



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 28, 2019

Ronald O. Mueller
Gibson, Dunn & Crutcher LLP
shareholderproposals@gibsondunn.com

Re: Amazon.com, Inc.
Incoming letter dated January 22, 2019

Dear Mr. Mueller:

This letter is in response to your correspondence dated January 22, 2019 concerning the shareholder proposal (the "Proposal") submitted to Amazon.com, Inc. (the "Company") by the Domini Impact Equity Fund and the New York State Common Retirement Fund (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponents dated February 22, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Corey Klemmer
Domini Impact Investments LLC
cklemmer@domini.com

March 28, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Amazon.com, Inc.
Incoming letter dated January 22, 2019

The Proposal requests that the board annually report to shareholders its analysis of the community impacts of the Company's operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7), as relating to the Company's ordinary business operations. In this regard, we note that the Proposal relates generally to "the community impacts" of the Company's operations and does not appear to focus on an issue that transcends ordinary business matters. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Eric Envall
Attorney-Adviser

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.



February 22, 2019

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Via e-mail: shareholderproposals@sec.gov

Re: Shareholder Proposal to Amazon.com, Inc. seeking a report on community impacts of Company's operations for inclusion in 2019 proxy materials

Dear Sir or Madam:

I am writing on behalf of the Domini Impact Equity Fund, in response to a letter submitted by counsel for Amazon.com, Inc ("Amazon" or "the Company") dated January 22, 2019, notifying the Securities and Exchange Commission's Division of Corporate Finance (the "Commission") of the Company's intention to omit the above-referenced shareholder proposal ("the Proposal," attached as Exhibit A) from the Company's proxy materials. In its letter ("the No-Action Request," attached as Exhibit B), the Company argues that the Proposal may properly be excluded from the Company's materials pursuant to Rule 14a-8(i)(7), the ordinary business exclusion.

The Proposal focuses exclusively on the significant policy issue of inequality, which transcends the Company's day-to-day business.

For the reasons set forth below, we believe the Proposal must be included in Amazon's 2019 proxy statement because the Company has not carried its burden of proof pursuant to Rule 14a-8(g), and therefore respectfully request that the Company's request for no-action relief be denied.

Pursuant to Staff Legal Bulletin 14D (November 7, 2008) we are filing our response via e-mail in lieu of paper copies and are providing a copy to the Company and the Company's legal counsel.

I. SUMMARY

The Proposal states:

“RESOLVED: Shareholders of Amazon.com, Inc. (the “Company”) request that the Board of Directors annually report to shareholders, at reasonable expense and excluding confidential information, its analysis of the community impacts of Amazon’s operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities.”

The Company asserts that the Proposal is excludable under the ordinary business exclusion; however, the proposal is focused on inequality, a significant social policy issue and is therefore not excludable under Rule 14a-8(i)(7).

The request in the Proposal aims to provide information to shareholders regarding how the Company affects the significant social policy issue of inequality, whether those impacts be positive or negative, by way of a report on the Company's considerable impacts on the communities in which it operates. The Company's letter almost entirely confuses this question of the Company's *impacts* on communities with



the ways in which it relies on the communities in which it operates, i.e. its *dependencies* on those communities.

By some accounts these impacts are highly valuable and sought after. By others, they are misguided and provoke significant public backlash. In either case, the scope and scale of Amazon's impact on the community and inequality are unambiguous and substantial, which result in material risks to the Company and are properly the subject of a shareholder proposal.

The Proposal, as discussed more below, does not seek any information on how the Company considers questions about the community on the front end, when deciding where to locate its operations. Rather, the Proposal asks about outcomes for the community *after* the Company has located there, wherever "there" may be. Those outcomes are of growing significance to society and therefore to the Company. The deep and fundamental misunderstanding throughout the Company's letter only confirms the need for a board-level analysis to be presented to shareholders.

II. The Proposal is not excludable under the ordinary business exemption because it addresses a significant social policy issue with a nexus to the Company.

The Proposal addresses a significant social policy issue with a clear nexus to the Company. The information it requests pertains to social and economic inequality and the Company's role in driving or addressing it, i.e. how the Company impacts the communities in which it operates.

The Commission has long recognized that the social and economic implications of corporate policy decisions, especially those receiving heightened public scrutiny, are significant social policy issues and properly the subject of shareholder proposals.

The *Pacific Group Telesis* decision, to which the Company's letter also refers, stated this precedent clearly: "the broad social and economic impact of plant closings or relocations... involve substantial corporate policy considerations that go beyond the conduct of the [c]ompany's ordinary business operations." The Commission came to this decision "[i]n light of... heightened state and federal interest" among other things.¹

Here, like in *Pacific Group Telesis*, the Proposal seeks information on the social and economic impacts of the Company's operations on the surrounding communities, which involves substantial corporate policy considerations that go beyond the Company's ordinary business operations. The deep social and economic inequalities in the United States and around the world are a major topic in the public discourse.² Amazon's role in particular in ameliorating, driving or otherwise impacting inequality has become a growing part of that discourse, as have the consequences for the Company.³ As discussed in greater detail

¹ Pacific Group Telesis (Feb. 2, 1989).

² See, for example, "9 years of the Global Risks report" *World Economic Forum*, Jan. 6, 2015 (<https://www.weforum.org/agenda/2015/01/9-years-of-the-global-risks-report-what-have-we-got-right/>); David A. Graham, "The 2020 U.S. Presidential Race: A Cheat Sheet" *The Atlantic*, Feb. 19, 2019 (<https://www.theatlantic.com/politics/archive/2019/02/2020-candidates-president-guide/582598/>); Mary Childs, "Billionaire Ray Dalio Says 'Capitalism Is Not Working' for Most People" *Barron's*, Nov. 9, 2018 (<https://www.barrons.com/articles/billionaire-ray-dalio-says-capitalism-is-not-working-for-most-people-1541780451>).

³ See Lydia DePillis, "It's Amazon's world. We just live in it." *CNN Business*, Oct. 4, 2018 (<https://www.cnn.com/2018/10/03/tech/amazon-effect-us-economy/index.html>) announcing an ongoing segment



below, the Company’s corporate policy decisions impact inequality in myriad ways, both positive and negative. As public attention grows, understanding these impacts and how the board thinks about them will be increasingly important.

Although the Company’s letter suggests that the Proposal at issue here is “much broader” than the request in the *Pacific Group Telesis* proposal, it fails to offer any support for that position. That failure is even more noteworthy given that the *Pacific Group Telesis* decision explicitly referred to “broad social and economic impacts” (emphasis added).

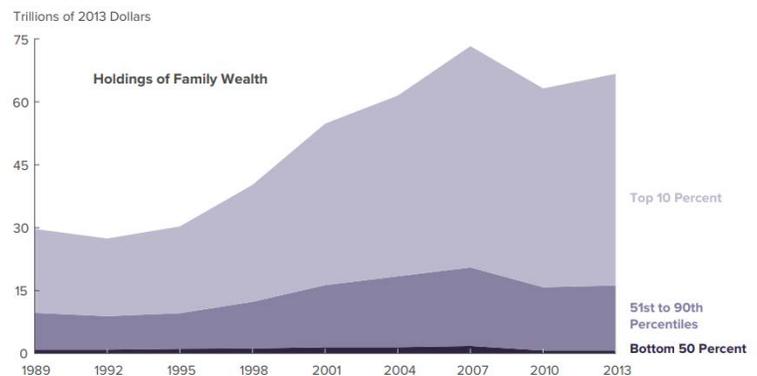
The request contained in the Proposal is thus appropriate subject matter for a shareholder proposal and not excludable on the basis of the ordinary business exclusion. It exclusively addresses the significant social policy issue of inequality and transcends any ordinary business considerations. The remainder of this letter will establish inequality as a significant social policy issue, its nexus to the company as well as address the other challenges that the Company’s letter raised.

a. Inequality is significant social policy issue.

Inequality is a significant social policy, both in the US and around the world, presenting severe risks to social, political and financial systems. It is a primary subject of public discourse, a major campaign issue, a target of federal legislation, and has been identified as a macro-risk by multiple international institutions and leaders in the field of investing and financial management. These represent several of the indicia that the Staff has indicated it considers when identifying a significant social policy issue.

Inequality is driven in the US by a range of factors, including access to housing, education, health, public infrastructure and financial security. The inflation-adjusted cost of housing, education and health has grown substantially over recent decades⁴ while wages have largely stagnated for the majority of Americans.⁵ Data from the Congressional Budget Office illustrates the dramatic and consistent growth of inequality in the US over the last 30 years. As of 2013, the top wealthiest 10% of families hold over \$50 trillion or around 80% of US wealth, a number that has

Figure 1 Trends in US Family Wealth, 1989-2013
(Source: Congressional Budget Office)



on “the many ways Amazon has permeated the American economy — from the benefits it brings to the risks its vast influence poses.”

⁴ Kishan and Karunakar, “U.S. house prices to rise at twice the speed of inflation and pay: Reuters poll” *Reuters*, Jun. 6, 2018 (<https://www.reuters.com/article/us-usa-property-poll/u-s-house-prices-to-rise-at-twice-the-speed-of-inflation-and-pay-reuters-poll-idUSKCN1J20G3>); Emmie Martin, “Here’s how much more expensive it is for you to go to college than it was for your parents” *CNBC*, Nov. 29, 2017 (<https://www.cnn.com/2017/11/29/how-much-college-tuition-has-increased-from-1988-to-2018.html>); Mike Patton, “U.S. Health Care Costs Rise Faster Than Inflation” *Forbes*, Jun. 29, 2015 (<https://www.forbes.com/sites/mikepatton/2015/06/29/u-s-health-care-costs-rise-faster-than-inflation/#75e80fc66fa1>).

⁵ Stein and Van Dam, “For the biggest group of American workers, wages aren’t just flat. They’re falling.” *The Washington Post*, Jun. 15, 2018 (https://www.washingtonpost.com/news/wonk/wp/2018/06/15/for-the-biggest-group-of-american-workers-wages-arent-just-flat-theyre-falling/?utm_term=.214afa0a8b78).



grown significantly in the last 30 years, while the poorest 50% have stagnated at about \$1 trillion in wealth, or less than 2%.⁶

The World Economic Forum (“WEF”) has identified income inequality as one of the top five risks facing the world in its “Global Risks Report” since 2012 and as the number one risk for five of those years.⁷ The WEF describes the risk as follows:

“The inherent dangers of neglecting inequality are obvious. People, especially young people, excluded from the mainstream end up feeling disenfranchised and become easy fodder of conflict. This, in turn, reduces the sustainability of economic growth, weakens social cohesion and security, encourages inequitable access to and use of global commons, undermines our democracies, and cripples our hopes for sustainable development and peaceful societies.”⁸ (emphasis added)

The economic loss has been quantified by the Organization for Economic Co-operation and Development (“OECD”), which found that two-plus decades of rising inequality reduced the cumulative growth rate of the U.S. by six to nine percent.⁹

Over half of the UN’s Sustainable Development Goals address inequality. In addition to Goal 10, “Reduced Inequality”, goals involving poverty, hunger, health, education and strong institutions all touch on the issue of inequality.¹⁰

Major investors and corporate representatives have recognized both the interconnections of these issues and the imperative for companies to act on them. Larry Fink, Chairman and CEO of BlackRock, the largest money management firm in the world and Amazon’s second largest shareholder,¹¹ explicitly called on CEOs to address these macro-issues:

“One thing [] is certain: the world needs [CEOs’] leadership. As divisions continue to deepen, companies must demonstrate their commitment to the countries, regions, and communities where they operate, particularly on issues central to the world’s future prosperity. Companies cannot solve every issue of public

⁶ “Trends in Family Wealth, 1989-2013” US Congressional Budget Office, Aug. 2016

(<https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/51846-familywealth.pdf>).

⁷ Sometimes framed as “top global concerns” or risk most likely to manifest. See Oliver Cann, “9 years of the Global Risks report” World Economic Forum, Jan. 6, 2015 (<https://www.weforum.org/agenda/2015/01/9-years-of-the-global-risks-report-what-have-we-got-right/>); “Outlook on the Global Agenda 2015” World Economic Forum (<http://reports.weforum.org/outlook-global-agenda-2015/top-10-trends-of-2015/1-deepening-income-inequality/>); “The Global Risks Report 2016” World Economic Forum (http://www3.weforum.org/docs/GRR/WEF_GRR16.pdf); “The Global Risks Report 2017” World Economic Forum (http://www3.weforum.org/docs/GRR17_Report_web.pdf); “The Global Risks Report 2018” World Economic Forum (http://www3.weforum.org/docs/WEF_GRR18_Report.pdf); “The Global Risks Report 2019” World Economic Forum (<https://www.weforum.org/reports/the-global-risks-report-2019>).

