

Annual General Meeting

Company Participants

- Andy Jassy, CEO
- Angie Quennell, Director for Financial Communications
- Brian Olsavsky, Chief Financial Officer
- Catherine Buell, Director for Amazon Housing Equity
- David Zapolsky, Secretary, General Counsel
- Dilip Kumar, Vice President, Physical Retail and Technology
- Ofori Agboka, Vice President of People, Experience & Technology for Global Operations
- Unidentified Speaker, Company Representative

Other Participants

- Brad Lander, State of New York, New York City Comptroller
- Cathy Rowan, Corporate Responsibility Coordinator, Maryknoll Sisters
- Conrad MacKerron, Senior Vice President, As You Sow
- Daniel Olayiwola, Warehouse Employee, Amazon
- Daniel Willett, Representative, International Brotherhood of Teamsters
- Grant Bradski, Research Associate & Project Coordinator, As You Sow
- Isaiah Thomas, Warehouse Employee, Amazon
- Jennifer Bates, Representative, Oxfam America
- Jennifer Lee, Representative, ACLU of Washington, Tech Equity Coalition King County
- Jing Jao, Shareholder, Amazon.com, Inc.
- Michael Connor, Representative, Whistle Stop Capital
- Paul Chesser, Director of the Corporate Integrity Project, National Legal and Policy Center
- Séamus Finn, Priest & Consultant, Oblates of Mary Immaculate

Presentation

David Zapolsky {BIO 5884426 <GO>}

Welcome to the Amazon.com annual meeting of shareholders. I'm David Zapolsky, Secretary and General Counsel. I now call the formal portion of this meeting to order. This is our 25th annual meeting since we became a public company. Today's agenda covers our items of business and rules of procedure. Please note that in the event and unanticipated issue prevents us from being able to continue this annual meeting, we will post updated meeting information on our investor relations.

After the proposals have been presented, we will have presentations by Brian Olsavsky, our CFO, Dilip Kumar, our Vice President for Physical Retail and Technology, Catherine Buell, our Director for Amazon Housing Equity Fund, and Ofori Agboka, our Vice President for People Experience & Technology and Global Operations. Finally, Angie Quennell, Director for Financial Communications will moderate the Q&A session with Andy Jassy our CEO. Angie, can you provide details on how to submit a question?

Angie Quennell

Thanks, David. If you wish to submit a question and have not already done so prior to the meeting, please type your question into the Ask a Question field on the website you use to access this meeting and click Submit. Out of respect for your fellow shareholders, we ask that each person be concise and limit themselves to one question.

David Zapolsky {BIO 5884426 <GO>}

Thank you. It's now my pleasure to introduce our directors who are attending this meeting, including those joining us remotely, Jeff Bezos, Andy Jassy, Keith Alexander, Edith Cooper, Jamie Gorelick, Daniel Huttenlocher, Judy McGrath, (inaudible), Jonathan Rubinstein, Patty Stonesifer, and Wendell Weeks.

Also joining us remotely today are representatives of our auditors, Ernst & Young. The polls open for voting on all matters at the beginning of the meeting. We will close the polls after presentation of today's proposals. The proposals to be voted on today are set forth in our proxy statement.

And we have been notified that a shareholder intends to present a nonbinding proposal during the meeting as described in the proxy statement. Instructions for voting on that proposal if properly introduced will be provided during the meeting. No other nominations or proposals will be introduced.

If you wish to vote during the meeting, please follow the instructions on the meeting website before the polls close. If you have already voted in advance of the meeting, you do not need to vote again unless you are requested a legal proxy or wish to change your vote or wish to vote on any other matter properly presented at the meeting.

Broadridge was reappointed our inspector of elections has taken the required oath and has certified that notice of this meeting was mailed beginning on April 14th, 2022 to all shareholders of record as of the record date, and that a majority of our common stock is present or represented by proxies. Therefore, a quorum exists for the meeting.

I'll now introduce the company's proposals, which are the election of directors, the ratification of the appointment of Ernst & Young as independent auditors for fiscal 2020, and advisory vote to approve executive compensation, and an amendment to

our restated certificate of incorporation to effect a 20-for-1 split of our common stock and a proportionate increase in the number of authorized shares of common stock.

We have 15 shareholder proposals to be voted on if properly presented. To ensure that we have adequate time for our Q&A session later in the meeting, each proponent will have two minutes to present their proposal.

If a proponent goes beyond two minutes, we will need to place the line on mute so that we can continue the meeting. Thank you, in advance for your understanding. Grant Bradski [ph] will now introduce proposal number five, requesting a report on retirement plan options. Mr. Bradski has re prerecorded the following statements.

Grant Bradski

Hello, I am Grant Bradski, representing As You Sow on item five of the proxy statement. This proposal asks Amazon to report to shareholders on the likely negative impact from the misalignment of our company's retirement plan holdings with its stated climate action goals.

While Amazon has made significant efforts to address climate change across its operations and as adopted ambitious climate goals, the company's retirement plan is at the same time, quietly directing over \$650 million of employee savings into oil, coal-fired utilities, and agribusinesses involved in deforestation, thus creating cognitive dissonance, reputational risk, and potentially lowering returns for employees.

The brand damage of having the company say one thing and do another is important to measure and understand. The financial risk of high carbon investing can destroy shareholder value. Fiduciary duty requires that retirement plans be administered in the interest of plan participants.

Fiduciary duty means incorporating an assessment of material climate risk when selecting plan options, by offering only a single sustainable plan option that may or may not sufficiently reduce carbon risk. The company is failing as fiduciary. This may also make it more difficult to retain employees who are increasingly concerned about catastrophic climate impacts.

We've seen Amazon employees across the world come together to publicly call on the company to demand climate action. It is only a matter of time until these same employees discover that Amazon is directing their hard-earned savings into companies that are burning down the Amazon. Amazon's climate goal of net zero by 2040 has positioned the company with a strong, sustainable vision for the future.

By becoming the world's largest purchaser of renewable energy, Amazon has also shown it as willing to take climate action. Amazon now has an incredible opportunity to reduce climate-related financial risks for plan participants and address misalignment with the company's climate goals. This is not a difficult change to

implement and merely takes the board and management to agree that the cognitive dissonance between what we say and what we do matters. Thank you.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Cathy Rowan [ph] will now introduce proposal number six, requesting a report on customer due diligence. Miss Rowan has prerecorded the following statement.

Cathy Rowan {BIO 19900448 <GO>}

Good afternoon, Amazon board members, employees, and fellow shareholders. My name is Cathy Rowan, the Corporate Responsibility Coordinator for Maryknoll Sisters, a long-term shareholder and co-filer of the customer due diligence proposal led by the Sisters of Saint Joseph of Brentwood.

The aid institutions who filed this proposal are faith-based members of the Interfaith Center on Corporate Responsibility. Proposal six requests a report assessing Amazon's customer due diligence process to determine whether use of its products and services with surveillance, computer vision, or cloud storage capabilities, contribute to human rights violations.

This proposal received over 30% support from Amazon shareholders over the last two years. We, again offer this proposal to encourage the company to meaningfully assess the impacts of its high-risk technologies and contracts with government agencies, and strengthened due diligence processes in areas where there are gaps in order to prevent future harms.

Recognition facial analysis tools, the use of ring security footage by police departments, and Amazon web services hosting of the department of Homeland Security's biometric database are all examples of products and services with actual and potential adverse impacts on human rights and civil liberties, particularly for black, indigenous, and people of color, and immigrant communities.

Internationally, business relationships linked to the expansion of state surveillance in Xinjiang Uygur Autonomous Region in China, Palestine, and the United Arab Emirates put Amazon at risk of contributing to human rights violations. Inadequate due diligence at the contract vetting stage and throughout the life of contracts likely to cause such severe harms exposes Amazon to legal, regulatory, and reputational risks. I hereby move proposal six and ask for your support. Thank you.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Jennifer Bates will now introduce proposal number seven, requesting an alternative director candidate policy. Miss Bates has prerecorded the following statement.

