### United States Senate <u>HEALTH, EDUCATION, LABOR, & PENSIONS COMMITTEE</u>

Bernard Sanders, Chair Amazon Investigation Interim Report July 15, 2024

### PEAK SEASONS, PEAK INJURIES: Amazon Warehouses Are Especially Dangerous During Prime Day and the Holiday Season—and the Company Knows It

On July 16 and 17, 2024, Amazon will hold its annual Prime Day event, where it discounts products for Amazon Prime subscribers.<sup>1</sup> The event is a major source of revenue for the company: in 2023, Amazon recorded \$12.7 billion in sales for 375 million products over two days.<sup>2</sup>

But Prime Day is also a major cause of injuries for the warehouse workers who make it possible. As part of an ongoing investigation into Amazon's warehouse safety practices, Senator Bernie Sanders, Chairman of the Senate Committee on Health, Education, Labor, and Pensions (HELP Committee), is releasing this interim report on the extremely unsafe conditions in Amazon warehouses during Prime Day and the holiday season and calling on the company to do more to protect warehouse workers.

This interim report sheds light on Amazon workers' experiences during Prime Day and the holiday season. It also makes public, for the first time, the company's internal data on warehouse injury rates, which reveal just how dangerous its warehouses are during peak seasons.

According to this internal data, during Prime Day 2019, Amazon's rate of recordable injuries the injuries Amazon is required to disclose to the Occupational Safety and Health Administration (OSHA)—was over 10 injuries per 100 workers. That rate is more than double the industry average. But this number does not tell the full story. During that same period, Amazon's total injury rate, which includes injuries Amazon is not required to disclose to OSHA, was just under 45 injuries per 100 workers. That is nearly half of the company's warehouse workers. These injury rates are especially egregious in light of the incredible revenue the company generates and the resources it has available to make its warehouses safe for workers.

## Prime Day and the holiday season are characterized by extremely high volume and intense pressure to work long hours and ignore safety guidelines.

Chairman Sanders's June 20, 2023 letter to Amazon CEO Andy Jassy raised concerns that Amazon forces warehouse workers to move at impossible speeds that frequently lead to serious

<sup>&</sup>lt;sup>1</sup> Press Release, Amazon.com, Inc., Amazon's 10th Prime Day Event Returns July 16 & 17, With Millions of Exclusive Deals for Prime Members (June 25, 2024),

https://press.aboutamazon.com/2024/6/amazons-10th-prime-day-event-returns-july-16-17-with-millions-of-exclusive-deals-for-prime-members.

<sup>&</sup>lt;sup>2</sup> Annie Palmer, *Amazon says Prime Day will run July 16 and 17*, CNBC (June 25, 2024), https://www.cnbc.com/2024/06/25/amazon-prime-day-2024-sale-runs-july-16-and-17.html.

injuries.<sup>3</sup> Over the course of this investigation, HELP Committee Majority staff have heard from hundreds of current and former Amazon employees across the country and interviewed more than 100 of them.<sup>4</sup> These workers not only confirmed that the company sets unsustainable productivity requirements and that serious injuries are common, they also told Committee staff that Amazon's busiest periods—Prime Day and the holiday season—are by far the most dangerous.

During Prime Day and the holiday season, Amazon receives significantly more orders than it does during other periods. For example, one worker told the Committee that his delivery station had to process twice as many packages per day during those periods: "Peak hits, they blew out the warehouse. We got 120,000 packages when we normally handle 60,000."<sup>5</sup> In response to this dramatic increase in orders, Amazon requires warehouse workers to move faster and work both longer shifts and additional shifts in the form of what the company calls "mandatory extra time."<sup>6</sup> One worker told the Committee that, during a peak period, workers at her facility were required to work back-to-back twelve-hour shifts with just a seven-hour break in between.<sup>7</sup>