⁸ “Outlook on the Global Agenda 2015” World Economic Forum (<http://reports.weforum.org/outlook-global-agenda-2015/top-10-trends-of-2015/1-deepening-income-inequality/>).

⁹ “Inequality hurts economic growth, finds OECD research” OECD, Sept. 12, 2014 (<http://www.oecd.org/newsroom/inequality-hurts-economic-growth.htm>).

¹⁰ “Sustainable Development Goals” United Nations (<https://sustainabledevelopment.un.org/sdgs>).

¹¹ “Amazon.com, Inc. Morningstar Rating” Morningstar, retrieved Feb. 19, 2012 (<https://www.morningstar.com/stocks/xnas/amzn/quote.html>).



importance, but there are many – from retirement to infrastructure to preparing workers for the jobs of the future – that cannot be solved without corporate leadership.”¹²

Ray Dalio, founder of Bridgewater, one of the largest hedge funds in the world recognized that “[i]f we don’t get capitalism to work for the majority of people, both capitalism and democracy will be at risk.” He went on, “[y]ou have to give [people] good, quality opportunities for education and work. For example, improved public education that lowers crime and incarceration rates, microlending that provides opportunities for borrowers with profitable repayments for lenders...”¹³

Tom Donohue, President and CEO of the US Chamber of Commerce also recognized that because “...the business community is the primary customer of our education system, it only makes sense that businesses play a leadership role in partnering with educational institutions to ensure that students learn the skills needed in today’s workplace.”¹⁴

Recent political campaigns in the US have also highlighted the issue of inequality. In the 2016 election cycle, Democrats, Republicans and Independents alike campaigned on inequality..¹⁵ The Democratic policy platform in 2018, the “Better Deal for Our Democracy” was built on addressing economic and political inequality.¹⁶ Freshman representatives upset long-time incumbents after campaigning heavily on the issue of inequality.¹⁷ Political attention on inequality has continued, with a specific focus on the role of corporations in driving that inequality.¹⁸ Now, looking forward to 2020 it appears that inequality will again be a major focus of the presidential election cycle.¹⁹

¹² “Larry Fink’s 2019 Letter to CEOs: Purpose & Profit” BlackRock, Jan. 17, 2019 (<https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>).

¹³ Mary Childs, “Billionaire Ray Dalio Says “Capitalism Is Not Working” for Most People” Barron’s, Nov. 9, 2018 (<https://www.barrons.com/articles/billionaire-ray-dalio-says-capitalism-is-not-working-for-most-people-1541780451>).

¹⁴ Donohue and Hansen, “Op-ed: The Conversation About America’s Skills Gap Is Changing” US News and World Report, Apr. 21, 2016 (<https://www.usnews.com/news/articles/2016-04-21/op-ed-the-conversation-about-americas-skills-gap-is-changing>).

¹⁵ Jamelle Bouie, “Republicans Are Finally Talking About Inequality” Slate, Jan. 22, 2015 (<https://slate.com/news-and-politics/2015/01/republicans-are-discussing-poverty-and-inequality-democrats-should-engage-their-criticism-and-ideas.html>); David A. Graham, “The 2020 U.S. Presidential Race: A Cheat Sheet” The Atlantic, Feb. 19, 2019 (<https://www.theatlantic.com/politics/archive/2019/02/2020-candidates-president-guide/582598/>); Mary Childs, “Billionaire Ray Dalio Says “Capitalism Is Not Working” for Most People” Barron’s, Nov. 9, 2018 (<https://www.barrons.com/articles/billionaire-ray-dalio-says-capitalism-is-not-working-for-most-people-1541780451>).

¹⁶ Tara Golshan, “Democrats’ new ‘Better Deal for Our Democracy,’ explained” Vox, May 21, 2018 (<https://www.vox.com/2018/5/21/17376128/democrats-better-deal-democracy-midterm-2018>).

¹⁷ Goldmacher and Martin, “Alexandria Ocasio-Cortez Defeats Joseph Crowley in Major Democratic House Upset” New York Times, Jun. 26, 2018 (<https://www.nytimes.com/2018/06/26/nyregion/joseph-crowley-ocasio-cortez-democratic-primary.html>).

¹⁸ Jacob Pramuk, “Bernie Sanders and Chuck Schumer’s plan to limit buybacks shows how Democrats see an opening to hammer Trump on tax cuts in 2020” CNBC, Feb. 4, 2019 (<https://www.cnbc.com/2019/02/04/schumer-and-sanders-swipe-at-trump-tax-cuts-with-stock-buybacks-plan.html>).

¹⁹ David A. Graham, “The 2020 U.S. Presidential Race: A Cheat Sheet” The Atlantic, Feb. 19, 2019 (<https://www.theatlantic.com/politics/archive/2019/02/2020-candidates-president-guide/582598/>).



Each of these individuals and institutions recognize the significance of inequality as a major social policy issue and the importance of companies in addressing it for the sake of the markets, democracy, society and for the companies themselves.

b. The proposal has a clear nexus to the Company.

The operations of large companies can have meaningful impacts on the drivers of inequality, both positive and negative, including access to housing, education, health and financial security. As the quotes above illustrate, there is a growing consensus that companies have a role to play in proactively addressing these drivers or at least not undermining them.

Corporations distinguish themselves in this way. Some capitalize on an opportunity to support a cycle of positive impact and long-term value creation for the company and other stakeholders. Others, however, contribute to a negative cycle that represents a risk to the company as well as other stakeholders.

As one of the largest and fastest growing companies in the world, Amazon has an outsized ability to influence these drivers. That influence has been recognized in political discourse, research and reporting on jobs and wages, and public debates about the Company's role in community development.

Political Discourse

In 2018, Senator Bernie Sanders sponsored federal legislation addressing economic inequality in the U.S. that specifically called out our CEO by name: the "Stop BEZOS Act" or the Stop Bad Employers by Zeroing Out Subsidies Act.²⁰ When Amazon subsequently raised its minimum wage to \$15 per hour for its US workers and pledged to advocate for minimum wage reform, Senator Sanders congratulated our CEO "for doing exactly the right thing." He went on to say that our Company's announcement "could well be the shot heard round the world."²¹ This example demonstrates both the significant opportunity for the Company to positively impact the drivers of inequality for and beyond its own workforce, as well as the risks created by a failure to understand and address that influence.

Job Creation and Wages

With approximately 647,000 employees, according to the Company's letter, Amazon is one of the largest employers in the US and a major part of the US economic engine. Many have praised Amazon for its role in job creation. JUST Capital, an NGO formed to measure and rank companies "on the issues Americans care about most" has named Amazon one of the "JUST 100" and the leader of the retail industry.²² Within that ranking, JUST Capital found Amazon placed first in its industry when it came to its customers and creating and maintaining jobs, and second in its industry when it comes to its workforce. Additionally, as referenced above, Amazon's decision to raise its minimum wage shifted the industry standard and pressured other retailers to follow suit.²³ Other assessments do not view our Company as favorably. Some

²⁰ "'Stop Bad Employers 5 by Zeroing Out Subsidies Act'" (<https://www.sanders.senate.gov/download/stop-bezos-act-2018?id=C2E88AC5-C629-4680-8F8D-9EE74F343560&download=1&inline=file>).

²¹ Todd Haselton, "Bernie Sanders praises Jeff Bezos for hiking Amazon minimum wage to \$15" *CNBC*, Oct. 2, 2018 (<https://www.cnn.com/2018/10/02/sanders-praises-jeff-bezos-for-hiking-amazon-minimum-wage-to-15.html>).

²² "Amazon.com" *JUST Capital*, accessed Feb. 20, 2019 (<https://justcapital.com/companies/amazon-com>).

²³ Andria Cheng, "Amazon's New \$15 Minimum Wage Will Pressure Other Retailers to Follow Suit" *Forbes*, Oct. 2, 2018 (<https://www.forbes.com/sites/andriacheng/2018/10/02/amazons-15-wage-hike-will-pressure-other-retailers-to-follow-suit/#6915a9012c23>).



studies indicate that Amazon has been neutral in terms of overall private sector job creation and has had a negative impact on local wages, for and beyond its own workforce.²⁴

This example again illustrates the considerable influence that Amazon can and does have on the communities in which it operates. Proactively assessing these impacts provides opportunities for the Company to create value for itself and other stakeholders by minimizing inequality, while failing to recognize these impacts may lead to reputational and operational risks.

Community Development and HQ2

Our Company has been at the center of public debates around community development, specifically its impacts on the availability and condition of infrastructure and housing stock among other things.²⁵ The recent search for its second headquarters, “HQ2”, offered a valuable illustration of perceptions about Amazon’s role in the community and the importance of those perceptions to the Company’s reputation and operations.

In 2017, Amazon began a search for a home city for “HQ2”, which promised to bring with it 50,000 high-paying new jobs. Over 200 cities submitted bids to host HQ2 offering significant amounts of local data, millions of square feet of space and billions of dollars in tax incentives.²⁶ Cities created pitch videos to woo the Company.²⁷ Many community leaders adamantly pursued our Company as a potential new neighbor. Their perception that Amazon would contribute positively to their community was of great value to the Company, as they provided information and incentives to facilitate our Company’s expansion.

²⁴ Jones and Zipper, “Unfulfilled Promises: Amazon fulfillment centers do not generate broad-based employment growth” *Economic Policy Institute*, Feb. 1, 2018 (<https://www.epi.org/publication/unfulfilled-promises-amazon-warehouses-do-not-generate-broad-based-employment-growth/>); “What Amazon does to wages: Is the world’s largest online retailer underpaying its employees?” *The Economist*, Jan. 20, 2018 (<https://www.economist.com/united-states/2018/01/20/what-amazon-does-to-wages>) (“Government figures show that after Amazon opens a storage depot, local wages for warehouse workers fall by an average of 3%. In places where Amazon operates, such workers earn about 10% less than similar workers employed elsewhere.”); Olivia Lavecchia, “How Amazon Undermines Jobs, Wages, and Working Conditions (Fact Sheet)” *Institute for Local Self Reliance*, Feb. 7, 2017 (<https://ilsr.org/amazon-workers-fact-sheet/>).

²⁵ See, for example, Cafcas and LeRoy, “Will Amazon Fool Us Twice?” *Good Jobs First*, Dec. 2016 (<http://www.goodjobsfirst.org/sites/default/files/docs/pdf/amazon-subsidies.pdf>); Lauren Feiner, “Crystal City locals expect surging property prices, heavy traffic and lots of jobs if Amazon comes” *CNBC*, Nov. 5, 2018 (<https://www.cnn.com/2018/11/05/crystal-city-locals-react-to-amazon-hq2-reports.html>); Nathaly Pesantez, “Van Bramer, Gianaris Rebuke Amazon’s Reported LIC Plans as Pressure Grows Against HQ2” *LIC Post*, Nov. 12, 2018 (<https://licpost.com/van-bramer-gianaris-rebuke-amazons-reported-lic-plans-as-pressure-grows-against-hq2>).

²⁶ Kate Taylor, “Amazon asked cities that submitted an HQ2 proposal to provide endless data, including the price of an avocado at Whole Foods and the cost of a Starbucks tall coffee” *Business Insider*, Dec. 14, 2018 (<https://www.businessinsider.com/amazon-proposal-probed-for-data-2018-12>); Leanna Garfield, “Amazon has announced the top contenders in its \$5 billion bidding war for HQ2 — here are their craziest proposals” *Business Insider*, Jan. 18, 2018 (<https://www.businessinsider.com/amazon-headquarters-city-proposals-hq2-2017-10>).

²⁷ Matt Burns, “Watch the Amazon HQ2 video pitches from Detroit, Boston, Pittsburgh, Philly, Las Vegas, Atlanta, and DFW” *Tech Crunch*, 2018 (<https://techcrunch.com/gallery/watch-the-amazon-hq2-video-pitches-from-detroit-boston-pittsburgh-philly-las-vegas-atlanta-and-dfw/>).



At the same time, other community members saw Amazon's potential arrival as a threat.²⁸ Many looked to the housing and homelessness crisis in Seattle as a sign of things to come.²⁹ Amazon has been broadly considered a major cause of these related crises.³⁰ This led to significant pushback from the New York community once the split HQ2 was announced: protestors demonstrated publicly;³¹ local, state and federal politicians weighed in;³² and local media took their shots at the Company.³³

Amazon's response to negative public perception, both in the Seattle and New York examples, is a cause for shareholder concern. Last year, in response to a tax to fight homelessness passed unanimously by the Seattle City Council, Amazon threatened to scale back its growth in the city, which was seen as the primary cause of the tax's immediate repeal.³⁴ Since then, fellow Seattle resident Microsoft pledged \$500 million to address the local housing crisis, standing in clear contrast to our Company.³⁵ The difference between these two tactics highlights the reputational risks and opportunities related to a company's approach to its community impacts.

