

Amazon Sustainability Bond Allocation Report

2022





Overview

Amazon is committed to and invested in sustainability because it's good for the planet, for business, for customers, and for communities.

We understand the importance of working to be better every day—future generations depend on it. Climate change is real and serious, and action is needed from the public and private sectors. It's imperative that we think big when it comes to climate action and decarbonizing our operations. Three years ago, we co-founded [The Climate Pledge](#) and made a commitment to be net-zero carbon by 2040, ten years ahead of the Paris Agreement.¹ As of July 2022, there are now over 300 signatories who have joined us in the Pledge.

In May 2021, we released [Amazon's Sustainable Bond Framework](#) and issued a \$1 billion [Sustainability Bond](#). We are pleased to report that we have allocated the net proceeds from the sale of our Sustainability Bond to one of our Eligible Project categories—Clean Transportation. This issuance funded and supported our private equity investments in electric vehicle manufacturer Rivian Automotive, Inc. ("Rivian"), our work in piloting and testing electric delivery vehicles, our expansion of electric vehicle charging infrastructure for our transportation fleet, and our acquisition of electric vehicles from various automotive providers, all of which help support the decarbonization of our logistics and delivery operations. As Amazon continues to grow, we are determined to make

better, do better, and be better for our customers, our employees, our partners, and the world at large.

Sustainable Bond Framework

Amazon's Sustainable Bond Framework is aligned with the Green Bond Principles, the Social Bond Principles, and the Sustainability Bond Guidelines and covers issuances by Amazon and its subsidiaries. Under our Framework, "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 in any of the following project categories: Clean Transportation, Renewable Energy, Sustainable Buildings, Affordable Housing, and Socioeconomic Advancement and Empowerment.

Amazon's Sustainable Bond Framework received a second party opinion from ISS Corporate Solutions, powered by ISS ESG, affirming its alignment with the Green Bond Principles, the Social Bond Principles, and the Sustainability Bond Guidelines. The opinion is available on their website [here](#).

Allocation of Net Proceeds

We have allocated 100% of the net proceeds from our 2021 Sustainability Bond to Eligible Projects in the Clean Transportation category as defined in

2021 Amazon Sustainability Bond	
Eligible Project Category	% of Net Proceeds Allocated
Clean Transportation	<p>100% of net proceeds</p> <ul style="list-style-type: none"> Private equity investments in electric vehicle manufacturer Rivian Funding research and development to pilot and test Rivian electric delivery vehicles Purchasing and installing electric vehicle charging infrastructure in North America and Europe Purchasing and acquiring electric yard hostlers, day cabs, and box trucks from multiple manufacturers

¹ <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>



Amazon's Sustainable Bond Framework. There are no net proceeds remaining to be allocated. We've received an **Independent Accountant's Report** providing assurance of management's assertion that \$998 million in net proceeds were allocated to Eligible Projects related to Clean Transportation.

The net proceeds of our first Sustainability Bond further our broader decarbonization initiatives including:

- **Net Zero Carbon:** Leveraging our technology and working with partners to reach net zero carbon across Amazon by 2040, a decade ahead of the Paris Agreement.
- **100,000 Electric Delivery Vehicles:** Deploying 100,000 electric delivery vehicles from Rivian, expected to be on the road by 2030.
- **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.

Clean Transportation

We allocated 100% of the net proceeds of our Sustainability Bond to support Clean Transportation.

Transportation is a major component of Amazon's business operations. According to the U.S. Environmental Protection Agency, the transportation sector continues to generate the largest portion of greenhouse gas emissions from human activities in the U.S., with light-duty vehicles and medium- and heavy-duty trucks generating the majority of emissions.² Transforming the transportation sector requires cross-sector stakeholder engagement among vehicle manufacturers, battery and component suppliers, state and local policymakers, fleet operators, and utilities.

The net proceeds of the Sustainability Bond supported significant investments in Rivian, an electric vehicle manufacturer based in Irvine, California, and will help support the long-term growth and diversification of the electric vehicle industry. Rivian is also building electric vehicle charging infrastructure throughout the U.S.

to support the growth of the electric vehicle industry. We participated in multiple rounds of private equity investments in Rivian prior to its initial public offering in November 2021. We are proud to be both an investor in and a customer of Rivian—a company dedicated to decarbonizing the automobile industry—and look forward to receiving 100,000 custom electric delivery vehicles designed to enhance our last mile delivery network.

Our Sustainability Bond's net proceeds also supported the piloting and testing of Rivian electric delivery vehicles. The expenditures allowed us to test performance, various safety features, and receive feedback from drivers participating in our Delivery Service Partner program. Since we started our joint testing program with Rivian in 2021, our pre-production electric delivery vehicles have delivered over 430,000 packages and accumulated over 90,000 miles. We are on a path to deploying all 100,000 vehicles by 2030, which will further support our commitment to Shipment Zero, a goal of reaching 50% of our shipments with net zero carbon by 2030.

In addition to our investments in Rivian, we allocated a portion of the net proceeds of the Sustainability Bond to expand electric vehicle charging infrastructure in our North American and European operations facilities for use by our last mile Delivery Service Partners. This expansion will help us meet the needs of our current and future electric delivery fleets. Lastly, the net proceeds of the Sustainability Bond also funded the purchase and acquisition of various types of electric vehicles, including electric yard hostlers, day cabs, and box trucks for our middle mile transportation fleet. We continue to focus on the decarbonization of our transportation fleet and improve the efficiency of our middle mile and last mile operations.

The broad adoption of electric vehicles will play an important role in the global transition to a low-carbon future. We continue to work with industry experts and organizations to advance sustainability through collaboration and innovation in the transportation and logistics industries. We are committed to reducing our carbon emissions by optimizing our transportation network and investing in fleet electrification.

² <https://nepis.epa.gov/Exe/ZyPDF.cgi?Dockey=P10153PC.pdf>



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