

THOMAS P. DiNAPOLI
STATE COMPTROLLER



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

110 STATE STREET
ALBANY, NEW YORK 12236

May 8, 2023

Carol B. Tomé, CEO
United Parcel Service
55 Glenlake Parkway, NE
Atlanta, GA 30328

Dear Ms. Tomé:

I write as Trustee of the New York State Common Retirement Fund, one of the largest public pension funds in the United States, which holds and invests the assets of the New York State and Local Retirement System on behalf of its 1.1 million members, retirees, and beneficiaries. As a shareholder of United Parcel Service (UPS), I am writing to express my concern regarding the ongoing contract negotiations between UPS and the International Brotherhood of Teamsters. I am concerned that any labor dispute has the potential to negatively impact the long-term profitability of UPS.

The contract negotiations have already been the subject of significant media coverage, which has detailed the difficulties faced by UPS workers, the importance of UPS to the nation's economy, and the preparations being made for a potential strike. This negative publicity can generate adverse consumer sentiment that can jeopardize the company's reputation and adversely affect its financial performance. Additionally, the possibility of a strike has been raised, and the mere threat of it could negatively impact customer confidence in UPS. Moreover, not only could a Teamsters strike have negative financial consequences for the company that affects shareholder returns for years to come, but it could also have adverse consequences throughout the economy, thereby impacting our broader portfolio.

The management of human capital and labor relations is critical to the success of UPS and its ability to create long-term shareholder value. Based upon the Fund's experience as a long-term investor, we believe that a company's ability to establish and maintain constructive relationships with its workers is a hallmark of a company with a sound, sustainable and profitable long-term strategy.

I urge UPS to continue working diligently towards an expeditious resolution of this negotiation on terms that are fair to both labor and management. Such an agreement would allow the company to move forward in a productive relationship with its employees and mitigate the reputational risks and financial impact resulting from a protracted labor dispute.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. DiNapoli".

Thomas P. DiNapoli
State Comptroller