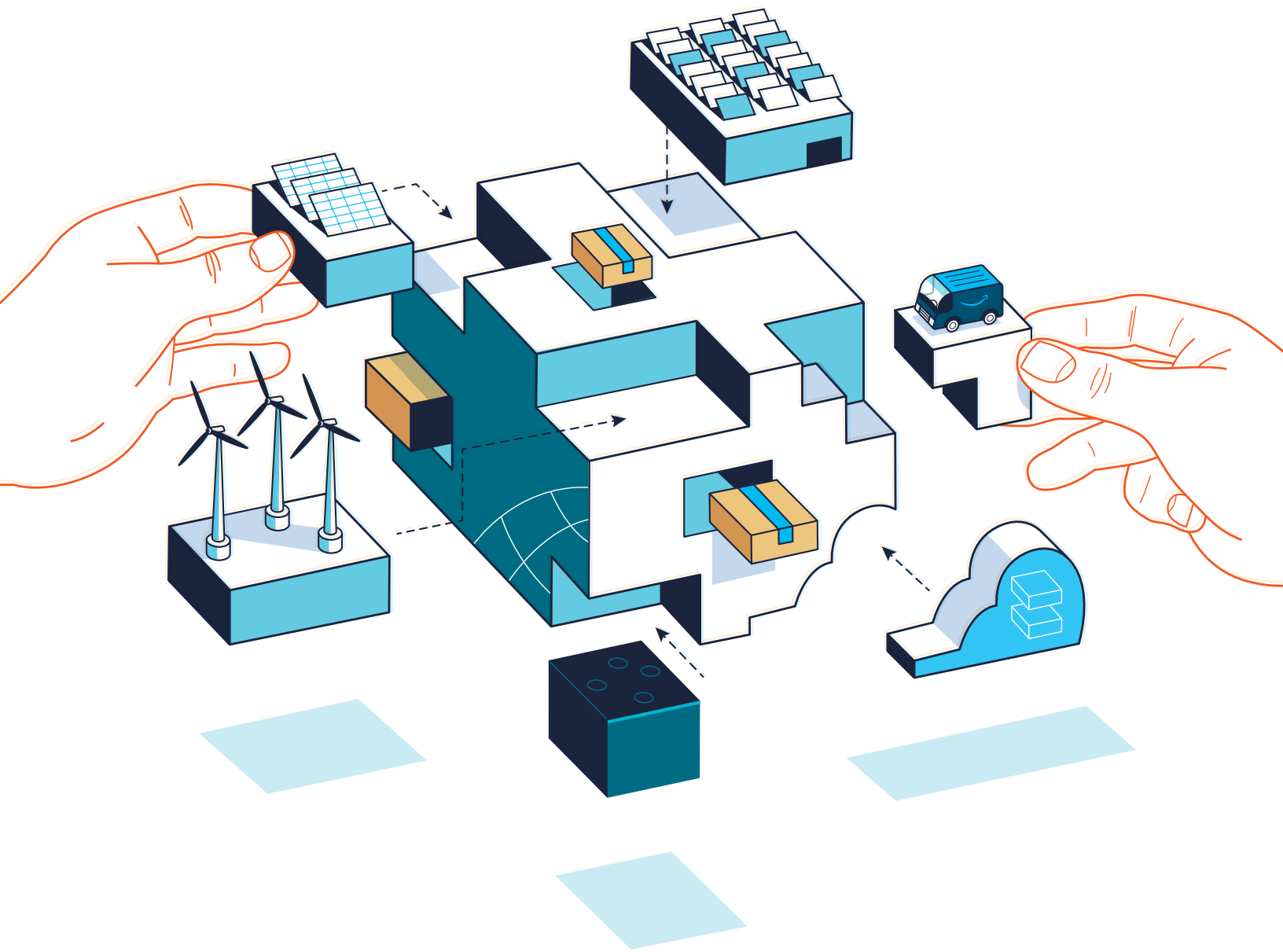


# Amazon Sustainable Bond Framework

May 2021



# Contents

<u>1.0 Overview</u> . . . . .	<b>3</b>
<u>2.0 Amazon's Approach to Sustainability</u> . . . . .	<b>3</b>
<u>3.0 Rationale for Issuance</u> . . . . .	<b>4</b>
<u>4.0 Alignment with the Green Bond Principles, 2018; Social Bond Principles, 2020; and Sustainability Bond Guidelines, 2018</u> . . . . .	<b>4</b>
<u>4.1 Eligible Projects</u> . . . . .	<b>5</b>
<u>4.2 Process of Project Evaluation and Selection</u> . . . . .	<b>8</b>
<u>4.3 Management of Proceeds</u> . . . . .	<b>8</b>
<u>4.4 Transparency and Reporting</u> . . . . .	<b>8</b>
<u>4.4.1 Allocation Reporting</u> . . . . .	<b>8</b>
<u>4.4.2 Impact Reporting</u> . . . . .	<b>9</b>
<u>5.0 External Review</u> . . . . .	<b>9</b>
<u>5.1 Second-Party Opinion</u> . . . . .	<b>9</b>
<u>5.2 Assurance</u> . . . . .	<b>9</b>
<u>Disclaimer</u> . . . . .	<b>9</b>

# 1.0 Overview

---

Amazon strives to be Earth's Most Customer-Centric Company, Earth's Best Employer, and Earth's Safest Place to Work. We are guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking. In each of our segments, we serve our primary customer sets, consisting of consumers, sellers, developers, enterprises, and content creators. In addition, we provide services, such as advertising to sellers, vendors, publishers, authors, and others, through programs such as sponsored ads, display, and video advertising.

Amazon is committed to and invested in sustainability because it's good for the planet, for business, for our customers, and for our communities. From becoming one of the world's largest corporate purchasers of renewable energy to deploying a new fleet of electric vehicles, we are working to reduce Amazon's carbon footprint across all of our business operations and are leading the way for other companies to decarbonize worldwide.<sup>1</sup> We use our scale for good, and support and strengthen the communities around the world where our employees live and work.

In accordance with our sustainability strategy and to enable investors to join us in tackling these critical issues, we may issue Green, Social, or Sustainability Bonds. We intend to use the proceeds from any sales of Green, Social, or Sustainability Bonds to fund ongoing and new sustainability projects. Eligible Projects fall in five areas, building on significant investments we've made over the years: Renewable Energy, Clean Transportation, Sustainable Buildings, Affordable Housing, and Socioeconomic Advancement and Empowerment.

