

Diversity, Equity and Inclusion Impact Report 2020 (U.S.)



Tesla is on a mission to accelerate the world's transition to sustainable energy. We focus relentlessly on innovation and rely on teamwork and collaboration to help achieve this goal. Along the way, we are continuing to build a culture that is safe, respectful, fair and inclusive for all of our employees.

As we work to achieve our mission we reaffirm our commitment to Diversity, Equity and Inclusion (DEI). We are proud to employ people of all backgrounds who possess the talent, energy and focus to accelerate our vision forward. Each employee is encouraged to bring their whole self to work, knowing that Tesla values individuality as much as we value collaboration.





Who We Are

Our Commitment to Diversity, Equity and Inclusion

We value talented individuals at all experience and career levels who are passionately committed to our mission.

We insist on equitable practices not just because it's the right thing to do, but because fair processes allow our team members to bring their whole selves to work.

We value and include underrepresented communities at all levels of our company.

We do the work required to ensure that our culture is as diverse and inclusive as it is collaborative and driven.

We leverage our differences to build the most innovative products in the world and our shared mission to accelerate the world's transition to sustainable energy unites us in our commitment to creating a future that is good for all humanity.



Our Diversity, Equity and Inclusion Principles

Our DEI team uses a people-first and data-driven approach to champion diversity, equity and inclusion in our business and in our communities. We rely on these guiding principles in our work to inform company policies and practices:

- Provide transparency in our DEI programs and results to set goals, measure our progress, identify areas of improvement and celebrate successes.
- Integrate accountability measures for organizational, team and individual progress and results into our business operations.
- Focus on sustainable solutions that solve problems at the root cause and reimagine new programs with diversity, equity and inclusion principles embedded in the design.
- Share knowledge to aid in personal and professional learning and development.



Principles in Action



The road to success is paved with action – especially in difficult times. We are backing up our commitment to DEI by expanding our team, adding company-wide talent development and learning programs to our function and embedding DEI principles in everything that we do. From our engagement with candidates to our outreach to community members, we are intentional as we work to encourage people from all backgrounds to join us on our mission to accelerate the world’s transition to sustainable energy.

We are investing in communities like Reno, Nevada, Buffalo, New York, and Austin, Texas, to support the acceleration of robotics, STEAM and sustainability programming within the education systems and we offer first-in-line employment opportunities to program participants. We inspire students to see the possibilities of an amazing career with Tesla. We are continuing to provide employees with the programs, tools, resources and support that have been proven to foster inclusion. We inspire our employees to progress in their careers as far as their talent will take them.

We are reaching out to further engage the communities where our employees reside and we work to inspire community members to join us on our mission.

“Tesla is not a company that rests on past successes or settles for the status quo. We set high standards for everything we do and we are committed to bringing that same bias for excellence to Diversity, Equity and Inclusion at Tesla.”

Kristen Kavanaugh
Director, Inclusion, Talent and Learning

A woman wearing a dark green Tesla cap, safety glasses, and a light blue surgical mask is working on the engine compartment of a black car. She is using a yellow power drill. The car is on an assembly line in a factory setting. The background is a bright, clean industrial environment.

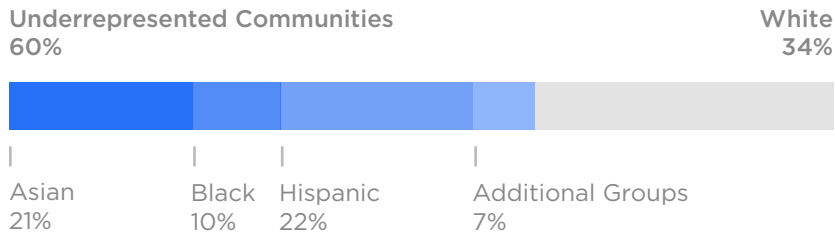
Where We Are Today

Underrepresented Communities in the U.S.