The HQ2 example demonstrates how these impacts can affect operational risks and opportunities. In the face of public pressure, the Company elected to withdraw its plans for its New York location. The decision has further harmed public perception of our Company.³⁶ This controversy reflects a source of material risk to the Company and its shareholders and underscores the value of assessing the risks and opportunities associated with the Company's community impacts.

²⁸ Monica Nickelsburg, "Protestors in Amazon HQ2 cities around the country demand more transparency in bidding process" *GeekWire*, Apr. 11, 2018 (<https://www.geekwire.com/2018/protestors-amazon-hq2-cities-around-country-demand-transparency-bidding-process/>); see also Jim Schutze, "Jeff Bezos Could Clean Dallas' Clock, and We'd Never Even Know What Time It Was" *Dallas Observer*, Jan. 23, 2018 (<https://www.dallasobserver.com/news/dallas-wants-amazon-hq2-but-how-much-are-we-willing-to-pay-10288011>).

²⁹ Peoples and Montgomery, "Amazon to Seattle: The Housing Crisis Is Not Our Problem" *The American Prospect*, May 14, 2018 (<https://prospect.org/article/amazon-seattle-housing-crisis-not-our-problem>).

³⁰ Harrison Jacobs, "A walk through Seattle's 'Amazonia' neighborhood made me understand why any city would be wary of hosting the tech giant" *Business Insider*, Feb. 14, 2019 (<https://www.businessinsider.com/amazon-hq-photo-tour-seattle-make-any-city-wary-of-amazon-hq2-2017-12>).

³¹ Azi Paybarah, "N.Y. Today: Protests for Amazon on Cyber Monday" *New York Times*, Nov. 26, 2018 (<https://www.nytimes.com/2018/11/26/nyregion/newyorktoday/new-york-news-protests-amazon-cyber-monday.html>); Jacob Passy, "Community activists stage Cyber Monday protests in fight against Amazon's HQ2" *Market Watch*, Nov. 26, 2018 (<https://www.marketwatch.com/story/community-activists-stage-cyber-monday-protests-in-fight-against-amazons-hq2-2018-11-26>).

³² Jarrett Murphy, "New York Fights—and Amazon Flees" *The Nation*, Feb. 14, 2019 (<https://www.thenation.com/article/amazon-hq2-bad-deal-new-york/>).

³³ Aine Cain, "New York City's top tabloids have officially weighed in on Amazon's controversial HQ2 decision. Check out the covers." *Business Insider*, Nov. 14, 2018 (<https://www.businessinsider.com/new-york-post-cover-amazon-hq2-controversy-2018-11>).

³⁴ Maya Kosoff, "Amazon Crushes a Small Tax That Would Have Helped the Homeless" *Vanity Fair*, Jun. 12, 2018 (<https://www.vanityfair.com/news/2018/06/amazon-seattle-repeal-head-tax-homelessness>).

³⁵ Karen Weise, "Microsoft Pledges \$500 Million for Affordable Housing in Seattle Area" *New York Times*, Jan. 16, 2019 (<https://www.nytimes.com/2019/01/16/technology/microsoft-affordable-housing-seattle.html>).

³⁶ Scott McDonald, "New York Mayor Bill De Blasio Says Amazon Ran At First Signs Of Criticism" *Newsweek*, Feb. 17, 2019 (<https://www.newsweek.com/new-york-mayor-bill-de-blasio-says-amazon-ran-first-signs-criticism-1334360>).



c. Conclusion

The examples reviewed here illustrate the Company's immense power to affect the communities in which it operates. By understanding these impacts and capitalizing on attendant opportunities, companies like ours can be forces for good in minimizing inequality. Conversely, a failure to understand these impacts or the related risks creates reputational and operational risks to our Company. In either case, there is a clear nexus between the Company and the significant social policy issue of inequality such that shareholders may reasonably request the Company's own analysis of the issue.

III. The Proposal does not relate to the Company's ordinary business operations.

In seeking to apply the ordinary business exclusion, the Company's letter repeatedly misconstrues the subject matter of the Proposal. Broadly speaking, the letter confuses the criteria the Company uses to select a site for its operations – front end considerations like housing and transportation available for its workforce, what might be considered the Company's dependencies on the community – with the outcomes for the community after the Company has been in operation there – for instance, its impact on the community's access to housing. The first is an assessment of what the Company needs from the community *before* it decides to locate there and is distinct from the subject of the Proposal. The second, which is the subject of the Proposal, asks for an assessment of the community *after* the company has been in operation there and how its presence has affected the social and economic outcomes for the community over time.

Confusion about this subject matter is present throughout the Company's letter. First, on page 2 the Company's letter refers to the subject matter of the Proposal as "the Company's growth and commercial success". This is unrelated to the Proposal and likely best explained as a typo left over from a previous letter.

a. The Proposal does not address "operational considerations" made by the Company.

Later, the Company's letter asserts that the Proposal "focuses on considerations related to the location of the Company's facilities" and cites an impressive ten precedents dating back nearly 40 years to show that such a focus would be excludable as part of the Company's ordinary business operations. Again, however, the letter misses the simple but essential distinction: the cited proposals all relate to a company's operational considerations when selecting a location for its facilities, whereas the Proposal at hand asks for an analysis of what happens to a community – any community – *after* the company has set up its operations.³⁷

The Company admits this distinction, stating on page 5:

"Although each of the precedents addressed above relate to a company's evaluation of factors in determining where to locate facilities, many of the same considerations would be implicated by the Proposal, which effectively asks the Company to continue each year to evaluate the same types of issues that affect the initial decision of where to locate facilities [including] consideration of factors such as housing availability, local education levels, the availability of public transportation, and other infrastructure issues."

³⁷ See The Boeing Company (Gladstein) (Jan 9, 2018, recon. denied Mar. 9, 2018); Sempra Energy (Jan. 12, 2012, recon denied Jan. 23, 2012); The Hershey Co. (Feb. 2, 2009); Tim Hortons Inc. (Jan. 4, 2008); Minnesota Corn Processors, LLC (Apr. 3, 2002); AT&T Corp. (Mar. 6, 2001); MCI Worldcom, Inc. (Apr. 20, 2000); Tenneco, Inc. (Dec. 28, 1995); Pacific Gas and Electric Co. (Jan. 3, 1986); Sears Roebuck & Co. (Mar. 6, 1980).



Despite recognizing this distinction, the Company's letter conflates the importance of its site selection criteria with its impacts on the community. Analysis of the latter is what is relevant to the Company's connection to inequality.

Importantly, the Proposal does not prescribe how such an analysis should be constructed. It did not anywhere suggest that the board should measure every impact every year at every site. Instead it asks for a high-level consideration of the Company's community impacts and the attendant risks and opportunities.

- b. The Proposal does not reach "other aspects" of the Company's ordinary business operations.

The Company's letter also refers to "other aspects" of the Proposal that allegedly touch on matters of the Company's ordinary business operations.³⁸ Again, it misstates the Proposal: "[o]ne of the factors the Proposal requests that the company evaluate are economic risks of the Company's locations." While the precise meaning of this misstatement is unclear, the letter compares it to an excluded proposal at Exxon that discussed the "economic challenges associated with oil sands".³⁹

The comparison is inappropriate. First, the Proposal at hand does not request an analysis of the "economic risks of the Company's locations" but rather an analysis of the economic and social outcomes on communities where the Company operates (i.e. its impacts on inequality) and the risks and opportunities associated with those impacts. Second, the Exxon proposal that the company cites was deemed excludable explicitly because the Staff did not consider the "economic challenge of oil sands" to be a significant social policy issue. Here, the Company has not at any point suggested that inequality is not a significant social policy issue, rendering its reliance on *Exxon* irrelevant.

The Company also compares this Proposal with one submitted to Amazon last year (the "2018 proposal") requesting an evaluation and report on the "risks arising from the public debate over the company's growth and societal impacts and how it was managing or mitigating those risks." The 2018 proposal was excludable on the grounds that it touched on the ordinary business operations of the Company and/or it did not raise a significant social policy issue that transcended the ordinary business operations of the Company. That proposal, its supporting statement and the subsequent communications touched on a broad range of issues including the Company's tax strategies, its choice of technologies, its pricing strategies, product display and product offerings as well as its decision on where the Company chooses to locate its second headquarters.⁴⁰ Each of these topics have, at various times, been recognized as part of a company's ordinary business operations.

Conversely, the Proposal at issue here is seeking an assessment of the Company's connection to the significant social policy issue of inequality by way of its impacts on the communities in which it operates. Neither the Proposal, nor the supporting statement, nor this letter raise the issues enumerated in the correspondence regarding the 2018 proposal, thus the 2018 precedent cannot be appropriately applied to the Proposal at issue here.

³⁸ Amazon.com, Inc. No-action Relief Request letter to the SEC, Jan. 22, 2019, page 5.

³⁹ Exxon Mobil Corp. (Mar. 6, 2012).

⁴⁰ Amazon.com, Inc. letter to SEC Division of Corporate Finance "Re: Re: Amazon.com, Inc. Supplemental Letter Regarding Shareholder Proposal of AFL-CIO Reserve Fund Securities Exchange Act of 1934—Rule 14a-8" Feb. 21, 2018, page 7-8 (<https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2018/aflcio031618-14a8.pdf>).



- c. The subject of the report does not reach the ordinary business operations of the Company.

Again, Company's letter is confusing. The letter cites Staff Legal Bulletin 14E to point out that when a proposal requests a risk assessment, the consideration relevant to the ordinary business determination is the subject matter to which the risk pertains.⁴¹ The letter then properly states the subject matter of the Proposal – “the community impact of the Company's operations” – but directly contradicts its earlier explanation of the precedent it seeks to rely on.

It asserts that the proposals at issue in *Sempra Energy*, *The Hershey Co.*, and *Amazon.com, Inc.* were excludable as ordinary business because the risk addressed pertained to “the community impact of the Company's operations”, while one page earlier it described the same precedents as related to “a company's evaluation... in determining where to locate”. One consideration is antecedent to the locating decision while the other is subsequent.⁴²

The proposal in *Hershey's* addressed the potential for reputational harm in choosing where to locate. The proposal in *Sempra* addressed the political, legal and financial risks tied to corruption prone countries when choosing where to locate operations. Both pertain to considerations the companies made or should have made in choosing where to locate their operations. Both are distinguishable from the current Proposal, which addresses impacts *after* the Company has located somewhere.

The *Amazon.com, Inc.* proposal (the “2018 proposal”) is also readily distinguishable from the current Proposal, as addressed in the section above. The 2018 proposal touches on a diverse range of issues while the present Proposal exclusively focuses on the community impacts of the Company's operations.

IV. The Proposal does not reach past the social issue of inequality to interfere with any ordinary business operations.

Finally, the Company's letter asserts that even if the Proposal does touch on a significant social policy issue, it doesn't focus on the issue and instead encompasses a wide range of ordinary business operations. The only information specifically requested in the Proposal is the “near and long-term economic and social outcomes” for communities where the Company operates. The supporting statement merely cites examples of the Company's existing power to influence those communities and in the final paragraphs identifies a number of ways a community might be potentially impacted.

Unlike the *PetSmart* precedent cited by the Company's letter, where the proposal asked for the Company to certify compliance with a wide range of laws including some that dealt with administrative matters,⁴³ or the *Union Pacific* precedent, where the proposal sought information on how the company was protecting against a wide range of risks including ordinary incidents like counterfeit merchandise,⁴⁴ the present Proposal is exclusively focused on the macro issue of inequality and the components that drive it.

The Proposal makes no specific requests for the content of the report beyond the near and long-term economic and social outcomes for the Company's communities. Its focus on outcomes for the community transcends any of these particular ordinary business concerns. Furthermore, in spite of the Company's letter's explicit and false assertion, at no point does the Proposal suggest it would be feasible or desirable to report on every square foot of corporate operations every year. The Proposal deliberately leaves to the

⁴¹ See Staff Legal Bulletin No. 14E (CF), Oct.27, 2009 (<https://www.sec.gov/interps/legal/cfs1b14e.htm>).

⁴² Amazon.com, Inc. No-action Relief Request letter to the SEC, Jan. 22, 2019, page 6, 5.

⁴³ PetSmart, Inc. (Mar. 24, 2011).

⁴⁴ Union Pacific Corp. (Feb. 25, 2008).



company the question of which of its policies and practices are most material to understanding its impacts on the community.

Therefore, the Proposal at issue is not excludable under Rule 14a-8(i)(7) as pertaining to the Company's ordinary business operations.

V. Conclusion

For all the reasons discussed above, we respectfully request that the Staff deny the Company's request for no-action relief. Inequality is a significant social policy issue and proper area of shareholder concern and engagement. The Company should include this Proposal in its proxy materials.

