

Reid M (Martin)

From: [REDACTED]
Sent: 10 March 2016 13:46
To: Cabinet Secretary for Fair Work, Skills and Training
Cc: First Minister; DG Learning & Justice, [REDACTED]; Communications Fair Work;
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Subject: Briefing - Cabinet Secretary for Fair Work, Skills and Training - Visit to Amazon's
Edinburgh offices - note of meeting
Attachments: A13679872.docx

PS/Cabinet Secretary for Fair Work, Skills and Training

Please find attached a note of your recent meeting with Amazon outlining the key discussion topics and the resultant action points.

As agreed with your Private Office, a thank you letter for your signature will be drafted once the relevant action points have been completed and we are able to provide Amazon with the additional information requested during the meeting.

Please let me know if you require anything further.

[REDACTED]

From: [REDACTED]
Sent: 29 February 2016 16:03
To: Cabinet Secretary for Fair Work, Skills and Training
Cc: First Minister; Minister for Youth and Women's Employment; DG Learning & Justice; [REDACTED];
Communications Fair Work; [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Subject: Briefing - Cabinet Secretary for Fair Work, Skills and Training - Visit to Amazon's Edinburgh offices

PS/Cabinet Secretary for Fair Work, Skills and Training

Please find attached the requested briefing pack ahead of your visit to Amazon's offices in Edinburgh on Wednesday 2 March 2016:

Please let me know if you require anything further.

Kind regards,

[REDACTED]

[REDACTED]
Senior Policy Adviser
Labour Market and Workplace Policy Division

**Meeting with Amazon
2 March 2016**

Note of meeting

Present:

Rosanna Cunningham, MSP, Cabinet Secretary for Fair Work Skills and Training (RC)
Lesley Smith, Director of Public Policy, Amazon (LS)
Graeme Smith, Managing Director, Amazon Development Centre Scotland (GS)
Nicola Sweeney, Director, Amazon's fulfilment centres in the UK (NS)
Emma Davidson, Site Lead, Amazon UK Customer Service (ED)
[REDACTED], Public Affairs Intern, Amazon (AS)
Stuart McLean, Private Secretary, Scottish Government (SM)
[REDACTED], Senior Policy Adviser, Scottish Government (PM)
[REDACTED], Account Manager, Scottish Enterprise (RS)

Note of meeting

1. LS opened the with welcomes and introductions.
2. LS next gave a presentation on Amazon's current employment practices, products and services in Scotland. [The contents of this was not minuted due to the confidential nature of what was included].

AP – In relation to the third party vendors using Amazon as a platform to sell online, Amazon will look into the number of Scotland based companies. Amazon highlighted that there are difficulties with this due to the way post codes are recorded
3. Following the presentation the discussion turned to the recent media reports on Amazon's work practices and grant funding the company has received previously from Scottish Enterprise (SE). RC was clear that the discussion was not a conversation about not having Amazon in Scotland.
4. LS welcomed this confirmation and indicated that, in her belief, the recent media reports, particularly relating to work practices and the level of funding the company has received, resulted from a recent audit of Grant funding. RC acknowledged that while the current SG administration has provided funding to Amazon through SE, previous administrations have also done this with the intention of bringing more jobs to Scotland.
5. RC confirmed Amazon are now facing a considerable reputational risk which needs to be addressed. NS defended the company's working practices by noting it's position with regards to each element of the Scottish Business Pledge (SBP) and confirming that the company was an early adopter of the UK Government's national living wage (NLW). RC welcomed this but noted that the NLW is not the Living Wage. RC encouraged Amazon to work towards meeting all of the criteria set out in the SBP and to formalise this by becoming a signatory of it. Commitment to the Living Wage, diversity and prompt payment are the only three elements the company is not currently delivering according to NS.
6. RC noted that fair work is more than just pay but rather is about the wider package available to employees, or in the case of Amazon, associates. RC and NS discussed the use of 'associate' instead of employee. NS outlined that this was an inclusive policy to avoid 'rank and file' and was designed to make all employees feel like part of the Amazon family.
7. RC next turned the discussion towards the numerous reports of poor working conditions, noting that there are too many reports for the claims to be completely discounted. RC raised an issue she personally had become aware of where a correspondent had written to Amazon four times and had not received a reply to any of the letters. RC noted that ignoring letters which raise concerns is not helpful and leaves the company open to further allegations. LS confirmed that to her knowledge Amazon reply to all correspondence

received and that she is only aware of one correspondent fitting this description and responses were issued on each occasion. LS confirmed correspondence should be sent to 60 Holborn Viaduct, London EC1A 2FD.

