

AMAZON'S UNFAIR DEAL OF THE DAY

Undercutting women.
And their wages.

★★★★★ **Sad and disappointing**
Leadership by women

★★★★★ **Completely despicable**
Gender Report Scorecard

★★★★★ **Gross**
Punishing women for speaking out



October 2018



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EXECUTIVE SUMMARY

Many powerful corporations are facing a long-overdue reckoning for their past and present treatment of female employees, the extent to which workplace environments are safe and supportive of women, whether women get equal pay for equal work, and whether women are represented in top leadership positions.

Several of the country's largest technology companies – including [Facebook](#) and [Google](#) – have been accused of creating “boys clubs” where women are routinely undermined and shut out of key opportunities to advance their careers or enter senior positions. This is the [elephant in the board room](#) that is finally being talked about in [Silicon Valley](#), on [Wall Street](#), and throughout almost every industry in our country, and it is a moral imperative that companies take immediate action. The biggest and most influential corporations should lead the way.

An analysis by the Free & Fair Markets Initiative found that Amazon, which [claims](#) to be a champion of diversity and inclusion, continues to fail women in key areas. FFMI's review of public records, news reports, employment data, and court records, highlights the following key findings:

- A staggering 78% of senior leadership roles are occupied by men – and administrative support is the only division where women represent a majority at Amazon.
- Of the more than 13,000 first and mid-level officials and managers, only about 3,000 are women – a rate of just 23%.
- From 2016 to 2017, civil employment lawsuits filed by women against Amazon doubled.
- In 2018, Amazon received a “C” on the [Gender Pay Scorecard](#) put out by a one of their shareholders and leading investment firm, Baldwin Brothers.

Scrutiny of Amazon's employment practices directly contradicts the company's lip service to gender equality, and recent history shows that Amazon thinks it can play by its own rules. Back in 2014, Amazon [came under fire](#) from civil rights activists for failing to disclose data about the gender and racial makeup of its workforce. The troubling [numbers](#) corroborated what many activists had predicted, that Amazon's workforce was overwhelmingly white and male – in fact, [75 percent](#) of its managers were men. In 2016, Amazon found itself under pressure again – this time from one of its own shareholders – to disclose data on gender pay equality. The tech giant responded first by [fighting the request](#), then finally releasing data that [omitted critical details](#).

That same year, Jeff Bezos addressed gender and ethnic diversity in a [letter](#) to the leadership of the company's affinity groups. “It's not only that diversity and inclusion are good for our business,” Bezos wrote. “It's more fundamental than that — it's simply right. These are enduring values for us—and nothing will change that.” But FFMI's analysis shows that Bezos' words are little more than empty promises.

The ugly truth is that Amazon continues treat its workers like disposable, second-class employees, paying them an average salary of less than [\\$29,000](#) per year, despite raking in [record profits](#) as the [third-richest company](#) in the world. Following the numbers, this report by the Free & Fair Markets Initiative shows that Amazon is not the company it claims to be when it comes to gender equality.



Sad and disappointing

Leadership by women

AMAZON LEADERSHIP IS STILL MOSTLY MALE AND WHITE

Since 2014, when Amazon [first released](#) comprehensive data about the gender and racial makeup of its workplace, gender diversity at the tech giant has not improve in a meaningful way. To the contrary, Amazon’s veneer of diversity and inclusivity does not extend beyond administrative support roles and laborer and helper roles – the only two areas where women make up a significant percentage of the workforce. The plain truth is that Amazon is, and has long been, predominantly male and white.

Amazon boasts of its commitment to gender diversity, including touting its involvement with [three women’s affinity groups](#), but a closer look at employment tells a much different story. **Of Amazon’s 105 executives, senior officials and managers, only 23 are women – meaning that 78 percent are men.** Of the more than 13,000 first and mid-level officials and managers, only about 3,000 are women – a rate of just 23 percent.

	Men	Women	% of Women
EXECUTIVE/SENIOR OFFICIALS & MANAGERS	82	23	22%
FIRST/MID-LEVEL OFFICIALS & MANAGERS	10,289	3,063	23%
PROFESSIONALS	22,309	8,124	27%
TECHNICIANS	1,541	204	12%
SALES WORKERS	641	324	34%
ADMINISTRATIVE SUPPORT	2,709	5,011	65%
CRAFT WORKERS	422	5	1%
OPERATIVES	4,496	1,975	31%
LABORERS & HELPERS	60,349	52,849	47%
SERVICE WORKERS	27	6	18%

Source: Equal Employment Opportunity [2016 Employer Information Report](#)

- In 2014, that number was even lower, with only 18 percent of women in top leadership.

