

JMLC

Joint Management Labor Committee

The Joint Management-Labor Committee met on Thursday, September 22, 2022. In attendance for that meeting were Herb Higueros and Chris Schroeter representing McKesson and Robert Spence, David Williams, Savanna Oshia, and Travis Turner representing UFCW, Local 655.

Chris Schroeder reported that there were no questions or suggestions submitted for the JMLC meeting from the employees.

During the meeting, several issues were discussed including:

Robert Spence began the discussion on mandatory overtime. At the last JMLC meeting in February, it was reported that the St. Louis Distribution Center was on its way to being fully staffed. Robert said that mandatory overtime has continued since that point. Employees have commented that they are overworked and have little to no work-life balance. Chris Schroeter responded that McKesson is exhausting every avenue to try and hire individuals to be completely staffed. Many of the programs have been unsuccessful, but McKesson continues to explore options to resolve the staffing issues.

Chris stated that McKesson has been using a temporary worker service to find workers. This gives McKesson the chance to view the temporary worker's work performance, attitude and attendance in order to evaluate the employee and possibly make that temporary employee an offer to become a regular McKesson employee. Often times, the temporary workers do not pan out, do not pass the background check, or they decline the offer from McKesson.

There was discussion over the temporary employees and the timeline for use. Robert pointed out that, by contract, all employees must be members of the bargaining unit after 30 days, including the temporary workers. Herb agreed and said that as soon as we were informed of the issue, he called Chris immediately and McKesson would stop. Chris said he contacted Union Representative Tara Hagin, and has now had conversations with David about temporary employees that are already beyond the 30-day period. Chris and David agreed to wait until this JMLC meeting before taking any action. Chris brought up that the temporary workers were being brought in to limit the amount of overtime. Limiting the temporary workers to 30 days would cause an increase to the amount of overtime worked by the regular employees. Chris emphasized that McKesson would rather hire regular employees, but must use the temporary employees because of a lack of hiring candidates.

Robert expressed that he and Herb had discussions in the past regarding using temporary employees up to 90 days. Robert pointed out that the Union was willing to relax the contract on certain issues in order to address McKesson's hiring needs if it meant decreasing the amount of mandatory overtime on the employees. The Union agreed to the new temporary worker program that McKesson requested. The Union also worked with McKesson regarding temporary workers becoming vaccinated in order to be

hired. Robert stated that the Union was willing to allow temporary workers beyond 30 days, but there was never language agreed to.

Travis said that many of the temporary employees are slower than the trained regular employees. Working around the temporary employees is slowing down the times of regular employees and can have a negative impact on the regular employees. Travis asked if the number of temporary employees affects incentive pay for Leads and Chris stated he believes that it would have a negative effect on the incentives and that he would look into taking the temporary workers into account and possibly make adjustments to those incentives.

Robert brought up that McKesson's regular employees were complaining about the temporary workers being on a different set of standards. Temporary workers are not held to the same set of standards for attendance and behavioral issues. While McKesson employees must stay for mandatory overtime, temporary workers and management do not. Chris admitted that they do not hold the temporary employees to the same standards. However, attendance and violations of company policy effect whether the temporary employee receives an offer to become a McKesson employee at the tend of their time. Missing out on that offer is their consequence. For regular employees, they follow the point system in their attendance policy, but for temporary employees, if they are late or call off too many times, they can get rid of them. They don't have to go through the point process. Chris said McKesson is held to our contract with the temporary employees and the Union contract when it comes to management working. Temporary employees cannot be forced to work mandatory overtime and management is not allowed to do employee work.

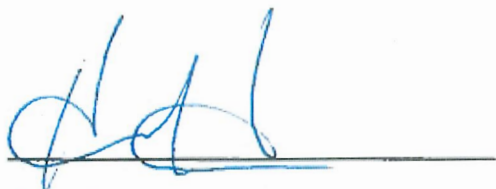
Robert then brought up complaints from the McKesson employees that there are certain benefits that other locations are getting that the St. Louis location is not. Robert brought up that other locations are getting a paid mental health day each month that St. Louis does not get. There was also paid COVID leave available at other distribution centers that was not available to the St. Louis Distribution Center. Herb said that these additional benefits were done at locations that did not have a Union contract in place. Herb stated that the members pay for the Union to negotiate for all wages, hours and benefits. There are some benefits that St. Louis gets that the other DCs do not, and alternately, there are some benefits that other DCs get that St. Louis does not. Herb stated that the Union and McKesson negotiated the benefits in the contract. McKesson does not have to give additional benefits in the same way that, hypothetically, the Union would not agree to wage cuts if McKesson fell on hard times. David pointed out that the contract is strictly minimums and McKesson has the right to give additional wages and benefits if they so choose.

There was also discussion about the incentive McKesson has applied for the overnight shift. Chris said he requested the ability to offer the incentive from McKesson and the parameters of applying it to the overnight shift would allow it to affect the most employees. Chris said that the overnight shift is where they are having most of their staffing issues and the incentive was to assist that shift. Savanna asked if there was some kind of incentive that could be applied to the bio-box. Savanna pointed out that very few employees have been trained to work in that area and some of those employees are out right now. Chris said he did not think he could create and incentive for that, but he committed to getting more people trained to work in the bio-box.

In an effort to address the mandatory overtime, Robert stated that the Union would allow McKesson to use temporary employees for up to 90 days and also to allow supervisors and management to perform

bargaining unit work. Robert said that he would work with Herb over the next week or so to craft the appropriate contract language, but in the meantime, temporary workers that exceed the 30 day period would be allowed to continue working. Chris asked if the Union could help their hiring in any other ways. Herb asked that the Union pass along any other programs other Companies are doing that could assist McKesson with their staffing issues.

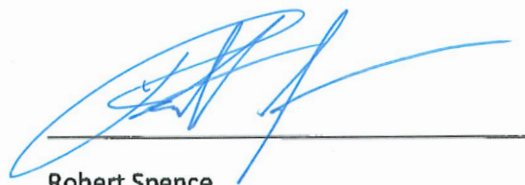
The next JMLC meeting is scheduled for Wednesday, December 14, 2022 at 1:00 pm.



Herb Higueros

Director of Labor Relations

McKesson Pharmaceutical



Robert Spence

Director of Collective Bargaining

United Food & Commercial Workers, Local 655

