



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 11, 2025

Xuehui Cassie Zhang
Tesla, Inc.

Re: Tesla, Inc. (the "Company")
Incoming letter dated February 11, 2025

Dear Xuehui Cassie Zhang:

This letter is in regard to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Eric & Emily Johnson, Bryce Mathern, and co-filer (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponents have withdrawn the Proposal and that the Company therefore withdraws its January 14, 2025 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Bruce T. Herbert
Newground Social Investment

January 14, 2025

VIA STAFF ONLINE FORM

U.S. Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

RE: Stockholder Proposal Submitted by Newground Social Investment

Ladies and Gentlemen:

Tesla, Inc. (the “Company” or “Tesla”) is submitting this letter to notify the staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) of the Company’s intention to exclude a stockholder proposal (the “Proposal”) from its proxy materials to be distributed in connection with its 2025 annual meeting of stockholders (the “Proxy Materials”). Newground Social Investment, on behalf of Eric & Emily Johnson and Bryce Mathern (the “Proponent”), acted as lead filer for the Proposal, and United Church Funds co-filed the Proposal.

The Company respectfully requests that the Staff advise the Company that it will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its Proxy Materials for the reasons discussed below. In accordance with relevant Staff guidance, the Company is submitting this letter and its attachments to the Staff through the Staff’s online Shareholder Proposal Form. Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company is simultaneously sending a copy of this letter and its attachments to the Proponent as notice of the Company’s intent to omit the Proposal for its Proxy Materials.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that stockholder proponents are required to send companies a copy of any correspondence that the stockholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if it submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the Company.

The Proposal

The Proposal sets forth the following:

RESOLVED: Shareholders of Tesla Inc. (“Tesla” or “Company”) hereby request that the Company provide a report, updated semiannually, disclosing the Company’s:

- 1) Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
- 2) Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
 - The identity of the recipient as well as the amount paid to each; and
 - The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company’s website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.

A copy of the Proposal is attached hereto as Exhibit A.

Basis for Exclusion

The Company respectfully requests that the Staff concur in our view that the Proposal may be excluded from the Proxy Materials pursuant to Rule 14a-8(i)(7), as the Proposal deals with matters relating to the Company’s ordinary business operations.

Rule and Analysis

Rule 14a-8(i)(7) allows the omission of a stockholder proposal from a registrant's proxy statement if the proposal "deals with a matter relating to the company's ordinary business operations." As set out in Securities Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), there are two "central considerations" underlying the ordinary business exclusion. One is that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. The other relates to the degree that a proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

Explaining the standard for micromanagement, the Commission noted in the 1998 Release that consideration of complex matters upon which shareholders could not make an informed judgment "may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies" (footnote omitted). In Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L"), the Staff explained that a proposal can be excluded on the basis of micromanagement based "on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management."

Recently, facing a very similar proposal that also sought granular and detailed reporting on a company's policies and procedures governing political spending, the Staff granted no-action relief on micromanagement grounds in *Air Products and Chemicals, Inc.* (Nov. 29, 2024). In *Air Products*, the company noted that the requested report would have included "dozens of distinct pieces of information," presented in multiple sections that inappropriately limited the company's discretion, and the Staff concurred that the proposal sought to micromanage the company. The Proposal implicates the same issues as the proposal in *Air Products*. Like the proposal in *Air Products*, the Proposal seeks to micromanage the Company by seeking highly granular and detailed reporting involving dozens of distinct pieces of information related to the company's policies and procedures governing political spending, as well as the contributions made.

However, the Proposal is even more granular and detailed than the *Air Products* proposal in several key ways. Beyond the specific content to be covered, the Proposal also prescribes details with respect to the format, frequency and board approval process for the requested report. In terms of the format and frequency of the report, the Proposal specifically requests a semiannual report subdivided into two substantive sections of information. In the first section, the Proposal requests disclosing all "policies and procedures" for making "contributions and expenditures" to two distinct types of campaigns—both campaigns on behalf of candidates for public office, as well as *any* campaign to "influence the general public," the latter with respect to both elections and referendums. Moreover, the second section goes several steps further than the *Air Products* proposal by requesting detailed disclosure of the processes for and persons involved in the Company's decision-making. Specifically, the Proposal requests that the Company disclose not only the recipients of contributions and expenditures identified in the first section (including the "identity" of each individual recipient and the amount paid to each recipient) but also the "title(s) of the person(s) in the Company responsible for decision making." By requesting a level of granularity that exceeds even the *Air Products* proposal, the Proposal inappropriately limits management's discretion in preparing its political spending disclosures and determining what information is relevant to the Company and its shareholders. In terms of the specific methods for implementation, the Proposal requires that the Company must be presented to the board of directors or relevant board committee, which must issue the report within 12 months of the Company's annual meeting. Such a requirement inappropriately encroaches on the Board's and management's discretion, including with respect to the Company's internal reporting mechanism and cadence.

