January 24, 2020

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 Mercy Investment Services and Dignity Health
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 2020 Annual Meeting of Shareholders (collectively, the “2020 Proxy Materials”) a shareholder proposal (the “Proposal”) and statements in support thereof (the “Supporting Statement”) received from Mercy Investment Services and Dignity Health (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 2020 Proxy Materials with the Commission; and

- concurrently sent a copy 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 they 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.
THE PROPOSAL

The Proposal states:

RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders, at reasonable expense and avoiding proprietary information, on the process and effectiveness of board oversight of ESG risks associated with third-party sellers on Amazon’s website, including the board’s assessment of any progress, policies and trends toward reducing the presence of unsafe products for sale on the site.

A copy of the Proposal and its Supporting Statement, as well as related correspondence with the Proponents, is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

The Proposal properly may be excluded from the 2020 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company’s ordinary business operations.

BACKGROUND

When launched in 1995, the Company stated that its mission was “to be Earth’s most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers the lowest possible prices.” The Company reaches millions of global customers through its stores. The Company’s stores offer products across dozens of categories, from “Motorcycle & Powersports” and “Cell Phones & Accessories” to “Health & Wellness” and “Handmade.” While the Company sells many of these products directly, it has designed its stores to enable hundreds of millions of unique products to be sold through the Company’s stores by third-party sellers, many of which are small- and medium-sized businesses. In 2018, 58% of physical gross merchandise sales sold through the Company’s stores represented sales by independent third-party sellers.

The Company’s programs enable third parties to sell their products in the Company’s stores, including through Amazon.com, and to fulfill orders through the Company.1 In order to comply with applicable laws and regulations, maintain product quality and consistency, and promote variety and selection to meet customers’ expectations, the Company establishes the terms under which third parties may offer and sell products through the Company’s stores. Products sold by third parties must comply with all applicable laws and regulations, as well as the Company’s

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1 The Company is not the seller of record in these transactions, but instead earns fixed fees, a percentage of sales, per unit activity fees, interest, or some combination thereof, for its seller programs.
policies, such as the Restricted Products Policy\(^2\) and the Fulfillment by Amazon (FBA) Restrictions.\(^3\) For example, the Company’s policies require that all products listed for sale in its stores comply with applicable safety standards. The Company also has additional qualification requirements that sellers must meet to offer products.

The Company has extensive programs, policies, and activities that support its goal to be Earth’s most customer-centric company where people can find and discover the widest possible selection of safe and authentic goods. In response to a Wall Street Journal article cited in the Supporting Statement, the Company on August 23, 2019 posted information about its safety and compliance program,\(^4\) and the Company provided additional information in November 2019 (collectively, the “Company Product Reports”).\(^5\) As explained in these postings, the Company has developed, and continues to refine and improve, tools and procedures to prevent suspicious, unsafe, or non-compliant products from being listed in its stores. These apply before a person or entity first becomes a seller or lists a product for sale as well as after listings are posted. Among other things, new seller vetting includes a number of verifications that use proprietary machine learning technology that stops bad actors before they can register or list a product in the Company’s stores. Once in the Company’s stores, product listings and updates are continuously scanned to find products that might present a concern. Every few minutes, the Company’s tools review the hundreds of millions of products, scan the more than five billion daily changes to product detail pages, and analyze the tens of millions of customer reviews that are submitted weekly for signs of concern and investigate accordingly. The Company regularly reports the safety signs it identifies to the U.S. Consumer Product Safety Commission (the “CPSC”) for its use in determining whether to initiate product recalls. The Company also dedicates significant time and investments to holding violators accountable, including by withholding funds, conducting investigations, pursuing civil litigation, and working with law enforcement. As a result of these and other actions, in 2018 the Company:

- Blocked more than one million bad actor accounts before they published a single listing;
- Blocked more than three billion suspected bad listings before they were published to the Company’s stores; and
- Prevented more than 13 million attempts to leave an inauthentic review.


In addition, the Company provides a number of ways for regulatory agencies, industry organizations, brands, customers, and its own customer service teams to report safety issues. When the Company receives these reports, it moves quickly to protect customers, remove unsafe products from its stores, investigate accordingly, and shares its findings with the CPSC. Moreover, because of its direct selling relationships with customers, the Company is able to trace and directly notify customers who purchased a particular product online and alert them to a potential safety issue, a process that is far more effective than that offered by other retailers. In short, the Company works hard to help ensure all products offered in its stores are safe and authentic, and customers see accurate product information and genuine reviews. Among other successes, more than 99.9% of all Amazon page views by customers land on pages that did not receive a notice of potential counterfeit infringement and more than 99% of the reviews read by customers are authentic.