	Male	Female	Percentage
EXECUTIVE/SENIOR OFFICIALS & MANAGERS	90	20	18%
FIRST/MID-LEVEL OFFICIALS & MANAGERS	5,424	1,439	21%
PROFESSIONALS	13,738	4,528	25%
TECHNICIANS	687	101	13%
SALES WORKERS	412	229	36%
ADMINISTRATIVE SUPPORT	1,719	2,726	61%
CRAFT WORKERS	575	24	4%
OPERATIVES	2,786	1,144	29%
LABORERS & HELPERS	23,026	18,495	45%
SERVICE WORKERS	14	2	13%

Source: Equal Employment Opportunity [2014 Employer Information Report](#)

- Despite claiming that it “has always been, and always will be, [committed to diversity and inclusion](#),” Amazon has very few women in leadership roles compared to its peers.

Company	Male Leadership	Female Leadership	Percentage
AMAZON	82	23	22%
APPLE	87	20	19%
CISCO	244	63	30%
FACEBOOK	357	63	30%

Source: Equal Employment Opportunity 2016 Employer Information Reports for Amazon, Apple, Facebook, Google and LinkedIn

- In Amazon’s AWS, Prime and Marketplace divisions, **there are 37 people that report to Jeff Bezos (or are one layer removed) and only [two of them are women](#).**
- And, as Amazon claims to be a competitor in female leadership, only [one woman](#) is listed out of seven corporate officers on the company’s website.
- Even Amazon’s board has turned its back on diversity initiatives. As recent as May 2018, the board turned down a proposal from shareholders that included ways to increase gender and ethnicity diversity. The [shareholder letter](#) explicitly scolded Amazon: **“While Amazon’s board articulates support for diversity among directors and executives, it has failed to translate that verbal support into practical action.”** They finally relented after additional feedback from employees and stakeholders.
- The same proposal also highlighted the discrepancy between corporate guidelines and actual action in promoting gender diversity. In addition, its corporate governance guidelines have stated that “the Nominating and Corporate Governance Committee [...] seeks out candidates with a diversity of experience and perspectives” during that entire period. But the low-diversity status quo has persisted. Amazon’s two most recent director appointments have been [white men](#), both initially recommended by existing Amazon directors, [both also white](#).



Completely despicable

Gender Report Scorecard

AMAZON IS M.I.A. ON EQUAL PAY

Amazon has repeatedly cherry-picked convenient figures and data, rejecting calls to release information, only to highlight statistics that make Amazon appear diverse and fair for women. In reality, when graded by their own shareholder, **Amazon received a “C” in the [Gender Pay Scorecard](#) released in 2018 by Arjuna Capital of Baldwin Brothers.**

A review of public records, news articles, and Amazon shareholder statements illustrate the lengths to which Amazon has gone to hide its gender diversity figures – only to later release selectively curated and highly misleading data points.

- When Amazon released statistics on its employment numbers in 2014 and 2016, it failed to release the compensation data that was collected in the very same report for the Equal Employment Opportunity Commission. Instead it released one figure for 2017: [Women earned 101.5 cents](#) for every dollar men earned in the same jobs and minorities earned 100.5 cents for every dollar that white employees earned in the same jobs.
 - That figure doesn’t account for the distribution of compensation in female executive positions as compared to female warehouse and distribution center employees. With only 22% of women in leadership roles, it’s likely that they earn more than the women at warehouse and distributions centers.
- In 2015, Amazon fought a shareholder proposal to disclose wage and compensation data. The Securities and Exchange Commission rejected Amazon’s attempt to squash the resolution – and the company ultimately relented. Amazon later stated that it [pays women 99%](#) of what it pays men.
- In 2018, Arjuna Capital gave Amazon a lowly “C” for gender pay equity, falling woefully below Apple (which received an A-). The managing director of Arjuna Capital asserted that, “The Gender Pay Scorecard shows that some of the biggest and best-known companies in the world are still [still behind the curve on equal pay](#). It’s not enough to pay lip service to pay equity, to simply say that women are paid fairly, investors expect meaningful disclosures and goals to close the gender pay gap.”
- In 2018, [Amazon lobbied](#) to stop Seattle from enacting a law that would bolster pay equity. A bill was proposed that sought to expand federal protections against policies that prevent employees from discussing their salaries with coworkers. It also proposed a requirement for bosses to provide equal training opportunities to people in similar positions regardless of gender.