## 2.0 Amazon's Approach to Sustainability

---

Amazon's culture is built around solving impossible problems, which is why we are taking a different approach. Amazon is using its size and scale to build a sustainable business for our customers, the planet, and the communities in which we operate. We are investing for social impact, and helping advance new technologies that decarbonize and preserve the natural world. It's important that Amazon stimulate investment in the development of green technologies and low-carbon products and services that will enable companies of all sizes to decarbonize their operations.

### Our commitments include:

- **Net Zero Carbon:** Deploying our technology and people to reach net zero carbon across Amazon by 2040, one decade ahead of the Paris Agreement.
- **100,000 Electric Delivery Vehicles:** Purchasing 100,000 electric delivery vehicles, the largest order ever of electric delivery vehicles.
- **100% Renewable Energy:** On a path to powering our operations with 100% renewable energy by 2025.
- **Shipment Zero:** Making all Amazon shipments net zero carbon through Shipment Zero, with a goal of delivering 50% of all shipments with net zero carbon by 2030.
- **Climate Pledge Fund:** Investing to support the scalability and development of technologies and services that facilitate the transition to a low-carbon economy.
- **Right Now Climate Fund:** Investing in nature-based solutions, which include conservation, restoration, and improved land management actions that increase carbon storage or avoid greenhouse gas emissions in forests, wetlands, and grasslands across the globe.
- **Affordable Housing:** Supporting innovative housing affordability initiatives.
- **Advancement and Empowerment:** Increasing opportunities for underrepresented groups to enter the technology workforce as well as launching, scaling, and investing in skills training programs.

We use a structured lifecycle assessment model to measure and map climate-related risks across our value chain. We also conduct regular materiality assessments to understand the most significant environmental, social, and governance topics across our business over the short, medium, and long term.

