



**AMNESTY INTERNATIONAL**

**Index: MDE 23/7237/2023**

**Amazon responses to Amnesty International correspondence regarding its human rights due diligence processes and allegations of labour abuses suffered by contracted workers in its warehouses in Saudi Arabia.**

Amnesty International conducted research into the treatment of migrant workers contracted to work in Amazon's warehouses in Saudi Arabia. As part of the research, Amnesty International contacted Amazon on two occasions to seek details about due diligence it had undertaken into third-party supply companies, as well as before launching operations in Saudi Arabia more broadly, and to share allegations of labour abuses amongst its contracted workers. Amazon's responses dated 29 July and 1 September 2023 are attached.



## Response to Amnesty International

29 July 2023

We would like to thank Amnesty International (“Amnesty”) for its correspondence dated 14 June 2023, raising concerns about human rights risks in connection with Amazon’s operations in the Kingdom of Saudi Arabia (“KSA”). Amazon does not tolerate violations to our long-established Supply Chain Standards or Global Human Rights Principles, and takes any allegation of violations extremely seriously. Providing safe, healthy, and fair working conditions is a requirement of doing business with Amazon in every country where we operate. Our standards clearly lay out the high expectations we set for ourselves and all of our business partners, and we regularly update these standards to meet evolving industry best practices. We continuously assess risks across our vendors, and an Amazon audit earlier this year uncovered similar issues to those raised by Amnesty. While we considered immediately suspending this vendor when these allegations came to light, we determined that it was in the best interests of their employees, many of whom traveled from other countries to KSA for work, to instead work diligently with the vendor to make significant changes to their operations. Our approach to worker protections is grounded in a commitment to remediation and continuous improvement. In this case, we made the decision to not add any additional workers from this vendor until they are compliant with our standards. We expect this vendor to commit to and initiate a full compliance plan by August 31st, and ensure their employees are repaid for any unpaid wages or worker-paid recruitment fees—if they don’t make verifiable changes, we will suspend our relationship with them.

We have a wide variety of ways workers at our sites can report issues with how they are treated, including a 24-hour hotline, and we are encouraging workers to take advantage of these as another way for us to ensure compliance by all of our vendors in the region and everywhere we operate. In addition, we’re implementing stronger controls for all of our vendors to ensure similar incidents do not occur and to raise overall standards for workers in the region. We appreciate Amnesty’s role in highlighting these issues so we can continue to ensure the highest bar for worker protections.

### Amazon’s Global Policies and Standards

Amazon is committed to ensuring the people and communities who support our entire value chain are treated with fundamental dignity and respect. We strive to ensure the products and services we provide are produced in a way that respects human rights. We are committed to upholding Amazon’s global policies, including our [Code of Business Conduct and Ethics](#), [Global Human Rights Principles](#), and [Supply Chain Standards](#), and to conducting our business in a lawful and ethical manner. We carefully review and investigate allegations of unlawful conduct or conduct that violates any of our policies. In many cases our policies go above and beyond the standards imposed under local laws.

Amazon’s global policies and standards apply to all of our operations in KSA. The responsibility for implementing and monitoring these policies is shared across numerous functional teams, each of which has reporting lines to leaders responsible for Amazon’s teams in the Middle East and North Africa (“MENA”) region and ultimately to leadership in Seattle, Washington, USA. Our KSA operations consist of fulfillment centers, sortation centers, and delivery stations. The activities performed at these locations are carried out by a combination of Amazon employees and workers (“Contracted Workers”) who are staffed to Amazon by third-party licensed temporary labor agencies (“3P Vendors”). Amazon’s standard service agreements, including those with 3P Vendors in KSA, mandate compliance with our [Supply Chain Standards](#)<sup>1</sup>. We also share guidance, tools, and knowledge with 3P Vendors as needed to remediate issues such as risks of forced labor, responsible recruitment, ethical treatment, working hours, and wages, among others.

Amazon requires our service providers – which include all suppliers of any contracted services, not just 3P Vendors – to conform to these Standards even when, as is often the case, the Standards exceed the requirements of applicable law. If a Contracted Worker raises a concern about a 3P Vendor (or we become aware of an issue), Amazon

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<sup>1</sup> Our Standards apply to all suppliers of goods and services for Amazon and Amazon’s subsidiaries, including providers, 3P Vendors, selling partners, contractors, and subcontractors. All products sold in Amazon Stores or products or services provided to Amazon must be manufactured, produced, or provided in accordance with these Standards.



initiates an investigation, as appropriate, engaging and cooperating with internal teams and relevant external stakeholders from the 3P Vendor. Once a review is complete, the findings are shared with the 3P Vendor's management for further action. If the 3P Vendor is found to be in violation of our Standards, we will work with them to correct the issue and take remedial action. Our priority is to ensure the safety and well-being of workers. As a last resort, we would consider terminating the 3P Vendor relationship.