AP – RC to check where all four letters were sent to and, if possible, provide identity of sender and content of letters. LS is keen to know the specifics of any complaint or allegation contained within the letters in order that they can investigate.

8. RC then raised the issue of fair working practices, raising two particular concerns – firstly wider working conditions more generally and how increased pay should not be to the detriment of other benefits and secondly hours worked and how uncertainty around the number of hours can have a significant impact on a person's ability to achieve a work life balance. LS confirmed that allegations of this nature are recycling of old stories which were addressed in previous years when the initial issue was raised with the company.

9. Throughout this discussion, LS confirmed that Amazon rigorously investigate all workplace complaints with the aim of resolving the issues raised and to improve overall working conditions for all of the company's associates.

10. In relation to zero-hour contracts, NS confirmed that no permanent associate is employed on a zero hour contract but rather on a minimum hour contract. RC noted that she was aware of a media report stating that staff had arrived at an Amazon fulfilment centre and been turned away due to insufficient work being available. NS refuted this stating that in this scenario, the staff member would have been re-deployed to another department but would have been able to work. NS advised that associates receive a minimum commitment to payment for 20 hours work per week and this guarantee extends to periods where 20 hours' work per week is not available.

AP – LS/NS committed to providing figures relating to Amazon's staff turnover, particularly within fulfilment centres, where the many of the complaints referenced in media reports originate.

AP – RC committed to undertaking a visit to a fulfilment centre later in the year, pending the outcome of the Scottish Parliamentary Election in May 2016.

11. RC returned to the issue of reputational risk and noted that there is a growing cross-party opinion that Amazon may not be the best employer. RC noted that this is a result of the combination of media reports relating to tax affairs, funding arrangements and staffing concerns and complaints. RC suggested that Amazon would do well not to ignore this issue. RC was clear that it is for Amazon to deal with this situation and seek to reverse this opinion.

12. LS confirmed that Amazon, as a company, are aware of the reputational risks and acknowledged that while the company is doing a lot of good work within schools, communities and the workplace, it could do more to publicise this. RC suggested that the company could be more proactive about this.

AP – RC suggested that Amazon should look to promote its positive activity with some form of event or session within the Scottish Parliament. SG officials will provide a point of contact within the Parliament/further information to Amazon in relation to this.

13. LS concluded that it is not in Amazon's interests to have an unhappy workforce and that the company does want to improve public opinion and resolve any issues relating to its work practices while acknowledging that a lot of what has been reported in the media is repetition of previous allegations and hearsay.

14. RC welcomed this conversation which covered a number of issues while acknowledging Amazon's position may be different to that of SG.

Reid M (Martin)

From: [REDACTED]
Sent: 19 April 2017 14:27
To: Deputy First Minister and Cabinet Secretary for Education and Skills
Cc: [REDACTED]
Subject: Amazon - Briefing for Mr Swinney



Amazon - Briefing
for Mr Swinney...

Please find enclosed briefing on Amazon for Mr Swinney's meeting at 4pm as requested.

Regards,

[REDACTED]

[REDACTED] | Business Briefing Unit | Scottish Development International
Direct dial +44 (0) [REDACTED] | The Scottish Government, Atlantic Quay, 150 Broomielaw |
Glasgow G2 8LU
[REDACTED]

AMAZON – CORE BRIEF

Lines to Take – Financial Support

- Grant support awarded to Amazon by Scottish Enterprise has helped create more than 1800 jobs in Scotland.
- All grants provided to the company by Scottish Enterprise were paid based on satisfactory claims and supporting evidence.
- Amazon has not requested any further grant support from SE at present.

