

Amazon seeks to block proposal calling for greater diversity in hiring

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Amazon has asked federal regulators to block a number of shareholder proposals that strike to the heart of many recent criticisms of the Seattle-based commerce behemoth, including its stances on curbing hate speech and offensive content, diversity in hiring, workplace conditions for hourly warehouse employees and its surveillance technologies.

If granted, Amazon's requests would mean shareholders would not have an opportunity to vote on those proposals at the company's shareholder meeting this year, where they would likely be rejected regardless. Last year, none of a dozen shareholder proposals were approved.

The Securities and Exchange Commission (SEC) declined to comment Wednesday on whether it intended to allow Amazon to drop the proposals from the shareholder meeting docket.

Companies often ask the SEC for permission to drop shareholder proposals they see as needless meddling into day-to-day business, and Amazon is no exception. Last year, it sought to exclude nine shareholder proposals before the annual meeting. The SEC sustained Amazon's request in seven of those instances.

According to letters filed Tuesday with the SEC, Amazon is now requesting the regulator block shareholder proposals asking the company to report on its efforts to check hate speech across its many platforms, consider qualified women and non-white candidates for open positions in all roles, add an hourly associate to its board of directors and assess whether its products with surveillance capabilities violate human rights.

Amazon is also attempting to suppress a proposal from the New York State Common Retirement Fund that would require the company to conduct an audit on race and diversity, Bloomberg reported last week.

Even if Amazon is successful in preventing the proposals from surfacing at its shareholder meeting, Amazon likely will face continued scrutiny on the subjects of the petitions.

In the aftermath of the Jan. 6 uprising at the U.S. Capitol, media outlets reported that white-supremacist and far-right militants had found havens on Amazon's online marketplace and cloud-computing infrastructure.

Conservative-dominated social network Parler, which Amazon booted from its cloud-computing service due to what it deemed was a proliferation of posts advocating violence, recently argued in court that even as one Amazon division was flagging abusive content for review, another was attempting to upsell Parler on enhanced cloud-computing technologies.

The Nathan Cummings Foundation, a Jewish nonprofit focused on social justice, introduced a shareholder proposal last month asking for a comprehensive report on Amazon's "efforts to address hate speech and the sale or promotion of offensive products throughout its businesses."

At the time of the foundation's proposal, Amazon's policies on offensive products did not apply to books, music, video and DVDs, meaning that "with respect to these products, Amazon's algorithm for product searches proactively directs customers who search for white supremacist content to additional extremist content," the foundation wrote.

Amazon said in a Monday letter to the SEC that a report on its efforts to repress hate speech is unnecessary because it had published a 559-word blog post the previous day outlining its policies and efforts to remove offensive product listings. And by Tuesday, Amazon had quietly updated its guidelines for books and similar materials to add a ban on "offensive content" that includes prohibitions on [hate speech](#), according to archived versions of Amazon's Content Guidelines for Books.

Amazon has also been dogged by critiques that its highest-paid employees are overwhelmingly white men, prompting a shareholder resolution from the AFL-CIO asking Amazon to adopt something akin to the NFL's "Rooney Rule," requiring that recruiters consider a diverse pool of new hire candidates. The union's proposal indicated Amazon could decide precisely what diversity standard to implement.

"If you don't have a diverse pipeline of talent, it could be hard to fulfill the roles of ensuring equity throughout the organization," said AFL-CIO deputy director Brandon Rees in an interview Wednesday. The union's proposal, he said, "is not a silver bullet to ensuring equity, but we think it's an important and useful tool."

In a letter to the SEC asking for permission to nix the AFL-CIO's proposal, Amazon argued that it did not need to set goals for candidate diversity because it has already "substantially implemented" similar measures by partnering with diverse colleges and institutions and hosting career fairs "to help people—regardless of their level of experience, professional field, or background—find new opportunities." Last year, Amazon doubled the number of Black directors and vice presidents at the company, and "is committed to doubling representation again in 2021," according to the letter.

Amazon said in its letter that while it is "fully aligned with the objective of the Proposal," ensuring that new employees are hired from a diverse pool of candidates may be infeasible in the context of its massive push to staff new fulfillment centers. Amazon hired more than 400,000 new workers worldwide last year as it expanded its warehouse footprint by 50% to meet pandemic-induced demand for online shopping.

The AFL-CIO acknowledged in its petition that Amazon has made substantial efforts to increase the number of women and people of color working at the company. Still, 72% of Amazon managers were white and 59% were men at the end of 2019, the last year for which Amazon has reported data, and men are overrepresented in Amazon's overall workforce.

Amazon's board of directors will soon lose its only Black member, former Starbucks chief operating officer Roz Brewer. The Seattle-based coffee chain announced Tuesday that Brewer is leaving Starbucks to

helm Walgreens Boots Alliance, which competes with Amazon's recent forays into the mail-order pharmacy business.

Brewer will depart Amazon's board effective Feb. 16, according to a Wednesday federal securities filing. The only other person of color on the board is PepsiCo executive Indra Nooyi.

An Amazon spokesperson declined to respond on the record to questions about the company's plans to replace Brewer, but said in a statement that Brewer has "been hugely valuable because of her customer-obsessed mindset, passion for innovation, and focus on operational excellence. We're thrilled to see Roz's talent recognized by Walgreens and wish her success in her new role."

Amazon is also pushing back on an Oxfam-sponsored proposal encouraging the company to appoint an employee representative to the [board of directors](#), introduced in response to complaints over how Amazon treats the hundreds of thousands of hourly associates staffing its warehouses.

Amazon told the SEC that Oxfam's proposal is too similar to another shareholder initiative the company plans to consider at its annual shareholder meeting. That petition asks Amazon to place a "non-executive employee" on the board. Oxfam's resolution specifies the employee should be an hourly wage-earner.

Oxfam's proposal pointed to reports of high injury rates and low wages for Amazon warehouse workers. In Washington state, for instance, Amazon fulfillment centers file so many compensation claims for injured workers that the state's labor bureau decided to charge Amazon higher insurance premiums than other warehouses. In Washington state, Amazon has the fourth-largest number of employees using federal food stamps.

In Alabama, workers at an Amazon fulfillment center will soon vote on whether to form a union, a first for the company's U.S. workers. The unionization drive has largely focused on workplace safety and wage issues.

Amazon also hopes to exclude four proposals focused on how the company interacts with law-enforcement agencies because they are too similar to another petition, from the New York State Common Retirement Fund.

All five proposals requested Amazon conduct an audit of the company's impact on civil rights. Some proposals specified the report should consider the implications of its cloud-computing contracts with police and national security agencies, as well as the use of its facial recognition software Rekognition and Ring home-security products. Only one of the five proposals will be presented to shareholders.

Many of the resolutions Amazon hopes will not be raised at the shareholder meeting were organized by the Interfaith Center on Corporate Responsibility. Amazon has not issued objections to five other [shareholder](#) resolutions submitted in partnership with the religious group, including requests for reports on the company's facial recognition technology, efforts to reduce the use of plastic packaging and lobbying expenditures.

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