



DIVISION OF
CORPORATION FINANCE

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

March 19, 2025

Ning Chiu
Davis Polk & Wardwell LLP

Re: Ford Motor Company (the "Company")
Incoming letter dated January 3, 2025

Dear Ning Chiu:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Sisters of St. Joseph of Peace for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests the board of directors adopt and disclose a noninterference policy committing to uphold the human rights to freedom of association and collective bargaining in its operations, and to use its best efforts to uphold such rights in its joint venture plants.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal seeks to micromanage the Company. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which the Company relies.

Copies of all of the correspondence on which this response is based 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: Aaron Acosta
Investor Advocates for Social Justice

January 3, 2025

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Ladies and Gentlemen:

On behalf of Ford Motor Company, a Delaware corporation (the “**Company**”), and in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), we are filing this letter with respect to the shareholder proposal (the “**Proposal**”) submitted by Sisters of St. Joseph of Peace (the “**Proponent**”) for inclusion in the proxy materials the Company intends to distribute in connection with its 2025 Annual Meeting of Shareholders (the “**2025 Proxy Materials**”). The Proposal is attached hereto as Exhibit A.

We hereby request confirmation that the Staff of the Division of Corporation Finance (the “**Staff**”) will not recommend any enforcement action if, in reliance on Rule 14a-8, the Company omits the Proposal from the 2025 Proxy Materials.

In accordance with relevant Staff guidance, we are submitting this letter and its attachments to the Staff through the Staff’s online Shareholder Proposal Form. Also, in accordance with Rule 14a-8(j), a copy of this submission is being sent simultaneously to the Proponent as notification of the Company’s intention to omit the Proposal from the 2025 Proxy Materials. This letter constitutes the Company’s statement of the reasons it deems the omission of the Proposal to be proper. We have been advised by the Company as to the factual matters set forth herein.

THE PROPOSAL

The Proposal states:

Resolved: Shareholders request the Board of Directors of Ford Motor Company adopt and disclose a Noninterference Policy committing to uphold the human rights to freedom of association and collective bargaining in its operations, and to use its best efforts to uphold such rights in its joint venture plants, as reflected in the International Labour Organization’s (“ILO”) Declaration on Fundamental Principles and Rights at Work (“Fundamental Principles”). The policy should commit to:

- Noninterference when workers seek to form or join a trade union, and a prohibition against acting to undermine this right or pressure workers not to form or join a trade union;
- Good faith and timely collective bargaining if workers form or join a trade union;

- Uphold the highest standard where national or local law differs from international human rights standards; and
- Define processes to identify, prevent, and remedy practices that violate or are inconsistent with the Policy.

REASONS FOR EXCLUSION OF THE PROPOSAL

The Company believes that the Proposal may be properly omitted from the 2025 Proxy Materials pursuant to:

1. Rule 14a-8(i)(7) because the Proposal deals with matters related to the Company's ordinary business operations by seeking to micromanage the Company; and
2. Rule 14a-8(i)(3) because the Proposal is impermissibly vague and indefinite so as to be inherently misleading.

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because the Proposal Relates to the Company's Ordinary Business Operations by Seeking to Micromanage the Company.

Overview of Rule 14a-8(i)(7).

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's ordinary business operations. According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" does not "refer[] to matters that are . . . necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "**1998 Release**"). In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting."

The 1998 Release identified two central considerations that underlie this policy. *Id.* The first of those considerations is that "[c]ertain 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." *Id.* The second consideration relates to "the degree to which the 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." *Id.*, citing Exchange Act Release No. 12999 (Nov. 22, 1976). When assessing proposals under Rule 14a-8(i)(7), the Staff considers the terms of the resolution and its supporting statement as a whole. See Staff Legal Bulletin No. 14C, part (June 28, 2005).

The Proposal May be Excluded Under Rule 14a-8(i)(7) Because It Seeks to Micromanage the Company.

The Commission and Staff have long recognized that a proposal that seeks to micromanage a company is excludable under Rule 14a-8(i)(7). According to Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("**SLB 14L**"), the determination of whether a proposal impermissibly micromanages the Company "will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management." The Commission has stated that the exclusion of a proposal

under Rule 14a-8(i)(7) on micromanagement grounds “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.” 1998 Release. The Staff has determined that proposals that seek to impermissibly micromanage 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” are excludable under Rule 14a-8(i)(7), even in circumstances where the proposal is found to address a significant social policy. *Id.*

According to SLB 14L, in making the determination as to whether a proposal probes matters “too complex” for shareholders, the Staff may consider “the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic,” as well as “references to well-established national or international frameworks when assessing proposals related to disclosure, target setting, and timeframes as indicative of topics that shareholders are well-equipped to evaluate.” The Staff has consistently granted no-action relief on micromanagement grounds with respect to numerous proposals requiring reporting of information that is similarly or less complex than the information demanded by the Proposal. *See, e.g., Delta Air Lines, Inc.* (avail. Apr. 24, 2024) (permitting exclusion of a proposal requiring a report regarding “union suppression expenditures,” including internal and external expenses); *Paramount Global* (avail. Apr. 19, 2024) (permitting exclusion of a proposal requesting disclosure of the recipients of corporate charitable contributions of \$5,000 or more); *Walmart Inc.* (avail. Apr. 18, 2024) (permitting exclusion of a proposal requiring a breakdown of greenhouse gas emissions for different categories of products in a manner inconsistent with existing reporting frameworks); *Amazon.com, Inc.* (avail. Apr. 1, 2024) (permitting exclusion of a proposal calling for highly detailed living wage report); *Amazon.com, Inc.* (avail. Apr. 7, 2023) (permitting exclusion of a proposal requesting the company measure and disclose scope 3 greenhouse gas emissions from the company’s full value chain by imposing a specific method for implementing a complex policy without affording discretion to management); *Chubb Limited* (avail. Mar. 27, 2023) (permitting exclusion of a proposal requesting the board adopt and disclose a policy related to risks associated with new fossil fuel exploration and development projects); *Phillips 66* (avail. Mar. 20, 2023) (permitting exclusion of a proposal requesting an audited report describing the undiscounted expected value to settle obligations for the company’s asset retirement obligations with indeterminate settlement dates); *Verizon Communications Inc.* (avail. Mar. 17, 2022) (permitting exclusion of a proposal requesting publication of certain employee-training materials); and *Coca Cola Co.* (avail. Feb. 16, 2022) (permitting exclusion of a proposal requiring the company to submit any proposed political statement to the next shareholder meeting for approval prior to issuing the statement publicly).