Jennifer Bates {BIO 19774246 <GO>}

Good morning. My name is Jennifer Bates. I'm here to present ballot proposal number seven on behalf of Oxfam America and co-followers. The proposal calls on Amazon to consider hourly [ph] associates as candidates for the board of directors. I work at the Amazon warehouse in Bessemer, Alabama. A few years ago, few people had heard of Bessemer.

But today you've probably heard of our efforts to organize the union. We'll go met with fierce and unlawful interference by company management, bombarding us with antiunion meetings, antiunion texts, posters, and videos that either put antiunion messages in the bathroom stalls. The NLRB rules that their interference were illegal. We have just held our second election.

A month ago, our fellow workers in New York succeeded in forming Amazon's first union vote in history. I can assure you that this is only the beginning because we were tired of Amazon, not listening to his workers and treating us if we weren't disposable.

Amazon should listen because we're speaking up about grueling hours, backbreaking, physical labor, fears about taking time off task, discipline by algorithm, and a management team that does not care. This is not a good look for the company because the media, the public and lawmakers, they are listening. The need for worker representation on the Amazon board is greater than ever today. It will create a sea change opening doors for management to understand our needs, learn from our experiences, and work with us to build a better and more successful company.

Vote yes on proposal number seven. We can make sure the leadership understands its most important asset. The workers, this is one step among many that are needed, but a vital one. I thank you.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Conrad MacKerron will now introduce proposal number eight, requesting a report on packaging materials. Mr. MacKerron has prerecorded the following statement.

Conrad MacKerron

Good morning. I'm Conrad MacKerron, Senior Vice President of As You Sow, representing Sarah Sackner [ph], the shareholder who filed proposal eight on the Amazon proxy. Plastic pollution has become an international environmental crisis drawing top of mind attention from governments and citizens.

Public concerns about plastic pollution now rivals that of climate change. The scientific community has warned that plastic pollution may be nearing an irreversible

tipping point. The current plastic lifecycle imposes costs on the environment that it is at least 10 times higher than the market price of plastics.

At the heart of the plastic pollution problem, our single-use plastics, which make up the largest part of the 11 million tons that flow into oceans annually. Without drastic action, this rate is set to triple by 2040. Plastic pollution fatally impacts more than 800 marine species causing up to \$2.5 trillion in damage annually to marine ecosystems.

Amazon's substantial and growing use of plastic packaging exposes the company to increase financial and reputational risk. Our proposal asks Amazon to report on how it could reduce plastic use in alignment with the findings of an authoritative report by Pew Charitable Trusts, which concluded that retailers need to cut plastic use by one-third to achieve an 80% reduction in ocean plastic pollution by 2040. The company lags its peers and addressing this problem.

Amazon has not taken basic actions such as disclosing the amount of plastic it uses or committed to cuts in plastic use as competing retailers like Target and Walmart have done. A recent report by the nonprofit group, Oceana, estimated that Amazon generated nearly 600 million pounds of ecommerce plastic packaging in 2020.

The company says it did not use that much plastic, but has to (inaudible) client should disclose how much ecommerce plastic it does use. I moved proposal eight and ask for your support. The information requested will help investors assess the extent of the company's exposure to plastic pollution and encourage it to step up and match its peers by committing to significant cuts in plastic use. Thank you.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Brad Lander will now introduce proposal number nine, requesting a report on worker health and safety differences. +++presentation Operator, please open the line for Mr. Lander.

Brad Lander {BIO 22339896 <GO>}

Thank you. As New York City Comptroller, I am presenting proposal nine on behalf of the New York City pension funds with Amazon shares valued at more than \$2.5 billion. Amazon's warehouse workers are injured more frequently and severely than a non-Amazon warehouses.

The company has not disputed these findings while Amazon's proxy statement tells lower injury rates in the U.S. in 2020. Those rates reportedly rose 20% in 2021 and surge 64% here in New York. Amazon's injury and illness rates may have a more pronounced impact on the health long-term earnings and career potential if it's racially and ethnically diverse warehouse employees.

That's why we've made our case to shareholders to vote for proposal nine to provide investors with transparency into how Amazon evaluates the adverse impacts of its health and safety practices on these employees. That's why we've earned shareholders to join us in voting against Directors McGrath and Huttenlocher, long-time members of the boards Leadership Development and Compensation Committee who we believe have failed to provide independent oversight of human capital management on behalf of shareholders.

Today I also want to speak directly to the board. As shareholders, we elect you to ensure that company management protects workers health and safety, to address unsustainable employee turnover, to uphold Amazon's policies on human rights, including freedom of association. We do not have confidence that you are doing that job.

You have failed to provide adequate independent oversight of Amazon's human capital management as evidenced by those injury and turnover rates, and by repeated interference with Amazon's employees efforts to exercise their rights to freedom of association

Amazon is one of the most influential companies in the world. Your leadership or your lack of leadership matters to the well-being of millions of households to the company's bottom line and to long-term value for shareholders. What will you do to show us that you will hold management accountable? Thank you.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Michael Connor will now introduce proposal number 10, requesting additional reporting on risks associated with the use of certain contract clauses. Mr. Connor has prerecorded the following statement.

Michael Connor {BIO 5963078 <GO>}

Good morning. My name is Michael Connor. I am here to move item number 10 on behalf of Whistle Stop Capital. The proposal requests that Amazon's board of directors publish a report assessing the potential risks to the company associated with its use of concealment clauses, in the context of harassment, discrimination, and other unlawful acts. Concealment clauses are defined as any employment or post-employment agreement that Amazon asks employees or contractors to sign, which would limit their ability to discuss unlawful acts in the workplace, including harassment and discrimination. We believe support for this resolution is warranted, given that Amazon has not yet complied with this request. Amazon's practices appear to lag its peers.

The use of concealment clauses creates an unknown level of risk for investors. Investors benefit from accountability systems within companies. The use of concealment clauses can undermine beneficial diversity and inclusion programs. Amazon argues in its opposition statement that the proposal is unnecessary because of disclosures it made in a blog post published by the company last January.

The blog posts, which the company estimates, will take three minutes to read, barely longer than my comments this morning, neither shows that Amazon prevents all uses of concealment clauses nor satisfies the essential objective of the proposal by providing a full understanding of the risks.

Further, the blog post does not reference the company's use of concealment clauses with contractors. Amazon's business model depends on large numbers of contractors, which include reportedly more than 150,000 delivery drivers employed by independently owned companies in eight countries.

Using concealment clauses for contractors can prevent shareholders from getting an accurate understanding of what's really happening in the workplace, representing a considerable risk for investors. For all these reasons, we ask shareholders to vote for item number 10 regarding the use of concealment clauses. Thank you.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Paul Chesser will now introduce proposal number 11, requesting a report on charitable contributions. Mr. Chesser has prerecorded the following statement.

Paul Chesser

I'm Paul Chesser, Director of the Corporate Integrity Project for National Legal and Policy Center. Two minutes is ridiculously short to present a proposal, so visit nlpc.org to read more about our Amazon resolution. Amazon's transparency about this charitable donations is vague at best and opaque at worst. We know almost nothing about the amounts that has donated to causes that are destructive to our nation. But we do know one scandalous group Amazon donated to.

In June, 2020 during the height of the nationwide urban riots following the death of George Floyd, Amazon Chairman and Chief Jeff Bezos responded to a customer who stated that all lives matter by saying unbelievably that he disagreed with them. Representing the company, Bezos said in part, "Black lives matter speaks to racism and the disproportionate risk that black people face in our law enforcement and justice system."

And Bezos added that, "My stance won't change." Well two years later an Amazon stance has changed, removing BLM from the Amazon Smile Program. Who knows how many millions of the company wasted on the BLM organization. But now leadership, at least partially sees this Marxist Group, and indeed, this phony Marxist defund the police movement for what it is.

My organization exposed the fraud that is BLM showing that its leaders collected tens of millions of dollars from white guilt donations by corporations like Amazon, which the BLM grifters then spent on several multimillion dollar mansions.