Scottish Operation

- Amazon has around **2,200 employees** in Scotland (12,000 FTE in the UK).
- They have received a total of **£5,329,046** in grant assistance from the Scottish Government and Scottish Enterprise since 2005 (breakdown at Annex A). This includes RSA of **£1.655 million** to establish their facility in **Gourock** and RSA of **£1.4 million** to establish the **Dunfermline fulfilment centre**.
- SE records on Amazon support date back from 2004 (when SE took over responsibility for managing large grants). As far as SE finance officials know there was no financial support provided to Amazon by SE prior to 2004.
- Amazon announced on **22 January** that it plans to create **2,500 new jobs across the UK**. These include potential jobs in research and development in Edinburgh and customer service roles, also in Edinburgh.
- No Scottish Enterprise or Scottish Government assistance was provided in relation to the 2500 planned new jobs referenced above.
- Amazon is account managed by SE and officials regularly meet the company. Amazon recognise the value of regular staff training and development across functions (logistics, customer service and technical) and they tell SE that they invest in this on an on-going basis. In addition they currently operate a specific programme aimed at developing women in their workforce.

Sensitivities

- **Amazon Fulfilment centres (Gourock & Dunfermline) do not pay the living wage**, at FMQ's on 21 Jan 2016, Willie Rennie MSP indicated he had received a letter from Amazon which indicated that they paid £7.20 per hour.
- **The company do not operate zero hours contracts** in relation to FTE's, however it is unclear whether this extends to its temporary seasonal staff.

Lines to take – Fair Work

- **The Scottish Government acted swiftly last year on reports that Amazon were not treating employees fairly.**
- **Mr Brown visited in November and raised issues of absence management, pressure to work overtime, union membership and payment of the Living Wage. He also raised reports of staff camping out to reduce costs.**
- **Mr Brown asked Amazon to look into the possibility of actively supporting union membership.**
- **Amazon agreed to look into the possibility of becoming Living Wage Accredited.**
- **A follow-up meeting with Amazon is planned by Mr Brown in the next few weeks to establish what progress has been made and to explore what actions they plan to support their expanded workforce over the Christmas peak period this year.**

Ministerial Engagement – Fair Work

1. Mr Brown, met with Amazon in December 2016 following criticism raised in the press concerning working practices and treatment of employees. Specifically the press focused on staff allegedly camping outside the site in Dunfermline to avoid having to pay travel costs. Issues had also been flagged regarding union membership and flouting the Working Time Directive rules on numbers of hours worked per week. Mr Brown also raised the payment of the Living Wage.
2. Amazon maintained that they recognised the importance of being, and being seen to be, a good employer. They advised that Union membership was not prevented, but they preferred direct management-employee contact. They considered newspaper reports to be misrepresentative and also took the opportunity explain their attendance system in response to concerns about staff being dismissed as a consequence of illness (cumulative points-based, with no automatic dismissal and management discretion allowed)
3. Amazon suggested that there may be some differences regarding terms and conditions of agency supplied staff, which may result in agencies treating staff less well.
4. Amazon work an “exception” approach to overtime, which means that staff have to opt out during peak periods. They insisted there was no duress for staff to work overtime, but also that for many staff that was a key attraction. According to Amazon, staff whom opted out were not prevented from working overtime subsequently.
5. On the issue of staff sleeping in tents, Amazon explained that they subsidised travel costs for staff although it did not meet full costs. They claimed they were

working with the council regarding the notification of tents being pitched, but on investigation found no evidence to confirm Amazon staff were involved.

6. The Cabinet Secretary also pressed Amazon on the issue of paying the Living Wage. Amazon explained that was not a decision they could take locally and would have to be subject to a national agreement by their senior management. They agreed to look into it (at the time of the visit, staff who had worked at Amazon for 2 years were receiving at least £8.40 an hour, compared to the Living Wage rate of £8.45). Overtime rates were well above this.
7. The Cabinet Secretary said he would want to meet again with Amazon in the New Year and has recently requested that officials arrange for a follow-up.

Ministerial Engagement – Exports

- **Paul Wheelhouse has just agreed to deliver a keynote speech** at the 3rd Amazon Academy Event **on Tuesday 23 of May** at the Edinburgh International Conference Centre. That event is focused on helping SMEs to understand the opportunities available through exports and how the Amazon Marketplace platform can help them to increase their market reach and sales.

Contacts:

[REDACTED]
Business Briefing Unit
[REDACTED]

[REDACTED]
Business Briefing Unit
[REDACTED]

[REDACTED]
Fair Work and Skills
[REDACTED]



T: [REDACTED]
E: [REDACTED]

Lesley Smith
Director Public Policy, UK & Ireland
Amazon
60 Holburn Viaduct
London
EC1A 2FD

Our ref: FWES Am001
27th April 2017

Dear Lesley,

I am aware that following the meeting that you and your team at the Dunfermline Fulfilment Centre kindly hosted in December with Mr Brown, Cabinet Secretary for Economy, Jobs and Fair Work, there were a number of points that it was agreed that you would look into. Mr Brown had originally intended to seek a further meeting to see what progress you had made early in the New Year, but he has now asked me to write to you to request an update and arrange a meeting in the next few weeks to discuss progress. He would also like to review what might be done to try and avoid a repeat of last year's negative press reporting.

