

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 non-unionized 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

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*MTczMDMxNjE4My4xLjEuMTczMDMxNjIzNy41LjAuMA..

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 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.

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

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>