The recent *Air Products* precedent is consistent with prior Staff decisions on proposals—both those that related to political spending and those that requested reports or actions on other topics—that prescribe granular requirements on companies. See *Delta Air Lines, Inc.* (Apr. 24, 2024) (permitting exclusion on the basis of micromanagement of a proposal that requested a report on "union suppression expenditures," including internal and external expenses); *Paramount Global* (Apr. 19, 2024) (permitting exclusion on the basis of micromanagement of a proposal that requested disclosure of the recipients of corporate charitable contributions of \$5,000 or more); *Walmart Inc.* (Apr. 18, 2024) (permitting exclusion on the basis of micromanagement of a proposal that requested a breakdown of greenhouse gas emissions for different categories of products in a manner inconsistent with existing reporting frameworks); *Amazon.com, Inc.* (Apr. 1, 2024) (permitting exclusion on the basis of micromanagement of a proposal calling for a highly detailed living wage report); *Phillips 66* (Mar. 20, 2023) (permitting exclusion on the basis of micromanagement of a proposal that requested an audited report describing the undiscounted expected value to settle obligations for the company's asset retirement obligations with indeterminate settlement dates); *Valero Energy Corporation* (Mar. 20, 2023) (same); *The Coca Cola Co.* (Feb. 16, 2022) (permitting exclusion on the basis of micromanagement of a proposal requiring the company to submit any proposed political statement to the next stockholder meeting for approval prior to issuing the statement publicly).

In addition, framing a stockholder proposal as a request for a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the

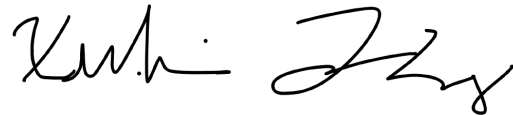
subject matter of the report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983) (the “1983 Release”); see also *Johnson Controls, Inc.* (Oct. 26, 1999) (“[Where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business... it may be excluded under [R]ule 14a-8(i)(7)”) and *Netflix, Inc.* (Mar. 14, 2016). The Staff also has consistently found that proposals calling for a study or report may be excluded on micromanagement grounds. See, e.g., *PayPal Holdings, Inc.* (Mar. 6, 2018) (permitting exclusion on the basis of micromanagement of a proposal that asked the company to prepare a report on the feasibility of achieving net-zero emissions by 2030); *Devon Energy Corporation* (Mar. 4, 2019) (permitting exclusion on the basis of micromanagement of a proposal that requested the board provide disclosure of short-, medium- and long-term greenhouse gas targets aligned with the Paris Climate Agreement). Moreover, it is well established that a proposal that seeks to micromanage a company’s business operations is excludable under Rule 14a-8(i)(7) regardless of whether the proposal raises a “significant social policy issue.” *See* Staff Legal Bulletin No. 14E (Oct. 27, 2009) at note 8, citing the 1998 Release for the premise that “a proposal [that raises a significant policy issue] could be excluded under Rule 14a-8(i)(7), however, if it seeks to micro-manage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”

Consistent with the Staff’s determination in *Air Products* and the other examples described above, the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment. The Proposal seeks intricate and overly granular details and does not provide the Company with any discretion to choose the form, substance or manner of its disclosure. Accordingly, the Proposal should be excluded under Rule 14a-8(i)(7) because it seeks to micromanage the Company and is precisely the type of request that Rule 14a-8(i)(7) is intended to prevent.

Conclusion

The Company respectfully requests that the Staff concur that it will take no action if the Company excludes the Proposal from the Proxy Materials. If the Staff has any questions with respect to the foregoing, or if for any reason the Staff does not agree that the Company may exclude the Proposal from its Proxy Materials, please do not hesitate to contact me at cassie.zhang@tesla.com. In addition, should the Proponent choose to submit any response or other correspondence to the Commission, we request that the Proponent concurrently submits that response or other correspondence to the Company, as required pursuant to Rule 14a-8(k) and SLB 14D, and copy the undersigned.

