



DIVISION OF  
CORPORATION FINANCE

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

April 1, 2024

Ronald O. Mueller  
Gibson, Dunn & Crutcher LLP

Re: Amazon.com, Inc. (the "Company")  
Incoming letter dated January 22, 2024

Dear Ronald O. Mueller:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Brian Meissner and co-filers for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal asks the board to oversee the preparation of a living wage report, including the number of workers paid less than a living wage broken down into specified categories, by how much the aggregate compensation paid to workers in each category falls short of the aggregate amount they would be paid if they received a living wage, and the living wage benchmark or methodology used for such disclosures.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal seeks to micromanage the Company. 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).

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2023-2024-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Marcela I. Pinilla  
Zevin Asset Management

January 22, 2024

VIA ONLINE PORTAL SUBMISSION

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 Brian Meissner, et al.*  
*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 2024 Annual Meeting of Shareholders (collectively, the “2024 Proxy Materials”) a shareholder proposal (the “Proposal”) and statement in support thereof (the “Supporting Statement”) received from Brian Meissner; the VCIM Global Equity Fund; Eva Horowitz; the Dana Large Cap Equity Fund; the Praxis Growth Index Fund; Monasterio Pan De Vida; The Benedictine Sisters of Baltimore, Inc.; and the Durocher Fund (collectively, 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 2024 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 the Proponents elect to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of such 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, which is captioned “Living Wage Report,” states:

**Resolved:** Shareholders request Amazon Inc. (the “Company”) Board of Directors to oversee the preparation of a living wage report to provide investors with information needed to assess the extent to which the Company is complying with international human rights standards and assessing systemic risks stemming from growing income inequality. The Report should be updated and published annually and include:

- Number of Amazon workers paid less than a living wage, broken down by full-time employees, part-time employees, and contingent workers;
- By how much aggregate compensation paid to workers in each category falls short of the aggregate amount they would be paid if they received a living wage; and
- The living wage benchmark/methodology used for these disclosures Amazon is not required to use a particular living wage calculator or methodology.

A copy of the Proposal and the Supporting Statement, as well as correspondence with the Proponents directly relevant to this no-action request, is attached to this letter as Exhibit A.

## BASES FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2024 Proxy Materials pursuant to Rule 14a-8(i)(7) because (1) the Proposal deals with a matter relating to the Company’s ordinary business operations, and (2) the Proposal seeks to micromanage the Company.

## BACKGROUND

The Company is committed to offering competitive pay, and its high wages have had a positive impact on other wages in local labor markets where the Company operates and have helped boost local economies across the country.<sup>1</sup> The Company’s lowest starting pay range

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<sup>1</sup> See <https://www.aboutamazon.com/news/job-creation-and-investment/study-shows-amazons-wage-increase-to-15-an-hour-also-upped-pay-for-non-amazon-workers>; Sebastian Herrera, The Wall Street Journal, *Amazon Emerges as the Wage-and-Benefits Setter for Low-Skilled Workers Across Industries*

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for customer fulfillment and transportation employees in the U.S. is more than double the federal minimum wage and matches the highest state-set minimum wage.<sup>2</sup> In 2023, the Company increased average hourly pay for customer fulfillment and transportation employees from \$19 per hour to more than \$20.50 per hour, reflecting a more than 50% increase over the last five years, with some locations offering as much as \$28 per hour.<sup>3</sup>

In addition to competitive pay, the Company provides numerous benefits to its employees. In the U.S., these benefits include comprehensive medical benefits, a 401(k) plan with a company match, up to 20 weeks of paid pregnancy/parental leave (and six weeks for eligible supporting parents), and the Company's Resources for Living program, a free benefit offering mental health and financial services and support for employees, their families, and their households. The Company discloses similar pay and benefits information in other countries around the world such as the United Kingdom, Germany, and France.<sup>4</sup> Every Company employee has access to ten different Company-funded upskilling programs as part of the Company's \$1.2 billion Upskilling 2025 pledge.<sup>5</sup> Programs include Career Choice, an education benefit that fully funds tuition for employees to learn new skills for career success at Amazon or elsewhere, including Bachelor's degrees, industry certifications designed to lead to in-demand jobs, and foundational skills such as local language and English proficiency, high school diplomas, and GEDs.<sup>6</sup>

Further, the Company's Supply Chain Standards<sup>7</sup> require the compensation paid (including minimum wages and allowances, overtime pay, benefits, and paid leave) by suppliers to their workers—including contract workers and those paid by piece rate—to meet or exceed applicable laws.

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(Dec. 7, 2021), available at <https://www.wsj.com/articles/amazon-emerges-as-the-wage-and-benefits-setter-for-low-skilled-workers-across-industries-11638910694>.