For additional information, please visit: [➤ Amazon Sustainability](#)

---

<sup>1</sup> <https://www.aboutamazon.com/news/sustainability/amazon-is-making-big-global-investments-in-renewable-energy>

## 3.0 Rationale For Issuance

---

Our Sustainable Bond Framework will allow us the opportunity to issue Green, Social, and Sustainability Bonds. Through the issuance of Green, Social, and Sustainability Bonds, we aim to finance Green and Social Projects that align with our sustainability priorities. We hope the issuance of our Green, Social, and Sustainability Bonds will inspire other companies to do the same.

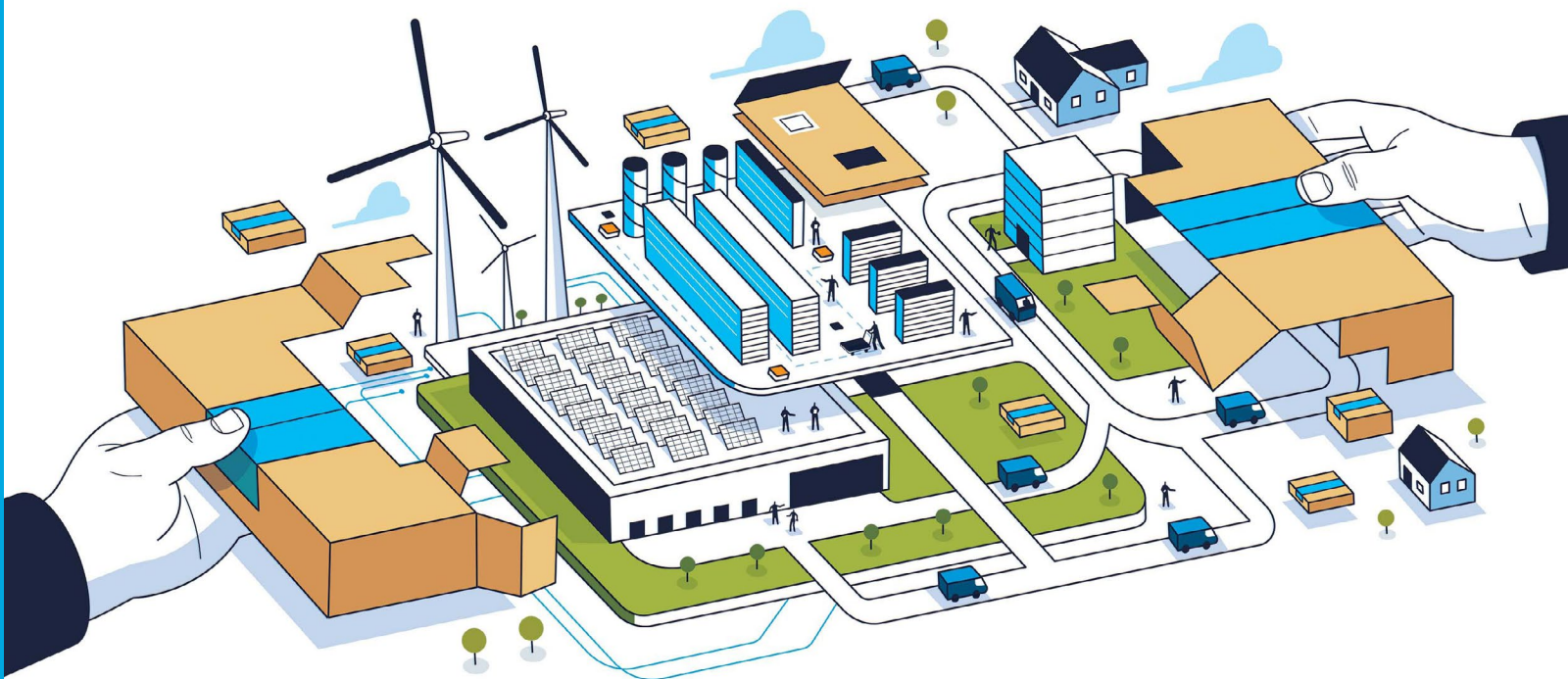
## 4.0 Alignment with the Green Bond Principles, 2018; Social Bond Principles, 2020; and Sustainability Bond Guidelines, 2018