Mind-numbingly bad

Women's civil employment lawsuits

AMAZON'S FEMALE EMPLOYEES ARE SPEAKING UP AND TAKING ACTION

Amazon has long been the subject of scrutiny for its bruising workplace, leading some to ask if Amazon is a “[21st century sweatshop](#).” For example, recent reports revealed that thousands of Amazon workers are surviving on food stamps. But a review of recent litigation and news articles suggests that Amazon's work environment can be particularly hostile to women from the administrative to the executive level. **From 2016 to 2017, the number of gender-based and civil employment lawsuits filed by women against Amazon doubled.** This increase has occurred as several Amazon executives have faced allegations of sexual harassment.

Allegations in these cases include claims of inappropriate touching, playing “pornographic” and offensive music, and wrongful termination for after reporting a pregnancy.

- In 2017, Amazon's Audible division [lost two executives](#) in one day after an internal review found that there were employees that regarded the company as “[less of a safe space for women](#).”
- In 2016, Amazon reported having over [341,000 employees](#). That same year there were also [120,000 people](#) hired during the seasonal hiring rush which represents just over 1/3rd of its total workforce. Now if more than 30% of that workforce is seasonal and Amazon reports that in 2016 women made up 41% of its workforce, what does that mean for how women are counted? To this date, no official figure has been released on the gender breakdown of seasonal employees.



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Male domination

Reported Controversies

A review of reported controversies illustrates the culture of abuse, harassment, and discrimination of and towards women at Amazon.

- In the wake of the harassment scandal involving Amazon Studios head Roy Price, current and former employees suggested that the lack of gender diversity at the top created an environment in which [leniency was granted toward Price](#) until the scandal became a PR debacle. [He resigned](#) following a suspension by Amazon.
- Not long after Roy Price left Amazon Studios, yet another Amazon Studios head departed. [Joe Lewis](#), who reported to Roy Price, got caught up in the same sexual harassment investigation – he had also reportedly pressured producers to cast his girlfriend in a series.

- A woman went on a business trip the day after she had surgery after miscarrying her twins. The woman alleged that her boss told her, “I’m sorry, the [work is still going to need to get done](#) [...] from where you are in life, trying to start a family, I don’t know if this is the right place for you.”
- Another woman who had a health issue – breast cancer – was informed that she was placed on a “performance improvement plan” — “Amazon code for ‘you’re in danger of being fired’ — because [“difficulties”](#) in her “personal life” had interfered with fulfilling her work goals
- A former HR head was [required to put two women on performance improvement plans](#), one who returned after a serious surgery and another who had just given birth to a stillborn child. She asked her supervisors, “What kind of company do we want to be?”
- A woman with three kids was [encouraged to find a less demanding job](#) at Amazon when her boss told her that raising children would most likely prevent her from success at a higher level because of the long hours required. Her boss said she had been directly competing with younger colleagues with fewer commitments.



Gross

Punishing women for speaking out

Litigated Controversies

A cursory review of employment-based lawsuits filed by women against Amazon provides further evidence of a culture of discrimination. In 2017 alone, in each of the civil employment cases examined, there were five times as many wrongful termination cases after a health-related absence than wrongful terminations stemming from productivity issues. The details in these cases point to a systemic problem with Amazon’s termination practices: some women are fired as a consequence of taking medical leave or reporting inappropriate activity at work.

Since 2016, Amazon has promoted the company’s leave policies – in particular, it has highlighted a new family leave policy for parents that includes 4 weeks paid pre-partum leave and 16 weeks paid post-partum leave. The company promotes the fact that these leave policies are the [same across the board](#) from warehouse workers to HQ, with one Amazon executive emphasizing, “Just as with Amazon’s health care plan, these benefits are egalitarian - they’re the same for fulfillment center and customer service employees as they are for Amazon’s most senior executives.”

A man and his transgender wife are suing the company for discrimination and harassment:

- In August 2017, the couple brought a suit in a district court in Kentucky alleging that they faced discrimination and harassment over the course of a year. They said they were threatened, that there was sexual harassment by colleagues at the warehouse and that when they complained to supervisors, it not only wasn’t addressed, but it led to retaliation. The abuse went so far that at one point the brake line of their car was severed while parked in an Amazon secure lot.

Despite promoting such policies, there are women who encounter pregnancy-related health issues and are terminated after taking leave:

- In a case filed in December 2017, Trudy Martinez brought a suit against Amazon in New Jersey after she was terminated following a doctor-ordered leave. She was pregnant, and while at work one day, reported flu-like symptoms. When she went to the hospital, the doctor had trouble finding the baby's heartbeat, and accordingly she was put on leave for several days. When she returned, she was advised her doctor's note was not acceptable and was terminated.¹
- In a case filed in May 2016, Elizabeth Kimmel filed suit against Amazon in Pennsylvania after she was terminated after disclosing she was pregnant. She requested time off for a mandatory court date and was approved for leave. The next day at work, she went to the onsite nurse after feeling faint and reported she was pregnant. Later that same afternoon, she was advised she was being terminated for missing work the day before for the court date.²