ANALYSIS

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

A. The Ordinary Business Standard.

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 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”).

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 consideration is 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.” Id. (citing Exchange Act Release No. 12999 (Nov. 22, 1976)).

The 1998 Release further distinguishes proposals pertaining to ordinary business matters from those involving “significant social policy issues,” the latter of which are not excludable under Rule 14a-8(i)(7) because they “transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.” Id. In this regard, when assessing proposals under Rule 14a-8(i)(7), the Staff considers the terms of the resolution and its
supporting statement as a whole. See Staff Legal Bulletin No. 14C, part D.2 (June 28, 2005) (“In determining whether the focus of these proposals is a significant social policy issue, we consider both the proposal and the supporting statement as a whole.”).

Staff Legal Bulletin No. 14E (Oct. 27, 2009) (“SLB 14E”), states that “[i]n those cases in which a proposal’s underlying subject matter transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote, the proposal generally will not be excludable under Rule 14a-8(i)(7) as long as a sufficient nexus exists between the nature of the proposal and the company.” The Staff reaffirmed this position in Note 32 of Staff Legal Bulletin No. 14H (Oct. 22, 2015), explaining “[w]hether the significant policy exception applies depends, in part, on the connection between the significant policy issue and the company’s business operations” and later adding in Staff Legal Bulletin No. 14K (Oct. 16, 2019) that “a policy issue that is significant to one company may not be significant to another.”

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.

B. The Proposal Does Not Focus On The Board’s Role In The Oversight Of Risk Management.

The Proposal does not focus on the oversight of risk by the Company’s Board of Directors (the “Board”), but instead relates to the Company’s management of a detailed but routine aspect of its operations: oversight of third-party sellers and the products sold through its stores.

In SLB 14E, the Staff explained the way in which it will analyze shareholder proposals relating to an assessment of risks:

[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.

Based on this standard, the Staff has continued to concur in the exclusion of shareholder proposals seeking risk assessments when the subject matter concerns ordinary business operations. See, e.g., McDonald’s Corp. (avail. Mar. 22, 2019) (concurring with the exclusion of a proposal asking the company to disclose the economic risks it faced from campaigns targeting the company over concerns about cruelty to chickens because it “focus[d] primarily on matters relating to the [c]ompany’s ordinary business operations”); Johnson & Johnson (avail. Jan. 31, 2018) (concurring with the exclusion of a proposal requesting the company prepare a report detailing the known and potential risks and costs to it caused by certain pressure campaigns because it “relat[es] to the [c]ompany’s ordinary business operations”).

SLB 14E also sets forth the Staff’s views on proposals that address a board’s role in risk oversight. It states:

[T]here is widespread recognition that the board’s role in the oversight of a company’s management of risk is a significant policy matter regarding the governance of the corporation. In light of this recognition, a proposal that focuses on the board’s role in the oversight of a company’s management of risk may transcend the day-to-day business matters of a company and raise policy issues so significant that it would be appropriate for a shareholder vote.

While thus acknowledging that certain proposals addressing a board’s oversight “may” transcend a company’s ordinary business, the Staff has repeatedly concurred in exclusion of proposals addressing a board’s role in the oversight of a company’s management of risk when those proposals also request a board review of risks and the underlying subject matter of the risk review involves ordinary business. For example, in Rite Aid Corp. (avail. Mar. 24, 2015) (“Rite Aid”), the company sought to exclude a proposal entitled “Tobacco Sales in Pharmacies” and requesting that the company amend its Nominating and Governance Committee Charter to require that committee to “[p]rovide oversight concerning the formulation, implementation and public reporting of policies and standards that determine whether or not the [c]ompany should sell a product that (1) Especially endangers public health and well[-]being[,] (2) Has substantial potential to impair the reputation of the [c]ompany and/or (3) Would reasonably be considered by many to be offensive to the values integral to the [c]ompany’s promotion of its brand.” Although the proponent characterized the proposal as “essentially a ‘risk management’ proposal, concerning the governance of the corporation,” the company noted that SLB 14E indicates only that proposals focusing on board oversight “may” transcend ordinary business, but that “merely dressing the proposal as a board risk oversight proposal is not sufficient” to avoid the ordinary business standards of Rule 14a-8(i)(7) when the underlying focus of the requested board action related to an ordinary business matter. The Staff concurred with exclusion of the proposal under
Rule 14a-8(i)(7), expressing the view that the proposal related “to the products and services offered for sale by the company.” See also Sempra Energy (avail. Jan. 12, 2012, recon. denied Jan. 23, 2012) (concurring with the exclusion of a proposal requesting that the audit committee review and report on the company’s management of certain risks posed by operations “in any country that may pose an elevated risk of corrupt practices,” because “the underlying subject matter of these risks appears to involve ordinary business matters”); The Western Union Co. (avail. Mar. 14, 2011) (concurring with the exclusion of a proposal requesting the establishment of a board risk committee and a report by the committee on how the company was monitoring and controlling particular risks, where the subject matters of the risks involved ordinary business matters). Compare, PepsiCo (avail. Feb. 16, 2012) (Staff did not concur that a proposal focused only on the establishment of a risk oversight committee was excludable under Rule 14a-8(i)(7)).