The Staff has consistently concurred with the exclusion of proposals that inappropriately limit management’s discretion and sought granular levels of specific and complex detail with respect to the management of a company’s workforce. *See, e.g., Delta Air Lines, Inc.* (Apr. 24, 2024) (requesting a report on expenditures that are intended or could be viewed as intended to dissuade employees from joining or supporting unions with detailed requirements on the content of the report); and *The Home Depot, Inc.* (Mar. 21, 2024) (requesting an annual living wage report on the company’s compliance with international human rights standards and systemic risks stemming from growing income inequality with detailed requirements on the content of the report). Similarly, the Staff recently concurred that a proposal submitted to *Air Products and Chemicals, Inc.* (avail. Nov. 29, 2024) micromanaged the company where it requested a highly prescriptive and detailed report that requires multiple distinct pieces of information.

The Proposal requests that the Board of Directors of the Company adopt and disclose a “Noninterference Policy” (the “**Policy**”) that commits to uphold freedom of association and collective bargaining in all of the Company’s operations, as well as apply that Policy to the Company’s joint ventures on a best-efforts basis. The Policy must contain multiple parts, with additional sections, prescribing the way that the Company must act:

- The first section requires that the Policy commits to “noninterference” when workers seek to either (a) form or (b) join a trade union. The Policy must “prohibit” against acting to (a) undermine this right or (b) pressure workers not to either form or join a trade union.
- Should workers either form or join a trade union, then the Company must act in “good faith and timely collective bargaining.”
- The Policy must include the “highest standard” if national or local law differs from “international human rights standards.”
- The Policy must “define processes” that would (a) identify, (b) prevent and (c) remedy practices that either (a) violate or (b) are inconsistent with the Policy.

The Company has approximately 174,000 employees worldwide.¹ Substantially all of the hourly employees in the Company’s Ford Blue, Ford Model e, and Ford Pro operations are represented by unions and covered by collective bargaining agreements.² If adopted, the Proposal would be unduly burdensome by requiring that the Company change its existing policies and practices, training and education and re-allocate resources, which could affect the Company’s operations. The Company does not have discretion on the content of the Policy that would take into account the Policy’s significance to the Company’s operations and employee workforce relations. Workforce relations are highly complex and based on a range of considerations related to the day-to-day operations of the business. Additionally, the Proposal does not account for the need to consider adoption of the Policy against the multiple different state and federal laws, as well as existing collective bargaining agreements, that the Company is already subject to with respect to these types of activities.

In addition, the Supporting Statement makes clear, and in fact the primary focus appears to be, that the Policy must be applied to all joint ventures. The only example used is in the Supporting Statement as to a specific joint venture³, without regard to whether the joint venture may have contractual or other types of obligations that would prevent the Company from imposing the Policy on the joint venture workforce and suppliers. Importantly, the Policy is without any limiting principle – all of the Company’s operations, including joint ventures with third parties, at all of its locations would be required to be covered, even if the Company’s involvement is tangential in the joint venture, the impact to the workforce is de minimis or if management determines that applying the Policy would be detrimental to the Company.

The highly prescriptive nature of the Proposal would significantly micromanage the manner in which the Company could manage its business and employee relationships. The Proposal would also require the Company to impose its mandate on third parties that have entered into joint ventures with the Company. If adopted, the Proposal would place substantial restrictions on the Company’s ability to determine how best to manage the issues related to the management of workers and collective bargaining, as well as working with the Company’s joint venture partners.

Moreover, the Proposal goes further than in multiple precedents cited above in seeking not just a report, but a policy that actually affects how the Company operates and conducts business. To the extent that proposals seeking detailed disclosures have been excluded on the basis that they ask for too much information with too many granular details, the Proposal is even more prescriptive in that it requires not

¹ See the Company’s earnings release for the quarter ended September, 30, 2024:
https://s201.q4cdn.com/693218008/files/doc_financials/2024/q3/Press-Release-Ford-2024-Q3-Earnings.pdf.

² See the Company’s Form 10-K for the year ended December 31, 2023:
<https://www.sec.gov/Archives/edgar/data/37996/000003799624000009/f-20231231.htm>.

³ <https://www.energy.gov/lpo/articles/lpo-announces-conditional-commitment-loan-blueoval-sk-further-expand-us-ev-battery-0>.

just disclosure but actions to implement the Policy. See, e.g. *The Procter & Gamble Company* (avail. Aug. 14, 2024) (concurring that a proposal asking the company to adopt as policy and amend governing documents to require that director nominees annually furnish the company information about their political and charitable giving sought to micromanage the company); and *Lowe's Companies, Inc.* (Apr. 8, 2024) (permitting exclusion on the basis of micromanagement of a proposal that requested the board adopt a policy, and amend the company's bylaws as necessary, to require directors to disclose their expected allocation of hours among commitments).

Finally, the Policy must also comply with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work⁴ (the "ILO Principles") and the UN Guiding Principles on Business and Human Rights⁵ (the "UN Principles"). In *McDonald's Corporation* (Apr. 3, 2024), the Staff concurred with the exclusion of a proposal that would require the board to institute a policy that the company complies with the WHO Guidelines on Use of Medically Important Antimicrobials in Food-Producing Animals throughout the company's supply chains, thus dictating a particular method for the company to manage its antimicrobials use. Similarly, the Proposal dictates specific methods – compliance with the ILO Principles and UN Principles – that inappropriately interferes with the discretion of management to implement the proper approach, including frameworks, in its judgment.

In short, the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature, without providing the Company with any discretion to choose the form, substance or manner of decisions that fall squarely within the purview of the Company's management and its board of directors. It would neither be appropriate nor realistic for shareholders to direct such decisions at an annual meeting.

The Proposal is Excludable Under Rule 14a-8(i)(7) Regardless of Whether It Touches Upon a Significant Policy Issue.

A proposal that seeks to micromanage a company's business operations is excludable under Rule 14a-8(i)(7) regardless of whether or not the proposal raises issues with a broad societal impact. See Staff Legal Bulletin No. 14E (Oct. 27, 2009), at note 8, citing the 1998 Release for the standard that "a proposal [that raises a significant policy issue] could be excluded under Rule 14a-8(i)(7), however, if it seeks to micromanage 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." The Staff concurred with the exclusion of proposals addressing how companies interact with their shareholders on significant social policy issues because the proposals sought to micromanage how the companies addressed those policy issues. See *Amazon.com, Inc.* (Apr. 7, 2023) (concurring that a proposal requesting the company report Scope 3 emissions from "its full value chain" was excludable for attempting to micromanage the company).

