

## Communist China Risk Audit

### **RESOLVED:**

Shareholders request that, beginning in 2023, Comcast Corporation report annually to shareholders on the nature and extent to which corporate operations depend on, and are vulnerable to, Communist China, which is a serial human rights violator, a geopolitical threat, and an adversary to the United States. The report should exclude confidential business information but provide shareholders with a sense of the Company's reliance on activities conducted within, and under control of, the Communist Chinese government.

### **Supporting Statement:**

CNN reported<sup>1</sup> in 2021 that “Beijing has made it clear that multinational corporations have to follow its rules if they wish to operate in the country, and gaining favor can require...abiding by restrictive regulations...Many companies have traditionally been willing to play along, given how enticing the giant economy is as a market.”

As one example of Comcast's exposure in China, subsidiary NBCUniversal opened Phase 1 of the Universal Beijing Resort in September 2021, after winning approval from the communist government more than a decade earlier. CEO Brian Roberts expected the project to generate more than \$1 billion per year in revenue for the Company.<sup>2</sup> A Chinese state-controlled entity owns 70 percent of the venture.<sup>3</sup> The Company also relies on the market to release its films and media content.

China is a serial violator of human and political rights.

China is also a hostile adversary of the U.S. for many reasons, including:

- China intends to displace the U.S. as the lone global superpower by 2049;
- The U.S. has committed to defend Taiwan, which China has militaristically asserted is part of its country and may attempt to seize by force;
- U.S. - China relations are tense over a number of issues including China's military expansion; egregious human rights violations; “zero COVID” lockdown policies; elimination of freedom in Hong Kong; and environmental pollution.

China – and by extension the companies it controls – is also identified in the U.S. State Department's 2022 *Trafficking in Persons Report* as a state sponsor of human trafficking.

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<sup>1</sup> Disis, Jill & Wang, Selina. “Doing business in China is difficult. A clash over human rights is making it harder,” CNN Business, April 2, 2021. See <https://cnn.it/3ef24EI>.

<sup>2</sup> Anstey, Tom. “China worth US \$1bn a year to Universal, says Comcast CEO,” *Attractions Management*, Oct. 27, 2017. See <https://bit.ly/3EvUxKA>.

<sup>3</sup> Comcast.com: “First Look: The Creative Vision of Universal Studios Beijing.” See <https://comca.st/3GGvB5Y>.

A July 2022 joint statement from the leaders of the British and American domestic intelligence agencies warned that the Communist Chinese Party is the greatest threat to the international order. “We consistently see that it’s the Chinese government that poses the biggest long-term threat to our economic and national security, and by ‘our,’ I mean both of our nations, along with our allies in Europe and elsewhere,” said FBI Director Christopher Wray.

Given the controversial, if not dangerous, nature of doing business in and with China, shareholders have the right to know the extent to which Comcast Corporation’s business operations depend on Communist China.