Speaking up for inappropriate events at work is liable to get women fired:

- In August 2016, Ebony Sampson filed a discrimination suit against Amazon in Delaware after she was fired following a complaint she brought over being inappropriately touched. She took leave after the incident and was terminated thereafter. When she filed a complaint with the Equal Employment Opportunity board, they found evidence of video footage that Amazon HR claimed didn't exist with respect to her complaint.³
- In September 2016, Julia Ann Yarden filed a suit against Amazon in Kentucky after she was fired following a complaint she lodged over inappropriate music at work. She complained that the music "lyrically referred to sexual, explicit acts in a crude, pornographic manner." When she reported it to her supervisor, she was told that, "it was too bad," and that she, "just had to deal with the music," because it was voted on. The very next day she was terminated.⁴
- In a case filed in May 2015, Christy Farr filed a suit against Amazon after she was let go following a medical leave she took for surgery in September 2014. In March of 2013, her doctor discovered she had suffered from mini strokes after she had reported severe migraines and other health issues. She was put on a restricted work schedule, but over the course of the year, working overtime for Amazon, she continued to experience health problems. Eventually she was diagnosed with pancreatitis and put on medical leave. She returned from leave after she reported feeling pressure from leadership to get back to work. Soon thereafter though, her health problems got even worse. While she was at work, she experienced extreme abdominal pain and was hospitalized that day to remove her gallbladder and appendix. When she returned to work the next month, it was peak holiday season. She continued to work until December 30, 2014, when she was let go for a security rule breach. She settled her case with Amazon for an undisclosed amount.⁵

1 "Martinez vs. Amazon Fulfillment Services, Inc. et al." Accessed August 10, 2018 via LexisNexis CourtLink.

2 "Kimmel vs. Amazon.comDedc, LLC." Accessed August 10, 2018 via LexisNexis CourtLink.

3 "Sampson vs. Amazon.comDedc, LLC." Accessed August 10, 2018 via LexisNexis CourtLink.

4 "Yarden vs. Amazon.comDedc, LLC." Accessed August 10, 2018 via LexisNexis CourtLink.

5 "Farr vs. Amazon.com.Kydc, LLC." Accessed August 10, 2018 via LexisNexis CourtLink.

CONCLUSION AND RECOMMENDATIONS

While Amazon bills itself as a company that values [diversity and inclusion](#), the facts show otherwise. FFMI's analysis reveals that Amazon's board is overwhelmingly male and white, the number of employment suits filed by women against Amazon doubled from 2016 to 2017, and the tech giant scored a "C" rating from one of their own shareholders on how they pay women.

Amazon's aversion to scrutiny and accountability speaks for itself, and the plight of current and former female employees speaks volumes about the company's values. As such, FFMI offers the following recommendations for lawmakers at the state and local level, regulators and agencies, as well as Amazon executives.

1. If lawmakers are willing to fork over billions in corporate welfare to the third-richest company in the world, they must demand transparency and clear benchmarks of progress when it comes to Amazon's employment practices. In FFMI's [Prime On Our Dime](#) report, it was revealed that Amazon has received \$1.5 billion dollars in taxpayer subsidies since 2000, and the tech giant continues to ask for more government handouts as it infiltrates industry after industry. Taxpayers deserve to know if their hard-earned money is going to a company that lives up to its promises on diversity and gender equality.
 - Lawmakers should call on Amazon's board to commit to clearly defined indicators of progress over the next five years.
2. Regulators and responsible agencies should take a closer look at conditions in Amazon's warehouses and fulfillment centers. It is simply unacceptable for one of America's biggest and richest companies to pay its workers an average wage of \$29,000 per year, but the horror stories of current and former warehouse workers point to potential employer violations that regulators and responsible agencies must address.
 - The Occupational Safety and Health Administration, whose mission is to enforce standards that ensure employees work in a safe and healthful environment, must take a close look at Amazon's warehouses and fulfillment centers.
3. Amazon should live up to its own leadership principles. In a [speech](#) to the Human Rights Campaign last year, CEO Jeff Bezos said, "...inequality persists, in many forms across our communities, and we must never just look past it, we have to expose it, understand it, question it and fix it." In a time when powerful companies are coming under scrutiny for their treatment of women, Amazon should be taking an independent and impartial look in the mirror – the principles Bezos extols do not reflect the reality of Amazon's practices.
 - Instead of rolling out more symbolic affinity groups, Amazon should bring in an independent reviewer to audit its lack of gender equality and prescribe specific measures the tech giant can take to bring its workplace into the 21st century.