The Proposal May Be Excluded Under Rule 14a-8(i)(3) Because the Proposal Is Impermissibly Vague and Indefinite So as To Be Inherently Misleading.

Rule 14a-8(i)(3) permits the exclusion of a shareholder proposal if the proposal or supporting statement is contrary to any of the Commission's proxy rules. The Staff has consistently concurred that vague and indefinite shareholder proposals are excludable because "neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." Staff Legal Bulletin No. 14B (Sept. 15, 2004). A proposal may be materially misleading as vague and indefinite when the

⁴ <https://www.ilo.org/about-ilo/mission-and-impact-ilo/ilo-declaration-fundamental-principles-and-rights-work>.

⁵ https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf.

“meaning and application of terms and conditions . . . in the proposal would have to be made without guidance from the proposal and would be subject to differing interpretations” such that “any action ultimately taken by the [c]ompany upon implementation [of the proposal] could be significantly different from the actions envisioned by shareholders voting on the proposal.” See *Fuqua Industries, Inc.* (Mar. 12, 1991). Further, courts have held that shareholders are entitled to know “precisely the breadth of the proposal on which they are asked to vote.” *New York City Employees’ Retirement System v. Brunswick Corp.*, 789 F. Supp. 144, 146 (S.D.N.Y. 1992).

The Staff has consistently concurred in the exclusion of shareholder proposals that fail to define key terms. See *The Boeing Co.* (Feb. 23, 2021) (concurring with the exclusion of a proposal requiring that 60% of the company’s directors “must have an aerospace/aviation/engineering executive background” where such phrase was undefined); and *The Home Depot, Inc.* (avail. Mar. 12, 2014, recon. denied Mar. 27, 2014) (concurring with the exclusion of a proposal requesting a sustainability report where the company argued that the meaning of “benchmark objective footprint information” was unclear).

The Proposal requests that the Company adopt a “noninterference” policy and that the policy commits to “noninterference” when workers seek to form or join a trade union. However, the Proposal does not define the term or explain its meaning. The Staff has previously concurred with the exclusion of a proposal that related to noninterference. *NYNEX Corporation* (Jan. 12, 1990). In NYNEX, the resolution asked that NYNEX “does not interfere in government policies of foreign nations” where it has been invited, or will be invited, to “set up facilities.” The Staff’s response in concurring with exclusion of the proposal, stated that “[i]n arriving at our position, the staff has particularly noted that the proposal, if implemented, would require the [c]ompany to make highly subjective determinations concerning what constitutes ‘interference’ and ‘government policies’ as well as when the proscriptions of the proposal would apply. In the Division’s view, such determinations would have to be made without guidance from the proposal and would be subject to differing interpretations by both shareholders voting on the proposal and the [c]ompany, if the proposal was implemented.”

As in *NYNEX Corporation*, the Proposal would require an interpretation of what constitutes “noninterference.” Accordingly, because the Proposal includes a term that is so inherently vague or indefinite that neither the shareholders voting on it, nor the Company in implementing the Proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires, the Proposal may properly be excluded from the 2025 Proxy Materials under Rule 14a-8(i)(3).

CONCLUSION

For the reasons set forth above, the Company believes that the Proposal may be excluded from its 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) and Rule 14a-8(i)(3).

Respectfully yours,



Ning Chiu

Attachment

cc w/ att: Blair Petrillo, Ford Motor Company
Melody Maravillas, Sisters of St. Joseph of Peace
Aaron Acosta, Investor Advocates for Social Justice

Proposal

Resolved: Shareholders request the Board of Directors of Ford Motor Company adopt and disclose a Noninterference Policy committing to uphold the human rights to freedom of association and collective bargaining in its operations, and to use its best efforts to uphold such rights in its joint venture plants, as reflected in the International Labour Organization’s (“ILO”) Declaration on Fundamental Principles and Rights at Work (“Fundamental Principles”). The policy should commit to:

- Noninterference when workers seek to form or join a trade union, and a prohibition against acting to undermine this right or pressure workers not to form or join a trade union;
- Good faith and timely collective bargaining if workers form or join a trade union;
- Uphold the highest standard where national or local law differs from international human rights standards; and
- Define processes to identify, prevent, and remedy practices that violate or are inconsistent with the Policy.

Whereas:

Freedom of association and collective bargaining (FoA/CB) are fundamental human rights protected by international standards, including the Fundamental Principles and the UN Guiding Principles on Business and Human Rights (UNGPs). Companies are required to extend their responsibility to respect human rights, including FOA/CB, to their business relationships, which include joint ventures.¹

FOA/CB can mitigate material risks and enhance shareholder value. They are correlated with improved health and safety and human rights due diligence; increased productivity, wages, and retention; and reduced racial, gender, and economic inequality.²

The electric vehicle (EV) industry is predominantly non-unionized.³ Experts are concerned nonunionized battery manufacturing plants will negatively impact workers’ rights,⁴ since they pay workers significantly less than their unionized counterparts and have more health and safety violations.⁵ Additionally, many EV battery plants will be located in right-to-work states in the South, where unionizing is more difficult.⁶

Through its joint venture, BlueOval SK LLC, Ford is constructing three battery manufacturing plants in Kentucky and Tennessee,⁷ which will employ almost 11,000 workers.⁸ During the 2023 United Auto Workers negotiations, General Motors and Stellantis agreed to extend their contracts to include joint venture battery plants.⁹ Ford refused to do so, presenting the Company and its shareholders with potential human capital

¹ https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr_en.pdf;

<https://www.ungpreporting.org/resources/glossary/>

² https://uniglobalunion.org/wp-content/uploads/cwc_foa_cb_report.pdf

³ <https://www.wri.org/insights/michigan-electric-vehicle-job-creation>

⁴ <https://www.cnn.com/2023/09/20/business/uaw-jobs-south-auto/index.html>; <https://uniontrack.com/blog/ev-transition>

⁵ <https://www.wri.org/insights/ev-transition-auto-manufacturing-jobs>; <https://news.bloomberglaw.com/safety/ev-batteries-chemical-risks-to-us-workers-rising-as-plants-grow>

⁶ <https://www.wri.org/insights/ev-transition-auto-manufacturing-jobs>

⁷ <https://www.energy.gov/lpo/articles/lpo-announces-conditional-commitment-loan-blueoval-sk-further-expand-us-ev-battery-0>

⁸

https://library.edf.org/AssetLink/07126xtk0xv2bw713c64na3g5g1kmbb7.pdf?_gl=1*1q9i25m*_gcl_au*MTQ0MzA0NTkyMS4xNzMwMzE2MTg0*_ga*NTM4MTc4NDk4LjE3MzAzMTYxODM.*_ga_2B3856Y9QW*MTczMDMxNjE4Mi4xLjEuMTczMDMxNjIzNy41LjAuMA..*_ga_Q5CTTQBjD8*MTczMDMxNjE4My4xLjEuMTczMDMxNjIzNy42LjAuMA..