By way of a reminder, it was agreed that you would look into the following points:

- consider talking with the Living Wage Foundation and become an accredited Living Wage employer;
- look into taking a more supportive role in encouraging trade union representation;
- providing information on the provision of transport and the subsidy levels Amazon contribute;
- looking into the work of the Fair Work Convention (such as the Fair Work Framework) as a means of building Amazon's reputation around fair work practice (I have enclosed a copy of the Framework and the summary version for your information).

I would appreciate if you were able to provide an indication of how you have been able to progress the above and also, if your secretary can contact with me, I can arrange a mutually convenient time for you to meet with Mr Brown when you are due to be in Edinburgh.

I look forward to hearing from you soon.

Yours sincerely

[REDACTED]

[REDACTED]

From: [REDACTED]
Sent: 25 May 2017 15:10
To: Cabinet Secretary for Economy, Jobs and Fair Work
Cc: [REDACTED]
Subject: FW: Rescheduling Lesley Smith Meeting with Cabinet Secretary for Economy, Jobs and Fair Work

[REDACTED]

Lesley Smith at Amazon has come back to me with the email below regarding the postponed meeting with Mr Brown. It doesn't accord with my discussions with her PA but in any case Lesley suggests they will still not have key planning data ready for a meeting with the Cabinet Secretary on 21 June.

Would the Cabinet Secretary wish to press ahead with a meeting on 21 June (assuming Lesley can manage to re-jig her diary) and discuss the elements of the agenda which Amazon can update/discuss at this time? Or would Mr Brown prefer to meet later in the year. Lesley hasn't suggested that Amazon is unable to update on the agreed actions I have highlighted below so a discussion on 21 June followed up by a visit later in the year when Amazon is in a position to provide a further update might be a useful way to proceed?

- consider talking with the Living Wage Foundation and become an accredited Living Wage employer;
- look into taking a more supportive role in encouraging trade union representation;
- providing information on the provision of transport and the subsidy levels Amazon contribute;
- looking into the work of the Fair Work Convention (such as the Fair Work Framework) as a means of building Amazon's reputation around fair work practice (I have enclosed a copy of the Framework and the summary version for your information).

Thank you

[REDACTED]

[REDACTED] | Promoting Fair Work Division | Scottish Government | Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU | [REDACTED] [REDACTED]



'Improving people's lives through work'

From: Smith, Lesley [mailto:lesleys@amazon.co.uk]
Sent: 25 May 2017 11:32
To: [REDACTED]
Cc: Tabone, Nicole
Subject: FW: Rescheduling Lesley Smith Meeting with Cabinet Secretary for Economy, Jobs and Fair Work

[REDACTED]

I'm sorry I think we are at cross purposes. I very much did not want to postpone yesterday's meeting and I was disappointed that the Cabinet Secretary did not want to meet as arranged. I asked Nicole in my office to make clear that I wanted to go ahead and had arranged for an evening flight so that I could meet the Cabinet Secretary. So I was in Edinburgh yesterday all afternoon without a meeting and your cancellation unfortunately came a little too late to arrange other meetings in its place.

We have been discussed the areas raised in Mr. Reid's letter although his description of the points for discussion is not exactly as we recall from the meeting. We could not, for example, discuss levels of subsidy we may provide for transport at peak as the decisions around transport support are taken in a broader context once we have received tenders from transport companies and have a reasonable forecast of the geographies from which we will need to draw staff next peak. As you'll understand, as we add new sites each year, our forecast for temporary staff needs will vary from year to year so we have not yet completed those costings and plans. I could not anyway discuss the details of Amazon's operating costs but I'm happy to provide more detail on the degree to which we subsidised actual average journey costs per passenger. Later in the year when plans for peak are clear I am happy to provide a further update but we would not have that data by 21 June.