Unfortunately, this movement, which easily fooled the rich white corporate elites has also driven an out of control crime way than our major cities, including disastrously Amazon's home of Seattle. And companies like Amazon funded it. Well many of us in Middle America saw right through it, Princeton educated Jeff Bezos fell for the (inaudible) hook, line and sinker. Amazon, be transparent. Disclose your charitable donations.

David Zapolsky {BIO 5884426 <GO>}

Father Séamus Finn, Shamus fin will now introduce proposal number 12, requesting alternative tax reporting. Father Finn has prerecorded the following statement.

Séamus Finn

My fellow shareholders, members of the board, and Mr. Chairman, my name is Father Séamus Finn. I'm here this morning to represent the Missionary Oblates of Mary Immaculate and the UIP Trust [ph]. With the greater (inaudible) pension fund have presented resolution number 12 with the support of investors with \$3.5 trillion in assets.

In the 21st century, the issues of transparency, accountability, and accuracy in regular reporting by public corporates has attractive new levels of scrutiny by those who rely on this information as they decide what companies to include in their portfolios.

The stability and security of the global financial system is dependent on the legal standards and rules that have been established in numerous jurisdictions and adapted by organizations all over the world.

As the world continues to face serious challenges, such as pandemics and social and environmental catastrophes, confidence in many long standing institutions that we have relied on, including those that operate in the financial sector is at its lowest in generations. Marshaling [ph] the commitments and the resources to respond to these challenges is everyone's responsibility, including public corporations, like our company, Amazon.

The resolution that we have presented is grounded on legal, moral, and ethical foundations that were designed to promote and protect the common good, serve to foster prosperity, and support the well-ordered functioning of societies for centuries.

Responsible and sustainable corporations should want to have a reputation for doing their fair share to make such a vision or reality. Instead, Amazon has been named as one of the handful of companies. We have worked to sustain the efforts to reform the global tax regulatory system. Tax avoidance negatively impacts communities, increases risks to investors.

Issuing the kind of report that our resolution is requesting would be a good way to demonstrate the resolve [ph] of our company to join with other leading companies

and work with investors to deliver a durable economy that works for all. Thank you.

David Zapolsky {BIO 5884426 <GO>}

Angelica Maldonado [ph] will now introduce proposal number 13, requesting additional reporting on freedom of association. Operator, please open the line from Miss Maldonado.

Unidentified Speaker

Hello, Amazon investors. My name is Angelica Maldonado, representing Share and (inaudible) Foundation to present a shareholder resolution to request our company report on how Amazon will respect the legal rights of our employees that have freedom of association, including the right to organize the union. Mr. Chairman to save time, I will not read the entire supporting statement and proposal, but we'll refer shareholders to item number 13 on page 66 of the proxy statement. I will provide a very brief summary.

Here's the bottom line. I am a loyal Amazon worker who liked shareholders got a harebrained who wants our company to succeed. That is why I am pleased to be the interim vice president of the Amazon labor union, representing thousands of workers who voted overwhelmingly to have a union, despite a massive antiunion disinformation and have asked my campaign by Amazon management. It should have required such as the visits and acrimonious fight. Amazon management wasted millions of dollars on entire union consultants. It all backfired. What a waste of time and money. Other successful companies across the world, like Kroger, UPS, Kaiser, Ford, General Motors, and many others make boatloads of money while respecting their workers rights to organize a union and express their freedom of association.

I probably wouldn't be here today. Shareholders, were confident that the board was implementing its own policies, respecting basic labor right. So we hope our board will join us in condemning and setting down the higher with expensive antiunion campaign that (inaudible) we use to oppose our organizing.

The reason so many investors like Norges Bank are backing our resolution today is because we all believe it is time that Amazon management gets back on track and runs a successful business in this day and age, includes respecting right. I and my fellow worker (inaudible) to join the union and bargain collectively. Thank you.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Daniel Willett will now introduce proposal number 14, requesting additional reporting on lobbying. Operator, please open the line for Mr. Willet.

Daniel Willett {BIO 16150541 <GO>}

On behalf of the International Brotherhood of Teamsters, I call on Amazon's board to fully disclose its lobbying activities and expenditures to ensure that it's lobbying is

consistent with the interest of shareholders.

Amazon fails to provide an annual report detailing its lobbying payments by individual states, trade associations, and social welfare groups. Thanks to federal disclosure requirements, we know that Amazon spent nearly \$19 million on federal lobbying in the year 2020, and was the largest corporate spender for the first half of 2021. However far less clear are the sums Amazon is spending to lobby at the state level or through its support of nearly 250 third-party groups that in turn, engage in lobbying. This includes trade associations and social welfare groups.

This lack of disclosure presents reputational risks when it's lobbying contradicts company public positions. For example, while Amazon strives to be the earth's best employer, it attracted attention for hiring lobbyists that worked for trade associations opposing unions. While Amazon publicly embraced corporate tax hikes, it lobbied to preserve its tax breaks and has drawn scrutiny for avoiding federal income taxes. Please support item 14. Thank you.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Jing Jao will now introduce proposal number 15, requesting a policy requiring more director candidates than board seats. Mr. Jao has prerecorded the following statement.

Jing Jao

Good morning, fellow shareholders and especially Amazons board of directors. My name is Jing Jao. And my proposal is to reform the (inaudible) opposite board democratically.

There are many programs such as rising (inaudible) compensation program for the corporate governance as a (inaudible) for Aristotle, 2,400 years ago, and the (inaudible) in Russia today the rise of oligarch became the root cause of many programs domestically and internationally.

My proposal is note on (inaudible) approach. In the early 1980s during late stage of the Cold War, I proposed as a similar democratic approach in Tsinghua Universitys Student Associations Election, I was accused of attempting to reform the Chinese communist party because of the partys Pritzker bureau was elected from the same candidates provided by the Pritzker bureaus themselves.

This is the exact series, the same way American corporate boards are easily elected today. But America is a Democracy. The democracy can help show the current programs of corporate governance. Shareholders should have the right to democratically elect our board. Thank you very much.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Isaiah Thomas will now introduce proposal number 16, requesting a report on warehouse working conditions. Mr. Thomas has prerecorded the following statement.

Isaiah Thomas

Good morning. My name is Isaiah Thomas. I am a current Amazon warehouse employee. I'm speaking on behalf of resolution number 16, requesting that the board of directors commissioned an independent audit of Amazon's warehouse working conditions.

While Amazon pledged to improve safety, and Jeff Bezos promised to make Amazon the earth safest place to work, the injury rate at Amazon facilities increased by 20% in just one year alone. But Amazon safety report claim their injury rate went down. Amazon's warehouses are more high pressure and dramatically more dangerous than any other warehouses.

Would you want to work in a place where you're constantly watched through surveillance, or given physically unsustainable quotas, or where you're punished for not working fast enough? This is what it's like to work for Amazon and all of the ads up to an abusive production system, which according to one headline, is maiming its employees. Bezosism is a term invented to describe the way Amazon uses technology to squeeze performance out of workers. It is ruthless and it's the reason three U.S. states have had to introduce new bills to regulate warehouse quotas.

Amazon's flagship warehouse recently received as fourth safety violation in the past year. It was classified as a willful violation. A willful violent is only issued when a company operates with intentional disregard or plain indifference for employees safety or federal law. Meanwhile, every 11.5 seconds, Jeff Bezos makes the equivalent of one year salary of his lowest paid worker.

His fortune is built off the backs of his workers. Maybe that's why Amazon has an estimated employee turnover rate of over 150% shareholders. You'll have to apply for a warehouse job at this rate. Investors love to think about their returns, but what about the safety of the people who helped you get those returns? I'm asking you as an Amazon worker to vote in favor of item 16.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Julie Setterholm [ph] will now introduce proposal number 17, requesting additional reporting on gender and racial pay. Miss Setterholm has prerecorded the following statement.

Good morning. My name is Julie Setterholm from investment management firm, Argentic [ph] Capital. I move proposal 17, asking for a report on median racial and gender pay gaps as a means to address structural paying equity.

As investors, we have worked with many companies, including Amazon, pressing them to disclose pay data. In fact, this is the fifth year we have filed this proposal. Yet, Amazon continues to tell only half the story limiting its disclosures to statistically adjusted pay data that compares how minorities and women are paid for the same roles as their white male peers.