Thank you for your time and attention to this matter. Please don't hesitate to reach out if I can provide any additional information. I can be reached at cklemmer@domini.com.

Sincerely,

Corey Klemmer, Esq.
Director of Engagement
Domini Impact Investments LLC

Encl: **Exhibit A:** The Proposal
Exhibit B: Amazon's no-action request

cc: David Zapolsky, Amazon.com, Inc., zapolsky@amazon.com,
amazon-ir@amazon.com

Ronald O. Mueller, Gibson, Dunn and Crutcher LLP, rmueller@gibsondunn.com
Emily Shroder, Gibson, Dunn and Crutcher LLP, eshroder@gibsondunn.com
shareholderproposals@gibsondunn.com



EXHIBIT A



December 18, 2018

Mr. David A. Zapolsky
Senior Vice President, General Counsel and Secretary
Amazon.com, Inc.
410 Terry Avenue North
Seattle, WA 98109

Via email to Zapolsky@amazon.com and overnight mail

Re: Submission of Shareholder Proposal Seeking a Community Impact Report

Dear Mr. Zapolsky:

I am writing to you on behalf of the Domini Impact Equity Fund (f/k/a the Domini Social Equity Fund), a long-term Amazon shareholder. The attached shareholder proposal is submitted for inclusion in the next proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Act of 1934.

The Fund has held more than \$2,000 worth of Amazon shares for greater than one year, and will maintain ownership of the required number of shares through the date of the next stockholders' annual meeting. A letter verifying our ownership of Amazon shares from our portfolio's custodian is forthcoming under separate cover. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC Rules.

We may be joined by other investors submitting the identical proposal. Please consider us to be the lead filer of the proposal. We strongly believe the attached proposal is in the best interests of our company and its shareholders, and welcome the opportunity to discuss the issues raised by the proposal with you at your earliest convenience. I can be reached at (212) 217-1027, or at cklemmer@domini.com.

Sincerely,

Corey Klemmer
Director of Corporate Engagement
Domini Impact Investments LLC

[Enclosure]

RESOLVED: Shareholders of Amazon.com, Inc. (the “Company”) request that the Board of Directors annually report to shareholders, at reasonable expense and excluding confidential information, its analysis of the community impacts of Amazon’s operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities.

SUPPORTING STATEMENT:

Vast and growing economic and social inequalities in the United States, and around the world, have become a growing source of social, political and economic risk. The OECD found that over two decades of rising inequality reduced the cumulative growth rate of the U.S. by six to nine percent (<http://www.oecd.org/newsroom/inequality-hurts-economic-growth.htm>).

These inequalities are a result of interrelated drivers including access to education, health care, housing, and safe living and working conditions, among other things. The operations of large companies may have meaningful impacts on these drivers of inequality. Some act as “anchor institutions,” creating a reinforcing cycle of positive impacts, while others burden the communities in which they operate. Our Company seems to repeatedly find itself characterized in the latter group in very public ways.

Federal legislation addressing economic inequality in the U.S. specifically called out our CEO by name: the “Stop BEZOS Act” sought to minimize the burden companies like ours put on public programs like food stamps.

Many observers in Seattle have pointed to the presence of our Company as a contributing factor to the City’s housing supply and affordability crisis, and a growing homelessness problem. Our Company has also been perceived as an obstacle to addressing these issues (<http://fortune.com/2018/06/12/amazon-just-killed-a-tax-that-helps-homeless-people/>).

During our Company’s highly publicized search for “HQ2,” Amazon was met with similar negative sentiments around the country (<https://www.dallasnews.com/business/amazon/2018/09/07/amazons-hq2-search-hits-one-year-mark-dallas-19-finalists-await-winner>). Since the announcement, organizing campaigns and other resistance to HQ2 have grown, and local activists and politicians highlight the strain they expect our Company to put on the communities selected. They have highlighted issues like housing, education, public transportation and other infrastructure concerns.

Furthermore, recent evidence shows the presence of our Company’s operations has not corresponded with overall local job growth. In specific cases, it even appears to correspond with a decrease in local-employment. (<https://www.epi.org/publication/unfulfilled-promises-amazon-warehouses-do-not-generate-broad-based-employment-growth/>). Additional analysis shows a depressive effect on average local incomes (<https://www.economist.com/united-states/2018/01/20/what-amazon-does-to-wages>).

We believe our Company faces significant financial and reputational risks connected to its perceived and actual negative impacts on the communities in which it operates. Future expansion of Amazon operations may be hampered by these risks which, if left unaddressed, may continue to grow. We urge the Board to report on its analysis of risks and opportunities attendant to our Company’s presence in communities, considering near- and long-term local social and economic factors. The report could include effects on housing availability, health outcomes, green space, schools and physical and communications infrastructure, among other things.

For the reasons stated above, we strongly urge shareholders to vote FOR this proposal.



EXHIBIT B

January 22, 2019

VIA E-MAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *Amazon.com, Inc.*
Shareholder Proposal of the Domini Impact Equity Fund and the New
York State Common Retirement Fund
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Amazon.com, Inc. (the “Company”), intends to omit from its proxy statement and form of proxy for its 2019 Annual Meeting of Shareholders (collectively, the “2019 Proxy Materials”) a shareholder proposal (the “Proposal”) and statement in support thereof (the “Supporting Statement”) received from the Domini Impact Equity Fund and the New York State Common Retirement Fund (the “Proponents”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2019 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponents.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponents that if the Proponents elect to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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THE PROPOSAL

The Proposal relates to the Company's growth and commercial success. Specifically, the Proposal states:

RESOLVED: Shareholders of Amazon.com, Inc. (the "Company") request that the Board of Directors annually report to shareholders, at reasonable expense and excluding confidential information, its analysis of the community impacts of Amazon's operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities.

A copy of the Proposal and the Supporting Statement, as well as related correspondence with the Proponents, is attached hereto as Exhibit A.

BASIS FOR EXCLUSION

The Proposal may properly be excluded from the 2019 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company's ordinary business operations within the meaning of Rule 14a 8(i)(7).

ANALYSIS

The Proposal May Be Excluded Pursuant To Rule 14a-8(i)(7) Because It Involves Matters Related To The Company's Ordinary Business Operations.

The Proposal may be omitted as it relates to the Company's ordinary business operations (the location of the Company's facilities) and does not focus on an issue that transcends ordinary business operations.

A. Background.

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business" operations. According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept [of] providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release").

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In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting,” and identified two central considerations that underlie this policy. As relevant here, one of these considerations was that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” The Commission added, “[e]xamples include the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers.” While “proposals . . . focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered excludable,” the Staff has indicated that proposals relating to both ordinary business matters and significant social policy issues may be excludable in their entirety in reliance on Rule 14a-8(i)(7) if they do not “transcend the day-to-day business matters” discussed in the proposals. 1998 Release.

A shareholder proposal being framed in the form of a request for a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983). In addition, the Staff has indicated that “[where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7).” *Johnson Controls, Inc.* (avail. Oct. 26, 1999). Similarly, a proposal’s request for a review of certain risks also does not preclude exclusion if the underlying subject matter of the proposal is ordinary business. In Staff Legal Bulletin No. 14E (Oct. 27, 2009) (“SLB 14E”), the Staff explained how it evaluates shareholder proposals that request a risk assessment:

[R]ather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk [S]imilar to the way in which we analyze proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document — where we look to the underlying subject matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business — we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company.

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B. The Proposal Is Excludable Because It Relates To The Location Of The Company's Facilities.

The Proposal asks for an annual report detailing the Company's "analysis of the community impacts of Amazon's operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities." The Supporting Statement asserts that there are a variety of potential impacts that the Company allegedly has on the communities in which it operates,¹ and references these in the context of U.S. domestic economic and social inequalities, which the Proponents state "are a result of interrelated drivers including access to education, health care, housing, and safe living and working conditions, among other things." In essence, the Proposal focuses on considerations related to the location of the Company's facilities, a topic that has long been held to implicate ordinary business considerations, and thus, to be excludable under Rule 14a-8(i)(7).

The Proposal encompasses numerous aspects of the Company's operations that implicate the Company's ordinary business operations. For example, recognizing that decisions regarding the location of company operations involve numerous detailed operational considerations that implicate management's ability to run the company on a day-to-day basis, the Staff consistently has concurred with the exclusion of shareholder proposals that, like the Proposal, involve considerations related to the location of a company's facilities. For example, in *The Boeing Company (Gladstein)* (avail. Jan 9, 2018, recon. denied Mar. 9, 2018), the Staff concurred in the exclusion, under Rule 14a-8(i)(7), of a proposal requesting that the board "include certain criteria in the Company's process for selecting new or expanding existing sites for the Company's new models of aircraft production locations." Just as with the Supporting Statement in the Proposal, in *The Boeing Company* the shareholder listed several "important factors" the proponent believed the company should consider, including the "[s]upporting infrastructure of the locality," "[t]he qualities of life for the region," and the "[t]ax structures and economic incentives offered in a specific region." In concurring with exclusion, the Staff noted that the proposal "relates to

¹ Notably, the Company disagrees with many of the assertions made in the Supporting Statement and believes that many of them are false or misinformed. For example, information regarding the Company's beneficial economic impact on the United States is available at <https://www.amazon.com/p/feature/nsog9ct4onemec9> and in hundreds of news articles and announcements about the Company's positive job creation and investment. In addition, information regarding how the Company is helping authors, small businesses, developers, and non-profits is available at <https://www.amazon.com/p/feature/92oy4j4mh9vm8q8>, as well as in hundreds of other news articles and announcements. Information regarding the Company's contribution to job creation in general is also available on the About Amazon website at <https://www.amazon.com/p/feature/rzekmvyjojcp6uc>. The Company also reports on many of its contributions to the community through blog posts on its sustainability website (see <https://www.aboutamazon.com/sustainability/responsible-sourcing>), and other websites dedicated to various other purposes, such as job creation and investment. See <https://www.aboutamazon.com/job-creation-and-investment>.

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decisions relating to the location of the Company's aircraft-production facilities." Similarly, in *Sempra Energy* (avail. Jan. 12, 2012, *recon denied* Jan. 23, 2012), the Staff concurred in the exclusion of a proposal requesting that the board review and report on the company's management of political, legal, and financial risks posed by the company's operations in "any country that may pose an elevated risk of corrupt practices." In *The Hershey Co.* (avail. Feb. 2, 2009), the proponent was concerned that the company's decision to locate manufacturing facilities in Mexico instead of the U.S. and Canada could harm the company's reputation. The Staff concurred that the proposal could be excluded under Rule 14a-8(i)(7) "as relating to [the company's] ordinary business operations (i.e., decisions relating to the location of its manufacturing operations)." See also *Tim Hortons Inc.* (avail. Jan. 4, 2008) (concurring in the exclusion of a proposal involving decisions relating to the location of restaurants); *Minnesota Corn Processors, LLC* (avail. Apr. 3, 2002) (proposal excludable as involving decisions relating to the location of corn processing plants); *AT&T Corp.* (avail. Mar. 6, 2001) (concurring in the exclusion of a proposal requesting a policy with respect to the construction and placement of cellular phone towers); *MCI Worldcom, Inc.* (avail. Apr. 20, 2000) (concurring in the exclusion of a proposal that called for analysis of the company's plans to abandon, relocate, or expand office or operating facilities); *Tenneco, Inc.* (avail. Dec. 28, 1995) (concurring in the exclusion of a proposal requesting a report relating to the relocation of the company's corporate headquarters); *Pacific Gas and Electric Co.* (avail. Jan. 3, 1986) (concurring in the exclusion of a proposal requesting a feasibility study leading to relocation of the company's corporate headquarters); *Sears Roebuck & Co.* (Mar. 6, 1980) (concurring in exclusion of a proposal requesting the board of directors to adopt a policy that would favor development within central business districts over replacement of downtown stores with stores in suburban malls).

Although each of the precedents addressed above relate to a company's evaluation of factors in determining where to locate facilities, many of the same considerations would be implicated by the Proposal, which effectively asks the Company to continue each year to evaluate the same types of issues that affect the initial decision of where to locate facilities. As referenced in the Supporting Statement, these include consideration of factors such as housing availability, local education levels, the availability of public transportation, and other infrastructure issues. These are the same type of ordinary business considerations that were addressed in *The Boeing Company*, *Sempra Energy*, *The Hershey Co.*, and the other precedents cited above. Thus, the Proposal attempts to address the Company's decision-making process related to the location of the Company's facilities. However, those considerations are a fundamental aspect of the Company's business, and therefore under Rule 14a-8(i)(7), are not a proper subject for a shareholder proposal.