<sup>2</sup> See <https://www.dol.gov/agencies/whd/minimum-wage/state>.

<sup>3</sup> See <https://www.aboutamazon.com/news/workplace/amazon-hiring-seasonal-holiday-employees>.

<sup>4</sup> See, e.g., <https://www.aboutamazon.co.uk/news/company-news/amazon-wage-increase-seasonal-hiring>; <https://www.aboutamazon.de/news/logistik-und-zustellung/amazon-erhoeht-den-einstiegslohn-fuer-logistik-mitarbeiter-innen-in-deutschland-auf-14-euro-und-aufwaerts>; and <https://www.aboutamazon.fr/actualites/creation-demploi-et-investissement/a-lapproche-des-fetes-de-fin-dannee-amazon-annonce-le-lancement-dune-campagne-de-recrutement-plus-de-6-500-emplois-saisonniers-a-pouvoir-a-travers-la-france-pour-accompagner-son-pic-dactivite>.

<sup>5</sup> See <https://www.aboutamazon.com/workplace/upskilling-commitments>.

<sup>6</sup> See <https://www.aboutamazon.com/news/workplace/amazon-to-pay-college-tuition-for-front-line-employees>.

<sup>7</sup> Available at [https://sustainability.aboutamazon.com/amazon\\_supply\\_chain\\_standards\\_english.pdf](https://sustainability.aboutamazon.com/amazon_supply_chain_standards_english.pdf).

## ANALYSIS

### **The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because The Proposal Relates To The Company's 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 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. *Id.* The first of those considerations 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.* The Commission stated that examples of tasks that implicate the ordinary business standard 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." *Id.*

The second consideration concerns "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.*, *citing* Exchange Act Release No. 12999 (Nov. 22, 1976) (the "1976 Release").

Moreover, 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 proposed report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983); *Johnson Controls, Inc.* (avail. Oct. 26, 1999) ("[w]here 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)").

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*B. The Proposal Is Excludable Because It Relates To General Employee Compensation*

The Proposal requests an annual report detailing a specified format for information on pay levels of Company workers, including workers who are employed by and hired through staffing or vendor contracts. Other than a few generalized references to political and social implications of income inequality and human rights, the Proposal and Supporting Statement relate to the level of the Company's pay for employees and contingent workers. The Supporting Statement seeks to connect the discussion of the Company's pay levels to concerns about income inequality by suggesting that, because the Company does not disclose any gaps between prevailing and living wages across its workforce, "[s]hareholders are . . . unable to assess the Company's contribution to systemic risks created by income inequality."

The Proposal is excludable pursuant to Rule 14a-8(i)(7) because it directly relates to the Company's general employee pay practices, a core component of the Company's ordinary business. In analyzing shareholder proposals relating to compensation, the Staff has distinguished between proposals that relate to general employee compensation and proposals that address only executive officer and director compensation, indicating that the former implicate a company's ordinary business operations and thus are excludable under Rule 14a-8(i)(7). *See* Staff Legal Bulletin No. 14A (July 12, 2002) ("SLB 14A") (indicating that "[s]ince 1992, [the Staff has] applied a bright-line analysis to proposals concerning equity or cash compensation" under which companies "may exclude proposals that relate to general employee compensation matters in reliance on [R]ule 14a-8(i)(7)" but "may [not] exclude proposals that concern only senior executive and director compensation"); *Xerox Corp.* (avail. Mar. 25, 1993).

Consistent with the approach articulated in SLB 14A, the Staff has consistently concurred with the exclusion of shareholder proposals under Rule 14a-8(i)(7) when the proposals relate to employee compensation matters. For example, in *Dollar Tree, Inc.* (avail. May 2, 2022), the Staff concurred with the exclusion of a proposal as relating to ordinary business matters where it requested a report explaining how the company's business strategy and incentives "will enable competitive employment standards, including wages [and] benefits" and to "include particular attention to [the company's] lowest paid employees." As with the Supporting Statement, the supporting statement in *Dollar Tree* raised general socio-economic concerns, noting that "employment conditions, including low wages and benefits, are key factors driving the low [workforce] participation rates" that prevailed following the COVID-19 pandemic, and that "[l]abor shortages are influencing a dynamic policy situation as the federal government, states and localities all reassess their minimum wage regulations." Similarly, in *Amazon.com, Inc. (McRitchie)* (avail. Apr. 8, 2022) ("*Amazon 2022*"), the proposal requested an annual report assessing the distribution of stock-based incentives throughout the Company's worldwide workforce, including a table showing stock ownership

