levels). Transition risks are classified as one or more of the following: 1) Policy and Legal; 2) Technology; 3) Market; and 4) Reputation.

Risk Type	Description	Classification
Physical	Increasing risk of flood or damages due to climate-related events could increase our physical and operational risks and the cost to insure our buildings. Repeated damage due to flooding could result in an inability to insure existing buildings.	Acute
	Weather-related events such as hurricanes could cause asset damage to our buildings, prevent deliveries to customers, and negatively impact sales.	Acute
	Extreme and prolonged weather events such as droughts could impact water availability for data center operations.	Acute
	Weather-related events could impact our ability to access raw materials and deliver final products.	Acute
	A warming climate could increase thermal stress and outdoor associate exposure to criteria air pollutants. These stresses could negatively impact the health of our employees, close sites, and delay customer deliveries.	Chronic
	As temperatures increase and water availability decreases, we could experience rising costs for data center cooling.	Chronic
Transition	Increasing regulations and evolving public preference may require a faster transition to a low-carbon economy, which could increase operating costs and/or reduce demands for some products and services.	Policy and Legal; Market; Reputation

## Task Force on Climate-related Financial Disclosures (TCFD)

#### **Climate-related Opportunities:**

We have identified the following climate-related opportunities based on TCFD classifications. Opportunities are classified as one or more of the following: 1) Resource Efficiency; 2) Energy Source; 3) Products and Services; 4) Markets; and 5) Resilience.

Description	Classification
The Climate Pledge	Markets; Products and Services
mazon became the first company to sign The Climate Pledge after co-founding the initiative with Global Optimism in 2019. Since then, more than 300 businesses and organizations have signed the Pledge. Signatories commit to reaching	
net-zero carbon emissions by 2040 and play a critical role in stimulating investment in the development of low-carbon products and services. Collectively, signatories generate over \$3.5 trillion in global annual revenues and have more	
nan 8 million employees across 51 industries in 29 countries.	

Read more about The Climate Pledge ∃ on pages 14–15.

#### The Climate Pledge Fund

The Climate Pledge Fund is a \$2 billion venture investment program 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 had invested in 13 companies across multiple industry sectors since launching this fund in 2020.

Resource Efficiency; Energy Source; Products and Services

Read more about our investments through The Climate Pledge Fund ∃ on pages 16–17.

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

Amazon invests in nature-based solutions to mitigate carbon emissions outside of our value chain and supplement the carbon-reduction efforts we are driving across our operations. In 2019, we created the Right Now Climate Fund, a \$100 million fund for nature-based solutions to restore and conserve forests, wetlands, and grasslands around the world.

Resilience; Resource Efficiency

In 2021, Amazon helped to create the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition, a global initiative of governments and leading companies that has already mobilized \$1 billion to protect the world's tropical rainforests. We also partnered with The Nature Conservancy to launch the Agroforestry and Restoration Accelerator.

Read more about our work to support nature-based solutions ∃ on pages 18–19.

## Task Force on Climate-related Financial Disclosures (TCFD)

Description

#### Renewable Energy

Amazon is on a path to powering our operations with 100% renewable energy by 2025—five years ahead of our original target of 2030. See our public methodology & for more on our approach.. With 274 renewable energy projects announced as of the end of 2021, Amazon is the world's largest corporate purchaser of renewable energy. In 2021, we reached 85% renewable energy across our business, with more than 12 gigawatts of renewable energy production capacity across our global portfolio. Once these projects are fully operational, they are expected to deliver up to 33,700 gigawatt-hours of energy annually—the electricity output equivalent to powering more than 3 million U.S. homes for one year.

Energy Source; Resilience

Classification

In 2021, we expanded our renewable energy footprint into new geographies, and by the end of the year, announced renewable energy projects across 18 countries. Our first solar projects in South Africa and the United Arab Emirates came online and we announced new projects in locations including Singapore, Japan, Australia, and China. Our projects in South Africa and Japan are the first corporate-backed, utility-scale solar farms in these countries.

Read more about our investments in renewable energy ∃ on pages 20–21.

#### **Our Buildings**

Amazon is working to reduce the carbon emissions associated with our buildings, from the carbon embodied in construction materials to the operational emissions from powering our activities. We leverage industry best practices and emerging technologies in facility design and operation to drive reductions across carbon, energy, water, and waste.

