

RESOLVED, shareholders request that Amazon.com, Inc. (“Amazon” or “Company”) report to shareholders on the Company’s workforce turnover rates and the effects of labor market changes that have resulted from the coronavirus disease (“COVID-19”) pandemic. The report should assess the impact of the Company’s workforce turnover on the Company’s diversity, equity and inclusion. The report should be prepared at reasonable cost and omit proprietary information.

SUPPORTING STATEMENT

Workers have been quitting their jobs at historically unprecedented rates as a result of the COVID-19 pandemic. A record 38 million workers in the U.S. quit their jobs between January 2021 and October 2021.¹ One survey showed that 1 out of 4 U.S. workers plan to leave their employer after the COVID-19 pandemic subsides, and another found that more than half of surveyed workers plan to look for a new job in 2021.² This labor market phenomenon has been called the “Great Resignation” or the “Big Quit” by many economic observers.

Even before the “Great Resignation,” workforce turnover has been an issue at Amazon. Before COVID-19, a report estimated that Amazon’s annual turnover of its hourly associates was about 150 percent.³ During the pandemic, another report estimated Amazon’s front-line turnover rate to be around 100 percent, which is more than double the retail and warehouse industry averages.⁴ Some Amazon managers reportedly “hire to fire” people to meet internal attrition goals.⁵

High workforce turnover creates challenges for the successful operation of any company. Employers must spend more time and resources on hiring and recruitment. Newly hired employees may need time to acquire the job specific training and experience that contributes to a high productivity workforce. And high workforce turnover can also work against diversity, equity and inclusion goals if the employer has difficulty retaining diverse employees.

We believe that the business challenges created by Amazon’s workforce turnover are compounded by the fact that Amazon has a large and rapidly growing workforce. Amazon is the second largest private sector employer in the U.S. where 1 out of 153 workers is estimated to be an Amazon employee.⁶ High workforce turnover reportedly has led some Amazon executives to worry about running out of hireable employees in the U.S.⁷

¹ Business Insider, December 8, 2021, <https://www.businessinsider.com/how-many-why-workers-quit-jobs-this-year-great-resignation-2021-12>

² HR Magazine, June 2, 2021, <https://www.shrm.org/hr-today/news/hr-magazine/summer2021/pages/reducing-turnover.aspx>

³ New York Times, June 15, 2021, <https://www.nytimes.com/interactive/2021/06/15/us/amazon-workers.html>

⁴ Seattle Times, October 10, 2020, <https://www.seattletimes.com/business/amazon/amazons-turnover-rate-amid-pandemic-is-at-least-double-the-average-for-retail-and-warehousing-industries/>

⁵ Business Insider, May 10, 2021, <https://www.businessinsider.com/amazon-managers-performance-reviews-hire-to-fire-internal-turnover-goal-2021-5>

⁶ Business Insider, July 30, 2021, <https://www.businessinsider.com/amazon-employees-number-1-of-153-us-workers-head-count-2021-7>

⁷New York Times, June 15, 2021, <https://www.nytimes.com/interactive/2021/06/15/us/amazon-workers.html>

In our opinion, high workforce turnover works against the goal of Amazon’s founder Jeff Bezos to make Amazon the “Earth’s Best Employer.”⁸ We believe the best way to reduce workforce turnover is to be an “employer of choice” that workers will choose when presented with other employment options. A report to shareholders on workforce turnover will provide shareholders with material information regarding Amazon’s human capital management practices.

For these reasons, we urge a vote FOR this proposal.

⁸ Amazon.com, April 15, 2021,
https://www.sec.gov/Archives/edgar/data/1018724/000110465921050346/tm216818d2_ex99-1.htm