Similarly, other aspects of the Proposal demonstrate that it is addressing the Company's ordinary business operations. For example, one of the factors the Proposal requests that the Company

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evaluate are economic risks of the Company's locations. In *Exxon Mobil Corp.* (avail. Mar. 6, 2012), the Staff concurred with the exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board "prepare a report discussing possible short and long term risks to the company's finances and operations posed by the environmental, social and economic challenges associated with the oil sands." In its decision, the Staff stated that the proposal related to the company's ordinary business operations, noting in particular that "the proposal addresses the 'economic challenges' associated with the oil sands and does not, in our view, focus on a significant policy issue."

The Staff has also concurred in exclusion under Rule 14a-8(i)(7) when a proposal requests a more general report on risks associated with a company's impact on society. For example, in *Amazon.com, Inc.* (avail. Mar. 16, 2018), the Staff concurred in the exclusion of a proposal requesting that the Company report on the risks arising from the public debate over the company's growth and societal impacts and how it was managing or mitigating those risks. Just as with that proposal, the Proposal requests that the Company evaluate and report on the societal impact of the Company's operations.

Moreover, the ordinary business implications of the Proposal are not altered by the fact that the Proposal asserts there are risks arising from the Company's operations in the community and requests a report analyzing those risks. Per the Staff's guidance in SLB 14E, in evaluating a proposal that requests a risk assessment, "rather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, [the Staff] will focus on the subject matter to which the risk pertains or that gives rise to the risk." Here, the "subject matter to which the risk pertains" is the community impact of the Company's operations, which, as the examples of *Sempra Energy*, *The Hershey Co.*, *Amazon.com, Inc.*, and other precedents cited above show, is a matter of ordinary business. Therefore, consistent with Staff precedent with respect to proposals involving facility location decisions, the Proposal may be excluded under Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

We recognize that the Staff has rejected requests for no-action relief to exclude proposals dealing generally with the broad social and economic implications of plant closings or relocations. However, the Proposal is distinguishable from this precedent. In *Pacific Group Telesis* (avail. Feb. 2, 1989), the Staff rejected a company's request to exclude a proposal requiring it to study the impact the company's closing or consolidation of its facilities had on the community. In rejecting the request, the Staff stated:

In light of recent developments, including heightened state and federal interest in the social and economic implications of plant closing and relocation decisions, the staff has reconsidered its position with respect to the applicability of Rule 14a-8(c)(7) to proposals dealing generally with the broad social and economic

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impact of plant closings or relocations. It is the Division's view that such proposals, including the one that is the subject to the [c]ompany's letter, involve substantial corporate policy considerations that go beyond the conduct of the [c]ompany's ordinary business operations.

However, the Staff's determination that plant closings and relocations implicated a significant policy occurred in an economic climate that was very different from today, right after Congress had adopted legislation regarding the issue.² Moreover, as discussed in this letter, the scope of the Proposal is much broader than the proposal in *Pacific Group Telesis*, with "the community impacts of Amazon's operations" encompassing many aspects of the Company's ordinary business operations, and therefore the Proposal should be excluded under Rule 14a-8(i)(7).

C. The Proposal Does Not Transcend The Company's Ordinary Business.

Even if some of issues that would be addressed in the report requested by the Proposal could touch upon significant policy issues within the meaning of the Staff's interpretation, the Proposal is not focused on those issues, but instead encompasses a wide range of issues implicating the Company's ordinary business operations within the meaning of Rule 14a-8(i)(7), and therefore may properly be excluded under Rule 14a-8(i)(7).

The Staff consistently has concurred in the exclusion of proposals that touch upon a significant policy matter but that also encompass ordinary business matters. This position prevents proponents from circumventing the standards of Rule 14a-8(i)(7) by combining ordinary business matters with a significant policy issue. For example, the proposal in *PetSmart, Inc.* (avail. Mar. 24, 2011) requested that the board require its suppliers to certify they had not violated "the Animal Welfare Act, the Lacey Act, or any state law equivalents," the principal purpose of which related to preventing animal cruelty. The Staff granted no-action relief under Rule 14a-8(i)(7) and stated, "Although the humane treatment of animals is a significant policy issue, we note your view that the scope of the laws covered by the proposal is 'fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.'" Similarly, in *Union Pacific Corp.* (avail. Feb. 25, 2008), the Staff concurred with the exclusion of a proposal requesting disclosure of the company's efforts to safeguard the company's operations from terrorist attacks and other homeland security incidents. The company argued that the proposal was excludable because it related to securing the company's operations from both extraordinary incidents, such as terrorism, and ordinary incidents, such as earthquakes, floods, and counterfeit merchandise. The Staff concurred that the proposal was excludable

² The Worker Adjustment and Retraining Notification Act of 1988 (the "WARN Act"), which requires most employers with 100 or more employees to provide 60 calendar-day advance notification of plant closings and large layoffs of employees, as defined in the Act, became law in August 1988.

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because it implicated matters relating to the company's ordinary business operations. *See also Apache Corp.* (avail. Mar. 5, 2008) (concurring with the exclusion of a proposal under Rule 14a-8(i)(7), stating "in particular that some of the principles [referenced in the proposal] related to [the company's] ordinary business operations"). Thus, even if there are aspects of the Company's community impact that could be viewed as raising significant policy issues, the Proposal is excludable because it is not tailored to address such issues. Instead, the topics that would be addressed in the report requested by the Proposal also encompass many matters that do not raise such significant policy considerations within the meaning of Rule 14a-8(i)(7). For example, Amazon's operations can affect the number of restaurants³ and businesses⁴ operating near its offices, and can affect the costs of office and warehouse space. As well, matters such as those cited in the Supporting Statement, involving implications for green space, or for physical and communications infrastructure, do not involve significant policy issues within the scope of the Staff's interpretations under Rule 14a-8(i)(7). Other issues cited in the Supporting Statement, to the extent they address significant policy concerns, do not have a sufficient nexus to Amazon's operations under the Staff's interpretations and instead, as the Supporting Statement acknowledges, "are a result of interrelated drivers."

The Proposal states that the requested report should address the Company's "analysis of the community impacts of [its] operations, . . . including risks, and the mitigation of those risks, and opportunities arising from its presence in communities." To understand the scope of what would be encompassed by the Proposal, it is important to note that the Proposal calls for an assessment of the Company's operations on any community where the Company operates. For example, as of December 31, 2018, the Company leased or owned over 290 million square feet spread across hundreds of facilities, comprised of fulfillment, sortation, delivery, and data centers, corporate offices, physical stores, and other facilities around the world, with approximately 647,500 employees. These range from the Company's existing headquarters in Seattle, Washington, to operations in towns where the Company may employ a few dozen or few hundred employees. Moreover, implementing the Proposal would require reporting on the hundreds of facilities mentioned above, which are spread throughout the globe.

³ As Amazon's workforce in the Seattle city center has increased over the past decade, the number of restaurants and other food-service businesses in the city has jumped 27%, according to data from the Washington State Department of Revenue. *See* A. Freeman, Amazon's Impact on its New HQ2 Cities & the Impact on Seattle (Nov. 15, 2018), available at <http://www.freemanno.com/blog/2018/11/15/a-look-at-amazons-impact-on-its-new-hq2-cities-amp-the-impact-on-seattle>.

⁴ According to the Downtown Seattle Association, more than 2,000 small businesses have opened in downtown Seattle since Amazon moved to South Lake Union. *See* Catalyst for growth (Dec, 23, 2018), available at <https://blog.aboutamazon.com/job-creation-and-investment/catalyst-for-growth>.

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Thus, while the Supporting Statement addresses a number of alleged effects of the Company's operations, the Proposal and the Supporting Statement also encompass numerous topics that do not raise significant policy issues and that do not have a sufficient nexus to the Company's operations within the meaning of the Staff's interpretations of Rule 14a-8(i)(7). The Proposal calls for the Company instead to address many other effects the Company's operations may have on a community that do not raise such significant policy issues. Therefore, because the scope of the Proposal concerns matters relating to the Company's ordinary business operations, we believe that it is excludable under Rule 14a-8(i)(7).

CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2019 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8671, or Mark Hoffman, the Company's Vice President & Associate General Counsel, Corporate and Securities, and Legal Operations, and Assistant Secretary, at (206) 266-2132.

Sincerely,



Ronald O. Mueller

Enclosures

cc: Mark Hoffman, Amazon.com, Inc.
Corey Klemmer, Domini Impact Equity Fund
Kyle R. Seeley, Office of the Comptroller of the State of New York

EXHIBIT A

From: Corey Klemmer <cklemmer@domini.com>
Sent: Tuesday, December 18, 2018 2:19 PM
To: amazon-ir <amazon-ir@amazon.com>
Subject: FW: Domini Shareholder Proposal Filing

Mr. Zapolsky,

Please find Domini's shareholder proposal regarding community impact reporting attached for inclusion in Amazon's next proxy statement. The document will also be sent via overnight mail today. A letter verifying Domini's ownership will be sent separately.

We would welcome the opportunity to discuss the risks and opportunities associated with the company's community impacts with you or your colleagues. Please feel free to reach me any time at this email or the number below.

Thank you,
Corey Klemmer

Corey Klemmer
Director of Engagement
212-217-1027

Domini Impact Investments LLC
180 Maiden Ln, Suite 1302 New York, NY, 10038-4925
Main: 212-217-1100 Shareholder Information: 800-582-6757



December 18, 2018

Mr. David A. Zapolsky
Senior Vice President, General Counsel and Secretary
Amazon.com, Inc.
410 Terry Avenue North
Seattle, WA 98109

Via email to Zapolsky@amazon.com and overnight mail

Re: Submission of Shareholder Proposal Seeking a Community Impact Report

Dear Mr. Zapolsky:

I am writing to you on behalf of the Domini Impact Equity Fund (f/k/a the Domini Social Equity Fund), a long-term Amazon shareholder. The attached shareholder proposal is submitted for inclusion in the next proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Act of 1934.

The Fund has held more than \$2,000 worth of Amazon shares for greater than one year, and will maintain ownership of the required number of shares through the date of the next stockholders' annual meeting. A letter verifying our ownership of Amazon shares from our portfolio's custodian is forthcoming under separate cover. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC Rules.

We may be joined by other investors submitting the identical proposal. Please consider us to be the lead filer of the proposal. We strongly believe the attached proposal is in the best interests of our company and its shareholders, and welcome the opportunity to discuss the issues raised by the proposal with you at your earliest convenience. I can be reached at (212) 217-1027, or at cklemmer@domini.com.

Sincerely,

Corey Klemmer
Director of Corporate Engagement
Domini Impact Investments LLC

[Enclosure]

RESOLVED: Shareholders of Amazon.com, Inc. (the “Company”) request that the Board of Directors annually report to shareholders, at reasonable expense and excluding confidential information, its analysis of the community impacts of Amazon’s operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities.

SUPPORTING STATEMENT:

Vast and growing economic and social inequalities in the United States, and around the world, have become a growing source of social, political and economic risk. The OECD found that over two decades of rising inequality reduced the cumulative growth rate of the U.S. by six to nine percent (<http://www.oecd.org/newsroom/inequality-hurts-economic-growth.htm>).

These inequalities are a result of interrelated drivers including access to education, health care, housing, and safe living and working conditions, among other things. The operations of large companies may have meaningful impacts on these drivers of inequality. Some act as “anchor institutions,” creating a reinforcing cycle of positive impacts, while others burden the communities in which they operate. Our Company seems to repeatedly find itself characterized in the latter group in very public ways.

Federal legislation addressing economic inequality in the U.S. specifically called out our CEO by name: the “Stop BEZOS Act” sought to minimize the burden companies like ours put on public programs like food stamps.

Many observers in Seattle have pointed to the presence of our Company as a contributing factor to the City’s housing supply and affordability crisis, and a growing homelessness problem. Our Company has also been perceived as an obstacle to addressing these issues (<http://fortune.com/2018/06/12/amazon-just-killed-a-tax-that-helps-homeless-people/>).

During our Company’s highly publicized search for “HQ2,” Amazon was met with similar negative sentiments around the country (<https://www.dallasnews.com/business/amazon/2018/09/07/amazons-hq2-search-hits-one-year-mark-dallas-19-finalists-await-winner>). Since the announcement, organizing campaigns and other resistance to HQ2 have grown, and local activists and politicians highlight the strain they expect our Company to put on the communities selected. They have highlighted issues like housing, education, public transportation and other infrastructure concerns.

Furthermore, recent evidence shows the presence of our Company’s operations has not corresponded with overall local job growth. In specific cases, it even appears to correspond with a decrease in local-employment. (<https://www.epi.org/publication/unfulfilled-promises-amazon-warehouses-do-not-generate-broad-based-employment-growth/>). Additional analysis shows a depressive effect on average local incomes (<https://www.economist.com/united-states/2018/01/20/what-amazon-does-to-wages>).