⁹ <https://goodjobsfirst.org/uaw-battery-plants-just-transition/>

risks¹⁰ and ongoing social and reputational risks.¹¹ In Tennessee, a coalition of local communities, labor, and faith organizations - in a majority-Black region that has long-faced racism and inequality - is urging Ford to sign a community benefits agreement to ensure environmental protections, community investments, and union jobs.¹²

Although Ford states these future joint venture employees can choose to unionize,¹³ the plants' locations in right-to-work states will likely make this difficult. A noninterference policy would assure joint venture workers would be truly free to organize. Moreover, adopting a noninterference policy is a non-onerous action Ford could undertake without undue burden.

¹⁰ Workers' rights violations at General Motors' joint venture plant highlight this potential risk: <https://perfectunion.us/electric-vehicles-reality/>

¹¹ <https://www.americanprogress.org/article/construction-of-tennessee-ev-battery-facility-highlights-promises-and-challenges-of-biden-administration-policies/>

¹² <https://www.tn4all.org/>; <https://www.localmemphis.com/article/news/local/west-tennessee-residents-demand-voices-heard-blue-oval-project-ford-company/522-fbc911d7-ab89-41c7-a48c-8e603cad3a6e>

¹³ <https://media.ford.com/content/fordmedia/fna/us/en/news/2023/10/03/ford-makes-comprehensive-offer-to-uaw--record-pay-and-benefits-.html>



January 21, 2025

By email: shareholderproposals@sec.gov cc: BPETRIL2@ford.com; ning.chiu@davispolk.com; and aacosta@iasj.org

Securities and Exchange Commission
Division of Corporation Finance
Office of the Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Request by Ford Motor Company to omit shareholder proposal submitted by the Sisters of St. Joseph of Peace

The Sisters of St. Joseph of Peace (the "Proponent") beneficially owns common stock of the Ford Motor Company (the "Company" or "Ford") and have submitted a shareholder proposal (the "Proposal") to the Company for consideration at the Company's 2025 annual meeting of shareholders. The Proponent is responding to the letter dated January 3, 2025 (the "Company Letter" or "no-action request") that Ning Chiu ("Company Counsel") sent to the Securities and Exchange Commission (the "SEC" or the "Commission") on behalf of the Company. In that letter, the Company contends the Proposal may be excluded from the Company's 2025 proxy statement under Rule 14a-8(i)(7) and Rule 14a-8(i)(3).

For the reasons discussed below, we respectfully submit that the Proposal is not excludable under Rules 14a-8(i)(7) and 14a-8(i)(3) and must therefore be included in the Company's 2025 proxy materials. The Proposal is attached as an Appendix to this letter. A copy of this letter is being emailed concurrently to Company Counsel.

SUMMARY

The Proponent filed a shareholder proposal to be included in Ford's 2025 proxy statement. The Proposal states, in relevant part:

Resolved: Shareholders request the Board of Directors of Ford Motor Company adopt and disclose a Noninterference Policy committing to uphold the human rights to freedom of association and collective bargaining in its operations, and to use its best efforts to uphold such rights in its joint venture plants, as reflected in the International Labour Organization's ("ILO") Declaration on Fundamental Principles and Rights at Work ("Fundamental Principles"). The policy should commit to:

- Noninterference when workers seek to form or join a trade union, and a prohibition against acting to undermine this right or pressure workers not to form or join a trade union;
- Good faith and timely collective bargaining if workers form or join a trade union;

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- Uphold the highest standard where national or local law differs from international human rights standards; and
- Define processes to identify, prevent, and remedy practices that violate or are inconsistent with the Policy.

Ford argues the Proposal should be excluded on the ground that it micromanages the Company and is impermissibly vague. Both arguments are without merit, and the Proposal should not be excluded. The Proposal does not micromanage the Company because 1) it does not probe too deeply into matters too complex for shareholders, 2) it does not inappropriately limit the discretion of Ford's board and management, and 3) it does not seek granular and detailed information. Contrary to the Company's assertion, that the Proposal would impose on the Company and its joint ventures a whole host of obligations and would be highly prescriptive, the Proposal only requests the Company to memorialize, as a policy, its publicly available commitments to respect the rights of freedom of association and collective bargaining.

Similarly, the Company's argument, that the Proposal is impermissibly vague because it does not define "noninterference" is unpersuasive. In line with the SEC's consistent and repeated analysis of the "vagueness" exclusion, the Proposal provides sufficient guidance within its text and within its references to widely-accepted international standards to determine the meaning of "noninterference" with "reasonable certainty."

The Company's no-action letter reflects a nonsensical approach to analyzing whether a proposal should be excluded under micromanagement or vagueness grounds. On the one hand, Ford asserts that the noninterference policy details provided in the Proposal make it "highly prescriptive" and grounds for exclusion under micromanagement. On the other hand, the Company argues that, despite the inclusion of these details, there is not enough information to understand the meaning of "noninterference." Apart from this unconvincing logic, the Company also mischaracterizes the contents of the Proposal and, at times, incorrectly references inapplicable Staff.

In sum, the Company's arguments of micromanagement and vagueness are without merit. As such, the Proponent respectfully requests the Staff to concur with its position, set out in the analysis below, that the Proposal should not be excluded from Ford's 2025 proxy statement.

ANALYSIS

I. The Proposal Does Not Micromanage the Company

The Proposal should not be excluded because 1.) it does not probe too deeply into matters too complex for shareholders, 2.) it does not inappropriately limit the discretion of Ford's board and management, and 3.) it does not seek granular and detailed information.

A. Micromanagement Standard

Ford argues that the proposal should be excluded because it seeks to micromanage the Company. However, consistent with the SEC's guidance and interpretation of the "micromanagement" standard, the Proposal does not impermissibly micromanage the Company and should, therefore, not be excluded.