Resource Efficiency; Energy Source; Resilience

In 2021, we unveiled our latest plans for sustainable design enhancements at PenPlace Z, the second phase of our HQ2 development in Virginia. From the start, sustainability has been a key element of our HQ2 campus, with commitments to use 100% renewable energy, reduce embodied carbon from construction, and achieve Leadership in Energy and Environmental Design (LEED) Platinum certification, the highest sustainability certification for a development issued by the U.S. Green Building Council. In early 2022, our Amazon Fresh location in Seattle, Washington, became the world's first grocery store to pursue Zero Carbon Certification from the International Living Future Institute.

Read more about how we incorporate sustainability into our buildings ∃ on pages 22–23.

#### **Transportation**

Decarbonizing our transportation network is a key part of meeting The Climate Pledge by 2040 and making 50% of shipments net-zero carbon by 2030, which is why we are actively transforming our fleet network and operations. We are deploying zero-emission vehicles, using low-carbon fuels, investing in emerging technologies, and collaborating with others to accelerate cross-sector innovation.

Resource Efficiency; Energy Source

In 2019, we ordered 100,000 custom electric delivery vehicles from Rivian and thousands more from global manufacturers such as Stellantis and Mahindra Electric. In 2021, more than 100 million packages were delivered to customers' doorsteps across Europe with a fleet of over 3,000 electric delivery vans and other zero-emission vehicles. Also in 2021, more than half a million packages were delivered to customers' doorsteps in North America with electric vehicles (EVs).

We also started deploying battery EV trucks across our heavy commercial trucking fleets and began switching to vehicles that use alternative fuel sources, like compressed natural gas trucks. Micromobility technologies, such as cargo bikes and walkers, are used to deliver packages in urban settings. In 2021, we helped launch Cargo Owners for Zero Emission Vessels and became a founding private sector member of the First Movers Coalition to lead decarbonization of the maritime shipping industry.

Read more about how we are decarbonizing our transportation network ∃ on pages 24–25.

Classification

## Task Force on Climate-related Financial Disclosures (TCFD)

## Description

#### Waste and Recycling

Amazon is working to send less material to landfills and more back into the circular economy loop by developing waste-prevention and -reuse programs within our own operations and for our customers. Through Amazon Second Chance, we offer customers access to a range of services to recycle, repair, or trade in their items, as well as shop for like-new and refurbished products. At our global fulfillment centers, we use software to identify and sort eligible items that are fit for donation. We partner with local community organizations to collect these items from Amazon facilities and distribute them to people in need. Since 2019, Amazon has contributed more than 100 million products to our global charity partners in North America, Europe, Australia, and Japan.

Resource Efficiency; Products and Services

We work with third-party recycling haulers to remove excess corrugated board from our facilities for off-site recycling. Many of these haulers also supply Amazon with the packaging materials that we use for customer shipments, converting waste material recovered from Amazon operations into new, recycled packaging. For plastic film, which is not commonly accepted through municipal recycling programs, we have developed on-site recycling systems that enable us to convert plastic film into bags made of 100% recycled material.

We incorporate recycled plastics, fabrics, and metals into many new Amazon devices, giving new life to materials that could have otherwise ended up in waste streams. In 2021, we launched several Echo, Fire TV, Fire Tablet, Kindle, and Smart Home devices and accessories that include up to 60% recycled molded plastic, up to 100% recycled fabrics, up to 100% recycled aluminum, and up to 70% recycled magnesium, depending on the product.

Read more about how we are reducing waste and improving recycling ∃ on pages 26–27.

#### **Packaging**

We work to reinvent and simplify our sustainable packaging options using a science-based approach that combines lab testing, machine learning, materials science, and manufacturing partnerships to scale sustainable change across the packaging supply chain. Frustration-Free Packaging (FFP) is our flagship program 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 programs. Since 2015, we have reduced per-shipment packaging weight by 38% and eliminated over 1.5 million tons of packaging.

Resource Efficiency; Products and Services

Read more about how we are improving our packaging  $\boxdot$  on pages 28–29.

#### **Product Sustainability**

As part of our mission to be Earth's most customer-centric company, we are giving customers access to products that are more sustainable. This includes both our Amazon-branded products and the third-party items we offer that feature sustainability certifications through our Climate Pledge Friendly program. Since we launched Climate Pledge Friendly in 2020, the number of products included in the program has grown from 75,000 to more than 250,000. 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 program. In early 2022, we launched Amazon Aware, a new line of everyday essential items, all with third-party certifications featured in our Climate Pledge Friendly program.