But Amazon does not stop there. During peak seasons, the company skirts and sometimes even outright ignores critical safety protocols. One worker's Prime Day experience shows how dangerous the company's disturbing culture of "constantly bypass[ing] safety in favor of productivity" can be.<sup>8</sup> This worker's facility installed a new conveyor belt in the weeks leading up to Prime Day. That conveyor belt was supposed to have a feature that automatically stops the belt when it is jammed or overloaded, which prevents packages—some of which weigh up to 50 pounds—from piling up, falling off, and injuring workers. Amazon "wanted the new conveyor belt done by Prime" so the company decided not to install the automatic stop feature to save time.<sup>9</sup> In the ensuing weeks, the lack of an automatic stop feature meant "the belt wouldn't stop if there was a jam," and workers had to clear packages while the conveyor belt kept moving and packages piled up behind and around them.<sup>10</sup> This unsafe practice was made worse by the site leadership's single-minded focus on moving as many packages through the warehouse as possible. As the worker told the Committee, while some workers were trying to grab packages

<sup>&</sup>lt;sup>3</sup> Letter from Senator Bernard Sanders, Chair, HELP Committee, to Andy Jassy, CEO, Amazon Inc. (June 20, 2023), <u>https://www.help.senate.gov/imo/media/doc/letter\_from\_help\_chairman\_sanders\_to\_andy\_jassy\_amazon\_ceo.pdf</u>.

<sup>&</sup>lt;sup>4</sup> The interviews in this interim report will identify each worker by their initials and the date of their interview (or interviews) with the Committee. In some cases, at the worker's request, we have included the worker's full name. <sup>5</sup> HELP Committee Majority staff interview with MA (Nov. 2 and 7, 2023).

<sup>&</sup>lt;sup>6</sup> HELP Committee staff interviews with MC (Sept. 29, 2023), DH (Oct. 23, 2023), SJ (Oct. 25, 2023), CM (Oct. 10 and Nov. 8, 2023), TS (Oct. 13, 2023), DV (Oct. 25, 2023), RN (Oct. 31, 2023), MH (July 9, 2024), RB (July 9, 2024), and SBD (July 9, 2024).

<sup>&</sup>lt;sup>7</sup> HELP Committee Majority staff interview with SJ (Oct. 25, 2023). These practices give workers less time to recover from their strenuous jobs, and lead to more injuries. One study published in the journal Occupational and Environmental Medicine found that "working in jobs with overtime schedules was associated with a 61 percent higher injury hazard rate compared to jobs without overtime" and that the injury rate increased "in correspondence to the number of hours per day (or per week) in the workers' customary schedule." A.E. Dembe, J.B. Erickson, R.G. Delbos, and S.M. Banks, *The impact of overtime and long work hours on occupational injuries and illnesses: new evidence from the United States*, 62 OCCUPATIONAL & ENVIRONMENTAL MEDICINE 588 (Aug. 18, 2005), https://pubmed.ncbi.nlm.nih.gov/16109814/.

<sup>&</sup>lt;sup>8</sup> HELP Committee Majority staff interview with Heather Goodall (Nov. 14, 2023).

<sup>&</sup>lt;sup>9</sup> Id.

<sup>&</sup>lt;sup>10</sup> Id.

that were stuck on the conveyor belt, others were being instructed to pile more and more packages on the belt which kept overloading the belt and injuring workers.<sup>11</sup>

Decisions like this—to put productivity before safety—are all too common at Amazon. And not surprisingly, they lead to increased injuries during peak periods.

# Amazon warehouses are especially unsafe during Prime Day and the holiday season—and the company knows it.

In the course of its investigation, the Committee reviewed multiple Amazon documents regarding injuries during peak seasons. One of these documents, an internal report, features a graph that tracks injury rates in 2019 and 2020, including during Prime Day and the holiday season. The graph, embedded below, shows that these two periods have by far the highest weekly injury rates for Amazon warehouse workers. Specifically, the graph shows that during Prime Day 2019, Amazon's recordable injury rate—which represents the injuries Amazon is required to disclose to OSHA—was over 10 injuries per 100 workers. That is more than *twice* the industry average.<sup>12</sup> The graph further shows that Amazon's total injury rate, which includes injuries Amazon is not required to disclose to OSHA, was just under 45 injuries per 100 workers. That is almost *half* of the company's warehouse workers.

Critically, although Amazon's total injury rate includes minor injuries, such as bruises and superficial cuts, it also includes serious injuries, such as torn rotator cuffs and concussions, which the company should have treated as recordable injuries. This is due both to Amazon's practice of failing to refer workers for outside medical care and the company's troubling history of under-recording injuries as required by federal and state regulations.