Here, as with the proposal in Rite Aid, although the Proposal is framed as a request for a report “on the process and effectiveness of board oversight of ESG risks associated with third-party sellers on Amazon’s website,” the focus of the report requested by the Proposal is the products offered by third-party sellers on the Company’s website. Both the language of the Proposal and the Supporting Statement demonstrate that the Proposal is focused on a board report on risks from sales of unsafe products by third-party sellers, and not on the Board’s role in the oversight of the Company’s risk management. For example, instead of focusing on the Board’s processes for risk oversight, the Proposal elaborates that the requested report should address “the [B]oard’s assessment of any progress, policies and trends toward reducing the presence of unsafe products for sale on the site.” Similarly, the Supporting Statement states, “We believe that information regarding Amazon’s efforts to manage ESG risks and ensure the safety of products sold on its site, including disclosure of board oversight, implementation of company policies and processes, and whether and how Amazon is extending policies such as its Chemical Policy to include third-party products, will help investors more accurately evaluate the company’s long-term financial and sustainability risks.” As with the text of the Proposal, this statement addresses “board oversight” as just one aspect of the requested report, but focuses on “Amazon’s efforts to manage ESG risks and ensure the safety of products sold on its site” so that investors may “evaluate the company’s long-term financial and sustainability risks.” Another paragraph in the Supporting Statement likewise demonstrates that the focus of the Proposal is on how the Company is addressing “the safety of products from third-party sellers on the site,” which the Proponents believe “is jeopardizing Amazon’s reputation” and “poses significant risks and liability.”

Moreover, even if some aspects of the Proposal are viewed as addressing the Board’s oversight and governance of the Company’s management of certain risks potentially associated with third-party sellers, the Proposal is not limited to or focused on that issue, and instead encompasses a board report on “progress, policies and trends toward reducing the presence of unsafe products for sale” through the Company’s stores. 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, in *Amazon.com, Inc. (W. Andrew Mims Trust)* (avail. Mar. 28, 2019), the proposal requested the establishment of a societal risk oversight committee to offer guidance on strategic decisions and provide ongoing review of corporate policies and procedures to assess the potential societal consequences of the company’s products and services. In concurring with exclusion of the proposal under Rule 14a-8(i)(7), the Staff also noted that the proposal did “not appear to focus on an issue that transcends ordinary business matters.” *See also Walmart Inc.* (avail. Apr. 8, 2019) (concurring in the exclusion of a proposal requesting that the board prepare a report evaluating the risk of discrimination that may result from the company’s policies and practices for hourly workers taking absences from work for personal or family illness because it related to the company’s ordinary business operations, i.e., the company’s management of its workforce, and “[d]id not focus on an issue that transcends ordinary business matters”); *Bank of America Corp.* (avail. Feb. 19, 2014, recon. denied Mar. 10, 2014, Comm. review denied May 22, 2014) (concurring in the exclusion of a proposal that addressed compensation arrangements raising a significant policy issue because the proposal also encompassed non-incentive-based compensation arrangements that implicated the company’s ordinary business operations); *Mattel, Inc.* (avail. Feb. 10, 2012) (concurring in exclusion of a proposal that requested the company require its suppliers to publish a report detailing their compliance with the International Council of Toy Industries Code of Business Practices, noting that the code encompasses “several topics that relate to . . . ordinary business operations and are not significant policy issues”); *PetSmart, Inc.* (avail. Mar. 24, 2011) (concurring in the exclusion of a proposal requesting the board to require its suppliers to certify they had not violated “the Animal Welfare Act, the Lacey Act, or any state law equivalents,” with the Staff stating that, “[a]lthough 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.’”); *The Goldman Sachs Group, Inc.* (avail. Feb. 8, 2011) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal that requested a report relating to risk management structure, staffing, and reporting lines as it related to the manner in which the company manages risk, wherein the Staff noted “that the proposal addresses matters beyond the board’s role in oversight of [the company’s] management of risk”); *Home Depot, Inc.* (avail. Mar. 4, 2009) (concurring with the exclusion of a proposal requesting a report “on policy options to reduce consumer exposure and increase consumer awareness regarding mercury and any other toxins contained in its private label . . . products” as “relating to [the company’s] ordinary business operations (i.e. the sale of particular products)).