### **Amazon Vendor Risk Management in KSA**

In 2021, we worked with a third-party consultant to conduct a landscape assessment of human rights and labor risks that could be connected with our business throughout the MENA region, including a focus on KSA. The key risks identified across the region were: limited understanding of Amazon's standards and regional labor laws, worker-paid recruitment fees, undisclosed subcontractors, poor worker accommodations, working hours, document retention, contract substitution, and absence of grievance mechanisms. Taking learnings from this assessment, we designed a risk assessment program to focus on the highest risk issues and vendor categories in the region.

### **3P Vendor Engagement**

During the 3P Vendor engagement process in KSA, Amazon conducts assessments of 3P Vendors operating in sectors that have been prioritized based on the severity of risks to workers' well-being.<sup>2</sup> For example, Amazon conducted an assessment of Contracted Workers' vulnerabilities related to their terms of employment with their 3P Vendor, and this year we conducted targeted assessments of certain 3P Vendors. As a part of this effort, we audited the 3P Vendor in question (from March – June, 2023) and found violations of our standards in line with the issues raised in the Amnesty report. In response, we have been working closely with this vendor, and other 3P Vendors audited, to remediate any violations of our standards. This year, we also began screening prospective 3P Vendors in the MENA region for human rights risks and other sustainability-related issues using risk management tools.

### **Recruitment Practices (including fees)**

Amazon recognizes domestic and foreign migrant workers' unique vulnerability to situations of forced labor, and our Standards clearly state that workers must not be required to pay recruitment, hiring, agents' or brokers' fees (or any other related fees or costs for their employment with 3P Vendors) at any point in the recruitment process. If workers have paid fees, 3P Vendors are required to reimburse workers for the full value of fees incurred at any point during the recruitment process, even if outside of the vendor's direct control. Our 3P Vendors must also provide Contracted Workers with clear, understandable documentation stating the terms and conditions of their employment in a language and manner they understand. We further require our 3P Vendors to analyze and monitor the practices of recruitment agencies and labor brokers and to employ agencies that act ethically and in the best interests of workers.

In 2023, Amazon provided a training to prioritized 3P Vendors on ethical recruitment and the "Employer Pays Principle" (delivered by a third-party labor rights nonprofit organization, Verité Southeast Asia, Inc.). The training covered the risks and indicators of forced labor in the recruitment and hiring of foreign workers, as well as tools to screen for these risks.

### **Document Retention**

Amazon's Standards prohibit our 3P Vendors from holding (for safekeeping), destroying, concealing, confiscating, or requiring Contracted Workers to surrender government issued identification, passports, immigration documents, or work permits. Amazon's assessments of 3P Vendors in KSA have not surfaced passport retention issues. However, we would welcome receiving any information that Amnesty may have gathered during its investigation concerning any 3P Vendors not complying with this requirement.

### **Employment Conditions (including pay)**

Amazon conducts monthly spot checks on wage payments for a randomly selected sample of Contracted Workers in KSA to assess 3P Vendor compliance with our Standards. In 2022, cases of unjustified reduced wage payments were identified, and Amazon worked with 3P Vendors to ensure affected Contracted Workers received their full

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<sup>2</sup> Level of priority is determined based on 3P Vendor category and the potential for and severity of adverse impacts on workers' rights.



entitlements. In 2022, we launched wage accuracy auditing dashboards in the MENA region that sample pay information of 10% of the total population of Contracted Workers, including in KSA, to detect any disparities in wages.

### **Grievance Mechanisms**

A critical component of our human rights strategy is ensuring workers in our value chain have the opportunity to raise any concerns with their working conditions and have their issues resolved. We engage in direct communications with employees and Contracted Workers and continuously monitor feedback through dialogue with human resources teams and via anonymous workplace feedback surveys. Consistent with Amazon's Standards, Contracted Workers must be able to voice their concerns (either via 3P Vendors' grievance mechanisms or directly to Amazon) and seek resolution in connection with any issues covered by our Standards; and they must be able to do so in a confidential and anonymous manner, free from fear of retaliation.