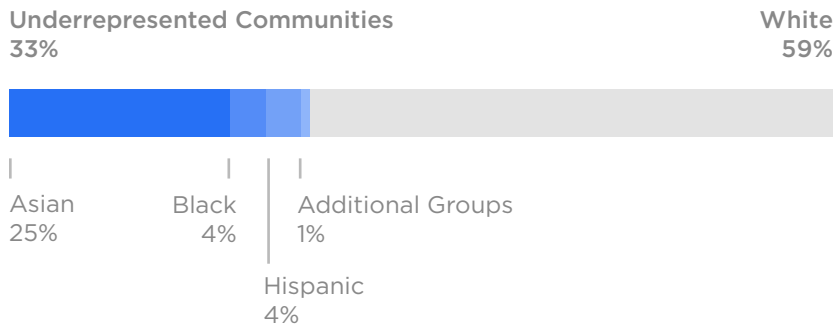
We set our own high standards for excellence, including how we evaluate our DEI practices and programs.

Where we are today represents the progress that we have made and the steps we have taken up to this point. We know we have more work to do to be representative of the evolving U.S. population and we are committed to implementing the plans we've designed to get us there.

Underrepresented Communities Representation in our U.S. Workforce



Underrepresented Communities in Leadership in our U.S. Workforce



Data is representative of 2020 as of the writing of this report. Totals may not add to 100% due to rounding or individuals who selected "decline to state" or left the category blank.

Black, African American, Hispanic, Latinx, Asian, Pacific Islander, Native American, Native Hawaiian and Alaska Native communities are typically underrepresented in the U.S. This group collectively represents 60% of our workforce. The same group is typically even more underrepresented in corporate leadership. Currently, 33% of our Directors and Vice Presidents and are from underrepresented communities. This is a large percentage of a very small cohort - less than .4% of employees are Director level and above at Tesla. Similarly, 43% of our executives reporting directly to the CEO are from underrepresented communities. Finally, 68% of all new hires and 65% of this year's promotions were from underrepresented communities.

We are proud to be a majority-minority company, and we are proud to report that our business reflects the underrepresented communities that have struggled to break through the roadblocks to equal opportunity.

Black and African American employees are 10% of our U.S. workforce. This group has experienced a 60% increase in representation in management, representing 4% of our Director level and above employees. Black and African Americans employees comprise 12% of new hires and 10% of promotions respectively - a 9% and 11% increase from 2019. We know that our numbers do not represent the deep talent pools of Black and African American talent that exist in the U.S at every level - from high school graduates to professionals. Many of our programs in 2021 will focus on increasing Black and African American representation, especially in leadership, while continuing the upward trend in new hires and promotions.

Asian employees are 21% of our U.S. workforce and have also seen an upward trend in representation in management, representing 25% of our Director level and above employees. Asian employees comprise 20% of all new hires and 23% of all promotions - a 15% increase from last year. We want to see these trends continue in 2021 and beyond.

Hispanic and Latinx employees are 22% of our U.S. workforce, and while they currently represent only 4% of our Director level and above employees, they represent 24% of all promotions this year - reflecting a 14% increase and Tesla's active efforts at cultivating and developing diverse talent. Additionally, 27% of all new hires in 2020 were Hispanic and Latinx. We want to continue the upward trends we are experiencing across hiring, promotions, and overall representation for our Hispanic and Latinx employees.

Gender Representation in the U.S.

Gender Representation in our U.S. Workforce



Gender in Leadership in our U.S. Workforce



Women represent 21% of our overall U.S. workforce and 23% of all promotions – a 5% increase from last year. They represent 17% of our Directors and Vice Presidents. In 2020, nearly 25% of all U.S. hires have been women.

While women are historically underrepresented in the tech and automotive industries, we recognize we have work to do in this area. We are committed to working alongside companies in these industries to make improvements. We are taking active steps to increase our outreach to women and build an inclusive culture that supports their development and retention. Increasing women’s representation at all levels, especially in leadership, is a top priority in 2021.



Finding Leaders In-House Valerie Capers Workman



We pride ourselves on identifying many of our leaders by recognizing their performance in key roles inside the company. Many of our executives started at Tesla as individual contributors and are now leading some of our most innovative teams.

