# **Policy Factsheet**

#### **Policy Purpose**

Even before the pandemic, 250,000 warehouse workers throughout California did some of the most dangerous and back-breaking work. Now risking COVID-19 to keep our state fed and supplied, frontline warehouse workers are suffering serious workplace injuries and illnesses at soaring rates. Brutal quotas and work speeds at e-commerce giants like Amazon and Walmart force workers to perform at a rate that inherently unsafe. These are the same companies that have made record profits during the pandemic and are now our state's largest private employers. California must demand better from these companies and step up to protect workers' dignity and safety.

### **Background**

While many small businesses have struggled during the COVID-19 pandemic, e-commerce giants like Amazon and Walmart are making record profits, accelerating a shift already underway toward online retail. The convenience and fast delivery of online shopping come with terrible costs, however, for the warehouse and transportation workers getting the goods to consumers' doorsteps -- increasingly brutal work speeds and alarming rates of serious work-related injuries.

Competition to provide the fastest order deliveries at the lowest cost is creating a race to the bottom in labor conditions. Amazon warehouse workers complain of relentless quotas and crushing workloads and speeds, managed through a system of constant surveillance. Amazon workers report, for example, having to scan a numbing 300-400 items per hour in some positions, with their tasks constantly tracked and penalties for time marked as "off-task." Not to be outdone by Amazon, Walmart stepped up two-day then next-day delivery from 2017-2019, after which the Warehouse Worker Resource Center received reports from Walmart warehouse workers of significantly rising quotas and time pressures.

The result of these work speeds? Debilitating injuries to

workers' backs, limbs, joints, and mental health. Amazon's own records show that its workers are injured on the job at double the average rate of the general warehousing industry, and triple the average rate across all private employers.<sup>2</sup> In fact, Amazon warehouse workers are injured more frequently than coal miners, lumberjacks, trash collectors, and police officers.<sup>3</sup> And the problem appears to be getting worse, with injury rates in Amazon warehouses increasing by 33% between 2016 and 2019.<sup>4</sup>

Supposed improvements from technology such as robotics are unlikely to improve things -- workers report increased speeds when they have to keep up with robots and Amazon's records show 50% higher serious injury rates in warehouses with robots than in ones without.<sup>5</sup>

Many Amazon warehouse injuries are severe. Recent company records show that 88.9% percent of injured workers had to miss work or be placed on restricted duty, and those forced to miss work to recover were out for an average of five-and-a-half weeks.<sup>6</sup> Almost 75% of injuries in these records were musculoskeletal injuries such as sprains, strains and tears.<sup>7</sup> Such severe injuries can have lifelong effects and increase the risk of disability.

Even short of acute injury, the relentless quotas and monitoring take their toll on Amazon workers. In a recent survey of Amazon warehouse workers in California conducted by Human Impact Partners, a majority of respondents reported worsening fatigue, anxiety, depression, weight loss or weight gain, pain, trouble sleeping, or headaches and migraines since starting work at Amazon. Some respondents reported new or worsened suicidal ideation or substance abuse.<sup>8</sup>

To make matters worse, Amazon warehouse workers report that when they get injured the company's in-house first-aid clinics, known as AmCare, provide inadequate or even harmful care that steers people back to work and away from proper medical treatment and the workers' compensation system.<sup>9</sup> In an investigation by The Intercept, two-thirds of AmCare staff interviewed reported pressure from supervisors to send injured

employees back to work when they likely needed additional medical attention.<sup>10</sup>

After investigating Amazon worker injury rates in 2019, Reveal News of the Center for Investigative Reporting concluded that Amazon's "obsession with speed has turned its warehouses into injury mills." Whether due to injuries or other factors, a recent analysis by the National Employment Law Project confirmed that warehouse worker annual turnover rates rose to above 100% in California counties where Amazon opened its fulfillment centers. These terrible conditions have significant implications for racial justice, since a majority of warehouse workers in California are Latinx (54%), Black (9.5%), or Asian-American (9%) workers.

COVID-19 has only worsened conditions for Amazon and other warehouse workers. Although Amazon claimed to relax its work rates officially during the pandemic, this was not communicated or implemented clearly, with workers from California to New York complaining that work pressures prevented them from washing their hands more frequently, sanitizing shared work equipment, and maintaining sufficient physical distancing.<sup>14</sup> Following these worker complaints, Cal/OSHA cited Amazon last October for inadequate worker training related to these failures in two Southern California warehouses.<sup>15</sup>

While Amazon failed to adequately protect its workers from COVID-19, it profited handsomely from the pandemic, posting its largest quarter of revenue of all time in the fourth quarter of 2020. Taken together, Amazon and Walmart earned an extra \$10.7 billion during the pandemic over the prior year's profits, yet a Brookings Institution report found that the two companies were among the least generous of large retail and grocery companies studied in sharing those profits with their frontline workers. To

As the largest private employers in our state and

country, labor standards at companies like Amazon and Walmart have a tremendous impact on our communities and economies. Yet for all of their innovation, Amazon and its competitors are using their resources and technology for a downright medieval purpose: driving their workers up to and beyond the breaking point to squeeze out the most profit. California's workers and communities deserve better.