---


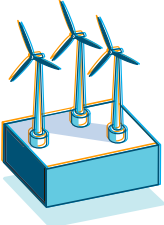
The Green Bond Principles, 2018 (“GBP”), Social Bond Principles, 2020 (“SBP”), and Sustainability Bond Guidelines, 2018 (“SBG”), are voluntary process guidelines for best practices when issuing Green, Social, and Sustainability Bonds. The GBP, SBP, and SBG recommend transparency and promote integrity in the sustainable bond market. The Amazon Sustainable Bond Framework is aligned with the GBP, SBP, and SBG. This framework covers Green, Social, and Sustainability Bond issuances by Amazon and its subsidiaries.

This Framework is aligned with the four core components of the GBP, SBP, and SBG:

- (i) Use of Proceeds
- (ii) Process for Project Evaluation and Selection
- (iii) Management of Proceeds
- (iv) Reporting



**4.1 Eligible Projects** “Eligible Projects” are investments and expenditures, including private equity investments, loans, and other financing structures, made by Amazon or any of its subsidiaries from the issuance date of any Green, Social, or Sustainability Bonds and including the 24 months prior to any such issuance that meet the eligibility criteria outlined below:

Green Eligible Project Category	Eligibility Criteria and Example Projects	Sustainable Development Goal (SDG)
<p><b>Clean Transportation</b></p> 	<p>Expenditures related to the design, development, construction, maintenance, and operation of electric and alternative vehicles and related infrastructure. Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Acquisition of electric vehicles for transportation fleets.<sup>2, 3, 4</sup></li> <li>• Acquisition of electric alternative delivery vehicles such as e-bikes, electric three-wheelers, and pedal-assist electric bikes connected to cargo trailers.<sup>5</sup></li> <li>• Installation of electric vehicle charging stations.<sup>6</sup></li> <li>• Private equity investments in clean transportation, where a minimum of 90% of the company’s revenues are derived from clean transportation.<sup>7</sup></li> </ul>	<p>9 – Industry, Innovation and Infrastructure 13 – Climate Action</p>
<p><b>Renewable Energy</b></p> 	<p>Expenditures related to the construction, development, acquisition, maintenance, and operation of renewable energy generation (solar and wind<sup>8</sup>), as well as renewable energy storage projects.<sup>9</sup> Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• On-site renewable energy projects and storage installations.<sup>10</sup></li> <li>• Renewable energy power purchase agreements (PPAs).</li> <li>• Investments in utility programs that add new renewable energy to the grid.</li> </ul>	<p>7 – Affordable and Clean Energy 9 – Industry, Innovation, and Infrastructure 11 – Sustainable Cities and Communities 13 – Climate Action</p>

<sup>2</sup> <https://www.aboutamazon.com/news/transportation/amazons-custom-electric-delivery-vehicles-are-starting-to-hit-the-road>

<sup>3</sup> <https://www.aboutamazon.com/news/sustainability/mercedes-benz-joins-the-climate-pledge>

<sup>4</sup> <https://blog.aboutamazon.in/operations/amazon-india-partners-with-mahindra-electric-to-help-fulfil-its-commitment-towards-electric-mobility>

<sup>5</sup> <https://www.aboutamazon.com/news/transportation/introducing-amazons-first-custom-electric-delivery-vehicle>

<sup>6</sup> <https://www.aboutamazon.com/news/transportation/introducing-amazons-first-custom-electric-delivery-vehicle>

<sup>7</sup> <https://media.rivian.com/rivian-announces-2-5-billion-investment-round/>

<sup>8</sup> <https://sustainability.aboutamazon.com/about/around-the-globe?energyType=true>

<sup>9</sup> <https://www.aboutamazon.com/news/sustainability/amazon-becomes-the-worlds-largest-corporate-purchaser-of-renewable-energy>

<sup>10</sup> <https://www.aboutamazon.com/news/sustainability/amazon-is-making-big-global-investments-in-renewable-energy>

