

Request for the Board to Adopt a Policy for Director Transparency

WHEREAS: Viewpoint disagreements around the world have intensified, and businesses are caught in the middle. While shareholders should expect corporate engagement over matters that affect operations – like taxation and regulation – many companies get involved in contentious matters unrelated to those companies’ core businesses and are off-putting to many customers, often damaging their brands.

SUPPORTING STATEMENT: Corporate support of potentially controversial stances, especially on social and cultural issues, can damage relationships with customers, employees, and investors, and present material risks to companies’ reputation and sustainability. For example:

- Consumers boycotted Bud Light following advertising efforts featuring transgender influencer Dylan Mulvaney. The backlash resulted in the brand losing its status as the best-selling beer in the United States.¹ Parent company Anheuser-Busch InBev lost 28 percent in pre-tax profit during the second quarter of 2023, and the situation worsened in Q3, resulting in another 29 percent drop in adjusted U.S. earnings.²
- Target Corporation highlighted its sale of sexually and socially charged children’s products and huge corporate donations to deeply partisan organizations whose goals are antithetical to Target’s core customers. The resultant backlash lost the company \$10 billion in market value over ten days.³ Its quarterly sales fell for the first time in six years,⁴ despite increased consumer spending during that period.⁵

Amazon.com, Inc. (“Company”) is not exempt. It donated at least \$10 million⁶ to groups⁷ that support lenient criminal justice policies following the death of George Floyd, policies that have destroyed many U.S. inner cities. Despite warnings, the Company’s executive chair remained intransigent and tone-deaf.⁸ Unsurprisingly, the Company has now suffered a crime epidemic in its home city of Seattle.⁹

Corporate underperformance can be avoided if directors exercise greater risk oversight objectively. “Amazon’s Board of Directors is responsible for the control and direction of the company,”¹⁰ but shareholders are uninformed about members’ ideological and political views.

¹ <https://www.theguardian.com/business/2023/jun/14/bud-light-loses-top-us-beer-spot-after-promotion-with-transgender-influencer>

² <https://www.cnn.com/2023/10/31/investing/bud-light-anheuser-busch-earnings/index.html>

³ <https://nypost.com/2023/05/28/target-loses-10b-following-boycott-calls-over-lgbtq-friendly-clothing/>

⁴ <https://www.cnn.com/2023/08/16/investing/target-stock-earnings/index.html>

⁵ <https://www.reuters.com/markets/us/us-consumer-spending-july-surges-weekly-jobless-claims-fall-2023-08-31/>

⁶ <https://www.aboutamazon.com/news/policy-news-views/amazon-donates-10-million-to-organizations-supporting-justice-and-equity>

⁷ <https://www.lawyerscommittee.org/project/criminal-justice-project/>

⁸ <https://nlpc.org/corporate-integrity-project/amazon-bezos-chastised-for-getting-duped-by-blm/>

⁹ <https://www.seattletimes.com/business/citing-crime-concerns-amazon-pulls-workers-from-office-at-former-site-of-seattle-macys/>

¹⁰ <https://ir.aboutamazon.com/corporate-governance/documents-and-charters/guidelines-on-significant-corporate-governance-issues/default.aspx>

Greater transparency is needed to allow shareholders to know whether our Board suffers partisan capture and therefore the group-think and ideological blinders that have cost some companies dearly in recent years.

RESOLVED: Shareholders request the Board adopt as policy, and amend the governing documents as necessary, to require director nominees to furnish the Company, in sufficient time before publication of the annual proxy statement, information about their political and charitable giving. The information would be most valuable if it contained:

- a list of his or her donations to federal and state political candidates, and to political action committees, in amounts that exceed \$999 per year, for the preceding 10 years;
- a list of his or her donations to nonprofit (under all IRS categories) and charitable organizations, in amounts that exceed \$1,999 per year, for the preceding five years.

Information that nominees provide to the Company shall be made conveniently available to shareholders and the public at the time the annual proxy statement is issued.