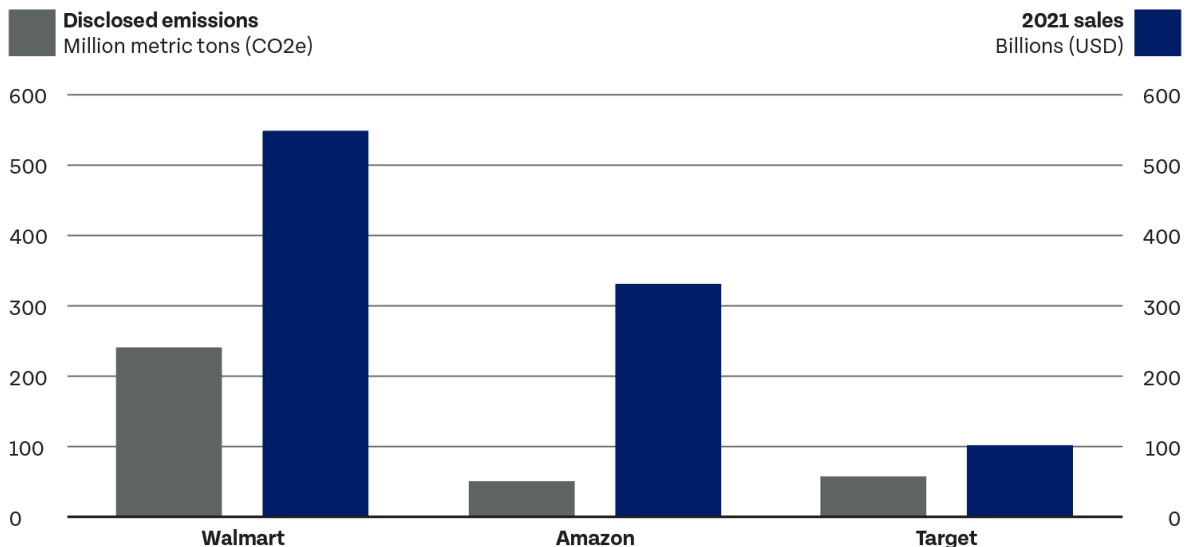


Whereas: Climate change is creating systemic risks to the economy, and the window for avoiding the most catastrophic impacts of climate change is quickly narrowing. Immediate, sharp emissions reduction is required of all market sectors and industries.¹

For many companies, a majority of their climate risk is contained within their value chain. According to McKinsey, scope 3 value chain emissions may constitute 80 percent of companies’ climate impact,² underscoring the importance of assuring emissions reductions from suppliers and customers.

Amazon, one of the largest global retailers,³ discloses enormous and growing greenhouse gas (GHG) emissions, which have increased nearly 40 percent between 2019 and 2021.⁴ Yet this reflects only a portion of its full climate impact. For example, for product related emissions, Amazon only discloses emissions for Amazon-branded products, which comprise 1 percent of its sales.^{5,6}

In contrast, peers Target and Walmart each disclose emissions from all product sales.^{7,8} As indicated in the chart below, Amazon’s emissions are significantly misaligned with its total volume of sales, in contrast with Target and Walmart’s more comprehensive disclosures.



SOURCE: CDP Worldwide, Amazon, National Retail Federation

Amazon is not clear as to what emissions are covered by its Net Zero target; its failure to disclose 99 percent of product emissions suggests that these emissions are not covered by its Net Zero target.⁹ In contrast, Target and Walmart have ambitious targets to reduce value chain emissions, both verified by

¹ https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

² <https://www.mckinsey.com/capabilities/operations/our-insights/making-supply-chain-decarbonization-happen>

³ <https://www.forbes.com/sites/lauredebter/2022/05/12/worlds-largest-retailers-2022-amazon-walmart-alibaba/?sh=3992e7f659e3>

⁴ <https://sustainability.aboutamazon.com/environment/carbon-footprint>

⁵ <https://www.congress.gov/116/meeting/house/110883/documents/HHRG-116-JU05-20200729-QFR052.pdf>, p.24

⁶ <https://sustainability.aboutamazon.com/environment/carbon-footprint>

⁷ <https://corporate.target.com/media/TargetCorp/Sustainability-ESG/PDF/2022-CDP-Climate-Response.pdf>, p.64-74

⁸ <https://corporate.walmart.com/esgreport/media-library/document/cdp-climate-change-2021-proxyDocument?id=0000017f-d222-d452-a3ff-da66867f0000>, p.20-24

⁹ <https://sustainability.aboutamazon.com/environment/carbon-footprint>

Science Based Targets initiative. Walmart launched Project Gigaton, targeting removal of a billion tons of carbon from its global value chains by 2030.¹⁰ Target has a goal to reduce scope 3 emissions from all retail purchased goods and services by 30 percent by 2030; by 2023, 80 percent of its suppliers by spend must adopt science-based reduction targets for scope 1 and 2 emissions.¹¹

By calculating its full value chain emissions and including them in its net zero reduction strategies, Amazon can provide investors with assurance that management is adequately addressing concern about growing climate risks, including reputational risk.

Resolved: Shareholders request that Amazon measure and disclose scope 3 GHG emissions from its full value chain inclusive of its physical stores and e-commerce operations and all products that it sells directly and those sold by third party vendors.

Supporting Statement: Proponents recommend, at management discretion:

- Adopting emissions reduction targets for all GHG Protocol-defined sources of scope 3 emissions—including from sales of all products—in alignment with limiting global temperature increases to 1.5 degrees Celsius;
- Requiring largest vendors by spend to set science-based targets.

¹⁰ <https://www.walmartsustainabilityhub.com/climate/project-gigaton/faqs>

¹¹ https://corporate.target.com/_media/TargetCorp/Sustainability-ESG/PDF/2022-CDP-Climate-Response.pdf, p.34