

Report on AI Data Usage Oversight

Whereas: The immense and transformative potential of artificial intelligence comes with substantial risks.

The development and training of AI systems rely on vast amounts of data, and public information available via the Internet may not be enough to quench developers' insatiable thirst for high-quality training data.¹ Thus, stakeholders are concerned that developers will draw from unethical or illegal sources.^{2 3 4}

Supporting Statement: Amazon.com, Inc. ("Amazon" or the "Company") is an early leader in the AI arms race,⁵ which has helped push the Company to one of the highest market capitalizations in the world.⁶

Unlike its competitors Microsoft, Alphabet, and Meta,⁷ Amazon has not rushed to bring consumer generative AI products to market. While Amazon is a major investor in Anthropic⁸ – which offers Claude 3, one of the leading competitors to OpenAI's ChatGPT⁹ – the Company's own AI development has focused on internal use cases and enterprise solutions. Shareholders, consumers, and businesses should be concerned that Amazon's suspect record on data ethics will compromise these initiatives.

Amazon has struggled to implement effective safeguards against the widespread sharing and misuse of consumer data by employees:¹⁰

Amazon's vast empire of customer data—its metastasizing record of what you search for, what you buy, what shows you watch, what pills you take, what you say to Alexa, and who's at your front door—had become so sprawling, fragmented, and promiscuously shared within the company that the security division couldn't even map all of it, much less adequately defend its borders.

Amazon collects user data from intimate sources such as recorded interactions¹¹ with Alexa and "share[s] it with as many as 41 advertising partners," according to researchers from the University of Washington, University of California-Davis, University of California-Irvine, and Northeastern University.¹²

¹ <https://www.wsj.com/tech/ai/ai-training-data-synthetic-openai-anthropic-9230f8d8>

² <https://www.scientificamerican.com/article/your-personal-information-is-probably-being-used-to-train-generative-ai-models/>

³ <https://www.axios.com/2024/01/02/copyright-law-violation-artificial-intelligence-courts>

⁴ <https://www.reuters.com/legal/legalindustry/risks-unleashing-generative-ai-company-data-2023-12-22/>

⁵ <https://www.seattletimes.com/business/amazon-hits-2-trillion-market-value-as-ai-frenzy-fuels-rally/>

⁶ <https://companiesmarketcap.com/>

⁷ <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-generative-ai>

⁸ <https://venturebeat.com/ai/amazon-doubles-down-on-anthropic-positioning-itself-as-a-key-player-in-the-ai-arms-race/>

⁹ <https://www.wsj.com/tech/ai/amazon-invests-an-additional-4-billion-in-anthropic-an-openai-rival-82744ff6>

¹⁰ <https://www.wired.com/story/amazon-failed-to-protect-your-data-investigation/>

¹¹ <https://www.nytimes.com/wirecutter/blog/amazons-alexa-never-stops-listening-to-you/>

¹² <https://www.foxnews.com/tech/alexa-secretly-listening-private-conversations>

Further, Amazon's AI chatbot Q, an enterprise generative AI assistant,¹³ reportedly leaked confidential data in a preview.^{14 15} These are just a few concerns about Amazon's privacy protections.^{16 17 18 19}

Prioritizing data ethics in Amazon's AI development will help avoid harmful fiduciary and regulatory^{20 21} consequences.²² Developers who prioritize ethical data usage will reap the benefits of consumer trust,²³ while those that do not will suffer.

Amazon's position in the AI arms race, and its associated historic valuation, hang in the balance.

Resolved: Shareholders request the Company prepare a report, at reasonable cost, omitting proprietary or legally privileged information, to be published within one year of the Annual Meeting and updated annually thereafter, which assesses the risks to the Company's operations and finances, and to public welfare, presented by the real or potential unethical or improper usage of external data in the development and training of its artificial intelligence offerings; what steps the Company takes to mitigate those risks; and how it measures the effectiveness of such efforts.

¹³ <https://aws.amazon.com/q/>

¹⁴ <https://www.businessinsider.com/amazon-ai-chatbot-q-hallucinations-2023-12>

¹⁵ <https://www.platformer.news/amazons-q-has-severe-hallucinations/>

¹⁶ <https://firewalltimes.com/amazon-data-breach-timeline/>

¹⁷ <https://www.politico.eu/article/data-at-risk-amazon-security-threat/>

¹⁸ <https://www.theverge.com/2024/11/11/24293817/amazon-employee-emails-phone-numbers-moveit-data-breach>

¹⁹ <https://www.bbc.com/news/business-58024116>

²⁰ <https://hbr.org/2023/05/who-is-going-to-regulate-ai>

²¹ <https://www.ftc.gov/policy/advocacy-research/tech-at-ftc/2024/01/ai-companies-uphold-your-privacy-confidentiality-commitments>

²² <https://www.cnbc.com/2024/01/05/microsoft-openai-sued-over-copyright-infringement-by-authors.html>

²³ <https://www.pewresearch.org/short-reads/2023/10/18/key-findings-about-americans-and-data-privacy/>