

THOMAS P. DiNAPOLI
STATE COMPTROLLER



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ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

March 4, 2022

Christopher J. Kempczinski, CEO
McDonald's Corp.
110 North Carpenter Street
Chicago, IL 60607

Dear Mr. Kempczinski:

I write as Trustee of the New York State Common Retirement Fund (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 an investor in McDonald's, I am writing regarding the company's business in Russia.

The Russian Federation's unprovoked and unlawful invasion of Ukraine, a democratic sovereign state, has led to global condemnation and unprecedented sanctions against Russian companies and individuals. This crisis has underscored major political and investment risks relating to Russian President Putin's highly unpredictable foreign policy, leading to substantial sanctions that have already significantly hobbled Russia's previously weak economic growth. Russia's currency has suffered drastic consequences in just the days since sanctions have been instituted. As a result, the ability for companies to transact in the Russian market has been made extremely difficult.

Additionally, Russia's actions threaten to upend the rules-based global international order that was established in the wake of the Second World War. Global economic markets have thrived on the relative peace and security the world has experienced between 1945 and 2022. Russia's turn toward military force and imperialism rather than diplomacy and self-determination pose a threat to global economic success as well as democratic values.

We believe that companies that continue to operate in Russia and invest in Russian assets face significant and growing legal, compliance, operational, human rights and personnel, and reputational risks. Furthermore, due to the situation's unpredictability and the likelihood that conditions will deteriorate, companies must ensure that assets will not become stranded or otherwise encumbered by sanctions.

Accordingly, I am urging McDonald's to conduct an examination of its business in Russia and consider pausing or ending its business operations in the country. Pausing or ending McDonald's business operations in Russia would address various investment risks associated with the Russian market and play an important role in condemning Russia's role in fundamentally undermining the international order that is vital to a strong and healthy global economy.

Thank you for your attention to this important matter.

Sincerely,

Thomas P. DiNapoli
State Comptroller