Sincerely,



Xuehui Cassie Zhang
Associate General Counsel

cc: Newground Social Investment
cc: Eric & Emily Johnson and Bryce Mathern
cc: United Church Funds

EXHIBIT A

VIA ELECTRONIC DELIVERY TO: [REDACTED]
[REDACTED]

December 13, 2024

Brandon Ehrhart
General Counsel and Corporate Secretary
Tesla, Inc.
1 Tesla Road
Austin, Texas 78725

Attn: Legal Department – Shareholder Mail

Re: Rule 14a-8 Shareholder Proposal on Political Spending Disclosure
Proponents: Eric & Emily Johnson | Bryce Mathern

Dear Mr. Ehrhart & Team:

On behalf of clients, *Newground Social Investment* (“Newground”) reviews the financial, social, and governance implications of the policies and practices of publicly-traded companies. The data supports a view that good governance and enlightened social and environmental policies are hallmarks of the most profitable companies.

Our clients have concern over the mounting problem of excessive and undisclosed corporate political spending – including so-called *Dark Money* – which can give rise to issues, negative allegations, and reputational harm for a company. Tesla has scored 0.0% in the 2024 *CPA-Zicklin Index of Corporate Political Disclosure and Accountability*. Therefore, we wish to submit the attached shareholder proposal in accordance with SEC Rule 14a-8.

Newground Social Investment is authorized on behalf of the above-named proponents (collectively, the “Proponents” or “Co-Filers”) to present the enclosed Proposal that is submitted for consideration and action by stockholders at the next annual meeting, and for inclusion in the proxy statement in accordance with Rule 14a-8 of the general rules and regulations of the Securities Exchange Act of 1934.

The Proponents are each the beneficial owner of more than the requisite \$2,000 worth of common stock entitled to be voted at the next stockholders meeting, which has been continuously held for longer than three years (supporting documentation available upon request).

Newground is authorized to withdraw the Proposal on behalf of each of the Co-Filers; however, if the Proposal is not withdrawn prior to publication we request that the proxy statement indicate that *Newground Social Investment* is the representative of the Proponents for this Proposal.

In accordance with SEC Rules, the Proponents each acknowledge a responsibility under Rule 14a-8(b)(1) to continue to hold shares until the next meeting of stockholders. Newground is authorized to state on behalf of each Proponent – and does hereby

affirmatively state – that each Co-Filer intends to continue to hold a requisite quantity of shares in Company stock through the date of the next annual meeting of stockholders. If required, a representative of the Co-Filers will attend the meeting to move the Proposal.

The Co-Filers and their representative are available to meet with the Company for twenty minutes via teleconference between 10am-11am Pacific Time or between 1pm-2pm Pacific Time on Monday, December 23, 2024, Tuesday, December 24, 2024, or Friday, December 27, 2024. In addition, Newground, as representative of the Co-Filers, is available to meet at other dates and times for discussion and dialogue with the Company.

The Proponents request that all communication and correspondence be directed exclusively to Newground at the address provided above.

There is ample time between now and the proxy printing deadline to discuss these matters, and we sincerely hope that discussion and a meeting of the minds can lead to this Proposal being withdrawn.

Toward that end, you may contact Newground via the address or phone provided above; as well as by the following e-mail address:

[REDACTED]

For purposes of clarity and consistency of communication, we ask that you commence all e-mail subject lines with your ticker symbol "**TSLA**." (including the period), and we will do the same.

Thank you. We look forward to a discussion of this core governance topic, and all the best for an uplifting holiday season.

Sincerely,



Bruce T. Herbert, AIF
Chief Executive and ACCREDITED INVESTMENT FIDUCIARY

cc: Eric & Emily Johnson, Bryce Mathern
Interfaith Center on Corporate Responsibility (ICCR)

enc: Shareholder Proposal on Political Spending Disclosure

RESOLVED: Shareholders of Tesla Inc. (“Tesla” or “Company”) hereby request that the Company provide a report, updated semiannually, disclosing the Company’s:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
 - The identity of the recipient as well as the amount paid to each; and
 - The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company’s website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.