Just as the proposals in *Rite Aid* and the other precedent cited above, the Proposal does not focus on a transcendent issue regarding Board oversight of risks, but instead seeks a Board report on risks of third-party sellers on the Company’s website, including a Board report (i.e., “the [Board’s] assessment”) on “progress, policies and trends toward reducing the presence of unsafe products for sale on the site.” As such, the references to board oversight in the Proposal and
Supporting Statement do not preclude exclusion pursuant to Rule 14a-8(i)(7). With respect to this type of proposal, SLB 14E states that one must “consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the Company.” As discussed below, the subject matter of the risk evaluation requested by the Proposal demonstrates that the Proposal is excludable pursuant to Rule 14a-8(i)(7) because it requests a report and review of risks relating to the products sold by third parties through the Company’s stores, a subject matter that focuses on the Company’s ordinary business operations.

C. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Relates To The Sale of Products And To The Company’s Related Policies.

The Proposal requests a report on oversight of and risks arising from products offered for sale through the Company’s stores; specifically, products offered by third-party sellers, “including the board’s assessment of any progress, policies and trends toward reducing the presence of unsafe products for sale on the site.” As part of the Company’s mission to be Earth’s most customer-centric company, where customers can find and discover anything they might want to buy, the Company has structured its retail business in a manner that brings third-party sellers from around the world together in a convenient and efficient marketplace for customers. The Company designs its stores to enable hundreds of millions of unique products to be sold by itself and by third parties across dozens of product categories, and has established specific policies and practices to support this business strategy and sales structure. As discussed above and in the Company Product Reports, these processes involve numerous operational considerations that implicate routine management decisions. These decisions encompass legal and operational considerations regarding the extent to which the Company allows third-party sellers to offer products through the Company’s stores, the criteria and qualifications for third-party sellers, how and when third-party sellers are vetted and approved as sellers on the Company’s websites, the extent to which the Company maintains programs that assist small- and medium-sized businesses in becoming successful sellers through the Company’s stores, and how the Company monitors and holds sellers accountable for failure to comply with the Company’s standards. Thus, oversight and management of the Company’s third-party seller operations involves careful and detailed operational, legal, marketing, and logistical determinations that implicate day-to-day aspects of the Company’s operations. For example, while the Supporting Statement asserts that “the safety of products from third-party sellers on the site is jeopardizing Amazon’s reputation,” management must constantly reevaluate that potential issue in the context of the many proactive and remedial actions the Company implements to prevent and address attempts to circumvent its policies.

Decisions regarding the products third parties sell through the Company’s stores implicate a myriad of factors that must be considered by the Company’s management, including ensuring safe, authentic, and trustworthy products, as well as the tastes and preferences of customers, maintaining product diversity, the products offered by the Company’s competitors, laws where
products are sold, the availability of sufficient quantity and quality of products to meet demand, and the costs and revenue associated with third-party sales. Balancing such interests is a complex issue and, for a retailer such as the Company, is “so fundamental to management’s ability to run [the C]ompany on a day-to-day basis that [it] could not, as a practical matter, be subject to direct shareholder oversight.” See 1998 Release. For that reason, the Staff has long concurred that proposals relating to the categories of products that retailers offer for sale so implicate the day-to-day managerial decisions of retailers as to be intricately linked with ordinary business operations for purposes of Rule 14a-8(i)(7).

Based on these types of considerations, the Staff consistently has concurred in the exclusion of proposals addressing a retailer’s decisions regarding categories of products that it offers for sale. For example, in The TJX Companies, Inc. (avail. Apr. 16, 2018), the proposal requested the board to “develop and disclose a new universal and comprehensive animal welfare policy applying to all of [the company’s] stores, merchandise and suppliers.” Despite the proponent’s assertion that the humane treatment of animals was a significant policy issue for the company, the Staff concurred in the exclusion of the proposal under Rule 14a-8(i)(7), noting in particular that “the [p]roposal relates to the products and services offered for sale by the [c]ompany.” Similarly, in Amazon.com, Inc. (avail. Mar. 27, 2015) (“Amazon 2015”), the Staff concurred with exclusion of a proposal requesting a report on “reputational and financial risks that [the Company] may face as a result of negative public opinion pertaining to the treatment of animals used to produce products it sells.” See also Amazon.com, Inc. (avail. Mar. 11, 2016) (concurring with the exclusion of a proposal submitted by the same proponent as Amazon 2015 requesting a report addressing animal cruelty in the supply chain for products sold on the Company’s websites, including the “reputational and financial risks” associated with the Company’s existing policies); Rite Aid (concurring with the exclusion of a proposal addressing whether the company sold broad categories of products because the proposal “relate[d] to the products and services offered for sale by the company” and was therefore excludable under Rule 14a-8(i)(7)); Wal-Mart Stores, Inc. (Albert) (avail. Mar. 30, 2010) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requiring that all company stores stock certain amounts of locally produced and packaged food as concerning “the sale of particular products”); Wal-Mart Stores, Inc. (Porter) (avail. Mar. 26, 2010) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal “to adopt a policy requiring all products and services offered for sale in the United States of America by Wal-Mart and Sam’s Club stores shall be manufactured or produced in the United States of America” and noting that “the proposal relates to the products and services offered for sale by the company”).