Contracted Workers in KSA may escalate issues or concerns through various other channels, including site leadership and human resources teams; if they submit complaints to the Amazon employee Ethics Line, those are directed to the appropriate party to investigate. We also launched an app-based platform that enables Contracted Workers to lodge complaints effectively and gives them the choice to remain anonymous. Earlier this year, Amazon initiated an awareness campaign called "Speak-up" across the MENA region, including in KSA. The campaign involved distribution of posters (listing various channels and contact details), broadcasting of awareness slides on TV screens, and educating site-based Contracted Workers about available resources to raise concerns.

If a Contracted Worker raises a complaint or concern against a 3P Vendor in KSA, Amazon teams in MENA partner to investigate and address issues with the 3P Vendor's management representatives, focusing on protecting workers and remediating issues in accordance with our Standards. Findings are shared with the 3P Vendor's management for further action.

### **Terminations of Engagement with Amazon**

Amazon contracts with 3P Vendors to staff Contracted Workers for pre-defined periods. At the end of such periods, these Contracted Workers cease performing activities at Amazon sites; however, the 3P Vendor typically continues to be the Contracted Workers' employer and is expected to meet all legally mandated working and living conditions. In certain situations, if a Contracted Worker is in a substantiated breach of Amazon's workplace rules and regulations (which apply equally to Amazon's own employees and Contracted Workers), such as on health and safety or bullying and harassment, Amazon notifies the 3P Vendor of the incident and of our decision not to allow the Contracted Worker back onto Amazon's site. The 3P Vendor then decides on the appropriate action regarding the Contracted Worker's employment; Amazon expects any measure the 3P Vendor takes will be compliant with applicable law, including on timely settlement of any amounts due for entitlements. Additionally, if Contracted Workers allege they have been terminated by 3P Vendors for a reason that may violate our Standards, Amazon investigates the allegations, in consultation with the relevant representatives of the 3P Vendor. Findings are shared with internal stakeholders and 3P Vendor management. Where the allegations are substantiated, 3P Vendors are required to take corrective action and initiate improvements to avoid repetition.

### **Worker Accommodations**

According to Amazon's Standards, 3P Vendors that provide housing to accommodate Contracted Workers must provide clean and safe accommodations that respect workers' privacy and satisfy all applicable legal requirements and our Standards. Housing must be a dedicated residential space that is physically separate from any production area, structurally safe, and free of hazards that can immediately threaten worker lives. Further, any food accommodations provided must include sanitary food preparation, storage, and eating facilities. In a case alerted to Amazon in 2022, Amazon influenced a 3P Vendor to provide Contracted Workers additional food allowances and to shift to better quality worker accommodations.



## **Conclusion**

Amazon recognizes and upholds our responsibility to respect internationally recognized human rights. We are committed to providing safe, inclusive, and respectful workplaces, in both our own operations and those throughout our value chain. We work to continuously improve, tracking our progress on our human rights commitments and reviewing and updating our policies, processes, and practices to put people at the center of our work.

Our human rights risk management program related to KSA operations includes continuous assessments of risk and improvements to our ability to respond to, and prevent, risks to workers. We have teams in the MENA region dedicated to strengthening worker protections and engaged directly with 3P Vendors and their workers. We work with our 3P Vendors to remediate any issues surfaced during assessments and offer 3P Vendors resources (including guidance and training) to help them invest in worker well-being and safe workplaces. In addition, following Amnesty's letter alerting Amazon to its findings, Amazon immediately investigated and engaged the third-party vendor to address its compliance with our Standards. We are also working to put in place better controls for all 3P Vendors in KSA to prevent similar risks from arising in the future.

Amazon recognizes the importance of collaboration across civil society, governments, multilateral organizations, and the private sector to address systemic human rights issues and better protect workers' rights in the countries where we operate. We are committed to engaging further with subject matter experts, peer companies, and other stakeholders in the region to find workable solutions and swift remedies for workers who may have sustained negative impacts.



## **Response to Amnesty International**

1 September 2023

In responding to Amnesty International's ("Amnesty") correspondence dated 15 August 2023, we remain grateful to Amnesty for raising concerns and sharing information about human rights risks in connection with Amazon's operations in the Kingdom of Saudi Arabia ("KSA") and, in particular, with our third-party vendor, Abdullah Fahad Al-Mutairi Co. ("AFMCO"). As stated in our first letter, Amazon does not tolerate violations to our long-established [Supply Chain Standards](#) ("Standards") or [Global Human Rights Principles](#), and takes any allegation of violations extremely seriously. Providing safe, healthy, and fair working conditions has been a long-standing requirement of doing business with Amazon in every country where we operate, and where high-level issues are identified, we insist on remediation and forward-looking actions plans to prevent issues from recurring.

