



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

July 14, 2023

Carol B. Tomé
Chief Executive Officer
C/o Norman Brothers, Corporate Secretary
United Parcel Service
55 Glenlake Pkwy NE
Atlanta, GA 30328

Dear Ms. Tomé,

The New York City Retirement Systems, which I serve as custodian, trustee and investment advisor, are long-term shareholders in UPS with shares valued at \$191,067,415 as of June 30. We are strong believers in the UPS approach to service delivery, sustainability, and collaborative human capital management with your unionized workforce. This approach has reliably delivered not just packages to America's doorsteps, but strong shareholder value over many years.

We have therefore been distressed to learn of the breakdown in contract negotiations between UPS and the International Brotherhood of Teamsters. It appears that the two sides are not far apart, and that the key issue preventing a resolution is pay for part-timers, who make up nearly 50% of UPS employees. Low pay contributes to the high turnover rates UPS experiences among part-time employees, who perform crucial roles as package handlers, loaders and unloaders throughout the UPS system.

As shareholders with a vested interest in the long-term success of the company, the question we pose to you is the following: is failing to bridge the gap between the parties worth the potential costs of a strike, including:

- Lost income from a partial or complete shutdown of U.S. operations;
- Loss of market share to competitors enduring beyond the end of a strike;
- Negative effects on the overall U.S. economy, on which the global performance of UPS is highly dependent?

We fear that an extended strike could have long-term damaging effects on the company, destroying shareholder value and long-term returns.

We urge you to make an offer to the Teamsters that addresses the real concerns of the part-time employees at UPS. Such an offer could help resolve the contract without a destructive strike, lower turnover rates among UPS's critical part-time employees, and ensure that long-term shareholder value will be preserved and enhanced for investors.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Lander".

Brad Lander
New York City Comptroller