Green Eligible Project Category	Eligibility Criteria and Example Projects	Sustainable Development Goal (SDG)
<p data-bbox="191 264 326 327"><b>Sustainable Buildings</b></p> 	<p data-bbox="409 264 1094 436">Expenditures related to design, construction, and improvement of real estate projects that have received or are expected to receive third-party sustainable certifications or verification, such as LEED Gold or Platinum, BREEAM Excellent or Outstanding, ILFI Zero Carbon, or equivalent certification.<sup>11</sup></p> <p data-bbox="409 457 1094 590">Expenditures related to sustainability in the design, construction, acquisition, maintenance and improvement of Amazon buildings (including data centers). Example projects may include, but are not limited to:</p> <ul data-bbox="409 617 1094 1304" style="list-style-type: none"> <li data-bbox="409 617 1094 1146">• Design and retrofit of buildings to reduce energy, water, and waste. For example, Amazon's second headquarters in Arlington, Virginia will include an all-electric central heating and cooling system that will be run on 100% renewable energy.<sup>12</sup> When possible, AWS incorporates direct evaporative technology for cooling data centers, significantly reducing energy and water consumption.<sup>13</sup> In India, many of our fulfillment centers have the ability to collect and recycle water on-site. We do this with rainwater collection tanks or recharge wells, which send water back into aquifers and in-house sewage treatment plants, making it possible to reuse water for flushing and gardening. We have also implemented waterless urinals in our fulfillment and sort centers along with water restrictors for taps and water efficient faucets.<sup>14</sup></li> <li data-bbox="409 1167 1094 1304">• Private equity investments in companies who derive more than 90% of revenue from technologies that advance progress towards zero carbon buildings. For example, low embodied carbon concrete for construction projects.<sup>15</sup></li> </ul>	<p data-bbox="1140 264 1403 327">9 – Industry, Innovation, and Infrastructure</p> <p data-bbox="1140 348 1386 411">11 – Sustainable Cities and Communities</p> <p data-bbox="1140 432 1354 453">13 – Climate Action</p>



<sup>11</sup> <https://www.aboutamazon.com/news/amazon-offices/the-next-chapter-for-hq2-sustainable-buildings-surrounded-by-nature>

<sup>12</sup> <https://www.aboutamazon.com/news/amazon-offices/the-next-chapter-for-hq2-sustainable-buildings-surrounded-by-nature>

<sup>13</sup> <https://sustainability.aboutamazon.com/environment/the-cloud/data-centers>

<sup>14</sup> <https://sustainability.aboutamazon.com/about/around-the-globe/india>

<sup>15</sup> <https://press.aboutamazon.com/news-releases/news-release-details/amazon-announces-first-recipients-investments-2-billion-climate>

Social Eligible Project Category	Eligibility Criteria and Example Projects	Sustainable Development Goal (SDG)
<p><a href="#">Affordable Housing</a></p> 	<p>Expenditures related to the development, construction, acquisition, and financing of affordable housing units.<sup>16</sup> Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Financing structures to support the preservation and development of housing units.<sup>17</sup></li> </ul> <p><b>Target Population:</b></p> <p>Low to moderate income households making between 30% and 80% of the area's median income.</p>	<p>1 – No Poverty</p> <p>11 – Sustainable Cities and Communities</p>
<p><a href="#">Socioeconomic Advancement and Empowerment</a></p> 	<p>Expenditures related to launching, scaling, and investing in upskilling training programs. Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Providing Amazon employees access to the education and training for jobs either at Amazon or elsewhere in their communities.<sup>18</sup></li> <li>• Offering cloud computing and machine learning skills development and training programs for unemployed and underemployed individuals.<sup>19</sup></li> <li>• Creating opportunities for employees to participate in upskilling programs focused on enabling career transitions and development.<sup>20</sup></li> </ul> <p><b>Target population:</b></p> <ul style="list-style-type: none"> <li>• 100,000 employees.<sup>21</sup></li> <li>• Unemployed or underemployed individuals.<sup>22</sup></li> <li>• Individuals with high school diplomas or GEDs.<sup>23</sup></li> <li>• Children and young adults from underserved and underrepresented communities.<sup>24</sup></li> </ul>	<p>4 – Quality Education</p> <p>8 – Decent Work and Economic Growth</p> <p>10 – Reduced Inequalities</p>

The examples of projects noted above are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by Amazon or any of its subsidiaries. We will not knowingly allocate proceeds from the issuance of our Green, Social, and Sustainability Bonds to greenhouse gas intensive projects inconsistent with the delivery of a low carbon economy or activities involving exploitation of human rights. We will allocate projects as soon as practicable.