<sup>&</sup>lt;sup>11</sup> Id.

<sup>&</sup>lt;sup>12</sup> Based on NAICS code 493 for 2019. U.S. Bureau of Labor Statistics, *Injuries, Illnesses, and Fatalities*, TABLE 1. Incidence rates of nonfatal occupational injuries and illnesses by industry and case types, 2019 (Nov. 4, 2020), <u>https://www.bls.gov/iif/nonfatal-injuries-and-illnesses-tables/soii-summary-historical/summary-table-1-2019-national.htm</u>.



Graph from Amazon report in August 2020 compiled by an internal Workplace Health and Safety team. Purple highlighting by Committee.<sup>13</sup>

<sup>&</sup>lt;sup>13</sup> AMAZON\_00004101. The graph shows a comparison of Amazon's recordable injury rate or "RIR" (the injuries the company discloses to OSHA) to its total injury rate or "TIR" (the total number of injuries the company logs internally). Prime Day and the holiday season are identified by yellow boxes. The Committee added purple circles on the lines for the 2019 data to highlight the Prime Day and holiday season data points. The graph also includes the Bureau of Labor Statistics' (BLS) injury rate for the warehousing industry for 2018, shown as the consistent red dotted line at the bottom of the graph.

The green line (the second line from the bottom) shows that during Prime Day in 2019, Amazon had more than 10 recordable injuries per 100 full-time workers. That same year, BLS reported that the injury rate for the warehousing industry was 4.8 injuries per 100 workers. (For NAICS code 493, warehousing and storage. U.S. Bureau of Labor Statistics, *Injuries, Illnesses, and Fatalities*, TABLE 1. Incidence rates of nonfatal occupational injuries and illnesses by industry and case types, 2019 (Nov. 4, 2020), <u>https://www.bls.gov/iif/nonfatal-injuries-and-illnesses-tables/soii-summary-historical/summary-table-1-2019-national.htm</u>). The dark blue line at the top of the graph shows the company had nearly 45 total injuries per 100 full-time workers during Prime Day 2019, and a similar number of injuries during the holiday season.

The light blue line shows Amazon's recordable injury rate in 2020 and the orange line shows its total injury rate that same year. Amazon attributes the decrease in both recordable injuries and total injuries in 2020 to COVID-era policy changes (as noted by the red box on the graph). The 2020 data in this graph also does not include a spike for Prime Day because Amazon moved the event to October 13-14, 2020; the graph only includes 2020 data through the first week of October.

Through its investigation, the Committee uncovered evidence that Amazon fails to refer workers for outside medical care, which can affect whether an injury is considered "recordable." Under OSHA regulations, injuries that receive medical treatment <u>beyond</u> first aid must be disclosed to the agency, but many injuries that receive <u>only</u> first aid do not need to be disclosed to the agency.<sup>14</sup> It appears that Amazon is manipulating these regulations to keep its recordable injury rate low by engaging in medical mismanagement.<sup>15</sup> When Amazon workers are injured, they typically visit an on-site first-aid clinic called AMCARE. If their injuries are minor and require only first aid, they are usually treated and sent back to work. But if their injuries are more serious and require additional attention, they are often *still* only given first aid and sent back to work instead of being sent to a doctor.<sup>16</sup> The result is that their injuries can be rendered not recordable, regardless of severity.

Amazon's practice of failing to refer workers for outside medical care can take a number of different forms, including instructing workers to return to AMCARE, not informing them of their options, or explicitly discouraging them from seeking outside care. For example, OSHA recently found that workers at a warehouse near St. Louis, Missouri were told to return to AMCARE multiple times for "first aid" instead of being sent to outside medical providers. As OSHA alerted Amazon in January 2024, "workers cannot truly receive 'first' aid for the same acute injury on the 10th, 20th, or 30th visit."<sup>17</sup>

Worker outcomes are better when precisely the kinds of delays AAs see in the AMCARE follow-up process are avoided. Further, while OSHA affirms that applying ice, massaging, and recommending over-the-counter (OTC) medication at non-prescription strength falls within OSHA criteria for first aid and therefore does not require entry onto the 300 logs, workers cannot truly receive "first" aid for the same acute injury on the 10th, 20th or 30th visit. Multiple visits for such "first aid" deviates from standard clinical practice and from the clinical use of the term.