That data does not account for who holds what jobs, ignoring the structural racism and sexism that relegates people of color and women into low-paying job categories. Our proposal asks for medium pay data so investors can understand how money is allocated at Amazon by demographic. Medium pay data shows us quite literally how companies assign value to their employees, through the roles they inhabit and the pay they receive. It also provides an adjustable data point for investor to access how the company stacks up to peers and makes progress over time.

Peers that are showing leadership and a commitment to publish medium pay data include Starbucks, Best Buy, Target, Adobe, and Microsoft. They are not hiding behind statistically massaged data because they know that by being transparent, they are creating a new standard for accountability and performance.

I am frustrated to say that Amazon is not one of those companies, despite its stated commitment to diversity and inclusion. I am surprised that given where we are as a country with paid divides that have been exacerbated by the pandemic, and the protests of whole black lives that Amazon is fighting the simple and reasonable request. Thank you for your support of transparent fulsome and honest pay equity accounting.

Thank you. The next item is proposal number 18. And proposal number 18 has been withdrawn. So we'll move on to proposal number 10. And Jennifer Lee will now introduce proposal number 19, requesting a report on customer use of certain technologies. Miss Lee has prerecorded the following statement.

Jennifer Lee {BIO 22299797 <GO>}

My name is Jennifer Lee here on behalf of the ACLU of Washington and the Tech Equity Coalition. Because we are concerned with the impacts of facial recognition technology, I'm here to present shareholder proposal 19 on behalf of Harrington Investments. The proposal calls upon Amazon to commission an independent study of recognition regarding the extent to which it may endanger, threaten, or violate privacy and civil rights, and unfairly target or surveil people of color, immigrants, and activists here in the U.S., and racial, religious, ethnic, political, and LGBTQ+ groups around the world.

Nearly 70 organizations have asked Amazon to stop selling recognition, citing its role enabling government surveillance infrastructure. Facial recognition allows police to attract protestors at political rallies. I used to spy on immigrants and cities to routinely monitor the activities of their own residents.

It can also enable governments to track and discriminate against people for their race, ethnicity, religion, identity, and political beliefs. Face surveillance technology is rife with racial and gender biases, and has led to the wrongful arrest of at least three black men. But even if facial recognition operated accurately across race and gender, it's used kills our democracy in our civil liberties, by allowing for indiscriminate dragnet surveillance of the entire population.

This technology will also continue to be used disproportionately to surveil marginalized communities, further entrenching systemic racism, exacerbating inequities, and resulting in life or death encounters with police.

Recognizing that facial recognition harms everyone's civil liberties, at least 24 U.S. jurisdictions have adopted bans on government use of this technology, including in King County, Washington where Amazon is headquartered. In 2020, Amazon placed a partial moratorium on sale of facial recognition to police. But this moratorium does not address sales to other agencies or to governments outside of the U.S. with a history of human rights abuses.

We urge shareholders to support proposal 19 as a first step in protecting our democracy and our liberties here in the U.S. and around the world.

David Zapolsky {BIO 5884426 <GO>}

Thank you. Daniel Olayiwola will now introduce a nonbinding proposal, requesting that the company and the use of productivity expectations and workplace monitoring. Shareholders can vote on this proposal if properly introduced by typing 4 against or abstain in the text box that appears on the meeting website under the caption, other business, and clicking the Submit button. Mr. Olayiwola has prerecorded the following statement.

Daniel Olayiwola

Hello, federal shareholders. My name is Daniel Olayiwola. I've been an Amazon employer for four years. I'm speaking today to introduce a resolution that seeks to end Amazon's injury crisis. Everyday Amazon workers like me are injured on the job, whether you're a driver, a picker, a steelwork. When you work for Amazon, you put your health and safety on the line every single ship. OSHA records have shown that Amazon's workplace injury rates are well above national aggregate.

And these injuries have been linked to Amazon's productivity quarters and surveillance practices, where theyre called rate and time off task or going by another name, Amazon workers are pushed to their limits by policies that set the pace of work and monitor their movements. As a result, people are getting hurt.

I have personally felt the physical toll of working for Amazon. I have seen my coworkers work themselves to exhaustion. I know the stories of workers getting injured, contracting COVID-19, or even dying while working at Amazon. I'm not the only one taking notice. The injury crisis that Amazon has even drawn the attention of

legislators, regulators, shareholders, and the public. Amazon itself acknowledged the problem when Jeff Bezos committed the company to being the earth's safest place to work.

Despite this, the injury rate at Amazon actually went up last year. I'm speaking up because something has to change. Amazon owes its success to its employees, but the company's directors and management have failed to protect them. That's why I'm introducing my resolution because without workers, Amazon collapses.

Therefore, the resolved shareholders of amazon.com request that the company, and the use of productivity quotas, and worker surveillance across its warehouse facilities and distribution network, including, but not limited to the policies commonly known as rate and time off task.

These policies are to be ended for all Amazon employees, including the drivers for delivery service partners and other third-party contracted employees by August 31st, 2022. Thank you.

David Zapolsky {BIO 5884426 <GO>}

Thank you. The company recommends that shareholders vote against this shareholder proposal. The proxy statement for this meeting explains the reasons for the company's recommendation against each of the shareholder proposals appearing in the proxy statement. We have received some questions regarding the proposals. Thank you for those questions. In response, I invite you to review the board statement and recommendation as applicable on each of the proposals as set forth in the company's proxy statement.

This concludes the presentation of the proposals. The polls are now closed on all proposals. The formal portion of this meeting is now adjourned. Based on preliminary voting results, each nominee for director received a majority of the votes cast for such nominees' election. So all 11 nominees have been duly elected.

The ratification of the appointment of Ernst & Young, the advisory vote to approve our executive compensation, and the amendment to our restated certificate of incorporation, each have been approved by the requisite vote. And a majority of the shares present and entitled to vote on the matter were voted against each of the shareholder proposals. I would now like to introduce Brian Olsavsky who will give a financial update after a short video,

(Video Begins)

Unidentified Speaker

Amazon uses a lot of technology, but the real magic is the people.

What makes my job meaningful is once you deliver that package, somebody they have to make better.

I'm just glad that Amazon gives associates opportunities to grow. It was a three-months schooling all paid for.

My job helps solve climate change, vesting and renewable energy on behalf of Amazon.

We're trying to build the most sustainable transportation fleet in the world.

I think things like the renewable energy commitment, commitment to reduction of packaging, commitment to electrifying our fleet and sending those kinds of signals are really beginning to transform our operations at Amazon.

I'm all about supporting small businesses, especially family-owned businesses.

We're going to have open green space retail with a focus on local and small business. We want to create opportunities for the local businesses here to grow along with Amazon.

I always sign up when I can see it if I'm available. But I feel like you're actually doing something for the community. The community needs everything that can get right now.

Wherever we operate, we want to try to be a positive force for inclusion, and diversity, and change.

These affordable housing projects are not just about brick and mortar, they're about people.

I love talking with the builders out there who innovate in ways never thought possible. (inaudible) who push boundaries to solve complex problems.

We exist to make customer lives better.

(Video Ends)

Brian Olsavsky {BIO 18872363 <GO>}

Hello, everyone. I'm Brian Olsavsky, Amazon's Chief Financial Officer. Today I'll be providing a recap of our 2021 financial results in business highlights, which will be followed by presentations from Dilip Kumar who heads up our physical retail and technology team. Catherine Buell who'll provide an update on the Amazon housing equity fund, and Ofori Agboka from our people experienced in technology team.

This will be followed by investor Q&A with our CEO, Andy Jassy. Let's start with our financial results for 2021.

Sales were \$470 billion, which is up 22% year over year or 21% excluding foreign exchange. This compares to 37% growth excluding foreign exchange in 2020, which was fueled by pandemic-related lockdowns and a sharp increase in online shopping globally. Note, our revenue growth rate in 2019 before the pandemic was 22% excluding foreign exchange. In 2021, our consumer business continued to see strong customer demand and sales throughout the year, even as the economy opened back up and consumer demand returned to pre-pandemic patterns.

