



OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHS

January 4, 2022

Judith A. McGrath
Chair, Leadership Development and Compensation Committee
Amazon.com, Inc.
P.O. Box 81226
Seattle, WA 98108-1226

Dear Ms. McGrath,

I am writing to request a meeting with you to discuss Amazon's oversight of human capital management and worker safety, given the tragic loss of life at the company facility in Edwardsville, Illinois, and increasing risks to investors and other stakeholders.

As Treasurer of the State of Illinois, I am deeply concerned about the events that occurred at the company's Edwardsville facility on December 10, 2021, which took the lives of six people: **Etheria Hebb, Deandre Morrow, Kevin Dickey, Clayton Cope, Larry Virden, and Austin McEwen**. As a representative of the people of Illinois, I have a direct interest in ensuring that incidents that affect our local communities and constituents such as this are properly investigated and not repeated.

The Office of the Illinois State Treasurer is also an Amazon shareholder, and as such, I have a fiduciary duty to manage our investment prudently and address material risks to long-term shareholder value.

While other authorities will determine whether the tragedy at Edwardsville was preventable and whether the company acted in compliance with health and safety regulations, as a shareholder, my responsibility is to ensure that Amazon is effectively managing growing risks to the company and its investors. I am seriously concerned that the tragedy at Edwardsville signifies a larger pattern wherein the company subordinates its responsibilities to workplace safety and human

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capital management below other corporate priorities. This not only exposes the company and its investors to material legal, regulatory, reputational, and financial risks, but it jeopardizes the health and safety of workers, customers, and local communities.

Given the gravity of these concerns, we seek a dialogue with you, as Chair of the Leadership Development and Compensation Committee, to understand your perspective and determine what the Board of Directors is doing to manage the likelihood of adverse impacts to the company's workers, operations, reputation, and regulatory oversight.

Chief among my concerns is whether the Edwardsville facility and other facilities have sufficient – and legally compliant – policies and procedures to ensure the health and safety of all workers. Several reports raise troubling questions on this front:

- Several media reports questioned Amazon's decision to schedule its workers during potentially deadly weather conditions, despite the fact that the National Weather Service had been warning of possible tornadoes 36 hours ahead of the deaths in Edwardsville.¹
- A string of text messages obtained by Bloomberg called into question whether drivers and dispatchers received appropriate emergency training prior to the Edwardsville incident.²
- There are reports that the company's reliance on seasonal workers and contractors complicated rescue efforts, as the Edwardsville police chief stated that the exact number of people in the building was not known because the warehouse does not employ a "set staff."³

The company is also facing increased governmental and regulatory scrutiny, particularly regarding Amazon's labor practices, workplace health and safety, and human capital management strategies.

- In a letter to Mr. Jassy and Mr. Bezos dated December 20, 2021, 23 Congressional lawmakers expressed concern that the events in Edwardsville were "not an isolated event for Amazon" and that "Amazon puts worker safety at risk in everyday situations and emergencies alike." Lawmakers further emphasize that "Amazon appears to expect workers to clock in no matter what, even during extreme weather events, and its high worker turnover also likely contributes to confusion and unpreparedness in emergency situations."⁴
- The U.S. Occupational Safety and Health Administration has opened an investigation into the collapse of the Edwardsville facility, wherein the agency may issue citations and propose monetary penalties if violations of workplace safety and or health regulations are found.

¹ Engadget, "Amazon's casualties in Illinois aren't an isolated incident," B. Menegus, December 13, 2021, <https://www.engadget.com/amazon-tornado-edwardsville-illinois-deaths-climate-220437155.html>.

² Bloomberg, "'Keep Driving': Amazon Dispatcher Texts Show Chaos Amid Twisters," Spencer Soper, Michael Tobin, and Michael Smith, December 16, 2021, <https://www.bloomberg.com/news/features/2021-12-17/amazon-tornado-aftermath-workers-say-they-lacked-emergency-training>.

³ CNN, "Amazon warehouse collapses after tornado leaves at least two dead," Ramishah Maruf and Reuters <https://www.cnn.com/2021/12/11/business/amazon-warehouse-edwardsville-tornado/index.html>.

⁴ Letter to Amazon re. Edwardsville, IL warehouse collapse, Elizabeth Warren, Cori Bush, Alexandria Ocasio-Cortez, <https://www.warren.senate.gov/imo/media/doc/2021.12.20%20Letter%20to%20Amazon%20re.%20Edwardsville,%20IL%20warehouse%20collapse.pdf>.

- Illinois Governor J.B. Pritzker questioned whether the facilities themselves are safe, and whether building codes may need to be toughened as storms become more frequent and deadly.⁵

This is not the first time our office has called on Amazon to review its management of human capital, and specifically its worker safety policies and practices. In June 2020, our office, along with Massachusetts State Treasurer Deb Goldberg and Wisconsin State Treasurer Sarah Godlewski, called on Amazon to disclose the COVID-19 status of its workers and address reports of poor health and safety implementation, including scant sick leave, inadequate personal protective equipment, insufficient sanitization, and weak social distancing.⁶

Again, given the incident at the Edwardsville facility and the larger pattern of oversight shortfalls related to worker safety and human capital management, we request an audience with you at your earliest convenience. To facilitate a meeting, please contact Karen Herbert, Deputy Director of Corporate Governance & Sustainable Investment, at (312) 814-1245 or KHerbert@illinoistreasurer.gov.

Thank you for your attention and we look forward to discussing these matters.

Sincerely,



Michael W. Frerichs
Illinois State Treasurer

Cc: Kara Hurst, Vice President, Head of Worldwide Sustainability

⁵ Bloomberg, “‘Keep Driving’: Amazon Dispatcher Texts Show Chaos Amid Twisters,” Spencer Soper, Michael Tobin, and Michael Smith, December 16, 2021, <https://www.bloomberg.com/news/features/2021-12-17/amazon-tornado-aftermath-workers-say-they-lacked-emergency-training>.

⁶ Responsible Investor, “Amazon Must Disclose the COVID-19 Impact on Its Workers,” Deb Goldberg, Sarah Godlewski, Michael Frerichs, June 4, 2020, <https://www.responsible-investor.com/articles/amazon-must-disclose-the-covid-19-impact-on-its-workers>.