

Communist China Audit

Resolved:

Shareholders request that, beginning in 2022, Verizon report to shareholders on the general nature and extent to which corporate operations involve or depend on Communist China, which is a serial human rights violator and a geopolitical threat and adversary to the US. The report should exclude confidential business information but provide shareholders with a basic sense of Verizon's reliance on activities conducted within, and under control of the Communist Chinese government.

Supporting Statement:

American companies doing business in Communist China is a controversial public policy issue. See, e.g., "Doing business in China is difficult. A clash over human rights is making it harder," April 2, 2021, <https://www.cnn.com/2021/04/02/business/nike-china-western-business-intl-hnk/index.html>.

Verizon does business in, and likely relies on parts, raw materials and/or services from entities in Communist China.

Communist China is a well-known serial violator of human and political rights.

Communist China may also possibly become a hostile adversary of the US for a variety of reasons, including:

- Communist China intends to displace the US as the lone global superpower by 2049.
- The US has committed to defending Taiwan, which Communist China may attempt to seize by force.
- US-China relations are tense over a number of issues including Communist China's military expansion, egregious human rights violations, actions related to the COVID pandemic, intellectual property theft, elimination of political freedom in Hong Kong, and environmental pollution.

Communist China has also publicly indicated that it would use its industrial capabilities for strategic purposes against adversaries. Communist China has already taken action against Australia, for example, for COVID-related criticism.

Given the controversial, if not dangerous nature of doing business in China, shareholders have the right to know the general nature and extent to which Verizon's business operations are involved with or depend on Communist China.