Prime members in particular continue to rely on us for their shopping and entertainment needs. Here, we see the 2021 sales and sales growth by business segment. North America revenues grew to \$280 billion up 18% year over year. International revenue grew to \$128 billion up 22% year over year or 20% excluding foreign exchange. And AWS revenues grew to \$62 billion up 37% year over year. This represents the 700 basis point acceleration and growth rate when compared to 2020 as developers and enterprises continue to look to AWS as a preferred technology provider.

In 2021, operating income was \$25 billion up 9% or 8% excluding foreign exchange. 2020 and 2021 were both disruptive years due to the pandemic. But 2021 in particular was a challenging cost year as well. We started to see additional costs from new operations capacity that we're bringing online to serve as high pandemic demand levels. The back half of 2021, we saw a new costs from labor shortages, which caused us to run less efficiently in our operations.

Additionally, we felt the effects of inflation throughout our business, including wage and fuel increases. As a result of these factors, we started to see our operating income trend down as the year progressed. These challenges have continued into 2022.

And we're working hard to return our operations to their pre pandemic efficiency levels. While we navigate these costs challenges, the customer facing fundamentals of our retail business remains strong. We worked very hard to minimize the impact to customers. Throughout this period, we've all seen good tailwinds to profitability.

Advertising growth has remained strong. It allows sellers and brands to better reach our customers and enables customers to better discover new selection. And AWS performance continues to be driven by a broad-based customers and a steady increase in the number of new products and services. At the same time, the AWS team continues to innovate in ways that drive efficiencies and reduce costs across the business.

Cash flow is our most important long-term financial output metric. Let's first look at operating cash flow, which represents cash generated by the business before factoring in capital investments.

For 2021, operating cash flow was \$46 billion down 30% year over year. Similar to what we discussed with sales and operating income, 2020 was a period of unprecedented growth, which created challenging comparisons year over year in 2021. During the peak periods of the pandemic in 2020 and early 2021, operating cash flow benefited from supercharged working capital effect, as high consumer demand meant that we're turning our inventory much faster than normal.

Starting in Q2 of 2021, we returned to more normalized customer demand patterns. This slide shows our free cash flow. Free cash flow is what remains of our operating cash flow after we invest in capital expenditures. In 2021, this free cash flow is an outflow of \$14 billion. This was driven by the lower operating cash flow previously discussed, as well as increased capital expenditures. Here, you can see the five-year trend in capital investments.

In 2021, we invested over \$72 billion. We continue to invest meaningfully to support the growth we're seeing across our businesses. This included ongoing investment in our fulfillment and transportation networks where over the past two years, we nearly doubled our operations capacity, something that previously took 25 years to build. We continue to invest in AWS infrastructure where we've added regions and capacity to support our robust growth.

Here's a high level breakdown of our capital investments over the last few years. Roughly 40% are driven by infrastructure with AWS, the leading contributor. This includes investing in data centers, which house the servers and networking equipment. About 30% is driven by fulfillment center capacity expansion.

The next 25% is related to transportation capacity and the building out of our Amazon logistics network globally. The remaining 5% is corporate real estate and other similar projects. As we now look to 2022, these investments put us in a good position to continue our expansion of primes fast delivery offering and support the rapid growth in innovation we are seeing within AWS.

Next, let's talk about the consumer business, starting with our Prime program. Prime means, quarter [ph] emission of being earth's most customer centric company. Prime is available in 24 countries.

And there are now more than 200 million paid Prime members around the world. Prime member engagement remain strong across our growing catalog of Prime benefits. We see increasing use of our grocery delivery and digital benefits, as well as one day delivery and compared to pre pandemic levels.

Prime is consistently high member renewal rates across geographies. This year Prime day will take place in July in more than 20 countries. This is Amazon's big annual shopping event where Prime members will be able to save on products from national brands and small businesses across every category.

We continue to innovate and invest in fast, free, and convenient delivery for our customers around the world, including free one day delivery, which is available on millions of items coast-to-coast, and free same day delivery available in more than 90 metro areas in the United States. Here, you see one of our new Rivian delivery vans. We expect to have over 100,000 of these electric vehicles delivering packages to you by 2030.

As I just mentioned, Prime video is one of the Prime benefits, which drives member adoption, retention and engagement. In 2021, over 200 million prime members, worldwide stream shows and movies, including live sports and Amazon originals.

We continue to add great new content, including the upcoming Lord of the Rings Series, The Rings of Power and the inaugural season of Thursday Night Football. Both these shows will debut on Prime in September. We also recently completed our acquisition of MGM, a century old studio with more than 4,000 film titles, 17,000 TV episodes, 180 Academy Awards, and 100 Emmy Awards. We look forward to working with MGM to create even more opportunities to deliver quality storytelling for our customers.

Next, let's talk about our third-party sellers in our retail marketplace. Third-party sellers remain a key contributor to the strength of our offering for consumers. And as of Q1, 2022, represent more than half of all our units sold on them.

To reach more shoppers, we are also seeing strong adoption of advertising services and a range of free tools that help sellers surface relevant products to customers, including Amazon Posts, which allows sellers to share shoppable lifestyle and product content, and Amazon Live, where sellers can showcase products and features through interactive shoppable videos.

Our teams at Amazon remain committed to sellers, building their brands by improving usability, providing relevant and engaging ad experiences, and developing measurement and analytics tools that provide actionable insights for sellers. The growth in our consumer business could not have been possible without our dynamic tech infrastructure powered and supported by AWS.

The scale of AWS has global infrastructure footprint delivers advanced, reliable, and secure cloud services that millions of customers can depend on, no matter their size or their changing needs. With our customers need to deploy their application workloads across the globe in a single click, or they want to build and deploy specific applications closer to their end users with single digit millisecond latency, AWS provides customers with the cloud infrastructure where and when they need it.

AWS currently has 84 availability zones in 26 geographic regions, with 24 more availability zones across eight more regions coming soon. Customers of all sizes and industries are working with AWS to support their critical business infrastructure.

For example, NASDAQ, a global technology company serving the capital markets, announced a multiyear partnership to migrate its North American markets to AWS. Together, NASDAQ and AWS will transform capital markets to power truly cloud-based market infrastructure that is more resilient and accessible for all market participant.

Stellantis, one of the world's leading automakers with iconic brands, such as Jeep, Fiat, and Dodge, selected AWS as its preferred cloud provider for vehicle platforms to accelerate new digital products and upskill its global workforce.

Additionally, Amazon and Stellantis will collaborate to deliver software solutions for Stellantis's new digital cabin platform, STLA SmartCockpit. And Bundesliga, Germany's Premier National Football League, selected AWS to deliver real-time statistics that improve insights into game strategy and its outcomes, and recommend personalized match footage for fans to watch.

In the last two years, everyday life has changed a lot. But companies using AWS as their cloud solution are changing right along with it all to make life a little easier. This brief video gives just a small sampling of the diverse collection of businesses and industries that innovate along with AWS.

(Video Begins)

Unidentified Speaker

When I was your age, things were different. Getting (inaudible) was never this easy. Mom's work class was all the way downtown. I didn't get to design my own room. And now, Dad thinks she's a big fancy chef.

Wow. I wonder what it's going to be like when I'm your age.

(Video Ends)

Brian Olsavsky {BIO 18872363 <GO>}

Let me close by thanking our customers, including the millions of Prime members, third-party sellers, and AWS developers around the world for your ongoing business and support. Special thank you to our dedicated employees. You continue to rise to the challenge of serving our customers everyday. And now, I'd like to introduce Dilip Kumar, Vice President, Physical Retail and Technology.

Dilip Kumar {BIO 18780384 <GO>}

Hi, I'm Dilip Kumar, Vice President of Physical Retail and Technology at Amazon. I lead teams behind our physical retail technology offerings, including Just Walk Out, Amazon One, and Amazon Dash Cart, which power most of Amazon's own stores, as well as third-party stores. At Amazon, we're always looking for ways to make

customers' lives better. Passion for invention is one of a four guiding principles. And Amazon's employees are constantly creating large and small inventions.