Resource Efficiency; Products and Services

In addition to offering more-sustainable choices, we want our Amazon Private Brands to support responsible supply chains and contribute to growing circular economies. We are working to enhance the certification and traceability of key raw materials and ingredients in our consumable products. We participate in industry partnerships and working groups that drive greater adoption of sustainable and responsible practices. Additionally, we are increasing the amount of recycled fiber used in many of our Amazon Private Brands apparel products.

Read more about our commitment to product sustainability ∃ on pages 30–34.

Classification

Description

### Task Force on Climate-related Financial Disclosures (TCFD)

#### Sustainability in the Cloud

As the world's most comprehensive and broadly adopted cloud offering, we are designing data centers that provide the efficient, resilient service our customers expect while minimizing our environmental footprint—and theirs. We focus on efficiency across all aspects of our infrastructure, from the design of our data centers and hardware to modeling the performance of our operations for continual efficiency enhancements. We also offer a customer carbon footprint tool that uses simple visualizations to show customers their historical carbon emissions, evaluate related trends as their use of AWS evolves, estimate emissions avoided through AWS compared with on-premises data centers, and review forecasted emissions based on their current use

Resource Efficiency; Products and Services

Read more about AWS 

on pages 35–38.

#### Water Stewardship

Our holistic approach to water stewardship minimizes both energy and water consumption in our data center operations and guides our water use strategy for each AWS Region. This starts with evaluating climate patterns, local water management and availability, and opportunities to avoid using potable water sources whenever possible. We are committed to conserving and reusing water, both in our on-site operations and by working with private and public entities to support water availability in communities where we operate data centers.

Resource Efficiency

Read more about our approach to water stewardship ∃ on page 37.

#### Amazon Sustainability Data Initiative (ASDI)

ASDI helps researchers, scientists, and innovators around the world advance their work on sustainability-related research. The program provides publicly available, free access to important scientific data that can otherwise be hard for researchers to access or analyze. ASDI works with scientific organizations like the U.S. National Oceanic and Atmospheric Administration, NASA, the UK Met Office, and the Queensland government to identify, host, and deploy key datasets on the AWS Cloud, including weather observations, weather forecasts, climate projection data, satellite imagery, hydrological data, air quality data, and ocean forecast data.

Products and Services

Read more about ASDI ∃ on page 38.



# **UN Sustainable Development Goals**

The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the UN General Assembly to provide a shared blueprint for peace and prosperity for people and the planet, now and into the future. At Amazon, there are multiple ways our sustainability work aligns with these global goals. The following shows how our programs correspond to the UN SDGs.

#### **Buildings and Transportation**







#### Renewable Energy





#### Waste and Packaging





#### Sustainability in the Cloud





#### **Product Sustainability**











#### **Employee Benefits**







### Diversity, Equity, and Inclusion





## **Supply Chain**







8 DECENT WORK AND ECONOMIC GROWTI









**∢**≡▶





### **Communities**





















### **Partnerships**





# **Carbon Footprint Data**

Amazon's Enterprisewide Carbon Footprint, 2019–2021

Carbon Intensity	2019	2020	2021	YOY%
Carbon Intensity (grams of CO₂e per \$ of GMS)	122.8	102.7	100.8	-1.9%
Emissions Category (mmt CO₂e)	2019	2020	2021	YOY%
Emissions from Direct Operations (Scope 1)	5.76	9.62	12.11	26%
Fossil fuels	5.57	9.37	11.89	27%
Refrigerants	0.19	0.25	0.22	-12%
Emissions from Purchased Electricity (Scope 2)  Emissions from Indirect Sources (Scope 3)	5.50 39.91	5.27 45.75	4.07	-23% 21%
Corporate purchases and Amazon-branded product emissions (e.g., operating expenses, business travel, and Amazon-branded product manufacturing, use phase, and end-of-life)	15.41	16.70	19.09	14%
Capital goods (e.g., building construction, servers and other hardware, equipment, vehicles)	8.01	10.52	15.37	46%
Other indirect emissions (e.g., third-party transportation, packaging, upstream energy-related)	12.44	15.77	18.00	14%
Lifecycle emissions from customer trips to Amazon's physical stores	4.05	2.77	2.91	5%