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“granted and utilized” by company employees in the United States. The first line of the supporting statement in that proposal, echoing the opening statement of the Supporting Statement here, argued in support of the proposal by stating that “[w]ealth inequality in the United States has increased dramatically, is widely recognized as a significant social policy issue, and brings many problems, such as political polarization.” The Company argued that the proposal related to one aspect of non-executive employee compensation and did not focus on significant social policy issues. The Staff agreed that the proposal related to the Company’s ordinary business operations and concurred with the exclusion of the proposal. *See also Repligen Corp.* (avail. Apr. 1, 2022) (same). In *JPMorgan Chase & Co. (Ott)* (avail. Mar. 25, 2022), *recon. denied on procedural grounds* (avail. Apr. 19, 2022), the Staff concurred that the company could exclude under Rule 14a-8(i)(7) a proposal requesting an annual report of pay and total estimated compensation for each employee role, broken down by location, for the prior year giving the mean, median, and pay band (high/low) for the role, both weighted and unweighted for cost of living adjustments. The company argued that the proposal related to general compensation considerations, even though the proposal’s supporting statement argued that transparency around such compensation information would enhance shareholder profits, empower employees, control reputational narrative, and reduce gender and ethnic wage gaps.

Other examples illustrating the Staff’s consistent and historic approach to proposals addressing non-executive employee compensation include *Amazon.com, Inc.* (avail. Mar. 1, 2017), *CVS Health Corp.* (avail. Mar. 1, 2017) (“*CVS 2017*”), and *The TJX Companies, Inc.* (avail. Mar. 1, 2017), where the Staff concurred with the exclusion under Rule 14a-8(i)(7) of proposals requesting the companies to adopt and publish principles for minimum wage reform, on the basis that each “proposal relates to general compensation matters, and does not otherwise transcend day-to-day business matters.” *See also McDonald’s Corp.* (avail. Mar. 18, 2015) (concurring with the exclusion of a proposal requesting an increased minimum wage of \$11.00 per hour, on the basis that the proposal “relates to general compensation matters”); *Yum! Brands, Inc.* (avail. Feb. 24, 2015) (concurring with the exclusion of a proposal requesting a specific format for reporting on “store employees’ median wage,” noting that the proposal related to “[the company’s] ordinary business operations” because “the proposal relates to compensation that may be paid to employees generally and is not limited to compensation that may be paid to senior executive officers and directors”); *International Business Machines Corp. (Boulain)* (avail. Jan. 22, 2009) (concurring with the exclusion of a proposal requesting that no employee above a certain management level receive a salary raise in any year in which at least two-thirds of all company employees did not receive a three percent salary raise). In each of these cases, whether the proposal requested a report or an affirmative change in employee compensation practices, the Staff concurred with exclusion under Rule 14a-8(i)(7).

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As with the precedent discussed above, the Proposal relates to the general compensation practices for the Company's workforce. In particular, and as with the proposal in *Amazon 2022*, the Proposal addresses certain elements of compensation for the Company's general workforce. For example, since living wage calculations are designed to address ongoing living expenses, some forms of compensation and benefits (such as certain bonuses, deferred compensation (including a 401k match), and educational benefits) properly and typically are excluded from such calculations, even though those elements of compensation and benefits may be just as important in attracting and retaining workers. As such, just as the *Amazon 2022* proposal implicated the Company's ordinary business operations by addressing only one aspect of the Company's compensation practices, the Proposal likewise seeks to delve into complex issues regarding compensation and benefits for the Company's general workforce. Particularly in the context of the Company's more than 1.5 million employees around the globe, plus its so-called contingent workers, the Proposal seeks to address workforce management issues that are not appropriate for shareholder oversight. If presented with the information requested in the Proposal, shareholders would not be in a position to determine the appropriateness of employees' compensation in the context of the local, regional, national, and international labor markets and how the information reported implicates the Company's hiring, retention, development, and other human capital management practices. As noted above, the fact that the Proposal is framed as a request for a report does not change the nature of the Proposal, which concerns general employee compensation. Accordingly, as in the above-cited precedent, the Proposal relates to ordinary business matters and is properly excludable under Rule 14a-8(i)(7).

C. *The Proposal Does Not Focus On A Significant Social Policy Issue That Transcends The Company's Ordinary Business Operations*

In the 1998 Release, the Commission reaffirmed the standards for when proposals are excludable under the "ordinary business" provision that the Commission initially articulated in the 1976 Release. In the 1998 Release, the Commission also distinguished proposals pertaining to ordinary business matters that are excludable under Rule 14a-8(i)(7) from those that "focus on" significant social policy issues. The Commission stated, "proposals relating to [ordinary business] matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." 1998 Release. 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.").