OSHA Hazard Alert Letter issued to Amazon's STL8 warehouse in St. Peters, Missouri on January 26, 2024. Highlighting by Committee.<sup>18</sup>

In addition, Amazon has a documented history of failing to properly record injuries for OSHA, which is further evidence that Amazon's total injury rate reflects serious injuries that should be disclosed to the agency and that its recordable injury rate is artificially low. For example, Amazon has been cited for dozens of federal and state recordkeeping violations, including "failing to record injuries and illnesses, misclassifying injuries and illnesses, not recording injuries and illnesses within the required time, and not providing OSHA with timely injury and

<sup>&</sup>lt;sup>14</sup> 29 C.F.R. § 1904.7. Employers must record injuries that result in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness.

<sup>&</sup>lt;sup>15</sup> See, e.g., U.S. Dep't Labor, Occupational Safety and Health Admin., Citation and Notification of Penalty to Amazon.com Services LLC—ALB1 Fulfillment Center, Inspection No. 1610874 (Apr. 18, 2023) (each, hereinafter, OSHA Citation).

<sup>&</sup>lt;sup>16</sup> See, e.g., OSHA Citation and Notification of Penalty—ALB1 Fulfillment Center, Inspection No. 1610874 (Apr. 18, 2023).

<sup>&</sup>lt;sup>17</sup> Hazard Alert Letter from Occupational Safety and Health Admin. to Amazon Services, LLC, dba Amazon Fulfillment Center STL8, Inspection No. 1686123 at 2 (Jan. 26, 2024). Letter on file with Committee.

<sup>&</sup>lt;sup>18</sup> Id. "AA" refers to Amazon Associates.

illness records."<sup>19</sup> And although Amazon's recordable injury rate has fallen 24 percent in the last four years, OSHA has repeatedly cited the company for failing to properly record injuries during that same period.<sup>20</sup> Committee review of OSHA records found federal or state recordkeeping violations in at least 20 Amazon facilities since July 2019.<sup>21</sup>

c) On or about July 1, 2022, the employer failed to record a work-related injury that occurred on or about June 24, 2022. An employee working in Inbound Stow felt a sudden pain in the right shoulder when lifting a heavy box of kitty litter. The employee's injury resulted in restricted work and medical treatment beyond first aid.

d) On or about July 7, 2022, the employer failed to record a work-related injury that occurred on or about 6/30/22. An employee was lifting an inflatable cance while working in Pack Singles and felt pain in wrist which continued when picking up another box. The injury resulted in days away from work.

e) On or about July 9, 2022, the employer failed to record a work-related injury that occurred on or about July 2, 2022. An employee working in the Ship Dock felt pinching pain in the lower back while lifting several pools back-to-back. The employee's injury resulted in medical treatment beyond first aid.

f) On or about July 10, 2022, the employer failed to record a work-related injury that occurred on or about July 3, 2022. An employee was working Pack Singles where employee was packing, taping, and lifting boxes. Employee felt pain in the right forearm that went to the thumb that got worse over the course of the shift. The employee's injury resulted in medical treatment beyond first aid and restricted duty.

*Examples from a December 15, 2022 OSHA citation issued to Amazon's ALB1 facility in New York for recordkeeping violations. Highlighting by Committee.*<sup>22</sup>

This evidence raises serious concerns about how dangerous Prime Day and the holiday season are for Amazon warehouse workers. And Amazon's practice of failing to refer workers for outside medical care as well as the company's troubling history of under-recording injuries indicate that not only is it aware of how unsafe its warehouses are during peak periods—but also that it is trying to hide these dangers from its regulators.

<sup>&</sup>lt;sup>19</sup> Press Release, U.S. Dep't Labor, Federal safety inspections at six Amazon warehouse facilities find company failed to record, report worker injuries, illnesses (Dec. 16, 2022),

https://www.osha.gov/news/newsreleases/national/12162022.