Like the proposals in The TJX Companies and Amazon 2015, and other precedent cited above, the Proposal addresses a Board report on oversight of products that are offered for sale through the Company’s stores. The Proposal and Supporting Statement are particularly similar to the proposal and supporting statement at issue in Amazon 2015. In both instances, the proponents sought a report regarding financial and reputational risks potentially arising from how the
Company administered its policies regarding third-party product sales through the Company’s stores. As with these precedent, the issues addressed by the Proposal implicate the Company’s ordinary business operations.


The Proposal, including its reference to “ESG risks” and “unsafe products,” does not transcend the Company’s ordinary business.6 The Proposal cites a Wall Street Journal article that reported finding “4,152 items for sale on Amazon.com Inc.’s site that have been declared unsafe by federal agencies, are deceptively labeled or are banned by federal regulators.”7 All of the products referenced in that article were offered by third-party sellers and covered by existing policies. The Company promptly took remedial steps when it became aware of the third-party sellers’ noncompliant product listings. Given the number of products available through the Company’s websites, the products cited in the referenced article represent a tiny fraction of product listings. While this does not diminish the importance to the Company of third-party sellers’ compliance with its policies or the resources that the Company devotes to its compliance efforts, it demonstrates that the issue addressed by the Proposal does not transcend the Company’s ordinary business operations and instead is on par with dozens of other financial, operational, reputational, legal, and compliance-related risks that the Company manages daily in the course of its operations.

Similarly, the references to “unsafe products” does not raise issues that transcend the Company’s ordinary business, but instead—as used in the Proposal and Supporting Statement—encompass a wide range of issues including “products that violated the [C]ompany’s Restricted Products Policy, contain hazardous substances, or are sourced from unethical or unsafe factories,” and “unregistered pesticides.” In the context of the Company’s stores, “unsafe products” also encompasses everything from bladed machinery or tools, such as knives, food processors, or chainsaws, that could result in physical harm; small toys or paper clips that could present a choking hazard; furniture or appliances that must be properly installed or could pose a risk of injury; and even movies, television, or books that might contain graphic, mature, or violent content that could be inappropriate for certain audiences. As demonstrated by numerous precedent, the fact that a proposal addresses retailing of products that could be unsafe or even

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6 As discussed above, under SLB 14E, the Staff stated that, “rather 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.” Thus, the reference to a board report on ESG risk does not raise a transcendent issue or alter the analysis of whether the subject matter of the proposal implicates the Company’s ordinary business operations.

unlawful is not sufficient to elevate a proposal to one that transcends a retailer’s ordinary business operations. For example, in Wal-Mart Stores, Inc. (Green Century) (avail. Mar. 24, 2006, recon. denied Apr. 13, 2006) a shareholder proposal requested that the board of directors issue a report “evaluating company policies and procedures for systematically minimizing customers’ exposure to toxic substances in products” the company sells. The Staff concurred in the exclusion of the proposal under Rule 14a-8(i)(7), noting that the proposal related to the “sale of particular products.” See also Rite Aid (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal relating to a retailer’s “policies and standards that determine whether or not the company should sell a product that (1) Especially endangers public health and well-being[,] (2) Has substantial potential to impair the reputation of the company and/or (3) Would reasonably be considered by many to be offensive to the values integral to the company’s promotion of its brand”).

The Proposal’s breadth and subject matter similarly fail to raise a transcendent policy issue, and instead address a wide range of issues that the Company addresses and manages in the ordinary course of its retail operations. In doing so, the Proposal touches not only on the Company’s Restricted Products Policy and the products restricted thereunder, but also requirements under the Company’s Chemical Policy and its Condition Guidelines. As such, the Proposal addresses many detailed and divergent aspects of the Company’s ordinary business operations, including a wide swath of products and policy considerations, none of which are unique for the Company. Thus, the Proposal is not focused on a significant policy issue that is transcendent to the Company’s operations, and accordingly the Proposal may be excluded under Rule 14a-8(i)(7).

CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2020 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,

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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.
    Caroline Boden, Mercy Investment Services, Inc.
    Sister Mary Ellen Leciejewski, Dignity Health
EXHIBIT A
December 4, 2019

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

Dear Mr. Zapolsky:

Mercy Investment Services, Inc. ("Mercy"), as the investment program of the Sisters of Mercy of the Americas, has long been concerned not only with the financial returns of its investments, but also with their social and ethical implications. We believe that a demonstrated corporate responsibility in matters of the environment, and social and governance concerns fosters long-term business success. Mercy Investment Services, Inc., a long-term investor, is currently the beneficial owner of shares of Amazon.com, Inc. ("Amazon").

Mercy is requesting that the Board of Directors issue a report to shareholders, at reasonable expense and avoiding proprietary information, on the process and effectiveness of board oversight of ESG risks associated with third-party sellers on Amazon’s website, including the board’s assessment of any progress, policies and trends toward reducing the presence of unsafe products for sale on the site.

Mercy is co-leading the enclosed shareholder proposal with Dignity Health for inclusion in the 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Mercy has been a shareholder continuously for more than one year holding at least $2,000 in market value and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders’ meeting. A representative of the filers will attend the Annual Meeting to move the resolution as required by SEC rules. The verification of ownership by our custodian, a DTC participant, is enclosed with this letter. Dignity Health as co-lead may withdraw the proposal on our behalf. We respectfully request direct communications from Amazon, and to have our supporting statement and organization name included in the proxy statement.

Although we prefer to resolve our concerns through dialogue rather than the formal shareholder proposal process, we are filing today because of the lack of investor engagement by Amazon. If you have any questions about our submission, please direct correspondence, including an email acknowledgement of receipt of this letter and shareholder proposal to me via the information below.

Best regards,

Caroline Boden
Shareholder Advocacy Manager
314-909-4650
cboden@mercyinvestments.org
WHEREAS: In August 2019, the Wall Street Journal published an extended article entitled “Amazon Has Ceded Control of Its Site. The Result: Thousands of Banned, Unsafe or Mislabeled Products” examining the ability of the company to prevent sale on its site of unsafe and toxic products. Wall Street Journal investigators found 4,152 items for sale on Amazon’s site that “had been declared unsafe by federal agencies, are deceptively labeled or are banned by federal regulators.” While Amazon responded to the investigation and removed or revised labeling for many of the identified products, new items with the same policy violations continued to appear for sale on Amazon.

Other recent investigations of products sold on Amazon.com have found instances of products that violated the company’s Restricted Products Policy,1 contain hazardous substances,2 or are sourced from unethical or unsafe factories3. Additionally, Amazon is facing litigation in the state of Pennsylvania for the sale of unsafe products, as well as fines from the EPA for selling unregistered pesticides.

The Journal noted that people who shop on Amazon.com see it as if it were an American big-box store but in practice it has evolved like a flea market, with “limited oversight over items listed by millions of third-party sellers, many of them anonymous, many in China, some offering scant information.”

As stockholders, we feel this situation poses significant risks and liability to our company. While Amazon is exerting control over the content and safety of its private label brands, the safety of products from third-party sellers on the site is jeopardizing Amazon’s reputation.

Amazon.com is incorporated in the state of Delaware. As fiduciaries, our company’s board is responsible for stewardship of business performance and long-term strategic plans, while reviewing specific risk factors. A recent decision in the Delaware Supreme Court, Marchand v. Barnhill, No. 533, 2018 (Del. June 19, 2019), confirmed that directors may be liable for failure to ensure that a reasonable information and reporting system exists on material risks.

Although Amazon issues sustainability reports and has published a blog post responding to the Journal article discussing its existing management systems for detecting safety breaches in products sold, the Journal’s investigation demonstrated significant weaknesses in Amazon’s oversight of third-party sales.

We believe that information regarding Amazon’s efforts to manage ESG risks and ensure the safety of products sold on its site, including disclosure of board oversight, implementation of company policies and processes, and whether and how Amazon is extending policies such as its

1 https://www.washingtonpost.com/technology/2019/08/06/google-amazon-prohibit-firearm-parts-listings-its-easy-find-them-anyway/
3 https://www.sierraclub.org/articles/2019/11/toxic-trade-online-retailers-are-selling-mercury-filled-skin-lighteners
Chemical Policy to include third-party products, will help investors more accurately evaluate the company’s long-term financial and sustainability risks.

RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders, at reasonable expense and avoiding proprietary information, on the process and effectiveness of board oversight of ESG risks associated with third-party sellers on Amazon’s website, including the board’s assessment of any progress, policies and trends toward reducing the presence of unsafe products for sale on the site.
December 11, 2019

VIA OVERNIGHT MAIL

Caroline Boden
Mercy Investment Services, Inc.
2039 North Geyer Road
St. Louis, Missouri 63131

Dear Ms. Boden:

I am writing on behalf of Amazon.com, Inc. (the “Company”), which received on December 5, 2019, the shareholder proposal you submitted on behalf of Mercy Investment Services, Inc. (the “Proponent”) pursuant to Securities and Exchange Commission (“SEC”) Rule 14a-8 for inclusion in the proxy statement for the Company’s 2020 Annual Meeting of Shareholders (the “Proposal”).

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that shareholder proponents must submit sufficient proof of their continuous ownership of at least $2,000 in market value, or 1%, of a company’s shares entitled to vote on the proposal for at least one year as of the date the shareholder proposal was submitted. The Company’s stock records do not indicate that the Proponent is the record owner of sufficient shares to satisfy this requirement. In addition, to date we have not received proof that the Proponent has satisfied Rule 14a-8’s ownership requirements as of the date that the Proposal was submitted to the Company.

To remedy this defect, the Proponent must submit sufficient proof of the Proponent’s continuous ownership of the required number or amount of Company shares for the one-year period preceding and including December 4, 2019, the date the Proposal was submitted to the Company. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

1. a written statement from the “record” holder of the Proponent’s shares (usually a broker or a bank) verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including December 4, 2019; or

2. if the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the Proponent’s ownership of the required number or amount of Company shares as of or
before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the required number or amount of Company shares for the one-year period.

If the Proponent intends to demonstrate ownership by submitting a written statement from the “record” holder of the Proponent’s shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers’ securities with, and hold those securities through, the Depository Trust Company (“DTC”), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether the Proponent’s broker or bank is a DTC participant by asking the Proponent’s broker or bank or by checking DTC’s participant list, which is available at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

(1) If the Proponent’s broker or bank is a DTC participant, then the Proponent needs to submit a written statement from the Proponent’s broker or bank verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including December 4, 2019.

(2) If the Proponent’s broker or bank is not a DTC participant, then the Proponent needs to submit proof of ownership from the DTC participant through which the shares are held verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including December 4, 2019. You should be able to find out the identity of the DTC participant by asking the Proponent’s broker or bank. If the Proponent’s broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponent’s account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant that holds the Proponent’s shares is not able to confirm the Proponent’s individual holdings but is able to confirm the holdings of the Proponent’s broker or bank, then the Proponent needs to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including December 4, 2019, the required number or amount of Company shares were continuously held: (i) one from the Proponent’s broker or bank confirming the Proponent’s ownership, and (ii) the other from the DTC participant confirming the broker or bank’s ownership.
The SEC’s rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at Gibson, Dunn & Crutcher LLP, 1050 Connecticut Avenue NW, Washington, D.C. 20036. Alternatively, you may transmit any response by email to me at rmueller@gibsondunn.com

If you have any questions with respect to the foregoing, please contact me at (202) 955 8671. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,

Ronald O. Mueller

Enclosures
Dear Mr. Mueller,

As requested in your deficiency notice sent on December 11, 2019 regarding the Amazon.com resolution co-filed by Mercy Investment Services and Dignity Health, please find attached the Northern Trust bank letter that was submitted with our filing packet via FedEx on December 4, 2019. The attached bank letter verifies that Mercy Investment Services Inc. is the beneficial owner of at least $2000 in market value of the voting securities of Amazon.com Inc. and has held them for at least one year.

Please let us know if you need anything further.

All the best,
Caroline

Caroline Boden
Shareholder Advocacy Manager
Mercy Investment Services, Inc.
2039 North Geyer Road
St. Louis, MO 63131
Office 314.909.4650
Fax 314.909.4694
www.mercyinvestments.org
December 4, 2019

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

Re: Mercy Investment Services Inc.

Dear David,

This letter will certify that as of December 4, 2019, Northern Trust held for the beneficial interest of Mercy Investment Services Inc., 4 shares of Amazon.com Inc. We confirm that Mercy Investment Services Inc. has beneficial ownership of at least $2,000 in market value of the voting securities of Amazon.com Inc., and that such beneficial ownership has existed continuously for at least one year including a one year period preceding and including December 4, 2019, in accordance with rule 14a-8 of the Securities Exchange Act of 1934. Further, it is Mercy Investment Services Inc., intent to hold at least $2,000 in market value through the next annual meeting.