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The Staff most recently discussed its interpretation of how it will evaluate whether a proposal “transcends the day-to-day business matters” of a company in Staff Legal Bulletin No. 14L (Nov. 3, 2021) (“SLB 14L”), noting that it is “realign[ing]” its approach to determining whether a proposal relates to ordinary business with the standards the Commission initially articulated in 1976 and reaffirmed in the 1998 Release. In addition, the Staff stated that it will “no longer tak[e] a company-specific approach to evaluating the significance of a policy issue under Rule 14a-8(i)(7)” but rather will consider only “whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company.” The Staff also stated that under its new approach proposals “previously viewed as excludable because they did not appear to raise a policy issue of significance for the company may no longer be viewed as excludable under Rule 14a-8(i)(7)” and that “proposals squarely raising human capital management issues with a broad societal impact would not be subject to exclusion solely because the proponent did not demonstrate that the human capital management issue was significant to the company” (citing to the 1998 Release and *Dollar General Corp.* (avail. Mar. 6, 2020) and providing “significant discrimination matters” as an example of an issue that transcends ordinary business matters).

Proposals with passing references touching upon topics that might raise significant social policy issues—but that do not focus on or have only tangential implications for such issues—are not transformed from an otherwise ordinary business proposal into one that transcends ordinary business, and as such, remain excludable under Rule 14a-8(i)(7). Notably, in *PetSmart, Inc.* (avail. Mar. 24, 2011), the proposal requested that the board require the company’s suppliers to certify that they had not violated “the Animal Welfare Act, the Lacey Act, or any state law equivalents.” The Staff concurred with exclusion, noting 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.’” See also *Amazon.com, Inc. (Domini Impact Equity Fund)* (avail. Mar. 28, 2019) (concurring with the exclusion of a proposal requesting 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,” noting that “the [p]roposal relates generally to ‘the community impacts’ of the [c]ompany’s operations and does not appear to focus on an issue that transcends ordinary business matters”).

For example, in *Amazon 2022*, the proposal requested an annual report assessing the distribution of stock-based incentives throughout the Company’s worldwide workforce, including a table showing stock ownership “granted and utilized” by company employees in the United States. Notably, the supporting statement included several paragraphs regarding wealth inequality. The Staff concurred with exclusion of the proposal as relating to the

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Company's ordinary business operations, noting that "the Proposal relates to, and does not transcend, ordinary business matters." See also *Dominion Resources, Inc.* (avail. Feb. 3, 2011) (concurring with exclusion of a proposal requesting the company to promote "stewardship of the environment" that touched upon environmental matters—such as renewable energy—with the Staff noting that the proposal related to "the products and services offered for sale by the company").

The Staff's guidance in SLB 14L does not affect the excludability of the Proposal because, unlike the proposal in *Dollar General*, the Proposal does not raise significant discrimination matters or board oversight of human capital issues, and it does not focus on any other issue "with a broad societal impact" such that it transcends ordinary business matters. Instead, the Proposal relates to general compensation matters; specifically, the number and category of workers whose "wages" (taking into account only certain compensation and benefits) are less than a specified amount, and (if not) how much it would cost for those elements of compensation to reach that amount.

The assertions in the Supporting Statement that "[i]ncome inequality slows US economic growth" and "materially reduces the intrinsic value of the global economy" do not mean the Proposal implicates a significant social policy issue for the purposes of Rule 14a-8(i)(7). Instead, the Proposal relates to the Company's compensation and benefits practices with respect to its "full-time employees, part-time employees, and contingent workers," *i.e.*, its general workforce, as shown by references to the Company's wage practices and requests for data on any additional amounts the Company would need to pay for the elements of compensation included in a living wage calculation to reach a certain level. Moreover, even if these references to income inequality are deemed to touch on a significant policy issue, the Proposal's overwhelming concern is with the Company's general employee compensation practices, demonstrating that the Proposal relates to an ordinary business matter and does not transcend the Company's ordinary business. Since the living wage calculation would exclude important elements of compensation and benefits, such as certain bonuses, amounts earned upon vesting of equity compensation, and education benefits, any connection or relationship with societal wealth inequality is tenuous, at best.

In this respect, the Proposal is comparable to the one considered in *Amazon 2022*, discussed above, where the supporting statement addressed wealth inequality but the subject matter actually related to the Company's ordinary business matters and therefore was excludable. Similarly, in *Marriott International, Inc.* (avail. Mar. 26, 2021), the Staff concurred with the exclusion under Rule 14a-8(i)(7) of a proposal that requested a report on "external social costs created by the compensation policy" of the company and the effect on "overall market returns." Although the supporting statement referenced issues such as inequality, the economy, corporate purpose, fiduciary duties, social costs of the company's business model, and other issues that the proposal characterized as "social issue[s] of great importance," the

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company argued, and the Staff agreed, that the proposal related to general employee compensation, not on any tangential implications of employee compensation on general society, and accordingly did not focus on a significant social policy issue.