We believe our Company faces significant financial and reputational risks connected to its perceived and actual negative impacts on the communities in which it operates. Future expansion of Amazon operations may be hampered by these risks which, if left unaddressed, may continue to grow. We urge the Board to report on its analysis of risks and opportunities attendant to our Company’s presence in communities, considering near- and long-term local social and economic factors. The report could include effects on housing availability, health outcomes, green space, schools and physical and communications infrastructure, among other things.

For the reasons stated above, we strongly urge shareholders to vote FOR this proposal.

From: Corey Klemmer <cklemmer@domini.com>

Sent: Friday, December 21, 2018 7:10 AM

To: zapolsky@amazon.com; amazon-ir <amazon-ir@amazon.com>; Suzanna Buck <sbuck@domini.com>

Subject: Domini Custodial Letter

To Whom It May Concern,

Please find attached a letter verifying Domini's ownership of the required number of Amazon shares for at least one year, as of December 18th, the date of our shareholder proposal submission. A copy of this correspondence will also be sent to your office today via overnight mail.

Please reach out with any questions or concerns.

Thank you,
Corey Klemmer

Corey Klemmer
Director of Engagement
212-217-1027

Domini Impact Investments LLC
180 Maiden Ln, Suite 1302 New York, NY, 10038-4925
Main: 212-217-1100 Shareholder Information: 800-582-6757

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December 21, 2018

Mr. David A. Zapolsky
Senior Vice President, General Counsel and Secretary
Amazon.com, Inc.
410 Terry Avenue North
Seattle, WA 98109

Via email to zapolsky@amazon.com, amazon-ir@amazon.com and overnight mail

Re: Shareholder Proposal Proof of Ownership

Dear Mr. Zapolsky:

Attached, please find a letter from our custodian, attesting to our ownership of the required number of shares to submit the shareholder proposal regarding a community impact report that we filed on December 18, 2018.

Please let us know if you need anything further.

Sincerely,

Corey Klemmer
Director of Corporate Engagement
Domini Impact Investments LLC

[Encl.]



12/21/18

Corey Klemmer
Director of Engagement
Domini Impact Investments LLC
180 Maiden Ln, Suite 1302
New York, NY 10038-4925

Re: Custodial Letter

Dear Corey,

As your custodian, State Street confirms that as of December 18th, 2018, the Domini Impact Equity Fund held, and has held continuously for at least one year, greater than \$2,000 worth of shares of Amazon.com, Inc..

<u>Security</u>	<u>Shares</u>	<u>Shares held 1+ Year</u>
Amazon.com, Inc.	18,639	3,288

If you have any questions, please feel free to call me at (617) 662-4287.

James McCallum
Assistant Vice President
State Street Global Services
1 Iron Street
Boston, MA 02210

From: Kyle Seeley <kseeley@osc.ny.gov>
Sent: Tuesday, December 18, 2018 2:41 PM
To: David.Zapolsky@amazon.com; Zapolsky@amazon.com
Cc: Tana Goldsmith <tgoldsmith@osc.ny.gov>; amazon-ir <amazon-ir@amazon.com>
Subject: Shareholder Request

Hello Mr. Zapolsky,

Please find attached a copy of the New York State Common Retirement Fund co-filing letter and shareholder proposal, which was also sent to you today via FedEx.

If you have any questions, please feel free to contact me.

All the best,

Kyle R. Seeley
Corporate Governance Investment Officer
New York State Common Retirement Fund
59 Maiden Lane, 30th Floor, New York, NY, 10038
212 383-2416 (office)
518 312-8908 (cell)
kseeley@osc.ny.gov

THOMAS P. DiNAPOLI
STATE COMPTROLLER



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

DIVISION OF CORPORATE GOVERNANCE
59 Maiden Lane-30th Floor
New York, NY 10038
Tel: (212) 383-3931
Fax: (212) 681-4468

December 18, 2018

Mr. David A. Zapolsky
Corporate Secretary
Amazon.com, Inc.
410 Terry Avenue North
Seattle, Washington 98109

Dear Mr. Zapolsky,

The Comptroller of the State of New York, Thomas P. DiNapoli, is the trustee of the New York State Common Retirement Fund (the "Fund") and the administrative head of the New York State and Local Retirement System. The Comptroller has authorized me to inform of his intention to offer the enclosed shareholder proposal, with co-filer Domini Impact Investments LLC, for consideration of stockholders at the next annual meeting.

I submit the enclosed proposal to you in accordance with rule 14a-8 of the Securities Exchange Act of 1934 and ask that it be included in your proxy statement.

A letter from J.P. Morgan Chase, the Fund's custodial bank verifying the Fund's ownership of Amazon.com, Inc. shares, continually for over one year, is enclosed. The Fund intends to continue to hold at least \$2,000 worth of these securities through the date of the annual meeting.

We would be happy to discuss this initiative with you. Please feel free to contact me at (212) 383-2416 and/or email at kseeley@osc.ny.gov should you have any further questions on this matter.

Sincerely,

A handwritten signature in blue ink that reads "Kyle Seeley".

Kyle R. Seeley
Corporate Governance Investment Officer

Enclosures

RESOLVED: Shareholders of Amazon.com, Inc. (the “Company”) request that the Board of Directors annually report to shareholders, at reasonable expense and excluding confidential information, its analysis of the community impacts of Amazon’s operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities.

SUPPORTING STATEMENT:

Vast and growing economic and social inequalities in the United States, and around the world, have become a growing source of social, political and economic risk. The OECD found that over two decades of rising inequality reduced the cumulative growth rate of the U.S. by six to nine percent (<http://www.oecd.org/newsroom/inequality-hurts-economic-growth.htm>).

These inequalities are a result of interrelated drivers including access to education, health care, housing, and safe living and working conditions, among other things. The operations of large companies may have meaningful impacts on these drivers of inequality. Some act as “anchor institutions,” creating a reinforcing cycle of positive impacts, while others burden the communities in which they operate. Our Company seems to repeatedly find itself characterized in the latter group in very public ways.

Federal legislation addressing economic inequality in the U.S. specifically called out our CEO by name: the “Stop BEZOS Act” sought to minimize the burden companies like ours put on public programs like food stamps.

Many observers in Seattle have pointed to the presence of our Company as a contributing factor to the City’s housing supply and affordability crisis, and a growing homelessness problem. Our Company has also been perceived as an obstacle to addressing these issues (<http://fortune.com/2018/06/12/amazon-just-killed-a-tax-that-helps-homeless-people/>).

During our Company’s highly publicized search for “HQ2,” Amazon was met with similar negative sentiments around the country (<https://www.dallasnews.com/business/amazon/2018/09/07/amazons-hq2-search-hits-one-year-mark-dallas-19-finalists-await-winner>). Since the announcement, organizing campaigns and other resistance to HQ2 have grown, and local activists and politicians highlight the strain they expect our Company to put on the communities selected. They have highlighted issues like housing, education, public transportation and other infrastructure concerns.

Furthermore, recent evidence shows the presence of our Company’s operations has not corresponded with overall local job growth. In specific cases, it even appears to correspond with a decrease in local-employment. (<https://www.epi.org/publication/unfulfilled-promises-amazon-warehouses-do-not-generate-broad-based-employment-growth/>). Additional analysis shows a depressive effect on average local incomes (<https://www.economist.com/united-states/2018/01/20/what-amazon-does-to-wages>).

We believe our Company faces significant financial and reputational risks connected to its perceived and actual negative impacts on the communities in which it operates. Future expansion of Amazon operations may be hampered by these risks which, if left unaddressed, may continue to grow. We urge the Board to report on its analysis of risks and opportunities attendant to our Company’s presence in communities, considering near- and long-term local social and economic factors. The report could include effects on housing availability, health outcomes, green space, schools and physical and communications infrastructure, among other things.

For the reasons stated above, we strongly urge shareholders to vote FOR this proposal.

J.P.Morgan

Miriam G. Awad
Vice President
CIB Client Service Americas

December 18, 2018

Mr. David A. Zapolsky
Corporate Secretary
Amazon.com, Inc.
410 Terry Avenue North
Seattle, Washington 98109

Dear Mr. Zapolsky,

This letter is in response to a request by The Honorable Thomas P. DiNapoli, New York State Comptroller, regarding confirmation from JP Morgan Chase that the New York State Common Retirement Fund has been a beneficial owner of Amazon.com, Inc. continuously for at least one year as of and including December 18, 2018.

Please note that J.P. Morgan Chase, as custodian for the New York State Common Retirement Fund, held a total of 1,026,833 shares of common stock as of December 18, 2018 and continues to hold shares in the company. The value of the ownership stake continuously held by the New York State Common Retirement Fund had a market value of at least \$2,000.00 for at least twelve months prior to, and including, said date.

If there are any questions, please contact me at (212) 623-8481.

Regards,



Miriam Awad

cc: Patrick Doherty – NYSCRF
Tana Goldsmith – NYSCRF
Kyle Seeley – NYSCRF

January 22, 2019

VIA E-MAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *Amazon.com, Inc.*
Shareholder Proposal of the Domini Impact Equity Fund and the New
York State Common Retirement Fund
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Amazon.com, Inc. (the “Company”), intends to omit from its proxy statement and form of proxy for its 2019 Annual Meeting of Shareholders (collectively, the “2019 Proxy Materials”) a shareholder proposal (the “Proposal”) and statement in support thereof (the “Supporting Statement”) received from the Domini Impact Equity Fund and the New York State Common Retirement Fund (the “Proponents”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2019 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponents.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponents that if the Proponents elect to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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THE PROPOSAL

The Proposal relates to the Company's growth and commercial success. Specifically, the Proposal states:

RESOLVED: Shareholders of Amazon.com, Inc. (the "Company") request that the Board of Directors annually report to shareholders, at reasonable expense and excluding confidential information, its analysis of the community impacts of Amazon's operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities.

A copy of the Proposal and the Supporting Statement, as well as related correspondence with the Proponents, is attached hereto as Exhibit A.

BASIS FOR EXCLUSION

The Proposal may properly be excluded from the 2019 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company's ordinary business operations within the meaning of Rule 14a 8(i)(7).

ANALYSIS

The Proposal May Be Excluded Pursuant To Rule 14a-8(i)(7) Because It Involves Matters Related To The Company's Ordinary Business Operations.

The Proposal may be omitted as it relates to the Company's ordinary business operations (the location of the Company's facilities) and does not focus on an issue that transcends ordinary business operations.

A. Background.

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business" operations. According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept [of] providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release").

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In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting,” and identified two central considerations that underlie this policy. As relevant here, one of these considerations was that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” The Commission added, “[e]xamples include the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers.” While “proposals . . . focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered excludable,” the Staff has indicated that proposals relating to both ordinary business matters and significant social policy issues may be excludable in their entirety in reliance on Rule 14a-8(i)(7) if they do not “transcend the day-to-day business matters” discussed in the proposals. 1998 Release.

A shareholder proposal being framed in the form of a request for a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983). In addition, the Staff has indicated that “[where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7).” *Johnson Controls, Inc.* (avail. Oct. 26, 1999). Similarly, a proposal’s request for a review of certain risks also does not preclude exclusion if the underlying subject matter of the proposal is ordinary business. In Staff Legal Bulletin No. 14E (Oct. 27, 2009) (“SLB 14E”), the Staff explained how it evaluates shareholder proposals that request a risk assessment:

[R]ather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk [S]imilar to the way in which we analyze proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document — where we look to the underlying subject matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business — we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company.

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B. The Proposal Is Excludable Because It Relates To The Location Of The Company's Facilities.

The Proposal asks for an annual report detailing the Company's "analysis of the community impacts of Amazon's operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities." The Supporting Statement asserts that there are a variety of potential impacts that the Company allegedly has on the communities in which it operates,¹ and references these in the context of U.S. domestic economic and social inequalities, which the Proponents state "are a result of interrelated drivers including access to education, health care, housing, and safe living and working conditions, among other things." In essence, the Proposal focuses on considerations related to the location of the Company's facilities, a topic that has long been held to implicate ordinary business considerations, and thus, to be excludable under Rule 14a-8(i)(7).