Several years ago, our physical retail team asked ourselves, how we could make the physical shopping experience better for customers, and add unique value in a space that was pretty well-served on many dimensions? We concluded that while there were many great aspects of physical shopping, there was an opportunity to make in-person shopping trips faster and more effortless with technologies like Just Walk Out, the Amazon Dash Cart, and Amazon One. I'm excited to look back at what we've delivered for customers this past year.

As many of you know, we opened the first Amazon Go store to the public in Jan 2018. In 2021, we expanded Just Walk Outs capabilities to scale the full-sized grocery stores, 40,000 square feet, including Amazon Fresh and Whole Foods Market.

Today there are more than two dozen Amazon Fresh stores in the U.S. and U.K. that use Just Walk Out technology alongside the 20 plus Amazon Go stores in the U.S. We opened the second Whole Foods Market store with Just Walk Out technology in March this year.

We also build the Amazon Dash Cart that uses computer vision algorithms and sensors that detect as customers add items to their cart. When a customer's ready to check out, all they have to do is exit the store to the dash cart claim, and the credit card associated with their Amazon account is charged.

As another example, we continue to expand Amazon One, a palm recognition service we launched in September, 2020 as an entry or payment method at Go stores, Amazon Fresh, and Select Whole Food store. Over the past year, we've equipped more than a dozen third-party location, such as Climate Pledge Arena, TD Garden, or travel retailers like Hudson and WHSmith with Just Walk Out technology, Amazon One, or a combination of both.

In early 2022, we announced Amazon Style, our first ever physical apparel store that offers a personalized convenient shopping experience that makes it easy for customers to find styles they love at great prices. We continue to see a lot of potential application for Just Walk Out technology and Amazon One. Last November, Amazon Go and Starbucks announced the launch of Starbucks pickup with Amazon Go in New York City that brings together the connection and comfort of a Starbucks café and convenience of Amazon Gos Just Walk Out shopping experience.

There's a saying an Amazon that it's still day one. And 2021 was a busy year for us. And 2022 is already off to an exciting start. The possibilities to reimagine in-store shopping are endless. I'm excited to see where the year ahead takes us.

Catherine Buell {BIO 19263051 <GO>}

Thank you. Dilip. It's an honor to be here today speaking with shareholders from around the world. At Amazon, we believe that all people should have access to housing they can afford. We are using our scale and reach as a large employer to support innovative affordable housing initiatives in the communities we call home.

And we believe that private and public sectors can work together to address the affordable housing challenges that people are facing across the U.S. That's why we launched the Amazon Housing Equity Fund, a \$2 billion commitment to create and preserve affordable housing in our hometown communities. The Puget Sound Region of Washington State, the Arlington, Virginia, and Washington DC region, and Nashville, Tennessee.

We are helping those in need while also emphasizing our commitment to equity and inclusion. Low-income and minority families are disproportionately affected by an affordable housing shortage in the United States. We need diverse perspectives and the housing conversation to come up with lasting solutions.

Our fund takes a multipronged approach. We offer low-rate loans, and grants to public agencies, and mission-driven partners to help unlock and accelerate affordable housing initiatives, we team up with local governments and agencies on inclusive and innovative solutions, and we provide grants to support community-based organizations, traditional and nontraditional public agencies, and organizations led by people of color.

The Amazon housing equity funds specifically targets to help low to moderate income households, earning 30% to 80% of area median income.

These are the members of our communities who serve as first responders, teachers, healthcare workers, and others who don't qualify for subsidies, but whose wages haven't kept pace with escalating rents. Here are a couple of ways we are inventing lasting solutions. This past year, we teamed up with three public transit agencies to help build 3,000 new affordable homes near high capacity transit stations.

To date, more than 1,000 affordable units are in different phases of connection. The Amazon housing equity fund awarded over \$21 million in grants to pilot an accelerator program, which offers free professional training, mentorship, and access to capital funding to help lower barriers real estate developers of color, who are focused on affordable housing and inclusive community building, as well as to increase the diverse pool of firms and all three of the funds priority communities.

As of March 2022, 14 months post-launch, we have protected and created more than 8,000 affordable homes that will house more than 18,000 people. Nearly one quarter of whom are children.

In one year alone, Amazon helped to increase the long-term multifamily affordable housing stock by 20% in Bellevue, Washington, and by 22% in Arlington, Virginia. You will see us investing bigger in this area. We are just getting started. Thank you

very much for your time. And now, I'd like to introduce Ofori Agboka, Amazons Vice President of People, Experience & Technology for Global Operations.

Ofori Agboka

Thank you, Catherine. And hello, everyone. The safety and wellbeing of our teams are Amazon's highest priorities. This includes fostering a diverse equitable and inclusive workplace where all perspectives are heard. At Amazon, we've navigated unprecedented times together, rising above challenges through innovation and investing in our people. I want to tell you today about two programs, Welcome Door and Career Choice that show how seriously we take the challenge to be better everyday.

Through the Welcome Door program, we provide direct support for immigrants and refugees who have left their homelands and help them to reestablish themselves to start a new with great jobs and support. For these employees, language barriers and scarce resources can often mean experience gaps in their careers.

Without assistance to get back on track professionally, these gaps become setbacks. The Welcome Door program helps immigrants and refugees in many ways, including a citizenship assistance portal, reimbursement for employee authorization document renewal fees, free legal resources to help navigate immigration-related questions, and access to skills, training, benefits-like career choice.

A good job is one of the most impactful ways for refugees to build a new life. We're excited to welcome these new Amazonians to the team. Now, let me expand more on how we've enhanced Career Choice. We want our employees to maximize their full potential in education and in their careers inside or outside of Amazon.

As part of our announcement to increase the company's upskilling 2025 pledge, we are proud that the Career Choice program provides full prepaid tuition to employees as they pursue a bachelor's degree, earn industry certifications leading to in demand jobs, or build skills through English language proficiency and high school completion programs. To make this offering even stronger, we've partnered with four national nonprofits in 140 local universities and colleges to deliver high quality education to our hourly workforce in the United States.

Underpinning the success of initiatives like Welcome Door and Career Choice is Amazon's commitment to diversity, equity, and inclusion. Having different voices around the table means, we are engaging in dialogues that challenge our own points of view.

While these conversations can be uncomfortable, they show us where we have room to grow. Last fall, we were delighted to welcome Candi Castleberry's Amazon's Vice President of Global Diversity Equity and Inclusion to lead this organizational growth, ensuring an equitable and inclusive culture is something we all own. Through Candi leadership and relentless focus, we are working to shape a more equitable and inclusive future.

Amazon affinity groups are actively involved in owning their future too. Affinity groups give Amazonians of all backgrounds a collective voice to help shape their work environment and reveal past to develop leadership skills.

Amazon has 13 affinity groups, bringing employees together across businesses and locations around the world. They include Amazon people with disabilities, Amazon women in engineering, Asians at Amazon, the black employee network, just to name a few. With executive and company support, Amazon's affinity groups provide critical insights and help us continuously improve. They are part of what makes Amazon better every day. Thank you.

Angie Quennell

Thank you, Ofori. I'd now like to introduce Andy Jassy who will make a few opening remarks and address questions we have received pursuant to the meeting rules of procedure.

Andy Jassy {BIO 15111610 <GO>}

Thanks Angie. Hi, I'm Andy Jassy. Today is the 25th annual shareholder meeting for Amazon, but it's the first one I've had the honor of attending as CEO. So thank you for taking the time to join us today. I'd like to put business aside for a moment before we move into the Q&A portion of the meeting. Yesterday in Texas, 19 children and 2 teachers lost their lives in a senseless act of violence. And 11 days ago, 10 people were shot to death at a supermarket in Buffalo.

I know that I speak for all of us at Amazon when I say how deeply saddened we are by these tragedies. Our hearts go out to the families of the victims and anyone directly or indirectly affected. I can only hope that we come together as a country to find a way to stop this kind of tragic violence in the future.

