Food and Beverage Benchmark **COMPANY SCORECARD 2020**

Amazon.com Inc.

TICKER MARKET CAPITALIZATION HEADQUARTERS
NAS:AMZN US\$805 billion United States

DISCLOSURES TARGETS

<u>UK Modern Slavery Act</u>: Yes Yes

California Transparency in Supply Chains Act: Yes

OVERALL RANKING

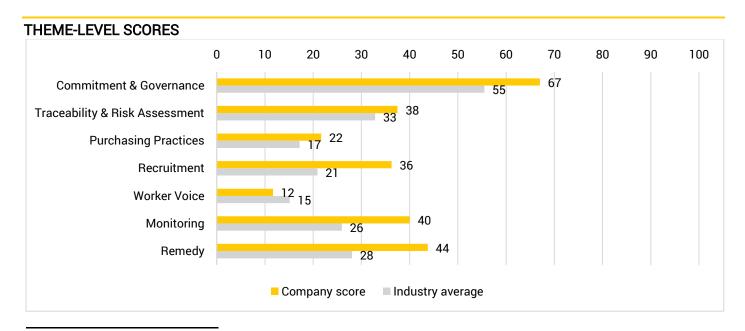
13 out of **43**

OVERALL SCORE

37 out of **100**

SUMMARY

Amazon.com Inc. (Amazon), the world's largest online retailer,¹ ranks 13th out of 43 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Worker Voice. The company's score is based on its stronger performance on the theme of Commitment & Governance. The company is encouraged to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Purchasing Practices, and Worker Voice.



Research conducted through February 2020 or through May 2020, where companies provided additional disclosure or links. For more information, see the full dataset here. For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre website.



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KEY DATA POINTS

SUPPLIER LIST

No

SUPPORTS FREEDOM OF ASSOCIATION

No

HIGH-RISK COMMODITIES

Palm oil, coffee, peanuts, and others²

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

No

ADDRESSES FORCED LABOR RISKS RELATED TO

THIRD-PARTY PRODUCTS

No

LEADING PRACTICES

Corrective Action Plans: Amazon's supplier code of conduct notes that after an assessment, suppliers must provide a detailed remediation plan. The company reports that between assessments, it meets with its suppliers to discuss progress. It states that it has dedicated teams that work with suppliers in key sourcing countries. The supplier code also includes an example of a corrective action plan, which details the findings, root causes, corrective actions, and long-term preventative actions. Notably, it also recommends involving workers in the corrective action process and includes seeking worker perspectives and feedback on the plan.

NOTABLE FINDINGS

Management and Accountability: Amazon discloses that its sourcing teams monitor working conditions and compliance with the supplier code of conduct. It reports that the social responsibility team "consults with Amazon business teams on new sourcing geographies." In addition, the company reports that the nominating and corporate governance committee of its board of directors is responsible for overseeing its sustainability and corporate social responsibility practices, including human rights in its supply chains.

Risk Assessment: The company discloses that it analyzes modern slavery risks in its supply chains through desk-based research, audit results, and "supply chain mapping against existing human rights indices." It also reports taking into account workers' experiences of recruitment and working or living conditions when assessing for risks related to migrant workers.

Recruitment: The company's supplier code prohibits worker-paid recruitment fees and incorporates the Employer Pays Principle. The company states that suppliers must reimburse workers where they have paid fees, "even if outside of the suppliers' direct control of the recruitment process." Amazon states that during investigations, it tracks "where vulnerable workers have migrated from and how much they have paid in fees." The code also prohibits passport retention and requires that workers are given contracts in a language they understand.



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OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to demonstrate a strong understanding of its supply chains by disclosing the names and addresses of its first-tier suppliers, the countries of below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor and human trafficking, and information on its suppliers' workforce.

Purchasing Practices: The company may consider taking steps to address forced labor risks in its raw materials sourcing. It is further encouraged to adopt responsible purchasing practices (such as ensuring prompt payment) and provide procurement incentives (such as price premiums or longer-term contracts) to its first-tier suppliers to encourage or reward good labor practices.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with its suppliers to improve their practices regarding freedom of association and collective bargaining. While the company requires suppliers to put in place a grievance mechanism, it is encouraged to take steps to ensure this or another mechanism is communicated to its suppliers' workers and to disclose data about the practical operation of the mechanism, such as the number of grievances filed and resolved or an evaluation of the effectiveness of the mechanism.

ENGAGED WITH KNOWTHECHAIN

Yes (Sent Links).

¹ Forbes (15 May 2019), "Amazon surpasses Walmart as the world's largest retailer."

² The US Department of Labor lists these commodities as commodities that may be produced using forced labor. US Department of Labor (20 September 2018), "<u>List of Goods Produced by Child Labor or Forced Labor</u>."