

Candidate D – Analysis and Evaluation (extracts)

AIM - Explore the impact CSR (Corporate Social Responsibility) has on Amazon's stakeholders.

Amazon has also developed a Climate pledge, where they outline 6 major goals they want to reach, and the years they want to reach them by. Including reaching Net zero carbon across their business by 2040, Reaching Shipment Zero of 50% of their deliveries by 2030 and powering all their operations by 100% renewable energy by 2025. All these pledges are going to be funded by \$2 billion “to support the development of technologies and services that decarbonize and help preserve the natural world.” One thing they have done to try and accomplish this is by purchasing 100,000 electric delivery vehicles, this will be beneficial to use these vans in ultra-low emission zones, this will allow amazon to reach more of their customers, while avoiding charges to enter these zones. Due to the vans being electric, this reduces their running costs over time, which over time increases the organization's profits. However, to invest in 100,000³ vans, it has a huge upfront cost for the vans, which will reduce the organization's profits, but over time the vans will be cheaper to run. This is having a positive impact on Amazon as it is increasing their sales due to customers being more satisfied with

³ Amazon's first electric delivery vans are now making deliveries – see how they were designed - <https://www.businessinsider.com/amazon-creating-fleet-of-electric-delivery-vehicles-rivian-2020-2?r=US&IR=T>

Amazon has come under heavy criticism after they were found to have illegally fired two employees when they spoke out against Amazon's environmental policies. Amazon explicitly stated they do not have an issue with employees speaking out against their working conditions, however, they also stated "We terminated these employees not for talking publicly about working conditions, safety, or sustainability, but rather, for repeatedly violating internal policies." This has caused significant backlash because Amazon did not state which internal policies and people think Amazon fired them due to publicly protesting the environmental policies but are trying to cover this up by saying they violated internal policies, this has reduced the public image of the organization and will reduce the number of high-quality employees and stakeholders they attract, as people do not want to work for a company that might fire them over their opinions on their CSR policies. (See appendix 3)

In late 2019 Amazon was accused of using child labour in China, to produce Amazon's 'Alexa'. The kids were as young as 16 and were being forced to work overnight with low pay to reach production targets. There were over 1,000 kids working in Amazon's supplier Foxconn. Not only is this practice morally wrong but it is also illegal, it was reported that 20% of the workforce was proclaimed "Interns", (See appendix 8). These interns have been forced to work overtime and night shifts. This gives Amazon an incredibly bad reputation, as most people do not want to buy from a company that is known for using child labour and forcing them to work overtime. This could lead to a boycott of the company and a loss of sales revenue and profit for the organization. These accusations are also very costly as the organization must launch an investigation, move suppliers, and find ways to improve their reputation again, this all reduces the company's profits and can ruin the company's reputation, as it brings awareness that big companies may be using child labour in foreign countries.

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