There's no easy way to transition to the next portion of the meeting, but I'll do my best. I want to start by thanking our more than 1.6 million employees for all their hard work during the pandemic. I'm proud of the incredible commitment and effort from our employees all over the world.

Throughout the pandemic customer obsession has remained central to everything we do. As we've been faced with the choice of optimizing short-term profits or doing what's best for customers in the company in the long-term, we've consistently chosen the customer. You can see this in all aspects of our business, especially our large existing businesses. Our consumer business has grown 23% annually over the last two years with extraordinary growth in 2020 of 39% year over year, that require us to make very substantial investments that we hadn't planned to make us fast.

For instance, we had built a very significant size fulfillment network in our first 25 years as a company that we had to double during the pandemic in just 24 months. We also had to nearly double the size of our workforce.

As capacity and labor constraints have recently eased, we've been working to address cost pressures related to inflation and the wider economy, productivity in our operations network and fixed cost leverage. Today we are focused on reducing our cost structure by improving our productivity, growing into our capacity, and identifying opportunities to mitigate ongoing costs. We have effectively lowered our cost structure before. I have high confidence that we'll get back on track as we work through these incredibly unusual past two years.

In AWS, we grew at 34% annually over the last two years and 37% year over year in the First Quarter, as the breadth and depth of our services helped millions of companies accelerate their move to the cloud. As 95% of the world's IT spend is still on premises and not in the cloud, our opportunity here remains large.

We are also seeing strong growth in areas such as Amazon advertising, where it's still early days, and we've only just begun working on solutions and streaming grocery and devices. We see high future potential in our investments in areas like Prime video and entertainment more broadly, Alexa and devices, Grocery, Kuiper and Zoox. I believe it remains very early days for what we can invent for customers. There's a lot to look forward to in the months and years ahead.

We're also focused on making our employee experience better. This is something I'm passionate about and deeply committed to. I spent a fair bit of time at our fulfillment centers, speaking with our employees about topics like safety. I'm confident we will keep improving. We want to improve our workplace every day every week, every month.

It's why we offer an average starting wage and more than \$18 an hour, more than double the minimum wage. We also offer full healthcare and insurance, paid parental leave, 401(k) company matching that starts on day one, and we pay for full college tuition for operations employees if they want to pursue it. It's why we're spending a lot of energy and resources on safety.

We have about 8,000 people who just work on safety. In 2021, we invested \$300 million in safety improvements, such as capital improvements, new safety technology, vehicle safety controls, and engineering ergonomic solutions. We know it will take time, but we want to be the best in the industry.

We're also committed to and invested in building a sustainable future for our employees, customers, and communities. We are on a path to power operations with 100% renewable energy by 2025. We are the world's largest corporate purchaser of renewable energy. We cofounded, and we're the first signatory of the Climate Pledge, a commitment to reach net-carbon zero by 2040, 10 years ahead of the Paris agreement. There are now more than 300 organizations that have signed on. We're hopeful that many more will join.

This year, we've put a bigger focus on giving back to the communities in which we reside. For example, we created the more than \$2 billion housing equity fund, which

will preserve and create more than 20,000 affordable homes for families and the Puget Sound Arlington and Nashville regions. Last, I spoke about in my shareholder letter, how with every business we pursue, we're constantly experimenting and inventing.

We believe customer experiences can always be better. We are relentlessly debating, iterating, and tinkering to take the seeds of big ideas and make them into things that resonate with customers over a long period of time. Amazon first set out our long-term approach in our 1997 shareholder letter. What's written there is as true today as it was in 1997. With that, I look forward to taking your questions.

Questions And Answers

A - Angie Quennell

Thanks, Andy. We'll now move to our first question. What factors are contributing to recent lower profit in the consumer business? And what steps are you taking to improve profitability going forward?

A - Andy Jassy {BIO 15111610 <GO>}

Well we're very focused on profitability. I'm confident, we'll get back to a healthy level of profitability in our consumer business. We're working really hard on it. We've had some unusual things happen the last couple of years, some more in our control than others.

The external factors that were maybe a little less than our control really relate to inflation where the costs of (inaudible) haul, and trucking, and ocean, and air, and fuel have all gone very substantially up. We're working hard to mitigate those costs wherever we can. We've built a pre-Scrappy program to recruit alternative logistics providers, willing to be more aggressive and reasonable on costs.

We absorbed a lot of these costs for sellers for much of the pandemic, really the first two years, hoping costs would attenuated the beginning of 2022. But when the war and Ukraine hit and the inflationary costs continued to go up, we just couldn't keep absorbing all of those costs and run a business that's profitable and sustainable. So we pass some of those on to our fulfillment by Amazon sellers. We didn't take this decision lightly. We hate raising costs for our sellers. We're as eager as anybody to see inflationary costs subside.

On the more controllable cost side, let's start with capacity. As I mentioned in my opening remarks, we doubled our capacity that we'd built in the first 25 years of Amazon in just 24 months. We had to make decisions on when to build the fulfillment centers really a couple years in advance.

It's typically a long lead time, but even longer in COVID. So we made a decision to build to the high side to avoid constraining consumers and sellers in any way. We have a number of steps we're taking right now. We're trying to defer building activity

and on properties where we just don't need the capacity yet. We're going to let some leases expire as well. But I'm also quite confident that we will grow into this footprint.

On the productivity side, there are a lot of elements here ranging from how we do inbound, to staging, to productive hours and processes to optimizing our large and recently fast grown fulfillment and transportation networks that we've built. We know how to work on productivity. We've had several instances, many years in our history, where we have worked very hard on productivity and improved our productivity.

So we're confident we'll make progress there as well. So I netted out by saying that cost is a really big area of focus for us. It's the number one priority for our retail team. It's something that I'm spending a lot of time on myself as well. We have a lot of clearly identified opportunities that we think will improve the situation. I'm confident that we'll return to the type of profit -- the healthy profitability and the consumer business.

A - Angie Quennell

The next question is, it seems like you're investing in many unrelated areas from Alexa to satellites. What's the common denominator for Amazon? And is it a good use of capital?

A - Andy Jassy {BIO 15111610 <GO>}

Well we exist to make our customer's lives better and easier every day and relentlessly invent to do so. That is the common denominator across all of Amazon's businesses and across all the customers that we serve, whether you're talking about consumers, or sellers, or developers, or enterprise, or creators, or brands. We've a different way of looking at new business opportunities than other companies. I'm not saying it's right or wrong, it just happens to be our way.

And when we look at a new opportunity, we asked ourselves a few questions. If we were successful, could it be big enough to move the needle at Amazon? Is it being well-served today? Do we have a differentiated approach? And do we have competence in that area? And if we don't, can we acquire it quickly? If we like the answers to those questions, then we will put a single thread of leader and team on it so they're not distracted by the existing business.

And that process has led to some expansions that seem pretty natural to people. When I joined the company in 1997, we were a books-only retailer, and we expanded into music, and video, and electronics, and toys.

And I think those expansions felt natural. I didn't feel as natural at the time. But I think today they seem pretty natural. But that process has also led us to some investments that probably seemed less natural to people. AWS is a good example of that, where people didn't expect an online retailer to build a technology infrastructure platform in the cloud.

And in the early days for several years, people externally and internally really questioned whether that made sense. But think about what a different company Amazon is today because we invested in and built AWS. So you really have to evaluate each opportunity on its own. You have to look at what you think the possible return on invested capital and the upside is for each of these opportunities.

And I'm really optimistic about some of the big bets we're making here. If you look at Prime video and the entertainment investment we're making, I think we're very much on the right track there. If you look at Alexa, where we're trying to build the world's best personal assistant, we obviously have a significant amount of traction. We have over 200 million endpoints that are accessing Alexa. So we're optimistic about that.

If you look at Kuiper, there's 300 to 400 million people in the world who don't have the type of connectivity that allows them to leverage the internet and technology like most of us do today. I think that's a very significant opportunity that has some things that are reminiscent of AWS about it. I think it's very early days for us in Grocery where I have a lot of optimism. Then I also am excited about our autonomous driving ride-hailing effort in Zoox given the way that we see automotive consumption patterns changing.