51.17 60.64 71.54 18%

Amazon's Total Footprint



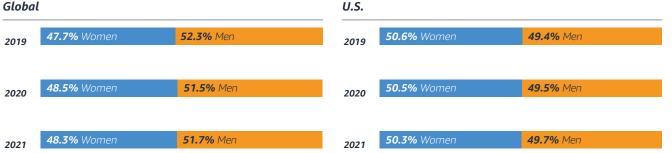
# **Supplier Assessments**

High- and Medium-Level Findings by Subcategory, 2019–2021 (% of all assessment findings)

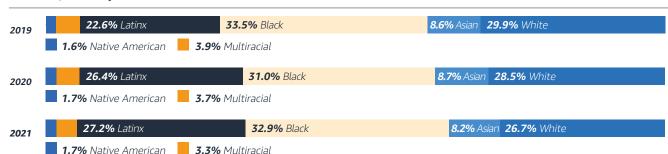
	2019	2020	202 <sup>-</sup>
Labor			
Freedom of Association	<1%	<1%	<19
Freely Chosen Employment	3.2%	8%	4.4%
Humane Treatment	<1%	1.4%	<19
Nondiscrimination	<1%	1%	<19
Subcontractor and Next-Tier Supplier Responsibility	<1%	<1%	<19
Wages and Benefits	40.7%	47%	40.6%
Worker Grievance/Complaint Mechanism	<1%	<1%	<19
Working Hours	7.9%	5.7%	5.0%
Young Workers	<1%	<1%	<19
Business Integrity	2.3%	2.9%	
Business Integrity			<b>1.7</b> %
Transparency	2.9%	1.7%	2.79
Environment			
Hazardous Substances	<1%	<1%	<19
Pollution Management and Prevention	<1%	3%	<19
Health and Safety			
Emergency Preparedness and Response	10.5%	12.9%	7.8%
Industrial Hygiene	9.5%	16.2%	13.6%
Machine Safeguarding	<1%	<1%	<19
Sanitation, Dormitory, and Canteen			

## **Our Workforce Data**

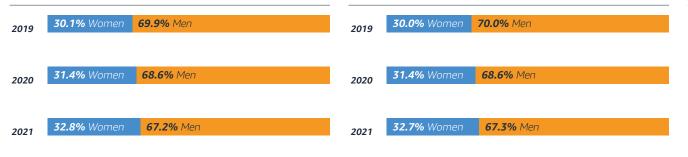




### U.S. Race/Ethnicity

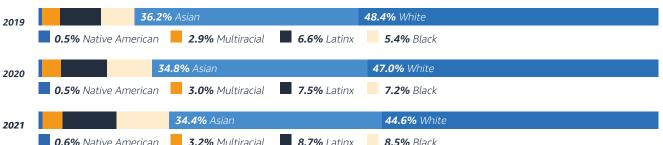


### Corporate Employees (Level 4–Level 7) Global

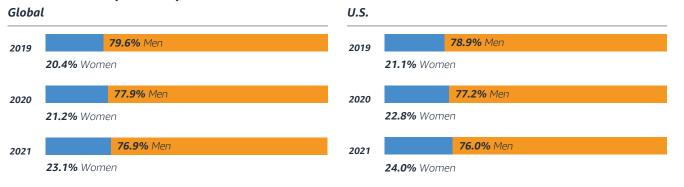


U.S.

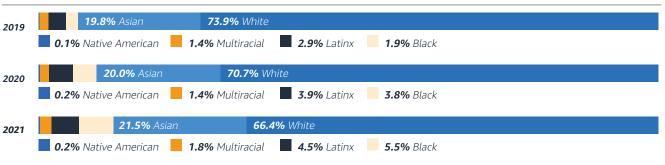
#### U.S. Race/Ethnicity



### Senior Leaders (Level 8+)



#### U.S. Race/Ethnicity



# **Disclaimer and Forward-Looking Statements**

The information and opinions contained in this report are provided as of the date of this report and are subject to change without notice. Amazon does not undertake to update or revise any such statements. This report represents current Amazon policy and intent and is not intended to create legal rights or obligations. This report 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 report is not an indication that the subject or information is material to Amazon's business or operating results. This report was originally drafted in English and then translated into other languages. The English version is the authoritative version.

This report 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 realized, 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 the report 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 report can or will be achieved.