<sup>16</sup> <https://www.aboutamazon.com/news/community/amazon-launches-2-billion-housing-equity-fund-to-preserve-and-create-over-20-000-affordable-homes>

<sup>17</sup> <https://www.washingtonhousingconservancy.org/news/whc-first-property>

<sup>18</sup> <https://www.amazoncareerchoice.com/home>

<sup>19</sup> <https://www.aboutamazon.com/news/workplace/amazon-to-help-29-million-people-around-the-world-grow-their-tech-skills-with-free-cloud-computing-skills-training-by-2025>

<sup>20</sup> <https://www.aboutamazon.com/news/workplace/amazon-helps-employees-become-software-engineers-in-9-months>

<sup>21</sup> In July 2019, Amazon committed \$700 million to provide 100,000 employees, roughly a third of our US workforce at the time, with access to upskilling programs through 2025. These training programs include Amazon Technical Academy, Associate2Tech, Machine Learning University, Career Choice, Amazon Apprenticeship, and AWS Training and Certification.

<sup>22</sup> <https://aws.amazon.com/training/restart/>

<sup>23</sup> <https://www.aboutamazon.com/news/workplace/amazon-helps-employees-become-software-engineers-in-9-months>

<sup>24</sup> <https://www.amazonfutureengineer.com/>



## 4.2 Process of Project Evaluation and Selection

We regularly analyze the environmental and social impacts of our businesses and assess how we can positively contribute to, and manage impacts on, the many communities in which we operate across the United States and the world.<sup>25, 26, 27, 28</sup> Representatives from Amazon's Sustainability, Legal, Treasury, and Finance teams will evaluate and select Eligible Projects and, at least annually, assess their performance in compliance with this Framework.

---

## 4.3 Management of Proceeds

The Finance department will track the amount of net proceeds from the sale of any Green, Social, or Sustainability Bonds allocated to Eligible Projects. Pending allocation, an amount equal to the net proceeds from the sale of any Green, Social, or Sustainability Bonds may be held in accordance with our internal investment policy, temporarily invested in cash, cash equivalents, and/or high-quality marketable securities. In the case of divestment or if a project no longer meets the eligibility criteria listed above, we intend to reallocate the funds to other Eligible Projects during the term of the relevant bond. Any payment of principal and interest on any Green, Social, or Sustainability Bonds will be made from our general corporate account and will not be linked to the performance of any Eligible Project.

---

## 4.4 Transparency and Reporting

### 4.4.1 Allocation Reporting

Annually, until full allocation of the net proceeds from the sale of any Green, Social, or Sustainability Bonds, and on a timely basis in case of material developments, we will publish a report that will include:

- (i) The amount of net proceeds from the sale of any Green, Social, or Sustainability Bonds that have been allocated to one or more Eligible Projects either individually or by category, subject to confidentiality considerations;
- (ii) A list of Eligible Projects at such level of detail as we deem practicable based on commercial, confidentiality, and other relevant considerations;
- (iii) Expected impact metrics, where feasible; and
- (iv) The outstanding amount of net proceeds from the sale of any Green, Social, or Sustainability Bonds yet to be allocated to Eligible Projects at the end of the reporting period.