Valerie Workman was hired in 2018. In less than two years she was promoted from Associate General Counsel, Compliance, to the Head of Human Resources for all of North America, EMEA and the Asian Pacific (excluding China) – moving from the Legal team to HR. Just eight months later in July 2020 Valerie was promoted again to become Tesla’s Vice President of People. Reporting directly to the CEO, Valerie plays a critical role as part of the executive leadership team and leads Tesla’s Human Resources, Recruiting, Workplace, Benefits, Diversity Equity & Inclusion and Employee Relations programs. As a member of Tesla’s COVID-19 CORE TEAM, Valerie led the teams that developed innovative, employee-focused programs in response to the pandemic.

“My promotions are illustrative of one of the things I love most about Tesla; here you are never type-cast into doing just one thing. At Tesla, excellence is seen as the core competency for any role and this perspective gives leadership the flexibility to provide employees with new opportunities to plug into the areas where their talents are needed. I also love the fact that we are a flat organization. Anyone, anywhere in the company is empowered to connect with everyone, including Elon, if employees are facing roadblocks. We don’t believe in hierarchy. We believe in getting things done.”

Valerie Capers Workman, Esq.
Vice President, People

Recruiting Industry Experts

Laurie Shelby

Laurie Shelby, a self-described STEM fanatic with degrees in Chemistry and Industrial Hygiene, joined Tesla as the company's first VP of Environment, Health and Safety after working in the aluminum industry for twenty-five years. She and her team make sure controls are in place and verified to keep our people and the environment safe. Nowhere is Laurie's expertise more evident than in the way she has led Tesla's response to the COVID-19 pandemic. Laurie created Tesla's COVID-19 CORE TEAM in January 2020 and implemented the early adoption of comprehensive safety protocols at Tesla locations worldwide.

“At Tesla, Leaders lead. Elon expects us to be excellent and there's no micromanaging. This allows me to do what needs to get done quickly for the health and safety of our employees and our customers. That kind of autonomy, even at this level, is very rare.”



Opportunity for All Rocio Mendez

In just under five years, Rocio Mendez has made a huge impact at Tesla. She's been promoted twice, from Powertrain Industrial Engineer to Associate Manager for Industrial Engineering to Staff Process Engineer, where she continues to manage a team on the Model S and Model X battery pack lines. She is also a new mom. According to Rocio, accessibility to leadership has been key to her thriving at Tesla. It's not only that they're easy to talk to, they also support her as a working parent.

“This is a male-dominated industry, but as a woman and a working mom, it feels like an extra accomplishment to have the opportunities I do. It's nice to have management that supports a working mom. My manager is very supportive of my family.”



Pride in Our Employees

Zach Kirkhorn

We take pride in having leaders from the LGBTQ community as leaders at all levels and roles at Tesla.

Zach Kirkhorn joined Tesla in 2010 as a Senior Financial Analyst. In his time at Tesla, he's been promoted five times, most recently to CFO.

“Throughout my journey at Tesla, I've always felt heard and empowered by my managers and the leadership team. It's important we continue to bring those most knowledgeable on a topic to the table, as ultimately the best ideas make our company stronger.”

Empowering and listening to our employees helps the company stay on mission. “There is nothing more motivating than to work with so many talented and dedicated people. Everyone's 100% focused on achieving the mission of the company.”

Members of the community also serve as leaders in our Employee Resource Groups. For the second year in a row, we offered additional support to our transgender employees through the Transgender Inclusion Group, a subset of our LGBTQ at Tesla Employee Resource Group. We are also taking steps to provide more inclusive opportunities for our LGBTQ employees to self-identify so that we may provide appropriate support. This includes adding non-binary and gender non-conforming options in our people management system.



Opportunity for Second Service

Gerry Williams

Veterans represent 4% of our total U.S. workforce. Tesla is a natural next step for transitioning veterans looking to continue their passion for service in the civilian sector.

Gerry Williams was a mechanic in the U.S. Army for thirteen years before he decided to go to trade school. Gerry started his career at Tesla as a Production Associate in 2009 and built the battery pack for the first Roadster. He was promoted to Training Coordinator then promoted again to Quality Technician, Cell Engineering. Gerry actively supports the next generation of associates and transitioning veterans. “I’ve always been able to access leadership. The door has been open since I started.”