The Commission's 1998 release reversing its *Cracker Barrel* policy on employment-related proposals¹ (the "1998 Release") described the considerations in the Division's application of the ordinary business exclusion. In relevant part, the second consideration was the "degree to which the 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." The 1998 Release emphasized that not all proposals "seeking detail, or seeking to promote time-frames or methods, necessarily amount to 'ordinary business'"; rather, a proposal "may seek a reasonable level of detail" without micromanaging the company.

The Division clarified its approach to micromanagement three years ago. In Staff Legal Bulletin 14L ("SLB 14L"), the Division explained that recent Staff application of the micromanagement doctrine had "expanded the concept of micromanagement beyond the Commission's policy directives" and "may have been taken to mean that any limit on company or board discretion constitutes micromanagement." Going forward, SLB 14L stated, the Staff would consider "the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management." In particular, when evaluating a company's micromanagement arguments, the Division states that it "will take a measured approach to evaluating companies' micromanagement arguments – recognizing that **proposals seeking detail or seeking to promote timeframes or methods do not per se constitute micromanagement**" (emphasis added).

B. The Proposal Does Not Probe Too Deeply Into Matters Too Complex for Shareholders

To determine whether a proposal probes matters "too complex" for shareholders to make an informed judgment, the Staff may consider "the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic. The staff may also consider references to well-established national or international frameworks when assessing proposals related to disclosure, target setting, and timeframes as indicative of topics that shareholders are well-equipped to evaluate" (SLB 14L).

In its analysis, the Company states that the Staff has consistently granted no-action relief "with respect to numerous proposals requiring reporting of information that is similarly or less complex than the information demanded by the Proposal." However, the Company fails to explain how or why a noninterference policy related to the rights of freedom of association and collective bargaining (the subject of the Proposal) is "similarly or less complex" to other proposals, let alone whether it is even a matter too complex for shareholders. The list of previous determinations cited by the Company to support its position shed no light on whether freedom of association and collective bargaining are "too complex" for shareholders to make an informed decision.

¹ Exch. Act Rel. No. 40018 (May 21, 1998)

Applying the SEC’s guidance on whether a proposal contains matters that are “too complex” for shareholders, it is clear that shareholders are well-situated to make an informed decision on the proposal for the following reasons:

1. Shareholders are sophisticated when it comes to proposals related to freedom of association and collective bargaining and are well-situated to make informed decisions on such matters.

During the last two years, shareholders voted at least 6 times on nearly-identical proposals asking companies to adopt noninterference policies to uphold the human rights to freedom of association and collective bargaining. Importantly, each one of the following noninterference proposals received significant shareholder support:

- Chipotle Mexican Grill, Inc. (2023) - 33.3%
- Delta Air Lines (2023) - 32.6%
- Chipotle Mexican Grill, Inc. (2024) - 10.1%
- Tesla, Inc. (2024) - 20.6%
- Delta Air Lines (2024) - 25.6%
- SkyWest Airlines (2024) - 25.7%

Additionally, over the past 2 years, shareholders have increasingly voted on proposals related to the rights of freedom of association and collective bargaining. In 2024, at least 10 shareholder proposals related to freedom of association and collective bargaining went to a vote,² and in 2023, at least 9 went to a vote.³

As indicated by the number of noninterference proposals in recent years and the significant levels of shareholder support for such proposals, shareholders are sophisticated on the subject matter of the Proposal.

2. There is ample data available on the freedom of expression and collective bargaining, its benefits, and its prevalence in Ford’s operations and joint ventures

Investors have ample information available to analyze the benefits of freedom of association and collective bargaining. Multiple organizations have published detailed reports outlining the business case for respecting freedom of association and collective bargaining, which include:

² Amazon.com, Inc., Chipotle Mexican Grill, Inc., CVS Health Corporation, Delta Air Lines, International Flavors & Fragrances Inc., Maximus Inc., SkyWest Airlines, Tesla, Inc., Warrior Met Coal, Inc., and Wells Fargo & Company

³ Activision Publishing, Inc., Amazon.com, Inc., Chipotle Mexican Grill, Inc., CVS Health Corporation, Delta Air Lines, Netflix Inc., Rivian Automotive, Inc., Starbucks Corporation, and Wells Fargo & Company

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- *The Investor Case for Supporting Worker Organizing Rights* by Trillium Asset Management (2022)⁴
- *Shared Prosperity: The Investor Case for Freedom of Association and Collective Bargaining* by Committee on Workers' Capital (2022)⁵

In addition, the exempt solicitations that were filed related to the aforementioned “noninterference policy” proposals are publicly available and shed more light on the benefits of such policies:

- Delta Air Lines (2023)⁶
- Delta Air Lines (2024)⁷
- Chipotle Mexican Grill, Inc. (2023)⁸
- Sky West Airlines (2024)⁹
- Tesla, Inc. (2024)¹⁰

3. There is robust public discussion and analysis on freedom of association and collective bargaining

The rights of freedom of association and collective bargaining have increasingly been the subject of robust public discussion and analysis.

A 2024 Gallup poll found that 70% of Americans approve of labor unions.¹¹ The American Federation of Labor and Congress of Industrial Organization (AFL-CIO) also found that 71% of Americans support unions, with that support increasing within the younger generation, with 88% of voters under 30 supporting unions.¹²

Public discussion on labor unions was also a focal point in the lead-up to the 2024 US presidential elections¹³ and unions remain in the spotlight during the start of the Trump administration.¹⁴ In 2023, labor strikes “were among the more prominent forms of collective action,” and included the Big Three

⁴ <https://www.trilliuminvest.com/whitepapers/the-investor-case-for-supporting-worker-organizing-rights>

⁵ <https://www.workerscapital.org/our-resources/shared-prosperity-the-investor-case-for-freedom-of-association-and-collective-bargaining/>

⁶ <https://www.sec.gov/Archives/edgar/data/1086462/000121465923007804/z524230px14a6g.htm>

⁷ <https://www.sec.gov/Archives/edgar/data/1086462/000121465924008355/x53240px14a6g.htm>

⁸ <https://www.sec.gov/Archives/edgar/data/1517047/000121465923006619/e58231px14a6g.htm>

⁹ <https://www.sec.gov/Archives/edgar/data/1086462/000121465924006916/e416242px14a6g.htm>

¹⁰ <https://www.sec.gov/Archives/edgar/data/1782324/000121465924008870/e513246px14a6g.htm>

¹¹ <https://news.gallup.com/poll/12751/labor-unions.aspx>

¹² <https://www.usatoday.com/story/money/2023/08/29/majority-of-americans-support-labor-unions-poll-finds/70713278007/>

¹³ <https://www.npr.org/2024/11/01/nx-s1-5173819/2024-election-trump-harris-workers-overtime-wages>

¹⁴ <https://betterinaunion.org/project-2025>; <https://www.epi.org/blog/three-ways-workers-rights-are-on-the-chopping-block-under-president-trump-judging-by-the-first-trump-administration-workers-and-unions-are-set-to-face-new-attacks-and-a-rollback-of-rights/>

automakers strike and the Hollywood writers and actors strike.¹⁵ The extensive coverage of and attention placed on unions and labor strikes over the past few years highlight some of the ways in which freedom of association and collective bargaining have been the subject of public discussion and analysis.