So it's up to us, at the end of the day to make these investments work. But if any one of the ones I just mentioned becomes the fourth pillar for us on top of a marketplace, and Prime, and AWS, we're a different company. So I think they're very worthwhile bet.

A - Angie Quennell

Thanks, Andy. Can you please discuss what you're doing to maintain stock value during this period of stock market downturn?

A - Andy Jassy {BIO 15111610 <GO>}

Well I know there's a lot of uncertainty in the market right now. It's impacting a lot of companies, including Amazon and their associated stock prices. I understand why a number of people are uneasy. I think it's important to remember that we're going -- we've been through a pretty unusual time, both of you look at the war in Ukraine, as well as the tumult of the pandemic that force companies like ours to build to a very unusually large scale in a very short period of time.

But we've always subscribed to Benjamin Graham's theorem that in the short term, the stock market tends to be a voting machine. In the long-term, it tends to be a weighing machine. That's because if you do the right thing for customers and the business over a long period of time, you tend to get the right results.

And so what we've -- we've been in this spot before. We've seen downturns both in the market and the stock. What we found is if we focus on customers and the right experience for them, and our cost structure, and making sure we deliver the right operating income and free cash flow, and remembering that we're trying to build a

set of customer experiences in a business and optimizing for making it right over a long period of time, I think we've delivered very strong results over the last 25 years for shareholders. I expect that to continue.

A - Angie Quennell

Your next question is, there's been a lot of media coverage about safety issues and high injury rates at Amazon. What are you doing about that?

A - Andy Jassy {BIO 15111610 <GO>}

Nothing is more important than the safety and wellbeing of our teams. We spent a lot of energy and resource on it across our network. We'll continue to do so. Having spent some time with the safety data myself, there are a lot of ways you can spend that data. There are special interest groups that regularly skew them for their own agenda. But what I would say is a few things. The companies who hired a lot of people during the pandemic like we did, and there are plenty of others, saw their incident rates and DART rates, which really time away from your normal job go up.

In our case, we hired about 300,000 people in 2021 alone. Most of whom had never worked in this type of manual and industrial space and had to be trained. Now, all the data we have says that the incidence of entry in the first six months always as much higher than thereafter. So when you hire a lot of people, your rates tend to go up.

When we look at the last comprehensive and verified safety data from the Bureau of Labor Statistics or BLS, there are a few macro categories that they -- where we have people. These are their terms. We have a lot of people in the warehousing category, a lot of people in the messengers and couriers, and a number of people in the grocery category.

And if you look at the industry averages versus our numbers, we're a little higher on warehousing and a little lower on messengers and couriers in grocery. So about average. But I take no solace in being average. We want to be the best in the industry.

And this will take us time, especially as we expect the numbers to go up and years where we're discontinuously hiring as, I mentioned earlier. But I do believe it's achievable to be the best in the future. I'm focused on it and the team's focused on it. So there are several things we're doing right now to try to improve,

First of all, we have 8,000 people who are just focused on safety in the company. We're making meaningful investments in wearables, haptic signals that tell our teammates when they're pursuing dangerous movements so they can be safer and how they move around.

We've built a rotational program with pretty sophisticated algorithms that predict when people doing repetitive actions are about to incur entry, and then moving them to a different activity so that they don't incur that entry. We've delivered new

shoes, which provide both toe protection, as well as prevent slipping. We're continuing to invest in a number of transportation vehicles and technology. We just roll one out. They cut the accident rate in half.

So there are a number of things that we're doing. We're working really hard on it. But I won't be happy and the team won't be happy until we're the best in the industry. And even then, we're not going to be happy because we know there are injuries that we could be preventing. So we have a lot of work to do here, but you can bet, we're going to be very focused on it.

A - Angie Quennell

How does Amazon plan on building long-term shareholder value by taking care of its employees better?

A - Andy Jassy {BIO 15111610 <GO>}

Well I think Amazon is a really unusually compelling place to work for a lot of different reasons. We can just start with the mission. When you have a mission to make customers' lives better and easier every day and relentlessly event to do so, that is a really inspiring mission. And by the way we're all customers. There's so many companies who say they're going to do that, and very few do it.

And Amazon is unusual that way. Then when you layer on top of it, the fact that you're not only improving customer's lives, but you get to impact so many customers because of the scale, which Amazon operates, and the fact that we tend to invest, and to bet, and to invent, and to move quickly when people have good ideas.

And we tend to be long-term-oriented, and are trying to build something that last all of us, so we leave a real mark on the world. That's a very compelling set of benefits. It's part of why Amazon ranks so highly as a place to work, including being number one in the recent LinkedIn list.

All that said there are for sure areas where I think we can be improving. I'll list a few. I think when you think about people who leave companies, they tend to leave managers more than the company itself. We have a very talented group of managers at Amazon. But we have also grown the number of people at the company the last five to 10 years very substantially. With that, the number of managers. Many of whom we've promoted internally. Some of whom, we've hired externally.

And we have a management training that we have built over time. But we have work to do to continue to make sure that our managers understand that managing is a privilege. The number one job for them is making sure that they are developing their teammates and their employees, so they grow their careers and continue to grow what they can do for the company and for our customers. So that's an area we'll continue to focus on.

Then I think there's some fundamentals that you just got to get right that we can keep working on AI [ph]. I talked about safety earlier, that's a significant area of focus

for us. I think that we've made a lot of progress on diversity inclusion.

And if you want to serve the number of customers that we do and we desire to across every imaginable segment, you need the right diverse and inclusive set of employees and culture to be able to build the right experiences. While I think we've made a lot of progress there the last number of years, we're not close to where we want to be. That will continue to be an area of focus.

Then I think that the tools and customer experiences that we've built for external customers over the last number of years has outpaced those that we've built for our employees. I think there's work we can do to make our employees everyday lives easier to get their work done and do their job inside. So I think we have an unusual and very compelling place to work. But I think we can improve in every area. We will work on improving everyday.

A - Angie Quennell

Thanks, Andy. This will be your last question. Does Amazon really believe it's possible to reach net zero carbon?

A - Andy Jassy {BIO 15111610 <GO>}

We do. I do think it's possible. It's not simple. It's going to take a lot of work and a lot of invention, but it is possible. It really was the catalyst behind why we cofounded the Climate Pledge, which is our commitment to be net zero carbon by 2040, 10 years ahead of the Paris agreement.

We have more than 300 companies at this point who have signed on to Climate Pledge. We hope that many more will. And along with the Climate Pledge, there's a number of activities they were taking to try to make progress. We pledged to power 100% of our operations with renewable energy by 2030. We're on pace right now to get there by 2025, so five years earlier than what we anticipated.

We now have a 310 active renewable projects globally. We're the largest corporate purchaser of renewable energy the last two years. We expect that to continue. We've ordered over 100,000 electric vehicles from Rivian and Stellantis. We've recently announced that we'll have several thousand on the road in a short period of time.

Our buildings from our fulfillment centers, the HQ2, are being built with sustainability in mind right from the start, including powering our buildings with renewable energy, committing to lead platinum certification, providing electric vehicle charging stations to encourage our employees to have EVs, and leveraging low of fixtures and reclaim water usage to reduce water consumption.

It's not simple to get all the way there, to get to zero. We know how to get a good chunk of the way there. But we still have work to do to the extent ourselves and with partners to get all the way to 100%. It's why we announced the Climate Pledge, when we did was we need to work on it with partners to get there.

And it's incredibly important. It actually -- We don't achieve what we need to for the climate, and for our kids, and our grandkids if it's just a couple of companies that get there, just a couple of countries, all the companies have to work on it. All the countries have to work on it together. It's incredibly important. It's something we're very passionate and committed to.

Well that concludes our Q&A. I just want to thank everyone for joining today particularly our long-term shareholders. We appreciate your support and your interest in what we're doing. It means a lot. We really appreciate it. Rest assured, we're going to continue to do our part, making our customer's lives better and easier every day inventing to make it so, and taking care of our employees and communities along the way. Thank you, all very much.

This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily reflect the views of Bloomberg LP. © COPYRIGHT 2024, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.