

Amazon.com Inc.

TICKER
NAS:AMZN

MARKET CAPITALIZATION
US\$805 billion

HEADQUARTERS
United States

DISCLOSURES
UK Modern Slavery Act: Yes
California Transparency in Supply Chains Act: Yes

TARGETS
Yes

OVERALL RANKING

14 out of **49**

([2018 Rank](#): 20 out of 40)

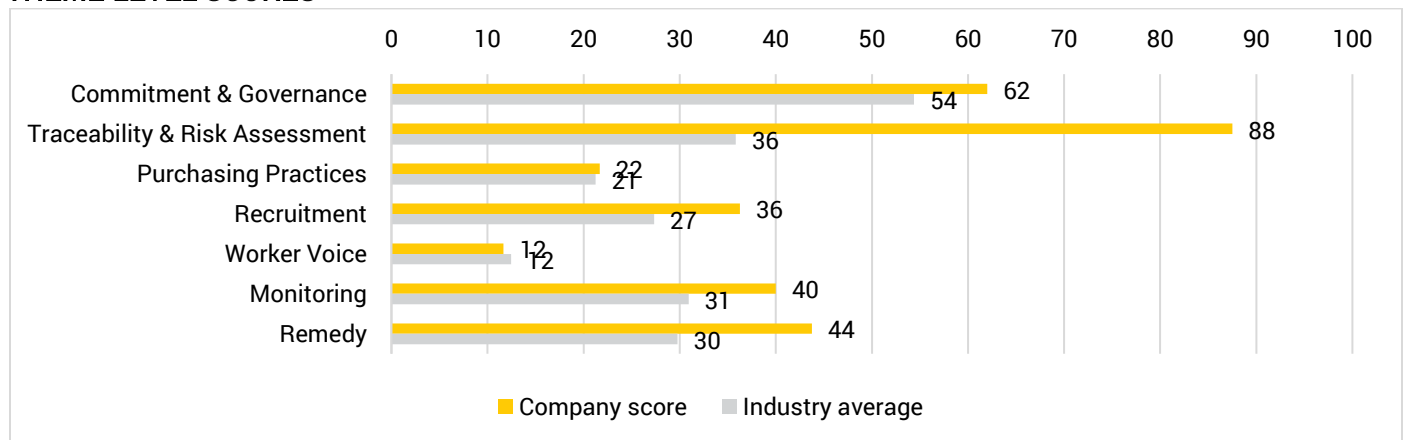
OVERALL SCORE

43 out of **100**

SUMMARY

Amazon.com Inc. (Amazon), the world's largest online retailer,¹ ranks 14th out of 49 companies, disclosing more information on its forced labor policies and practices than its peers. Compared to 2018, the company's rank improved from 20th to 14th. This is because the company has disclosed a supplier list and data on its supply chain workforce, stronger engagement with peer companies, and processes that address recruitment fees. It also assesses forced labor risks at potential suppliers and across its supply chains. KnowTheChain identified one allegation of forced labor in the company's supply chains. While the company discloses undertaking follow-up audits, it does not disclose engagement with affected stakeholders nor remedy outcomes for workers. The company has an opportunity to improve on the themes of Purchasing Practices, Worker Voice, and Remedy.

THEME-LEVEL SCORES



Research conducted through October 2019 or through January 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](#). It includes an [allegation in the company's supply chains regarding forced labor of ethnic minorities transferred from Xinjiang to factories across other provinces in China](#), which falls outside of the research timeframe.

KEY DATA POINTS**SUPPLIER LIST**

Yes

AVERAGE SUPPLIER SCORE

25/100

HIGH-RISK SOURCING COUNTRIESChina, Malaysia²**NO-FEE POLICY**

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAINS 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 suppliers to discuss progress, and that it has dedicated teams for working 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, including seeking worker perspectives and feedback on the plan.

NOTABLE FINDINGS

Stakeholder Engagement: Amazon discloses that it engages with peer companies on the topic of forced labor via the Responsible Labor Initiative of the Responsible Business Alliance, BSR's Tech Against Trafficking working group, and the Truckers against Trafficking initiative. As part of the latter initiative, it also trained truck drivers on "how to identify and respond to potential victims of human trafficking."

Traceability and Risk Assessment: Amazon discloses a list of suppliers, which includes the range of overall workers and women workers per factory, as well as a list of smelters and refiners and potential sourcing countries of 3TG. The company reports that it assesses forced labor risks by undertaking desk-based research, mapping its supply chains against human rights indices, and analyzing internal and industry audit results. It further states that it started assessing higher-risk suppliers, with a focus on "listening to workers' perspectives about their recruitment experience and working/living conditions." It also discloses some information on the risks identified.

Recruitment: The company's supplier code of conduct prohibits passport retention and requires that workers are given contracts in a language they understand and that its suppliers monitor the recruitment agencies they use. The code further prohibits worker-paid recruitment fees and requires suppliers to reimburse such fees. Amazon also discloses that it undertakes investigations during which it "track[s] where vulnerable workers migrated from and how much they paid in recruitment fees."

OPPORTUNITIES FOR IMPROVEMENT

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 improving planning and forecasting) and to provide procurement incentives (such as price premiums or increased orders) to suppliers to encourage or reward good labor practices.

Worker Voice: To support collective worker empowerment, the company is encouraged to take steps to ensure that workers in its supply chains are able to exercise their right to 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.

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labor and human trafficking and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers, including remediation to workers in the case of specific allegations.

ENGAGED WITH KNOWTHECHAIN

Yes ([Sent Links](#)).

¹ Forbes (20 May 2019), "[Top 5 Online Retailers: 'Electronics And Media' Is The Star Of E-commerce Worldwide.](#)"

² The US Department of Labor lists China and Malaysia as countries where electronics may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor.](#)"