

Remarks of Paul Chesser  
Director, Corporate Integrity Project for National Legal and Policy Center  
Starbucks Corporation 2023 Shareholder Meeting – March 23, 2023 – 3 minutes

Good morning.

Corporate integrity is exactly what our proposal, Proposal Number 7, is all about.

We are asking for Starbucks to provide shareholders a simple report that discloses the significant risk it bears as the consequence of its extensive presence, and its aggressive plans for expansion, in oppressive and dictatorial Communist China.

The Company opposes our proposal by pointing out that it already provides enough risk disclosures in its boilerplate, jargon-riddled 10-K Annual Report, that reveals the minimal amount possible.

In opposing our resolution, Starbucks claims an alleged commitment to human rights, by pointing out that it follows statements that are toothless, published by fairly worthless organizations like the U.N., the O.E.C.D., and other ineffective NGOs.

So needless to say, these so-called disclosure steps are insufficient in light of, 1., what we are asking for, and 2., the seriousness and severity of what we are witnessing from the geopolitical menace that is Communist China.

If our fellow shareholders check the SEC filings for Starbucks, they will find a report we submitted on March 7<sup>th</sup>, which provides extensive justification for our proposal, and I dare say discloses far *more* about the risks to Starbucks from China than what the Company discloses itself, anywhere.

But of course, the Company has far more internal information about its business in China than what we had to go on.

They just don't want to share it with you.

They also don't want to upset the Chinese government and dictatorial Chairman Xi, as Howard Schultz has spent decades genuflecting before the CCP in order to earn the right to do business there.

If you doubt that corporate America needs to ingratiate itself with loathsome dictators in order to do business in communist countries, just ask the NBA, which was banished from China for a time when one of its team executives simply Tweeted in support of Hong Kong.

You don't dare cross Chairman Xi.

So a report like what we request almost certainly wouldn't be received well in Beijing.

Perhaps it's no accident that the U.S. State Department released its annual human rights report for China this week, which found, "genocide and crimes against humanity occurred during (the year 2022) against predominantly Muslim Uyghurs and members of other ethnic and religious minority groups in Xinjiang."

I will end my remarks with a question.

Why did Mr. Schultz close all his stores five years ago for a half-day for racial sensitivity training, and overturn Starbucks' common-sense restroom-use policies, over an isolated incident in Philadelphia, but he and the Company remain *silent* over a pervasive and proven human rights disgrace in communist China?

Thank you for your attention.