Moreover, the Staff has consistently concurred with the exclusion of shareholder proposals under Rule 14a-8(i)(7) relating to wage reform and wage inequality for hourly and non-executive employees, finding that such proposals did not implicate a significant social policy matter. Of particular relevance for the Proposal, in *Wal-Mart Stores, Inc.* (avail. Mar. 15, 1999), the Staff concurred with exclusion of a proposal requesting a report that was to include, among other things, a description of “[p]olicies to implement wage adjustments to ensure adequate purchasing power and a sustainable living wage,” with the Staff noting the proposal was excludable under Rule 14a-8(i)(7) because the quoted language “relate[d] to ordinary business operations.” Similarly, in *Apple, Inc. (Zhao)* (avail. Nov. 16, 2015), the proposal requested that the company’s compensation committee “adopt new compensation principles responsive to America’s general economy, such as unemployment, working hour[s] and wage inequality.” Notably, the supporting statement discussed concerns related to wage inequality by reference to certain executive officers’ compensation. The Staff concurred with exclusion of the proposal as relating to the company’s ordinary business operations, noting that “the proposal relates to compensation that may be paid to employees generally and is not limited to compensation that may be paid to senior executive officers and directors.” *See also CVS 2017* and *The TJX Companies, Inc.* (concurring with the exclusion of proposals requesting adoption and publication of principles for minimum wage reform, noting that each “proposal relates to general compensation matters, and does not otherwise transcend day-to-day business matters,” despite the proponent’s assertion that minimum wage was a significant social policy issue); *Kmart Corp.* (avail. Mar. 12, 1999) (concurring with the exclusion of a proposal requesting a report that was to include, among other things, a description of “[p]olicies to implement wage adjustments to ensure adequate purchasing power and a sustainable living wage” and noting the proposal was excludable under Rule 14a-8(i)(7) because it “relate[d] to ordinary business operations”). Here, the Proposal relates to the ordinary business issue of general employee compensation, and as with the precedents cited above, the passing references to wealth inequality do not implicate, much less focus on, a significant social policy issue under Rule 14a-8(i)(7).

Similarly, the Staff has also consistently concurred with the exclusion under Rule 14a-8(i)(7) of proposals that do not transcend the day-to-day operations of a company, even if they touch upon or make a passing reference to human rights. *See Intel Corp.* (avail. Mar. 18, 2022) (concurring with the exclusion of a proposal requesting a report on whether the public display of the pride flag had impacted employees’ views of the company as a desirable place to work noting that the proposal “relate[d] to, but [did] not transcend, ordinary business matters”); *Walmart Inc.* (avail. Apr. 8, 2019) (concurring with the exclusion of a proposal requesting a report evaluating the risk of discrimination that may result from the company’s

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policies and practices for hourly workers taking absences from work for personal or family illness because it related “generally to the [c]ompany’s management of its workforce, and [did] not focus on an issue that transcends ordinary business matters”); *Amazon.com, Inc.* (avail. Mar. 23, 2018) (concurring that a proposal requesting establishment of a policy to ensure the company would not place marketing materials on online sites that express hatred or intolerance for certain groups of people was properly excludable because it related to an ordinary business issue (*i.e.*, the manner in which the company advertises its products and services), despite statements within the resolved clause regarding hatred and intolerance based on protected classes); *CVS Health Corp.* (avail. Feb. 27, 2015) (concurring with the exclusion of a proposal requesting that the company “amend its equal employment opportunity policy . . . to explicitly prohibit discrimination based on political ideology, affiliation or activity,” finding that the proposal did not focus on a significant social policy issue, as it related to the company’s policies “concerning its employees”).

Here, although the Proposal invokes human rights throughout the Resolved clause and Supporting Statement, the Proposal’s request itself is for an annual report providing information on certain elements of employee and worker compensation and benefits. In this regard, the Proposal is similar to those in *Intel*, *Walmart*, and the other precedent above, where the proposals related to the companies’ policies concerning their employees—an ordinary business matter—and addressed but did not focus on human rights or other significant policy issues.