SUPPORTING STATEMENT

As long-term shareholders of Tesla, we support transparency and accountability in corporate electoral spending. A company’s reputation, value, and bottom line can be adversely impacted by political spending. The risk is especially serious when giving to trade associations, Super PACs, 527 committees, and “social welfare” organizations – groups that routinely pass money to or spend on behalf of candidates and political causes that a company might not otherwise wish to support.

The Conference Board’s 2021 “Under a Microscope” report warns “Political activity can pose increasingly significant risks for companies, including the perception that political contributions – and other forms of activity – are at odds with core company values.”

A recent poll of retail shareholders by Mason-Dixon Polling & Research found that 83 percent of respondents said they would have more confidence investing in corporations that have adopted reforms that provide for transparency and accountability in political spending. Tesla scored 0.0 percent in the 2024 CPA-Zicklin Index of Corporate Political Disclosure and Accountability.

Publicly available records show Tesla has contributed at least \$1 million in corporate funds since the 2010 election cycle.

This proposal asks Tesla to disclose all of its electoral spending, including payments to Trade Associations and 501(c)(4) social welfare organizations, which may be used for electoral purposes—and are otherwise undisclosed. This would bring our Company in line with a growing number of leading companies, including **The Boeing Company**, **PayPal Holdings Inc.**, and **RTX Corporation**, which present this information on their websites.

Without knowing the recipients of our company’s political dollars we cannot sufficiently assess whether our company’s election-related spending aligns or conflicts with its policies on climate change and sustainability, or other areas of concern.

THEREFORE: We urge your support for this critical governance reform.



February 11, 2025

VIA STAFF ONLINE FORM

United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

RE: Withdrawal of No-Action Request Regarding Stockholder Proposal Submitted by Newground Social Investment

Ladies and Gentlemen:

In a letter dated January 14, 2025 (the “No-Action Request”), Tesla, Inc. (the “Company” or “Tesla”) requested that the Staff of the Division of Corporation Finance of the U.S. Securities and Exchange Commission could exclude a stockholder proposal and supporting statement (collectively, the “Proposal”) submitted by Newground Social Investment, on behalf of Eric & Emily Johnson and Bryce Mathern (the “Lead Proponent”), as the lead filer for the Proposal, from the Company’s proxy materials to be distributed in connection with its 2025 annual meeting of stockholders. United Church Funds co-filed the proposal (collectively with the Lead Proponent, the “Proponents”).

In reference to the No-Action Request, we submit this withdrawal request. Enclosed as Exhibit A is an electronic email sent on February 10, 2025 to the Company by the Lead Proponent, in which the Lead Proponent voluntarily agreed to withdraw the Proposal on behalf of itself and all Proponents. In reliance on this letter, we hereby withdraw the No-Action Request.

If the Staff has any questions with respect to the foregoing, please do not hesitate to contact me at cassie.zhang@tesla.com. Thank you for your attention to this matter.

Sincerely,

Xuehui Cassie Zhang
Associate General Counsel

cc:

Newground Social Investment
Eric & Emily Johnson and Bryce Mathern
United Church Funds

EXHIBIT A



Outlook

Re: TSLA. Political Spending Disclosure, Shareholder Proposal, Rule 14a-8.

From Bruce Herbert <[REDACTED]>
on behalf of
Newground Team <[REDACTED]>
Date Mon 2/10/2025 8:36 PM
To ShareholderMail <ShareholderMail@tesla.com>; Cassie Zhang <[REDACTED]> Brandon Ehrhart
<[REDACTED]> SEC - Shareholder Proposals <ShareholderProposals@sec.gov>
Cc Matthew Illian - UCF <[REDACTED]> Noah Tabor - UCF <[REDACTED]>;
Newground Team <[REDACTED]>

Seattle | Mon 2/10/2025

Dear Ms. Zhang:

I write to formally withdraw the political spending shareholder proposal that Newground submitted on 12/13/2024.

We withdraw on behalf of each Newground proponent as well as on behalf of the United Church Funds (UCF), who are cc'ed to this message.

Because this withdrawal of the proposal makes the Company's 1/14/2025 no-action request moot, please ensure that Newground and the UCF are cc'ed to your communication to the SEC that withdraws the no-action request.

Thank you.

Sincerely, . . . Bruce Herbert

Bruce Herbert, AIF®
Chief Executive
Newground Social Investment

[REDACTED]

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