---

<sup>25</sup> <https://blog.aboutamazon.eu/aws/amazon-web-services-backs-new-swedish-water-conservation-project-to-protect-against-flooding-boost-water-quality-and-biodiversity>

<sup>26</sup> <https://blog.aboutamazon.eu/aws/local-community-buildings-in-ireland-to-be-heated-by-amazon-data-centre>

<sup>27</sup> <https://www.aboutamazon.com/news/amazon-offices/the-next-chapter-for-hq2-sustainable-buildings-surrounded-by-nature>

<sup>28</sup> <https://blog.aboutamazon.eu/sustainability/amazon-supports-fight-against-climate-change-effects-on-european-cities>



**4.4.2 Impact Reporting** Examples of the impact metrics that may be included in any report we publish may include:

Project Category	Example Impact Metrics
Clean Transportation	<ul style="list-style-type: none"> <li>• Number of EV charging ports installed for our transport fleets.</li> <li>• Number of orders transported in zero-emissions delivery vehicle or by a delivery associate on foot or on bicycle.</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>• Renewable energy capacity commitments (MW).</li> </ul>
Sustainable Buildings	<ul style="list-style-type: none"> <li>• Square footage built that is Gold or Platinum LEED-certified.</li> </ul>
Affordable Housing	<ul style="list-style-type: none"> <li>• Number of families/individuals benefitting from affordable housing (also using SAHF Outcome Metrics).<sup>29</sup></li> <li>• Number of affordable housing units constructed/preserved.</li> </ul>
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> <li>• Number of individuals or employees participating in upskilling programs or graduating from Career Choice.</li> </ul>

## 5.0 External Review

### 5.1 Second Party Opinion

Amazon has obtained a Second Party Opinion (“SPO”) from a consultant with recognized environmental and social expertise to provide an opinion on the environmental and social benefits of this Framework as well as the Framework’s alignment to the GBP and SBP. The SPO will be available on the SPO provider’s website.

### 5.2 Assurance

We expect that our report will be accompanied by (i) assertions by Amazon’s management as to the amount of the net proceeds from the sale of any Green, Social, or Sustainability Bonds that have been allocated to Eligible Projects; and (ii) a report from an independent accountant or an independent third party consultant with experience in ESG research and analysis.

<sup>29</sup> [https://sahfnet.org/sites/default/files/uploads/sahf\\_outcomes\\_initiative\\_measures\\_1-pager\\_0.pdf](https://sahfnet.org/sites/default/files/uploads/sahf_outcomes_initiative_measures_1-pager_0.pdf)

## Disclaimer

---

The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. None of Amazon, its subsidiaries or any of its affiliates assume any responsibility or obligation to update or revise any such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current Amazon policy and intent and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Amazon and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Amazon as to the fairness, accuracy, reasonableness or completeness of such information.

This Framework may contain “forward-looking statements” about future events and expectations. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target” and “will” or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. Factors that could cause actual results to differ materially include those set forth in the “Risk Factors” section of Amazon’s most recent Annual Report on Form 10-K and subsequent filings, including those captioned “Government Regulation Is Evolving and Unfavorable Changes Could Harm Our Business,” “Our Expansion into New Products, Services, Technologies, and Geographic Regions Subjects Us to Additional Risks,” “Our Expansion Places a Significant Strain on our Management, Operational, Financial, and Other Resources,” and “Our Commercial Agreements, Strategic Alliances, and Other Business Relationships Expose Us to Risks.” None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which

such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework. No assurance can be given that any goal or plan set forth in forward-looking statements in this Framework can or will be achieved, and readers are cautioned not to place undue reliance on such statements which speak only as of the date of the Framework, and Amazon does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

This Framework is provided for information purposes only and does not constitute a recommendation regarding the purchase, sale, subscription or other acquisition or disposal of any debt or other securities of Amazon. This Framework is not and is not intended to be, and does not form part of or contain an offer to sell or an invitation to buy, or a solicitation of any offer or invitation to buy, any such securities. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of an offering memorandum or other equivalent document and a related pricing term sheet (the “Offering Documents”), and any decision to purchase or subscribe for any such securities pursuant to such offer or invitation should be made solely on the basis of such Offering Documents and not these materials. In particular, investors should pay special attention to any sections of the Offering Documents describing any risk factors. The merits or suitability of any securities or any transaction described in these materials to a particular person’s situation should be independently determined by such person. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit or other related aspects of the securities or such transaction and prospective investors are required to make their own independent investment decisions.