The Proposal encompasses numerous aspects of the Company's operations that implicate the Company's ordinary business operations. For example, recognizing that decisions regarding the location of company operations involve numerous detailed operational considerations that implicate management's ability to run the company on a day-to-day basis, the Staff consistently has concurred with the exclusion of shareholder proposals that, like the Proposal, involve considerations related to the location of a company's facilities. For example, in *The Boeing Company (Gladstein)* (avail. Jan 9, 2018, recon. denied Mar. 9, 2018), the Staff concurred in the exclusion, under Rule 14a-8(i)(7), of a proposal requesting that the board "include certain criteria in the Company's process for selecting new or expanding existing sites for the Company's new models of aircraft production locations." Just as with the Supporting Statement in the Proposal, in *The Boeing Company* the shareholder listed several "important factors" the proponent believed the company should consider, including the "[s]upporting infrastructure of the locality," "[t]he qualities of life for the region," and the "[t]ax structures and economic incentives offered in a specific region." In concurring with exclusion, the Staff noted that the proposal "relates to

¹ Notably, the Company disagrees with many of the assertions made in the Supporting Statement and believes that many of them are false or misinformed. For example, information regarding the Company's beneficial economic impact on the United States is available at <https://www.amazon.com/p/feature/nsog9ct4onemec9> and in hundreds of news articles and announcements about the Company's positive job creation and investment. In addition, information regarding how the Company is helping authors, small businesses, developers, and non-profits is available at <https://www.amazon.com/p/feature/92oy4j4mh9vm8q8>, as well as in hundreds of other news articles and announcements. Information regarding the Company's contribution to job creation in general is also available on the About Amazon website at <https://www.amazon.com/p/feature/rzekmvyjojcp6uc>. The Company also reports on many of its contributions to the community through blog posts on its sustainability website (see <https://www.aboutamazon.com/sustainability/responsible-sourcing>), and other websites dedicated to various other purposes, such as job creation and investment. See <https://www.aboutamazon.com/job-creation-and-investment>.

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decisions relating to the location of the Company's aircraft-production facilities." Similarly, in *Sempra Energy* (avail. Jan. 12, 2012, *recon denied* Jan. 23, 2012), the Staff concurred in the exclusion of a proposal requesting that the board review and report on the company's management of political, legal, and financial risks posed by the company's operations in "any country that may pose an elevated risk of corrupt practices." In *The Hershey Co.* (avail. Feb. 2, 2009), the proponent was concerned that the company's decision to locate manufacturing facilities in Mexico instead of the U.S. and Canada could harm the company's reputation. The Staff concurred that the proposal could be excluded under Rule 14a-8(i)(7) "as relating to [the company's] ordinary business operations (i.e., decisions relating to the location of its manufacturing operations)." See also *Tim Hortons Inc.* (avail. Jan. 4, 2008) (concurring in the exclusion of a proposal involving decisions relating to the location of restaurants); *Minnesota Corn Processors, LLC* (avail. Apr. 3, 2002) (proposal excludable as involving decisions relating to the location of corn processing plants); *AT&T Corp.* (avail. Mar. 6, 2001) (concurring in the exclusion of a proposal requesting a policy with respect to the construction and placement of cellular phone towers); *MCI Worldcom, Inc.* (avail. Apr. 20, 2000) (concurring in the exclusion of a proposal that called for analysis of the company's plans to abandon, relocate, or expand office or operating facilities); *Tenneco, Inc.* (avail. Dec. 28, 1995) (concurring in the exclusion of a proposal requesting a report relating to the relocation of the company's corporate headquarters); *Pacific Gas and Electric Co.* (avail. Jan. 3, 1986) (concurring in the exclusion of a proposal requesting a feasibility study leading to relocation of the company's corporate headquarters); *Sears Roebuck & Co.* (Mar. 6, 1980) (concurring in exclusion of a proposal requesting the board of directors to adopt a policy that would favor development within central business districts over replacement of downtown stores with stores in suburban malls).

Although each of the precedents addressed above relate to a company's evaluation of factors in determining where to locate facilities, many of the same considerations would be implicated by the Proposal, which effectively asks the Company to continue each year to evaluate the same types of issues that affect the initial decision of where to locate facilities. As referenced in the Supporting Statement, these include consideration of factors such as housing availability, local education levels, the availability of public transportation, and other infrastructure issues. These are the same type of ordinary business considerations that were addressed in *The Boeing Company*, *Sempra Energy*, *The Hershey Co.*, and the other precedents cited above. Thus, the Proposal attempts to address the Company's decision-making process related to the location of the Company's facilities. However, those considerations are a fundamental aspect of the Company's business, and therefore under Rule 14a-8(i)(7), are not a proper subject for a shareholder proposal.

Similarly, other aspects of the Proposal demonstrate that it is addressing the Company's ordinary business operations. For example, one of the factors the Proposal requests that the Company

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evaluate are economic risks of the Company's locations. In *Exxon Mobil Corp.* (avail. Mar. 6, 2012), the Staff concurred with the exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board "prepare a report discussing possible short and long term risks to the company's finances and operations posed by the environmental, social and economic challenges associated with the oil sands." In its decision, the Staff stated that the proposal related to the company's ordinary business operations, noting in particular that "the proposal addresses the 'economic challenges' associated with the oil sands and does not, in our view, focus on a significant policy issue."

The Staff has also concurred in exclusion under Rule 14a-8(i)(7) when a proposal requests a more general report on risks associated with a company's impact on society. For example, in *Amazon.com, Inc.* (avail. Mar. 16, 2018), the Staff concurred in the exclusion of a proposal requesting that the Company report on the risks arising from the public debate over the company's growth and societal impacts and how it was managing or mitigating those risks. Just as with that proposal, the Proposal requests that the Company evaluate and report on the societal impact of the Company's operations.

Moreover, the ordinary business implications of the Proposal are not altered by the fact that the Proposal asserts there are risks arising from the Company's operations in the community and requests a report analyzing those risks. Per the Staff's guidance in SLB 14E, in evaluating a proposal that requests a risk assessment, "rather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, [the Staff] will focus on the subject matter to which the risk pertains or that gives rise to the risk." Here, the "subject matter to which the risk pertains" is the community impact of the Company's operations, which, as the examples of *Sempra Energy*, *The Hershey Co.*, *Amazon.com, Inc.*, and other precedents cited above show, is a matter of ordinary business. Therefore, consistent with Staff precedent with respect to proposals involving facility location decisions, the Proposal may be excluded under Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

We recognize that the Staff has rejected requests for no-action relief to exclude proposals dealing generally with the broad social and economic implications of plant closings or relocations. However, the Proposal is distinguishable from this precedent. In *Pacific Group Telesis* (avail. Feb. 2, 1989), the Staff rejected a company's request to exclude a proposal requiring it to study the impact the company's closing or consolidation of its facilities had on the community. In rejecting the request, the Staff stated:

In light of recent developments, including heightened state and federal interest in the social and economic implications of plant closing and relocation decisions, the staff has reconsidered its position with respect to the applicability of Rule 14a-8(c)(7) to proposals dealing generally with the broad social and economic

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impact of plant closings or relocations. It is the Division's view that such proposals, including the one that is the subject to the [c]ompany's letter, involve substantial corporate policy considerations that go beyond the conduct of the [c]ompany's ordinary business operations.

However, the Staff's determination that plant closings and relocations implicated a significant policy occurred in an economic climate that was very different from today, right after Congress had adopted legislation regarding the issue.² Moreover, as discussed in this letter, the scope of the Proposal is much broader than the proposal in *Pacific Group Telesis*, with "the community impacts of Amazon's operations" encompassing many aspects of the Company's ordinary business operations, and therefore the Proposal should be excluded under Rule 14a-8(i)(7).

C. The Proposal Does Not Transcend The Company's Ordinary Business.

Even if some of issues that would be addressed in the report requested by the Proposal could touch upon significant policy issues within the meaning of the Staff's interpretation, the Proposal is not focused on those issues, but instead encompasses a wide range of issues implicating the Company's ordinary business operations within the meaning of Rule 14a-8(i)(7), and therefore may properly be excluded under Rule 14a-8(i)(7).

The Staff consistently has concurred in the exclusion of proposals that touch upon a significant policy matter but that also encompass ordinary business matters. This position prevents proponents from circumventing the standards of Rule 14a-8(i)(7) by combining ordinary business matters with a significant policy issue. For example, the proposal in *PetSmart, Inc.* (avail. Mar. 24, 2011) requested that the board require its suppliers to certify they had not violated "the Animal Welfare Act, the Lacey Act, or any state law equivalents," the principal purpose of which related to preventing animal cruelty. The Staff granted no-action relief under Rule 14a-8(i)(7) and stated, "Although the humane treatment of animals is a significant policy issue, we note your view that the scope of the laws covered by the proposal is 'fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.'" Similarly, in *Union Pacific Corp.* (avail. Feb. 25, 2008), the Staff concurred with the exclusion of a proposal requesting disclosure of the company's efforts to safeguard the company's operations from terrorist attacks and other homeland security incidents. The company argued that the proposal was excludable because it related to securing the company's operations from both extraordinary incidents, such as terrorism, and ordinary incidents, such as earthquakes, floods, and counterfeit merchandise. The Staff concurred that the proposal was excludable

² The Worker Adjustment and Retraining Notification Act of 1988 (the "WARN Act"), which requires most employers with 100 or more employees to provide 60 calendar-day advance notification of plant closings and large layoffs of employees, as defined in the Act, became law in August 1988.

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because it implicated matters relating to the company's ordinary business operations. *See also Apache Corp.* (avail. Mar. 5, 2008) (concurring with the exclusion of a proposal under Rule 14a-8(i)(7), stating "in particular that some of the principles [referenced in the proposal] related to [the company's] ordinary business operations"). Thus, even if there are aspects of the Company's community impact that could be viewed as raising significant policy issues, the Proposal is excludable because it is not tailored to address such issues. Instead, the topics that would be addressed in the report requested by the Proposal also encompass many matters that do not raise such significant policy considerations within the meaning of Rule 14a-8(i)(7). For example, Amazon's operations can affect the number of restaurants³ and businesses⁴ operating near its offices, and can affect the costs of office and warehouse space. As well, matters such as those cited in the Supporting Statement, involving implications for green space, or for physical and communications infrastructure, do not involve significant policy issues within the scope of the Staff's interpretations under Rule 14a-8(i)(7). Other issues cited in the Supporting Statement, to the extent they address significant policy concerns, do not have a sufficient nexus to Amazon's operations under the Staff's interpretations and instead, as the Supporting Statement acknowledges, "are a result of interrelated drivers."

The Proposal states that the requested report should address the Company's "analysis of the community impacts of [its] operations, . . . including risks, and the mitigation of those risks, and opportunities arising from its presence in communities." To understand the scope of what would be encompassed by the Proposal, it is important to note that the Proposal calls for an assessment of the Company's operations on any community where the Company operates. For example, as of December 31, 2018, the Company leased or owned over 290 million square feet spread across hundreds of facilities, comprised of fulfillment, sortation, delivery, and data centers, corporate offices, physical stores, and other facilities around the world, with approximately 647,500 employees. These range from the Company's existing headquarters in Seattle, Washington, to operations in towns where the Company may employ a few dozen or few hundred employees. Moreover, implementing the Proposal would require reporting on the hundreds of facilities mentioned above, which are spread throughout the globe.

³ As Amazon's workforce in the Seattle city center has increased over the past decade, the number of restaurants and other food-service businesses in the city has jumped 27%, according to data from the Washington State Department of Revenue. *See* A. Freeman, Amazon's Impact on its New HQ2 Cities & the Impact on Seattle (Nov. 15, 2018), available at <http://www.freemmannw.com/blog/2018/11/15/a-look-at-amazons-impact-on-its-new-hq2-cities-amp-the-impact-on-seattle>.

⁴ According to the Downtown Seattle Association, more than 2,000 small businesses have opened in downtown Seattle since Amazon moved to South Lake Union. *See* Catalyst for growth (Dec, 23, 2018), available at <https://blog.aboutamazon.com/job-creation-and-investment/catalyst-for-growth>.

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Thus, while the Supporting Statement addresses a number of alleged effects of the Company's operations, the Proposal and the Supporting Statement also encompass numerous topics that do not raise significant policy issues and that do not have a sufficient nexus to the Company's operations within the meaning of the Staff's interpretations of Rule 14a-8(i)(7). The Proposal calls for the Company instead to address many other effects the Company's operations may have on a community that do not raise such significant policy issues. Therefore, because the scope of the Proposal concerns matters relating to the Company's ordinary business operations, we believe that it is excludable under Rule 14a-8(i)(7).

CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2019 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8671, or Mark Hoffman, the Company's Vice President & Associate General Counsel, Corporate and Securities, and Legal Operations, and Assistant Secretary, at (206) 266-2132.

Sincerely,



Ronald O. Mueller

Enclosures

cc: Mark Hoffman, Amazon.com, Inc.
Corey Klemmer, Domini Impact Equity Fund
Kyle R. Seeley, Office of the Comptroller of the State of New York

EXHIBIT A

From: Corey Klemmer <cklemmer@domini.com>
Sent: Tuesday, December 18, 2018 2:19 PM
To: amazon-ir <amazon-ir@amazon.com>
Subject: FW: Domini Shareholder Proposal Filing

Mr. Zapolsky,

Please find Domini's shareholder proposal regarding community impact reporting attached for inclusion in Amazon's next proxy statement. The document will also be sent via overnight mail today. A letter verifying Domini's ownership will be sent separately.