<sup>&</sup>lt;sup>20</sup> Amazon, *Amazon's safety performance continues to improve year over year* (Mar. 8, 2024), https://www.aboutamazon.com/news/workplace/amazon-workplace-safety-post-2023.

 <sup>&</sup>lt;sup>21</sup> Press Release, U.S. Dep't Labor, *supra* note 19 (Dec. 16, 2022) (DEN5, MCO2, BOI2, MDW2, ALB1, DYO1);
OSHA Citation—DNA1, Inspection No. 1529673.015 (June 9, 2021); OSHA Citation—DCX2, Inspection No. 1554290.015 (Feb. 14, 2022); OSHA Citation—AVP1, Inspection No. 1589647.015 (May 4, 2022); OSHA Citation—DAX3, Inspection No. 1614275.015 (Feb. 1, 2023); OSHA Citation—PHL7, Inspection No. 1630151.015 (Apr. 11, 2023); OSHA Citation—TEB3, Inspection No. 1646340.015 (June 13, 2023); OSHA Citation—EWR4, Inspection No. 1639292.015 (June 21, 2023); OSHA Citation—DSJ9, Inspection No. 1675026.015 (July 28, 2023); OSHA Citation—MTN1, Inspection No. 1655420.015 (Sept. 13, 2023); OSHA Citation—BFI3, Inspection No. 1676136.015 (Oct. 5, 2023); OSHA Citation—AVP9, Inspection No. 1677347.015 (Nov. 3, 2023); OSHA Citation—GEG1, Inspection No. 1695075.015 (Nov. 14, 2023); OSHA Citation—STL8, Inspection No. 1686123.015 (Dec. 22, 2023); OSHA Citation—DBK1, Inspection No. 1689644.015 (Feb. 2, 2024).
<sup>22</sup> OSHA Citation and Notification of Penalty to Amazon.com Services LLC—ALB1 Fulfillment Center, Inspection No. 1610874 at 6 (Dec. 15, 2022),

https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2022/12/OSHA20222343.pdf.

## Despite known dangers during peak seasons, Amazon consistently fails to adequately staff its warehouses.

The Committee also reviewed internal Amazon documents that show that Amazon warehouses are regularly understaffed and that the company has been short on hiring during Prime Day and the holiday season, endangering workers who have to manage increased volume without increased support. For example, in one October 2020 report, the company acknowledges that its operating headcount is less than 80 percent—indicating that the company regularly operates warehouses with a significant number of open positions.<sup>23</sup>

Amazon examined the issue more closely in a memorandum titled "2021 Prime Day Lessons Learned," which analyzes staffing performance for the period leading up to Prime Day in 2021. The document states that Amazon had only a 54.7 percent rate of success meeting its hiring target from the end of March through the beginning of May in 2021.<sup>24</sup> That means Amazon filled barely more than *half* of the positions it needed to fill to have fully staffed warehouses during that period. From the beginning of May through the end of June—ending the week of Prime Day—the company met only 71.2 percent of its hiring target.<sup>25</sup> The document expresses concern about the significant gaps between those numbers and the corresponding hiring targets, acknowledging that they "creat[e] a negative impact on the business and risk to Prime Day."<sup>26</sup>

#### Workforce Staffing | 2021 Prime Day Lessons Learned | August 2021

#### **Executive Summary**

This document will review staffing performance for WK18-25 leading into Prime Day, learning experiences from actions to increase fill rates during that period, and how Workforce Staffing (WFS) will leverage those learning experiences for 2021 Peak. Leading up to Prime Day hiring, WK13-17 labor orders averaged 24,930 per week, with Day 1 Starts of 13,636 (54.7% fill rate), creating a negative impact on the business and risk to Prime Day. For WK18-25, the weekly average increased to 28,251, with Day 1 Starts of 20,212 (71.2% fill rate). In the five weeks following Prime Day, labor orders fell slightly to 23,169 while Day 1 Starts have remained at 22,574 (97.4% fill rate) (Appendix A).