#### D. *The Proposal Is Excludable Because It Seeks To Micromanage The Company*

The 1998 Release states that micromanagement “may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific . . . methods for implementing complex policies.” In SLB 14L, the Staff clarified that not all “proposals seeking detail or seeking to promote timeframes” constitute micromanagement, and that going forward the Staff “will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.” To that end, the Staff stated that this “approach is consistent with the Commission’s views on the ordinary business exclusion, *which is designed to preserve management’s discretion on ordinary business matters* but not prevent shareholders from providing *high-level direction* on large strategic corporate matters.” SLB 14L (emphasis added).<sup>8</sup>

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<sup>8</sup> While the Proposal does not focus on a significant social policy issue that transcends the Company’s ordinary business operations, a proposal may be excluded under Rule 14a-8(i)(7) if it seeks to micromanage a company regardless of whether it implicates a significant policy issue or topic that transcends a company’s ordinary business. See Staff Legal Bulletin No. 14E (Oct. 27, 2009), at note 8, citing the 1998 Release for the standard that “a proposal [that raises a significant policy issue] could be

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In SLB 14L, the Staff also stated that, in order to assess whether a proposal probes matters that are “too complex” for shareholders, as a group, to make an informed judgment, it may consider “the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic.” The Staff stated that it would also consider “references to well-established national or international frameworks when assessing proposals related to disclosure” as indicative of topics that shareholders are well-equipped to evaluate. *Id.*

In assessing whether a proposal seeks to micromanage a company’s ordinary business operations, the Staff evaluates not just the wording of the proposal but also the action called for by the proposal and the manner in which the action called for under a proposal would affect a company’s activities and management discretion. *See Deere & Co.* (avail. Jan. 3, 2022) and *The Coca-Cola Co.* (avail. Feb. 16, 2022) (both involving a broadly phrased request that required detailed and intrusive actions to implement); *Verizon Communications, Inc. (National Center for Public Policy Research)* (avail. Mar. 17, 2022) (concurring with the exclusion of a proposal requesting the company to annually publish the written and oral content of diversity, inclusion, equity, or related employee-training materials because it probed too deeply into matters of a complex nature). Moreover, “granularity” is only one factor evaluated by the Staff. As stated in SLB 14L, the Staff focuses “on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.”

Here, the Proposal dictates an unusual and highly prescriptive format that would require an assemblage of granular detail in order to produce the requested report. The Proposal does not require the Company “to use a particular living wage calculator or methodology,” reflecting the fact that there are no (in the words of SLB 14L) “well-established national or international frameworks” for preparing the requested report. Notwithstanding that element of discretion, the Proposal nevertheless would require the Company to calculate the compensation paid to workers that is included within the scope of a “living wage” calculation (sometimes referred to as the “prevailing wage”), determine the level of

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excluded under Rule 14a-8(i)(7), however, if it seeks to micro-manage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” For example, since the issuance of SLB 14L, the Staff concurred with the exclusion of proposals addressing how companies interact with their shareholders on significant social policy issues because the proposals sought to micromanage how the companies addressed those policy issues. *See The Kroger Co. (Domini Impact Equity Fund)* (avail. Apr. 25, 2023) (concurring with the exclusion of a proposal that micromanaged the company even though the objective of the proposal was to “mitigate severe risks of forced labor and other human rights violations in the [c]ompany’s produce supply chain”); *Amazon.com* (avail. Apr. 7, 2023), *recon. denied* (avail. Apr. 20, 2023) (concurring with the exclusion of a proposal addressing climate change goals due to micromanagement); *Chubb Limited (Green Century Equity Fund)* (avail. Mar. 27, 2023) (same).

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compensation that constitutes a “living wage” for its employees, assemble the same type of information from the third parties who employ any “contingent workers,” and provide specific calculations and statistics based on comparisons of those amounts. Each element of that process requires the collection of data that is not readily available and can be terribly complex. For example, the website that the Supporting Statement cites for a definition of “living wage” advocates a living wage methodology that is explained in an approximately 390-page book,<sup>9</sup> which states, “Determining prevailing wages is not as simple as it may seem at first glance because remuneration comes in many different forms.”<sup>10</sup> The methodology guide goes on to explain:

Prevailing wages are determined by adding up the value of all forms of remuneration using guidelines described in this manual regarding which forms of remuneration should be included and how each of these should be valued for comparison with a living wage. Some forms of remuneration such as overtime and deferred benefits are excluded. Special rules are provided for how to value in kind benefits because of their controversial nature.<sup>11</sup>

The book has chapters addressing each of these valuations. The calculation of the living wage threshold is also complex, requiring food, housing, and other costs to be estimated, and adjustments to be made to account for the size of a worker’s household and number of workers in the household. For example, the source cited in the Supporting Statement for its estimation of a living wage for a family of four<sup>12</sup> actually provides a living wage calculator that breaks living wages down by state, county, and metropolitan statistical area, and reflects living wages for 12 different family types.<sup>13</sup> As such, the Proposal limits management’s discretion in how it addresses publicly the value of the compensation and benefits its workers receive, requiring the exclusion of certain elements of compensation and benefits since they may be variable (including when based on performance) or deferred, and therefore not available to pay day-to-day expenses, and requiring comparison of such amounts against a set of norms that can be highly variable based on individual employee situations and locations. The Proposal therefore does not provide “*high-level direction* on large strategic corporate matters” (emphasis added) but instead takes a granular approach, requiring detailed and intrusive actions to implement, and probing details that are too complex for shareholders, as a group, to make an informed judgment. The Proposal thereby micromanages how the

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<sup>9</sup> Available at <https://www.globallivingwage.org/about/anker-methodology/>.