I am happy to discuss the other elements of the agenda. I have another meeting in London on 21 June but will ask Nicole to see if I can send apologies and come to Edinburgh on 21 June

Kind regards

Lesley

Lesley Smith | Director Public Policy, UK & Ireland | Amazon
[REDACTED]
Amazon, 60 Holborn Viaduct, London EC1A 2FD

From: [REDACTED]
Sent: 25 May 2017 11:09
To: [REDACTED]
Subject: FW: Rescheduling Lesley Smith Meeting with Cabinet Secretary for Economy, Jobs and Fair Work

From: [REDACTED]
Sent: 24 May 2017 11:22
To: [REDACTED]
Subject: Rescheduling Lesley Smith Meeting with Cabinet Secretary for Economy, Jobs and Fair Work

Dear Lesley,

As you will be aware, the Cabinet Secretary has agreed to postpone the meeting that was scheduled for today so that you have the opportunity to consult with HR on the actions from the previous meeting on 19 December at the Dunfermline Fulfilment Centre.

We informed the Cabinet Secretary that you are awaiting a response from HR and he is looking forward to hearing the outcome and to discuss progress on the agreed actions.

The Cabinet Secretary has agreed to meet after the election period but is keen that it happens before the Scottish Parliament's Summer Recess Period (which begins on 3 July). However, his diary is very busy and **his office has held a diary slot for 11.30 – 12.15 on Wednesday, 21 June at his office in the Scottish Parliament.**

I would be grateful if you could confirm as soon as you can that this new slot is suitable for you.

Thank you

[Redacted]

[Redacted] | Promoting Fair Work Division | Scottish Government | Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU | [Redacted]



'Improving people's lives through work'

From: [Redacted]
Sent: 23 May 2017 08:58
To: [Redacted]
Subject: RE: Meeting with Cabinet Secretary for Economy, Jobs and Fair Work, 24 May

[Redacted]

Good morning.

I'm following up on yesterday's call – would Mr Brown still like to meet with Lesley Smith?

Thank you,

[Redacted] | Public Policy Assistant, UK & Ireland | Amazon
[Redacted]
Amazon, 60 Holborn Viaduct, London EC1A 2FD

From: [Redacted]
Sent: 22 May 2017 14:26
To: [Redacted]
Subject: RE: Meeting with Cabinet Secretary for Economy, Jobs and Fair Work, 24 May

Thank you [Redacted]

From: [Redacted]
Sent: 22 May 2017 14:25
To: [Redacted]
Subject: RE: Meeting with Cabinet Secretary for Economy, Jobs and Fair Work, 24 May

[Redacted]

Lesley's in an external meeting at the moment, so I'll be able to give you a reply in an hour. Sorry for the delay.

Kind regards,

[REDACTED] | Public Policy Assistant, UK & Ireland | Amazon
[REDACTED]
Amazon, 60 Holborn Viaduct, London EC1A 2FD

From: [REDACTED]
Sent: 22 May 2017 13:25
To: [REDACTED]
Subject: RE: Meeting with Cabinet Secretary for Economy, Jobs and Fair Work, 24 May
Importance: High

[REDACTED]

Sorry to be a pain but Cabinet Secretary's Private Office are chasing me for confirmation. Am I able to tell them that meeting is to go ahead as planned?

Thank you

[REDACTED]

[REDACTED] | Promoting Fair Work Division | Scottish Government | Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU | [REDACTED]



'Improving people's lives through work'

From: [REDACTED]
Sent: 22 May 2017 10:30
To: [REDACTED]
Subject: Meeting with Cabinet Secretary for Economy, Jobs and Fair Work, 24 May
Importance: High

Good morning [REDACTED]

As I mentioned, the Cabinet Secretary's office has asked me to confirm (this morning) that Lesley is still ok to attend the meeting with Mr Brown at Scottish Parliament scheduled for at 3.30 on Wednesday, 24 May.

I would be grateful also if you could let me know if Lesley has anything to flag up for the agenda.

Thank you

Stephen O'Connor | Promoting Fair Work Division | Scottish Government | Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU | ☎ 0300 244 2361 | ✉ stephen.o'connor@gov.scot

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'Improving people's lives through work'

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Dh'fhaodadh gum bi teachdaireachd sam bith bho Riaghaltas na h-Alba air a chlàradh neo air a sgrùdadh airson dearbhadh gu bheil an siostam ag obair gu h-èifeachdach neo airson adhbhar laghail eile. Dh'fhaodadh nach eil beachdan anns a' phost-d seo co-ionann ri beachdan Riaghaltas na h-Alba.

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