### **Policy**

This bill will protect frontline warehouse workers by directing Cal/OSHA to create a standard to minimize musculoskeletal injuries and disorders among warehouse workers. It will also provide warehouse workers with stronger rights and protections against arbitrary and abusive work quota systems.

## **Support**

- California Immigrant Policy Center
- California Teamsters Public Affairs Council
- International Longshore and Warehouse Union (ILWU)
- Los Angeles Alliance for a New Economy
- Los Angeles County Federation of Labor, AFL-CIO
- National Employment Law Law Project (NELP)
- Partnership for Working Families
- SEIU California State Council
- Silicon Valley Rising
- Teamsters Local 396
- UFCW Western States Council
- UNITE HERE
- Warehouse Workers Resource Center
- Workers United SEIU
- Working Partnerships
- Worksafe

1) E.g., Will Evans, "Behind the Smiles: Amazon's internal injury records expose the true toll of its relentless drive for speed," Reveal: from the Center for Investigative Reporting, Nov. 25, 2019, https://revealnews.org/article/behind-the-smiles/

https://www.latimes.com/business/technology/story/2020-04-09/fearful-of-covid-19-amazon-workers-ask-for-state-probe-of-working-conditions.

<sup>2)</sup> Athena Coalition, "Packaging Pain: Workplace Injuries in Amazon's Empire," Dec. 2019, https://www.amazonpackagingpain.org/the-report, p. 8; Evans, "Behind the Smiles."

<sup>3)</sup> Athena, "Packaging Pain," p. 8.

<sup>4)</sup> Will Evans, "How Amazon hid its safety crisis," Reveal: from the Center for Investigative Reporting, Sept. 29, 2020, https://revealnews.org/article/how-amazon-hid-its-safety-crisis/.

<sup>5)</sup> Ibid.

<sup>6)</sup> Athena, "Packaging Pain," p. 12.

<sup>7)</sup> Ibid., p. 9. -

<sup>8)</sup> Human Impact Partners, "The Public Health Crisis Hidden in Amazon Warehouses," Jan. 2021, https://humanimpact.org/hipprojects/amazon/?strategy=research.

<sup>9)</sup> H. Claire Brown, "How Amazon's On-Site Emergency Care Endangers the Warehouse Workers It's Supposed to Protect," The Intercept, Dec. 2, 2019, https://theintercept.com/2019/12/02/amazon-warehouse-workers-safety-cyber-monday/.

<sup>10)</sup> Ibid.

<sup>11)</sup> Evans, "Behind the Smiles."

<sup>12)</sup> Irene Tung and Debbie Berkowitz, "Amazon's Disposable Workers: High Injury and Turnover Rates at Fulfillment Centers in California," National Employment Law Project, Mar. 6, 2020, https://www.nelp.org/publication/amazons-disposable-workers-high-injury-turnover-rates-fulfillment-centers-california/.

<sup>13)</sup> Ibid

<sup>14)</sup> Sam Dean, "Fearful of COVID-19, Amazon workers ask for state probe of working conditions," Los Angeles Times, Apr. 9, 2020,

<sup>15)</sup> Suhauna Hussain, "Amazon warehouses in Hawthorne and Eastvale are fined for coronavirus safety violations," Los Angeles Times, Oct. 9, 2020, https://www.latimes.com/business/story/2020-10-09/amazon-warehouses-in-southern-california-are-being-cited-by-cal-osha.

<sup>16)</sup> Amazon.com, "Amazon.com Announces Financial results and CEO Transition Release," February 2021,

https://ir.aboutamazon.com/news-release/news-release-details/2021/Amazon.com-Announces-Fourth-Quarter-Results/.

<sup>17)</sup> Molly Kinder and Laura Stateler, "Amazon and Walmart have raked in billions in additional profits during the pandemic, and shared almost none of it with their workers," Brookings Institution, Dec. 22, 2020, https://www.brookings.edu/blog/the-avenue/2020/12/22/amazon-and-walmart-have-raked-in-billions-in-additional-profits-during-the-pandemic-and-shared-almost-none-of-it-with-their-workers/.