Grounded in our commitment to remediation and continuous improvement, our first priority has been to investigate all complaints and remediate any harms to workers, including the matters raised by Amnesty related to one of our third-party licensed temporary labor agencies ("3P Vendors"). As stated in our letter to Amnesty dated 29 July 2023, we will not add additional workers who are staffed to Amazon by AFMCO ("Contracted Workers") until the vendor is compliant with our Standards; we asked AFMCO to commit to, and initiate, a full compliance plan by September 8. This date was extended from our initially identified date of August 31 due to additional time needed by our trusted third-party partner, Verité Southeast Asia, Inc. ("Verité"), to complete their investigation.

### **AFMCO's Compliance Plan**

Amazon partnered with Verité to review AFMCO's labor practices, including interviews with employees and an investigation of any recruitment fees paid, all in support of remediating any substantiated issues. We are also working with Amnesty's regional team to connect with the 22 workers interviewed by Amnesty and another unnamed civil society organization to support remedies for those individuals who may have been harmed. As stated above, we asked AFMCO to commit to, and initiate, a full compliance plan by September 8, which includes: ensuring repayment of any worker-paid recruitment fees, payment of unpaid wages, relocation of Contracted Workers to clean and safe accommodations, and a commitment to nonretaliation, as well as additional commitments to ensure ongoing protections for workers. Amazon will continue engaging directly with AFMCO to provide coaching and resources to help the vendor in their execution of this plan. We will also put in place stringent and ongoing monitoring mechanisms to verify that the employment practices of this vendor continue to meet our standards. If AFMCO does not fully execute the plan within the agreed time frame, we will suspend our relationship with the company. We agree with Amnesty that a decision to suspend business should not be undertaken lightly due to the risk of further adverse impacts to workers and their families. If we decide to suspend or even terminate our relationship, we are committed to disengaging responsibly and ensuring all Contracted Workers employed by AFMCO at Amazon sites are provided for appropriately. Our priority at all times is the safety and well-being of workers connected to our business.

### **Improving Performance of All Amazon Vendors in the Region**

Beyond our direct engagement with AFMCO, Amazon has also taken steps to strengthen controls and improve the performance of all of our vendors in KSA and the broader region. Since our last communication, Amazon has been:

- Reiterating our expectations to all 3P Vendors, including providing 3P Vendor trainings on labor rights standards (specifically, as they relate to recruitment, wages, and deception);
- Improving communication to workers on existing escalation paths for raising concerns about the workplace, including use of our 24-hour hotline;
- Strengthening our processes for managing complaints and grievances by Contracted Workers;
- Emphasizing to 3P Vendors they must obtain written approval from Amazon prior to subcontracting with another vendor (such as AFMCO's contractor Basmah Al-Musanada Co.), as required under our Standards; and



- Exploring the option to transition long-term Contracted Workers to a housing allowance instead of the 3P Vendor-provided accommodations.

### **Health and Safety in Amazon's Operations in KSA**

Amazon prioritizes measures at its sites to protect all employees and Contracted Workers from hazards and ensure they have a safe and healthy workplace. Amazon ensures a high bar on safety of people in all our facilities, which are equipped with heating, ventilation, and air conditioning systems, and temperature is monitored constantly. Employees and Contracted Workers both have a one-hour break per day, in addition to prayer time, time to use the bathroom whenever needed, and time to drink water from the water dispensers. Managers closely monitor working hours compliance to ensure all workers utilize their one-hour break per shift, and also track accumulated working hours to avoid stress and fatigue, supporting workers' mental health and well-being. Workers' safety is always prioritized. The working conditions within our facilities are the same for employees and Contracted Workers, and we set similar work performance targets for both groups.

### **Ongoing Engagement**

We greatly appreciate Amnesty's engagement with Amazon to date and welcome ongoing dialogue as we work to remediate findings, ensure healthy working conditions, create more effective grievance mechanisms, and improve our approach to human rights due diligence in the region. We are committed to comprehensive remediation and to pushing AFMCO to overhaul its operations to meet Amazon's high bar, which we recognize will take time. We have teams in the MENA region dedicated to strengthening worker protections and engaged directly with 3P Vendors and their workers.

At Amazon, we understand the unique responsibility of the private sector and are committed to continuously expanding our work to understand and address any risks that may arise in the course of our business. With operations and supply chains spanning the globe, Amazon is committed to improving the working conditions of people who are connected to our business, and we recognize the need to monitor the conditions that create vulnerabilities for workers and to prevent and address those risks.