<sup>10</sup> Anker & Anker, *Living Wages Around the World: Manual for Measurement*, Chap. 2.1.4, available at <https://www.globallivingwage.org/about/anker-methodology/>.

<sup>11</sup> *Id.*

<sup>12</sup> Available at <https://livingwage.mit.edu/articles/103-new-data-posted-2023-living-wage-calculator>.

<sup>13</sup> Available at <https://livingwage.mit.edu/>.

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Company reports on the level of compensation and benefits it provides employees, and accordingly is excludable under Rule 14a-8(i)(7).

## CONCLUSION

The Proposal addresses the compensation of the Company's general workforce, prescribing an unusual and complex standard for reporting, and therefore relates to ordinary business and seeks to micromanage the topic, while failing to focus on a significant social policy issue. As demonstrated by the foregoing analysis and precedent, this is exactly the type of day-to-day business matter that Rule 14a-8(i)(7) is intended to avoid. Moreover, the Proposal may be omitted pursuant to Rule 14a-8(i)(7) because it seeks to micromanage the Company by probing too deeply into complex matters upon which shareholders as a group would not be in a position to make an informed judgment. Accordingly, we respectfully request that the Staff concur that the Proposal may be excluded from the Company's 2024 Proxy Materials pursuant to Rule 14a-8(i)(7).

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](mailto: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 and Assistant Secretary, at (206) 266-2132.

Sincerely,



Ronald O. Mueller

Enclosures

cc: Mark Hoffman, Amazon.com, Inc.  
Marcela Pinilla, Zevin Asset Management  
Brian Meissner  
Kelly Hirsch, Vancity Investment Management  
Nicole Lee, Miller/Howard Investments, Inc.  
Eva Horowitz, Miller/Howard Investments, Inc.  
Ann Roberts, Dana Investment Advisors  
Chris C. Meyer, Everence Financial  
Barbara McCracken, Monasterio Pan de Vida

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Sister Patricia Phillips, Benedictine Sisters of Baltimore  
Bernard Voyer, Durocher Fund



**EXHIBIT A**



Mr. Michael Deal  
Vice President & Associate General Counsel  
Amazon.com, Inc.  
410 Terry Avenue North  
Seattle, Washington 98109

December 7, 2023

Via email to:

[REDACTED]

[CorporateSecretary@amazon.com](mailto:CorporateSecretary@amazon.com)

Re: Shareholder proposal for 2024 Annual Shareholder Meeting

Dear Mr. Deal,

Zevin Asset Management is an investment manager who has integrated sustainability principles into investment decision-making since 1997. We are pleased to be long-term shareowners of Amazon shares and applaud the steps the company has taken recently in its gender and race/ethnic diversity, equity, and inclusion initiatives. We are glad to have had thoughtful engagements with management in the past on paid sick leave and charitable contributions and look forward to continued engagement with Amazon's sustainability leadership team on this topic.

As discussed in our enclosed investor engagement letter, Zevin Asset Management is submitting the attached shareholder proposal, on behalf Brian Meissner ("Proponent"), a shareholder of Amazon inclusion in the Company's 2024 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

Shareholders request Amazon.com Inc. (the "Company") Board of Directors to oversee the preparation of a Living Wage Report to provide investors with information needed to assess the extent to which Amazon is complying with international human rights standards and helping to mitigate systemic risks stemming from income inequality. The Report should be updated and published annually and include:

- Number of Amazon workers paid less than a living wage, broken down by full-time employees, part-time employees, and contingent workers;
- By how much aggregate compensation paid to workers in each category falls short of the aggregate amount they would be paid if they received a living wage; and
- The living wage benchmark/methodology used for these disclosures

The Proponent has continuously beneficially owned, for at least three years as of the date hereof, at least \$2,000 worth of the Company.