4. The proposal includes references to well-established international frameworks

The Proposal asks the Company to adopt and disclose a noninterference policy that commits to upholding the rights to freedom of association and collective bargaining as reflected in the International Labour Organization's ("ILO") Declaration on Fundamental Principles and Rights at Work ("Fundamental Principles"). Furthermore, the Proposal highlights that the rights of freedom of association and collective bargaining are also protected by the UN Guiding Principles on Business and Human Rights (UNGPs). The ILO's Fundamental Principles and the UNGPs are well-established international frameworks, and Ford explicitly commits to aligning with both frameworks in its human rights policy.¹⁶ Therefore, the Proposal references well-established international frameworks on which shareholders are well-situated to make an informed decision.

Based on the aforementioned factors, it is clear that the proposal does not "prob[e] 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."

C. The Proposal Does Not Inappropriately Interfere with Management Discretion

While the Staff will look at whether the proposal "inappropriately limits discretion of the board or management" while making a determination on a micromanagement challenge, it is important to emphasize that not all suggestions or high-level direction in proposals are considered micromanagement. In SLB 14L, the Division clarified that the micromanagement exclusion was "designed to preserve management's discretion on ordinary business matters but **not prevent shareholders from providing high-level direction on large strategic corporate matters**" (emphasis added). Indeed, the Division added that proposals seeking details or specific methods "do not per se constitute micromanagement."

Moreover, as the Company letter itself demonstrates, failure to be specific invites a company challenge based on vagueness, that either the company or its shareholders will not understand the scope of the Proposal or how it will be implemented - which is exactly what Ford is arguing. This "damned if you do, damned if you don't" logic when it comes to the level of specificity included in a proposal would make the shareholder proposal rule unworkable in practice.

In contrast to the Company's assertion that the proposal would inappropriately limit management's discretion, the Proposal is simply asking Ford to commit to noninterference if its workers in its operations, supply chains, or joint ventures desire to unionize - which would be an operationalization of its general commitment to respecting freedom of association and collective bargaining.

¹⁵ <https://www.epi.org/publication/major-strike-activity-in-2023/>

¹⁶ <https://corporate.ford.com/content/dam/corporate/us/en-us/documents/reports/we-are-committed-to-protecting-human-rights-and-the-environment-policy.pdf>

i. The Proposal Simply Requests the Company to Commit to Noninterference – An Operationalization of Its General Commitment to Respecting Freedom of Association and Collective Bargaining.

The Proposal is primarily concerned with ensuring Ford’s general commitments to respecting its workers’ rights of freedom of association and collective bargaining are operationalized and guaranteed.¹⁷ In its human rights policy, called *We Are Committed to Protecting Human Rights and the Environment*, Ford states that it “[r]ecognize[s] and respect[s] employees’ rights to freedom of association and collective bargaining,” and that it “explicitly require[s] [its] suppliers and expect[s] partners and joint ventures (referred to as ‘business partners’ in this policy) to adopt and enforce similar policies and extend them to their own supply chain.”¹⁸ Furthermore, in its human rights policy, Ford explicitly commits to respecting The ILO’s Declaration on Fundamental Principles and Rights at Work (which contains the rights of freedom of association and collective bargaining) and to align with the UNGPs.

In addition, in an October 2023 press release, Ford stated that, although it did not include its joint venture battery plants within the UAW contract, the “future employees at these operations can choose to be union represented and enter into the collective bargaining process.” Guaranteeing the rights to freedom of association and collective bargaining is particularly challenging in right-to-work states,¹⁹ where Ford’s joint venture battery plants will be located (Kentucky and Tennessee). Additionally, there are reports that the joint venture, BlueOval SK, has hired an anti-union firm to deter organizing in the battery plants.²⁰ This may also be inferred, although not confirmed, from a recent UAW unfair labor practices complaint filed against BlueOval SK related to a discharge in Elizabethtown, KY.²¹ Notably, the charged parties include Frost Brown and Todd, an anti-union law firm that states on its website “[o]ur team helps our non-unionized clients stay union-free.”²²

Given the actual challenges to guaranteeing workers’ rights to freedom of association and collective bargaining in its joint venture battery plants - rights that Ford has explicitly committed to respecting - the requested noninterference policy would, as stated in the Proposal, “assure joint venture workers would be truly free to organize. Moreover, to adopt and disclose a noninterference policy, Ford would not need to make any significant changes, but simply, operationalize, as a policy, its commitments to respecting freedom of association and collective bargaining.

ii. The Proposal leaves ample room for Ford to exercise its discretion

Ford’s Mischaracterization of the Proposal

¹⁷ <https://media.ford.com/content/fordmedia/fna/us/en/news/2023/10/03/ford-makes-comprehensive-offer-to-uaw--record-pay-and-benefits--.html>

¹⁸ <https://corporate.ford.com/content/dam/corporate/us/en-us/documents/reports/we-are-committed-to-protecting-human-rights-and-the-environment-policy.pdf>

¹⁹ <https://www.wri.org/insights/ev-transition-auto-manufacturing-jobs>

²⁰ <https://www.leoweekly.com/louisville/blueoval-sk-workers-file-to-vote-join-uaw-union-amid-safety-concerns/Slideshow/17294810>

²¹ <https://www.nlr.gov/case/09-CA-354419>

²² <https://frostbrowntodd.com/practices/labor-employment/union-avoidance-campaigns/>

In its no-action letter, the Company grossly mischaracterizes the Proposal, repeatedly asserting that the noninterference policy “requires” the Company to undertake certain actions and prescribes the way the Company “must act.” This is a dishonest reading of the Proposal’s plain language. The Proposal “requests” the Company adopt and disclose a noninterference policy and suggests that such policy “should” include four best-practice components.