We also confirm that as of the filing date, December 4, 2019, Mercy Investment Services Inc., held 6,721 additional shares of Amazon.com Inc. with a market value of $11,833,597.49.

Please be advised, Northern Trust is a DTC Participant, whose DTC number is 2669.

If you have any questions please feel free to give me a call.

Sincerely,

James Nanavati
2nd Vice President
(312) 557-9761
December 4, 2019

David Zapolsky
Corporate Secretary
Amazon.com, Inc.
410 Terry Ave. North
Seattle, WA 98109

Dear Mr. Zapolsky:

Dignity Health, now known as CommonSpirit Health, has long been concerned not only with the financial returns of its investments, but also with their social and ethical implications. We believe that a demonstrated corporate responsibility in matters of the environment, and social and governance concerns fosters long-term business success. Dignity Health is currently the beneficial owner of shares of Amazon.com, Inc.

Dignity Health is requesting the Board of Directors issue a report to shareholders on the process and effectiveness of board oversight of ESG risks associated with third-party sellers on Amazon’s website, including the board’s assessment of any progress, policies and trends toward reducing the presence of unsafe products for sale on the site.

Dignity Health is co-leading the enclosed shareholder proposal with Mercy Investment Services for inclusion in the 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Dignity Health has been a shareholder continuously for more than one year holding at least $2,000 in market value, and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders’ meeting. A representative of the filers will attend the Annual Meeting to move the resolution as required by SEC rules. The verification of ownership by our custodian, a DTC participant, will be sent under separate cover. Mercy Investment Services as co-lead may withdraw the proposal on our behalf. We respectfully request direct communications from Amazon.com, and to have our supporting statement and organization name included in the proxy statement.

Although we prefer to resolve our concerns through dialogue rather than the formal shareholder proposal process, we are filing today to ensure attention to this matter should dialogue not occur. We look forward to having productive conversations with the company. Please direct all future correspondence, including an email acknowledgement of receipt of this letter and resolution, to Caroline Boden, working on behalf of Dignity Health at email: cboden@mercyinvestments.org, phone: 314-909-4650, address: 2039 No. Geyer Rd., St. Louis, MO 63131.

Best regards,

Sr. Mary Ellen Leciejewski, OP
Vice President, Corporate Responsibility
Dignity Health
WHEREAS: In August 2019, the Wall Street Journal published an extended article entitled “Amazon Has Ceded Control of Its Site. The Result: Thousands of Banned, Unsafe or Mislabeled Products” examining the ability of the company to prevent sale on its site of unsafe and toxic products. Wall Street Journal investigators found 4,152 items for sale on Amazon’s site that “had been declared unsafe by federal agencies, are deceptively labeled or are banned by federal regulators.” While Amazon responded to the investigation and removed or revised labeling for many of the identified products, new items with the same policy violations continued to appear for sale on Amazon.

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December 5, 2019

David Zapolsky
Corporate Secretary
Amazon.com, Inc.
410 Terry Ave. North
Seattle, WA 98109

Dear Mr. Zapolsky:

Please find enclosed the verification of ownership by our custodian, a DTC participant, with respect to our shareholder proposal sent on December 4, 2019.

If you have any questions about our filing, please contact Caroline Boden, representative of Dignity Health, email: cboden@mercyinvestments.org; phone: (314) 909-4650; address: 2039 N. Geyer Rd. St. Louis, MO 63131.

Best regards,

Sr. Mary Ellen Leciejewski, OP

Sr. Mary Ellen Leciejewski, OP
Vice President, Corporate Responsibility
Dignity Health
December 5, 2019

David Zapolsky
Corporate Secretary
Amazon.com, Inc.
410 Terry Ave. North
Seattle, WA 98109

Re: Stock Verification Letter

Dear Mr. Zapolsky:

Please accept this letter as confirmation that Dignity Health has owned at least 200 shares or $2,000.00 of the following security continuously for a one-year period preceding and including December 4, 2019. Please be advised State Street Bank and Trust Company is a DTC participant, DTC #997. The December 4, 2019 share position is listed below:

<table>
<thead>
<tr>
<th>Security</th>
<th>CUSIP</th>
<th>Shares</th>
</tr>
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<tbody>
<tr>
<td>Amazon.com, Inc.</td>
<td>023135106</td>
<td>10,071</td>
</tr>
</tbody>
</table>

Please let me know if you have any questions.

Regards,

[Signature]