*Excerpt from August 2021 Amazon report "2021 Prime Day Lessons Learned." Highlighting by Committee.*<sup>27</sup>

Understaffing during peak periods is such a pervasive problem at Amazon that it is even incorporated into the company's training materials. One of the videos the company uses to train warehouse workers shows two actors, playing a worker and a manager, discussing a fictional scenario: an injury that the worker sustained.<sup>28</sup> The manager asks the worker to explain what happened so that the manager can help prevent it from happening in the future. The worker starts by noting that the injury occurred during peak season, when there were a lot of packages moving through the warehouse. The worker then notes that the warehouse was also short-staffed. The worker explains that, as a result, there were no other workers available to help her lift a heavy

- <sup>25</sup> Id.
- <sup>26</sup> Id.

<sup>&</sup>lt;sup>23</sup> AMAZON 00004106.

<sup>&</sup>lt;sup>24</sup> AMAZON\_00003609.

<sup>&</sup>lt;sup>27</sup> *Id*.

<sup>&</sup>lt;sup>28</sup> AMAZON\_00001314.

package that was stuck on the conveyor belt and that when she lifted it herself, she injured her back. This video is evidence that even the corporate offices responsible for providing training materials to warehouse workers are aware of how common understaffing is during peak periods, and how understaffing leads to increased injuries.

Amazon has even acknowledged this risk in its filings with the Securities and Exchange Commission. In the company's 2023 Annual Report, Amazon states, "we may be unable to adequately staff our fulfillment network and customer service centers during these peak periods," which include "promotional events," such as Prime Day, as well as the holiday season.<sup>29</sup> This public recognition of the company's persistent problem with understaffing is further evidence that the company is aware of the issue and its impact on warehouse workers.

But despite this awareness, the Amazon workers the Committee has spoken with report that the company has not taken the steps necessary to ensure it has sufficient staffing for these high-volume periods, including the upcoming Prime Day and the 2024 holiday season.

#### Amazon must do more to protect workers during Prime Day and the holiday season.

As one of the richest companies in the world, Amazon has the resources to make its warehouses safe for workers. Indeed, its market capitalization recently surpassed \$2 trillion.<sup>30</sup> But Amazon has repeatedly failed to take meaningful steps to protect its warehouse workers. And the actions the company *has* taken have paled in comparison to what it could do.

For example, the company could significantly increase its hourly wages and benefits for workers to aid in recruiting and ensure it has sufficient headcount for peak seasons. The company could also give customers realistic delivery estimates that better balance speed with worker safety. Above all, Amazon could choose to decrease its productivity demands on workers. But Amazon has not done any of this.

What it has done is make investments in "safety projects and initiatives"—over \$1 billion from 2019 to 2022.<sup>31</sup> But those investments over *four years* are less than 3 percent of the company's \$36.9 billion in profits in 2023 alone.<sup>32</sup> If Amazon really wanted to be the "Earth's Safest Place to Work," it would take much more meaningful steps.<sup>33</sup>

Instead, the company continues to create excessive demand and push workers to extremes to meet that demand—often in ways that require workers to operate far beyond what is reasonable or safe. This is not an acceptable set of practices from one of the richest companies in the world. Amazon must address its injury crisis and ensure that all workers are safe at their jobs, especially during the most intense and demanding periods.

<sup>&</sup>lt;sup>29</sup> Annual Report (2023), AMAZON.COM, INC., at 8 (2024).

<sup>&</sup>lt;sup>30</sup> Amazon.com, Inc. Common Stock, NASDAQ, <u>https://www.nasdaq.com/market-activity/stocks/amzn</u> (last accessed July 12, 2024).

<sup>&</sup>lt;sup>31</sup> Amazon, *An update on safety at Amazon* (July 26, 2023), https://www.aboutamazon.com/news/workplace/amazon-safety.

<sup>&</sup>lt;sup>32</sup> Annual Report (2023), AMAZON.COM, INC., at 25 (2024).

<sup>&</sup>lt;sup>33</sup> Letter from Jeffrey P. Bezos, Amazon.com, Inc., Founder and Chief Executive Officer to Shareholders (Apr. 15, 2021), <u>https://www.aboutamazon.com/news/company-news/2020-letter-to-shareholders</u>.

Unfortunately, as the Committee will document in detail in a future publication, that is not how the company currently operates. That must change. The United States Congress and the American people cannot allow this systematic mistreatment of workers to continue.