To state the obvious, a Rule 14a-8 shareholder proposal is an *advisory* proposal, and the board and management’s discretion is seldom encroached by such a proposal. Even after a majority of support on an advisory proposal, the board and management are expected to exercise discretion to act as fiduciaries in the interests of the corporation. The request of the current Proposal is advisory - it is not a directive.

This is clear from the plain meaning of the word “should” and its use in the Proposal. The word “should” is used to convey a suggestion, as contrasted with the word “shall” which indicates a requirement. The Proposal asks Ford to adopt and disclose a noninterference policy and suggests some components that should be included in such a policy. The company’s repeated complaints about what it “must” include in a noninterference policy are unfounded.

The Company also patently misstates the Proposal’s request as it relates to joint ventures. According to Ford, under the requested noninterference policy, “all of the Company’s operations, *including joint ventures with third parties*, at all of its locations would be required to be covered,” and that the Proposal would “require the Company to *impose its mandate*” on its joint ventures (emphases added). This is false. The Proposal clearly asks Ford “to use its best efforts” to uphold the rights of freedom of expression and collective bargaining in its joint venture plants. There is no imposition or requirement placed on Ford.

Company Discretion

Central to the argument that the Proposal would inappropriately limit Ford’s discretion is its assertion that the Proposal is “highly prescriptive” and “would place substantial restrictions on the Company’s ability to determine how best to manage the issues related to the management of workers and collective bargaining, as well as working with the Company’s joint venture partners.” This argument has no merit.

On its face, the Proposal asks Ford to adopt and disclose a noninterference policy and includes a suggested list of four components to include in such policy. As has already been mentioned, the Staff has stated that proposals seeking details or specific methods “do not per se constitute micromanagement.” In addition, as discussed below, these four suggested components help add more detail to the understanding of a noninterference policy, so as not to be accused of being impermissibly vague. The Proposal leaves wide discretion to Ford’s board and management in its implementation, including the following:

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- The Proposal asks simply for an operationalization of Ford’s general commitments to respecting the rights of freedom of association and collective bargaining, and leaves the Company with wide latitude on the many of the specific contents.
- The suggested list of four components is not exhaustive, but rather a list of best-practice elements that constitute a robust noninterference policy.
- The Proposal does not specify a timeline for when such a noninterference policy should be adopted and disclosed, nor specify the manner in which the policy should be disclosed.
- The Proposal does not specify the method that Ford must recognize as indicating that workers are seeking to form a trade union (e.g., card check method, petition for election).
- The Proposal would afford Ford latitude in the operationalization and interpretation of “good faith and timely” collective bargaining.
- The Proposal leaves wide discretion with Ford to “[d]efine processes to identify, prevent, and remedy practices that violate or are inconsistent with the Policy.”

The Staff has repeatedly declined to concur with the exclusion on micromanagement grounds of proposals that requested companies to adopt policies or commission reports that gave the companies discretion in the specific details around implementation:

- Amazon.com, Inc. (April 3, 2023) (Jing Zhao): Proposal requested the Company establish a Public Policy Committee. The Company had wide discretion on how to implement such a proposal.
- Caesars Entertainment, Inc. (April 19, 2024) and Boyd Gaming Corporation (March 18, 2024): Proposals asked the companies to commission and disclose a report on the potential cost savings through the adoption of a smokefree policy for Caesars Entertainment properties. The companies had discretion on the specific details around implementation of such a policy, including the methodology for estimating the costs associated with allowing smoking.
- Citigroup Inc. (March 7, 2022): Proposal requested that the company adopt a policy by the end of 2022 committing to proactive measures to ensure the company’s lending and underwriting do not contribute to new fossil fuel supplies inconsistent with global standards. The company was free to identify the proactive activities and the types of inappropriate lending activities.
- Chubb Limited (March 26, 2022) (Green Century Equity Fund): Proposal asked the company adopt and disclose new policies to help ensure its underwriting practices do not support new

fossil fuel supplies, in alignment with the IEA's Net Zero Emissions by 2050 Scenario. The company had discretion to ascertain how to implement the proposal, for example, by imposing conditions on underwriting.

- CVS Health Corporation (March 18, 2022): Proposal sought a policy that all employees, part- and full-time, accrue some amount of paid sick leave that can be used after working at CVS for a reasonable probationary period. The company had discretion on the specifics of such a policy, for example, the decision regarding how much paid sick leave an employee should accrue, as well as the duration of the probationary period required before an employee can use the leave.
- Tesla, Inc. (March 27, 2024) (As You Sow Foundation Fund): Proposal requested that the company commit to a moratorium on sourcing minerals from deep sea mining, consistent with the principles announced in the Business Statement Supporting a Moratorium on Deep Sea Mining. The company had discretion on the specifics of the policy, such as how the company might achieve that policy, should source materials for its products, and should interact with suppliers, as well as what conditions the company might place on its commitment to a moratorium.

Apart from the Company's mischaracterization of the Proposal's language (explained above, regarding "requires" and "must") and bald assertions of the Proposal's "highly prescriptive" nature, the Company provides little support for its claim that the Proposal inappropriately limits its discretion. Instead, Ford dedicates significant space to arguing that the Proposal seeks a high level of granular and detailed information - a claim addressed in the next section.

When attempting to support its claim that the Proposal inappropriately limits the Company's discretion, Ford utilizes a false equivalence. According to the Company "[t]o the extent that proposals seeking detailed disclosures have been excluded on the basis that they ask for too much information with too many granular details, the Proposal is even more prescriptive in that it requires not just disclosure but actions to implement the Policy." In line with common sense and as demonstrated by the aforementioned cases, there is no inherent "prescriptiveness" related to proposals that seek disclosure or those that seek the adoption of a policy. Rather, the Staff looks at the level to which the proposal inappropriately interferes with the company's discretion. This is a case-by-case determination, as indicated by the fact that the Staff has found certain disclosure and policy proposals as being too prescriptive and others as not.

In both determinations cited by the Company, The Procter & Gamble Company (August 14, 2024) and Lowe's Companies (April 8, 2024) (National Center for Public Policy), the proposals asked the companies to adopt policies that were not an operationalization of already-existing general commitments. These cases are inapposite. In contrast to these two examples, the Proposal asks Ford to adopt a non interference policy that would operationalize a general commitment that Ford already has to respecting the rights to freedom of expression and collective bargaining.