We would welcome the opportunity to discuss the risks and opportunities associated with the company's community impacts with you or your colleagues. Please feel free to reach me any time at this email or the number below.

Thank you,
Corey Klemmer

Corey Klemmer
Director of Engagement
212-217-1027

Domini Impact Investments LLC
180 Maiden Ln, Suite 1302 New York, NY, 10038-4925
Main: 212-217-1100 Shareholder Information: 800-582-6757



December 18, 2018

Mr. David A. Zapolsky
Senior Vice President, General Counsel and Secretary
Amazon.com, Inc.
410 Terry Avenue North
Seattle, WA 98109

Via email to Zapolsky@amazon.com and overnight mail

Re: Submission of Shareholder Proposal Seeking a Community Impact Report

Dear Mr. Zapolsky:

I am writing to you on behalf of the Domini Impact Equity Fund (f/k/a the Domini Social Equity Fund), a long-term Amazon shareholder. The attached shareholder proposal is submitted for inclusion in the next proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Act of 1934.

The Fund has held more than \$2,000 worth of Amazon shares for greater than one year, and will maintain ownership of the required number of shares through the date of the next stockholders' annual meeting. A letter verifying our ownership of Amazon shares from our portfolio's custodian is forthcoming under separate cover. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC Rules.

We may be joined by other investors submitting the identical proposal. Please consider us to be the lead filer of the proposal. We strongly believe the attached proposal is in the best interests of our company and its shareholders, and welcome the opportunity to discuss the issues raised by the proposal with you at your earliest convenience. I can be reached at (212) 217-1027, or at cklemmer@domini.com.

Sincerely,

Corey Klemmer
Director of Corporate Engagement
Domini Impact Investments LLC

[Enclosure]

RESOLVED: Shareholders of Amazon.com, Inc. (the “Company”) request that the Board of Directors annually report to shareholders, at reasonable expense and excluding confidential information, its analysis of the community impacts of Amazon’s operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities.

SUPPORTING STATEMENT:

Vast and growing economic and social inequalities in the United States, and around the world, have become a growing source of social, political and economic risk. The OECD found that over two decades of rising inequality reduced the cumulative growth rate of the U.S. by six to nine percent (<http://www.oecd.org/newsroom/inequality-hurts-economic-growth.htm>).

These inequalities are a result of interrelated drivers including access to education, health care, housing, and safe living and working conditions, among other things. The operations of large companies may have meaningful impacts on these drivers of inequality. Some act as “anchor institutions,” creating a reinforcing cycle of positive impacts, while others burden the communities in which they operate. Our Company seems to repeatedly find itself characterized in the latter group in very public ways.

Federal legislation addressing economic inequality in the U.S. specifically called out our CEO by name: the “Stop BEZOS Act” sought to minimize the burden companies like ours put on public programs like food stamps.

Many observers in Seattle have pointed to the presence of our Company as a contributing factor to the City’s housing supply and affordability crisis, and a growing homelessness problem. Our Company has also been perceived as an obstacle to addressing these issues (<http://fortune.com/2018/06/12/amazon-just-killed-a-tax-that-helps-homeless-people/>).

During our Company’s highly publicized search for “HQ2,” Amazon was met with similar negative sentiments around the country (<https://www.dallasnews.com/business/amazon/2018/09/07/amazons-hq2-search-hits-one-year-mark-dallas-19-finalists-await-winner>). Since the announcement, organizing campaigns and other resistance to HQ2 have grown, and local activists and politicians highlight the strain they expect our Company to put on the communities selected. They have highlighted issues like housing, education, public transportation and other infrastructure concerns.

Furthermore, recent evidence shows the presence of our Company’s operations has not corresponded with overall local job growth. In specific cases, it even appears to correspond with a decrease in local-employment. (<https://www.epi.org/publication/unfulfilled-promises-amazon-warehouses-do-not-generate-broad-based-employment-growth/>). Additional analysis shows a depressive effect on average local incomes (<https://www.economist.com/united-states/2018/01/20/what-amazon-does-to-wages>).

We believe our Company faces significant financial and reputational risks connected to its perceived and actual negative impacts on the communities in which it operates. Future expansion of Amazon operations may be hampered by these risks which, if left unaddressed, may continue to grow. We urge the Board to report on its analysis of risks and opportunities attendant to our Company’s presence in communities, considering near- and long-term local social and economic factors. The report could include effects on housing availability, health outcomes, green space, schools and physical and communications infrastructure, among other things.

For the reasons stated above, we strongly urge shareholders to vote FOR this proposal.

From: Corey Klemmer <cklemmer@domini.com>

Sent: Friday, December 21, 2018 7:10 AM

To: zapolsky@amazon.com; amazon-ir <amazon-ir@amazon.com>; Suzanna Buck <sbuck@domini.com>

Subject: Domini Custodial Letter

To Whom It May Concern,

Please find attached a letter verifying Domini's ownership of the required number of Amazon shares for at least one year, as of December 18th, the date of our shareholder proposal submission. A copy of this correspondence will also be sent to your office today via overnight mail.

Please reach out with any questions or concerns.

Thank you,
Corey Klemmer

Corey Klemmer
Director of Engagement
212-217-1027

Domini Impact Investments LLC
180 Maiden Ln, Suite 1302 New York, NY, 10038-4925
Main: 212-217-1100 Shareholder Information: 800-582-6757

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December 21, 2018

Mr. David A. Zapolsky
Senior Vice President, General Counsel and Secretary
Amazon.com, Inc.
410 Terry Avenue North
Seattle, WA 98109

Via email to zapolsky@amazon.com, amazon-ir@amazon.com and overnight mail

Re: Shareholder Proposal Proof of Ownership

Dear Mr. Zapolsky:

Attached, please find a letter from our custodian, attesting to our ownership of the required number of shares to submit the shareholder proposal regarding a community impact report that we filed on December 18, 2018.

Please let us know if you need anything further.

Sincerely,

Corey Klemmer
Director of Corporate Engagement
Domini Impact Investments LLC

[Encl.]



12/21/18

Corey Klemmer
Director of Engagement
Domini Impact Investments LLC
180 Maiden Ln, Suite 1302
New York, NY 10038-4925

Re: Custodial Letter

Dear Corey,

As your custodian, State Street confirms that as of December 18th, 2018, the Domini Impact Equity Fund held, and has held continuously for at least one year, greater than \$2,000 worth of shares of Amazon.com, Inc..

<u>Security</u>	<u>Shares</u>	<u>Shares held 1+ Year</u>
Amazon.com, Inc.	18,639	3,288

If you have any questions, please feel free to call me at (617) 662-4287.

James McCallum
Assistant Vice President
State Street Global Services
1 Iron Street
Boston, MA 02210

From: Kyle Seeley <kseeley@osc.ny.gov>
Sent: Tuesday, December 18, 2018 2:41 PM
To: David.Zapolsky@amazon.com; Zapolsky@amazon.com
Cc: Tana Goldsmith <tgoldsmith@osc.ny.gov>; amazon-ir <amazon-ir@amazon.com>
Subject: Shareholder Request

Hello Mr. Zapolsky,

Please find attached a copy of the New York State Common Retirement Fund co-filing letter and shareholder proposal, which was also sent to you today via FedEx.

If you have any questions, please feel free to contact me.

All the best,

Kyle R. Seeley
Corporate Governance Investment Officer
New York State Common Retirement Fund
59 Maiden Lane, 30th Floor, New York, NY, 10038
212 383-2416 (office)
518 312-8908 (cell)
kseeley@osc.ny.gov

THOMAS P. DiNAPOLI
STATE COMPTROLLER



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

DIVISION OF CORPORATE GOVERNANCE
59 Maiden Lane-30th Floor
New York, NY 10038
Tel: (212) 383-3931
Fax: (212) 681-4468

December 18, 2018

Mr. David A. Zapolsky
Corporate Secretary
Amazon.com, Inc.
410 Terry Avenue North
Seattle, Washington 98109

Dear Mr. Zapolsky,

The Comptroller of the State of New York, Thomas P. DiNapoli, is the trustee of the New York State Common Retirement Fund (the "Fund") and the administrative head of the New York State and Local Retirement System. The Comptroller has authorized me to inform of his intention to offer the enclosed shareholder proposal, with co-filer Domini Impact Investments LLC, for consideration of stockholders at the next annual meeting.

I submit the enclosed proposal to you in accordance with rule 14a-8 of the Securities Exchange Act of 1934 and ask that it be included in your proxy statement.

A letter from J.P. Morgan Chase, the Fund's custodial bank verifying the Fund's ownership of Amazon.com, Inc. shares, continually for over one year, is enclosed. The Fund intends to continue to hold at least \$2,000 worth of these securities through the date of the annual meeting.

We would be happy to discuss this initiative with you. Please feel free to contact me at (212) 383-2416 and/or email at kseeley@osc.ny.gov should you have any further questions on this matter.

Sincerely,

A handwritten signature in blue ink that reads "Kyle Seeley".

Kyle R. Seeley
Corporate Governance Investment Officer

Enclosures

RESOLVED: Shareholders of Amazon.com, Inc. (the “Company”) request that the Board of Directors annually report to shareholders, at reasonable expense and excluding confidential information, its analysis of the community impacts of Amazon’s operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities.

SUPPORTING STATEMENT:

Vast and growing economic and social inequalities in the United States, and around the world, have become a growing source of social, political and economic risk. The OECD found that over two decades of rising inequality reduced the cumulative growth rate of the U.S. by six to nine percent (<http://www.oecd.org/newsroom/inequality-hurts-economic-growth.htm>).

These inequalities are a result of interrelated drivers including access to education, health care, housing, and safe living and working conditions, among other things. The operations of large companies may have meaningful impacts on these drivers of inequality. Some act as “anchor institutions,” creating a reinforcing cycle of positive impacts, while others burden the communities in which they operate. Our Company seems to repeatedly find itself characterized in the latter group in very public ways.

Federal legislation addressing economic inequality in the U.S. specifically called out our CEO by name: the “Stop BEZOS Act” sought to minimize the burden companies like ours put on public programs like food stamps.

Many observers in Seattle have pointed to the presence of our Company as a contributing factor to the City’s housing supply and affordability crisis, and a growing homelessness problem. Our Company has also been perceived as an obstacle to addressing these issues (<http://fortune.com/2018/06/12/amazon-just-killed-a-tax-that-helps-homeless-people/>).

During our Company’s highly publicized search for “HQ2,” Amazon was met with similar negative sentiments around the country (<https://www.dallasnews.com/business/amazon/2018/09/07/amazons-hq2-search-hits-one-year-mark-dallas-19-finalists-await-winner>). Since the announcement, organizing campaigns and other resistance to HQ2 have grown, and local activists and politicians highlight the strain they expect our Company to put on the communities selected. They have highlighted issues like housing, education, public transportation and other infrastructure concerns.

Furthermore, recent evidence shows the presence of our Company’s operations has not corresponded with overall local job growth. In specific cases, it even appears to correspond with a decrease in local-employment. (<https://www.epi.org/publication/unfulfilled-promises-amazon-warehouses-do-not-generate-broad-based-employment-growth/>). Additional analysis shows a depressive effect on average local incomes (<https://www.economist.com/united-states/2018/01/20/what-amazon-does-to-wages>).

We believe our Company faces significant financial and reputational risks connected to its perceived and actual negative impacts on the communities in which it operates. Future expansion of Amazon operations may be hampered by these risks which, if left unaddressed, may continue to grow. We urge the Board to report on its analysis of risks and opportunities attendant to our Company’s presence in communities, considering near- and long-term local social and economic factors. The report could include effects on housing availability, health outcomes, green space, schools and physical and communications infrastructure, among other things.

For the reasons stated above, we strongly urge shareholders to vote FOR this proposal.

J.P.Morgan

Miriam G. Awad
Vice President
CIB Client Service Americas

December 18, 2018

Mr. David A. Zapolsky
Corporate Secretary
Amazon.com, Inc.
410 Terry Avenue North
Seattle, Washington 98109

Dear Mr. Zapolsky,

This letter is in response to a request by The Honorable Thomas P. DiNapoli, New York State Comptroller, regarding confirmation from JP Morgan Chase that the New York State Common Retirement Fund has been a beneficial owner of Amazon.com, Inc. continuously for at least one year as of and including December 18, 2018.

Please note that J.P. Morgan Chase, as custodian for the New York State Common Retirement Fund, held a total of 1,026,833 shares of common stock as of December 18, 2018 and continues to hold shares in the company. The value of the ownership stake continuously held by the New York State Common Retirement Fund had a market value of at least \$2,000.00 for at least twelve months prior to, and including, said date.

If there are any questions, please contact me at (212) 623-8481.

Regards,



Miriam Awad

cc: Patrick Doherty – NYSCRF
Tana Goldsmith – NYSCRF
Kyle Seeley - NYSCRF