A letter from the Proponent authorizing Zevin Asset Management to act on its behalf and a custodial proof of ownership letter will follow. A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

We are available December 27 between 1-3pm ET or December 29 between 1-3pm EST and look forward to coordinating a time to discuss our request at a mutually convenient time. Any co-filers of this proposal have authorized Zevin Asset Management to conduct the initial engagement meeting and may participate subject to their availability. Signers of the Living Wage Statement and holders of Amazon shares may join this dialogue.

If you have questions or would like to suggest other times to meet, we can be contacted by email at [REDACTED] or Brian Meissner at [REDACTED]. Marcela will serve as primary filer and contact going forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Pinilla', is written above the typed name.

Marcela I. Pinilla  
Director of Sustainable Investing  
Zevin Asset Management

With copy to:

Kelly Hirsh, CFA  
Head of ESG  
Vancity Investment Management

## Living Wage Report

### Resolved

Shareholders request Amazon Inc. (the “Company”) Board of Directors to oversee the preparation of a living wage report to provide investors with information needed to assess the extent to which the Company is complying with international human rights standards and assessing systemic risks stemming from growing income inequality. The Report should be updated and published annually and include:

- Number of Amazon workers paid less than a living wage, broken down by full-time employees, part-time employees, and contingent workers;
- By how much aggregate compensation paid to workers in each category falls short of the aggregate amount they would be paid if they received a living wage; and
- The living wage benchmark/methodology used for these disclosures Amazon is not required to use a particular living wage calculator or methodology.

### Supporting Statement

Income inequality slows US economic growth by reducing demand by 2 to 4 percent,<sup>1</sup> threatening investors’ diversified portfolios by slowing economic growth, limiting upward mobility, and exacerbating political polarization.<sup>2</sup>

A living wage is a level of compensation that is “sufficient to afford a decent standard of living for the worker and her or his family” in their location, including “food, water, housing, education, health care, transportation, clothing, and other essential needs.”<sup>3</sup> The Universal Declaration of Human Rights states “[e]veryone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity.”<sup>4</sup> A living wage in the US is estimated as \$25.02 per hour per worker for a family of four.<sup>5</sup>

In an August 2023 letter to Amazon the United Nations Special Rapporteur on Extreme Poverty and Human Rights raised alleged violations of international human rights and labor rights law.<sup>6</sup> Amazon responds<sup>7</sup> that average hourly pay for regular frontline employees has increased to over \$20.50 with starting pay ranges from \$17 to \$28 based on position and location. However, these averages indicate that many workers are unable to meet basic needs, increasing their reliance on government subsidies.

Additionally, Amazon hires contingent workers through staffing or vendor contracts, who report receiving fewer wages and benefits for doing the same work as direct employees and signing noncompete or arbitration clauses.<sup>8</sup> Beyond its Supplier policy<sup>9</sup>, investors lack data on Amazon’s contracted worker wage practices, posing blind spots to decision-useful information.

Amazon does not disclose the gaps between prevailing and living wages across its workforce. Shareholders are therefore unable to assess the Company’s contribution to systemic risks created by income inequality. Inadequate pay materially reduces the intrinsic value of the global economy, impacting investment portfolios. Data shows that across counties where Amazon operates the cost of living exceeds the income required to cover basic needs.<sup>10</sup>

As one of the country’s largest employers, Amazon would benefit from a living wage gap exercise to strengthen long-term human capital management.

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<sup>1</sup> <https://www.epi.org/publication/secular-stagnation>

<sup>2</sup> <https://tiiproject.com/wp-content/uploads/2022/01/TIIP-Stewardship-Final.pdf>, at 2.

<sup>3</sup> <https://www.globallivingwage.org/about/what-is-a-living-wage/>

<sup>4</sup> <https://www.ohchr.org/en/human-rights/universal-declaration/translations/english>, Article 23.

<sup>5</sup> [Living Wage Calculator \(mit.edu\)](https://livingwage.mit.edu)

<sup>6</sup> <https://spcommreports.ohchr.org/TMResultsBase/DownloadPublicCommunicationFile?gId=28347>

<sup>7</sup> <https://spcommreports.ohchr.org/TmSearch/Mandates?m=21>

<sup>8</sup> <https://contractwork.techequitycollaborative.org/>

<sup>9</sup>

[https://sustainability.aboutamazon.com/amazon\\_supply\\_chain\\_standards\\_english.pdf#:~:text=Wages%20and%20Benefits%20Suppliers%20are%20Required%20to,manner%20that%20satisfies%20or%20exceeds%20applicable%20laws.](https://sustainability.aboutamazon.com/amazon_supply_chain_standards_english.pdf#:~:text=Wages%20and%20Benefits%20Suppliers%20are%20Required%20to,manner%20that%20satisfies%20or%20exceeds%20applicable%20laws.)

<sup>10</sup> <https://livingwage.mit.edu/>