Ford also misrepresents the Staff's previous determinations. In attacking the Proposal as too prescriptive because of its reference to the ILO Fundamental Principles and the UNGPs, Ford cites to McDonald's Corporation (April 3, 2024) (Legal and General Investment Management America, Inc.), which asked the company to "institute a policy that the Company comply with World Health Organization Guidelines on Use of Medically Important Antimicrobials in Food-Producing Animals throughout the Company's supply chains." According to Ford, the proposal was excluded because it "inappropriately interferes with the discretion of management to implement the proper approach, including frameworks, in its judgment." Ford's characterization of the determination is inaccurate, since the McDonald's proposal was excluded under Rule 14a-8(i)(10) for being "substantially implemented." Indeed, the determination explicitly states that it would not address McDonald's micromanagement argument.

D. The Proposal Does Not Seek A High Level of Granularity

The Company seems to place the weight of its micromanagement argument on the assertion that there is a high level of granularity sought in the proposal. It lists "numerous proposals requiring reporting of information that is similarly or less complex than the information demanded by the Proposal." The references to past no-action determinations that dealt with proposals requesting detailed information and reports are inapplicable in this case.

The Proposal does not request any reporting or detailed information. This is clear from the text of the Proposal. Nor would the adoption of such noninterference policy be "unduly burdensome by requiring that the Company change its existing policies and practices, training and education and re-allocate resources, which could affect the Company's operations," as claimed by Ford. The Company would not need to make any of these changes, since it already generally commits to respecting the rights of freedom of association and collective bargaining. To adopt a noninterference policy, Ford would simply be required to spell out the terms of such policy, which would not be onerous. The Company's attempt to paint the Proposal as seeking granular information and causing undue burden appears to be subterfuge.

E. Conclusion: The Proposal does not Micromanage the Company

Since the Proposal is not "too complex" for shareholders, does not impermissibly limit Ford's discretion, and does not seek granular or detailed information, the Company's micromanagement assertion lacks merit.

II. The Proposal is not Impermissibly Vague and Indefinite So as To Be Misleading

Under Rule 14a-8(i)(3), a proposal is impermissibly vague only when "neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." Staff Legal Bulletin No. 14B (Sept. 15, 2004). The Staff, however, does not lightly assume that shareholders are incapable of grasping the wide array of issues which affect their investments.

Thus, the emphasis must be on whether a proposal is “**so** inherently vague or indefinite” that it cannot be determined with “**reasonable** certainty” what it requires (emphasis added). The standard is not whether a lawyer could identify some tortured reading that renders the proposal minorly ambiguous. Additionally, pursuant to Rule 14a-8(g), the Company bears the burden of proving the proposal is excludable under Rule 14a-8(i)(3). Therefore, companies must meet a very high standard to prove that a proposal is impermissibly vague.

Ford argues the Proposal may be excluded under Rule 14a-8(i)(3) because it does not “define the term [“noninterference”] or explain its meaning.” Citing to the NYNEX Corporation (January 12, 1990) determination, according to the Company, a determination of the meaning of “noninterference” would have to be made “without guidance from the proposal and would be subject to differing interpretations by both shareholders voting on the proposal and the [c]ompany, if the proposal was implemented.” This argument is without merit.

The Company unpersuasively tries to use the NYNEX determination to argue the NYNEX proposals’ phrase “does not interfere with government policies of foreign nations” is analogous to the Proposal’s use of the word “noninterference.” In relevant part, the Staff concurred with the exclusion of the NYNEX proposal, stating “[i]n arriving at our position, the staff has particularly noted that the proposal, if implemented, would require the [c]ompany to make highly subjective determinations concerning what constitutes ‘interference’ and ‘government policies’ as well as when the proscriptions of the proposal would apply” (NYNEX Corporation, January 12, 1990).

The difference between “interference” in the NYNEX determination and “noninterference” in the Proposal is facially apparent. While the NYNEX use of the term is related to interference with government policies of foreign nations, which does not have a clear meaning, the use of noninterference in the Proposal is a well-established concept related to the rights of freedom of association and collective bargaining.

In the Proposal’s resolved clause, it is immediately apparent that the term “noninterference” is used to refer to the fact that the Company should agree to not interfere with workers’ trying to exercise their human rights of freedom of association and collective bargaining. According to the Merriam-Webster dictionary, “interfere” means: “to enter into or take a part in the concerns of others... to interpose in a way that hinders or impedes : come into collision or be in opposition.”²³ Under this understanding of the word’s plain meaning, “noninterference” would mean that the Company would not enter into, hinder, or impede workers’ rights to freedom of association and collective bargaining when they are attempting to organize.

Additionally, as the Company admits through its use of the NYNEX determination, the term “noninterference” would only be impermissibly vague if its meaning had to be ascertained “without guidance from the proposal and would be subject to differing interpretations by both shareholders voting on the proposal and the [c]ompany, if the proposal was implemented.” The Proposal’s supporting statement provides ample guidance as to what the term “noninterference” means.

²³ <https://www.merriam-webster.com/dictionary/interferes>

In the bullet-point list of suggestions for what should be included in a noninterference proposal, the Proposal's text sheds additional light onto the meaning of "noninterference." For example, noninterference means a "prohibition against acting to undermine [the rights to freedom of association and collective bargaining] or pressure workers not to form or join a trade union," "[g]ood faith and timely collective bargaining if workers form or join a trade union," and the design of processes "to identify, prevent, and remedy practices that violate" such rights. From a reading of the Proposal's resolved clause and supporting statement, "noninterference" is not inherently vague or indefinite and both shareholders and the Company can determine with reasonable certainty what it requires.

The Company's attacks on the Proposal reflect an apparent "have your cake and eat it too" logic. Regarding the bullet-point list that provides suggested, additional context for a noninterference policy, the Company tries to attack such details as being "highly prescriptive" and grounds for exclusion under micromanagement, but Ford simultaneously argues that, despite these details, there is not enough information to understand the meaning of "noninterference." The contrary logic is nonsensical.

CONCLUSION

Based on the foregoing, we believe that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2025 proxy statement pursuant to Rules 14a-8(i)(7) and 14a-8(i)(3). We urge the Staff to deny the no action request.

We appreciate the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (973) 509-8800, ext. 3.

Sincerely,



Aaron Acosta – Investor Advocates for Social Justice
On behalf of the Sisters of St. Joseph of Peace

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