In 2019, we established a partnership with the Secretary of the Navy ‘Tour with Industry’ program. Our first Fellow, a Navy helicopter pilot, spent a year assigned to the North American Charging Infrastructure team where he focused on expanding Level 2 charging infrastructure in Northern California.

We expanded our partnership this year to include the Air Force ‘Education with Industry’ program. Today, our Fellows are supporting Fleet Operations, Construction, and Solar Hardware Engineering.





Where We Are Going

Our Roadmap

Our DEI Roadmap – outlined below – highlights the steps we will continue to take in order to improve on our diversity and inclusion metrics and integrate DEI best practices into our business operations. Our approach is simple: Focus. Integrate. Connect.

Focus

on attracting, developing, and retaining talent

Integrate

diversity, equity and inclusion principles and practices into the DNA of our company

Connect

communities internally and externally to opportunities with Tesla

Focus equally on attracting, developing and retaining talent.

We will focus equally on developing a deeper pipeline of diverse and exceptional candidates while fostering an inclusive culture that supports them once they become employees.

We are intentionally seeking out excellent talent that reflects the rich diversity of the communities where we are located, and we actively recruit from spaces that offer access to talent from underrepresented communities.

To ensure that our hiring efforts result in a workforce that is more diverse, we are committed to the following:

- Recruiting at Historically Black Colleges and Universities (HBCUs) and building direct and meaningful relationships with their leadership and faculty to support a sustained pipeline of talented college graduates. For example, we have a formal relationship with Huston-Tillotson University in Austin, Texas as part of the launch of Gigafactory Texas. We look forward to welcoming Huston-Tillotson University students and alumni to the Tesla team.
- Expanding our Internship Program to become our driving force in attracting diverse talent at our professional entry level. Our year-round program places students in positions where they can grow both technically and professionally. Our recruiting strategy focuses on communities where Tesla is present, then we dive deeper by engaging smaller audiences within specific clubs like the National Society of Black Engineers (NSBE), Society of Hispanic Professional Engineers (SHPE), Society of Women Engineers (SWE) and Society of Asian Scientists and Engineers (SASE) and other campus affinity groups.

Internships and Apprenticeships Offer a Pipeline

Joe Chen, Erin Hughes and Justice Fevella-Potes

Joe Chen joined Tesla in 2018, during Model 3 production, as a Capital Expenditure intern at Giga Nevada. It wasn't long before he was hired as a full-time employee, as Global Supply Manager.

The quality of his work was impressive from day one, and after a year, he was promoted to Senior Global Supply Manager.

Erin Hughes started as an intern for the Environmental Affairs group with Environmental Health and Safety (EHS). She ended her internship having developed a new mobile emissions program.

After returning to Tesla full-time, Erin now works closely with Laurie Shelby, Vice President of EHS. Erin describes Tesla's leadership as being accessible and supportive, "the mentorship I've received at Tesla has been invaluable."

Justice Fevella-Potes graduated from our Manufacturing Development Program, a two-year apprenticeship that provides recent graduates the opportunity to accelerate their careers by giving them access to hands-on education and mentorship. In just a year and two months since joining Tesla, Justice has been promoted twice, with no signs of slowing down.

When Justice was in high school, Tesla toured her school's robotics lab and presented the Manufacturing Development Program, a two-year apprenticeship that gives recent graduates the opportunity to accelerate their careers by giving them access to hands-on education and mentorship at the company.

"My supervisors want me to succeed. I love what I do because I'm around people who I feel care about my career."





Retaining diverse talent requires that we make every effort to develop, promote and support our employees. Every employee, regardless of background, must be able to envision a long-term, upward trajectory for their career at Tesla.

Career growth and opportunity often eludes women and members of underrepresented communities when companies are not intentional about inclusion. To ensure that our development efforts are inclusive and help us retain women and talent from underrepresented communities, we are committed to the following:

- Increasing access to our Internal Mobility Program. The program is in place to drive personal and professional growth and development and expects all employees to play an active role in managing their career. We created internal mobility guidelines to drive a fair, consistent, transparent process for employees interested in applying for jobs across the organization. Employees are encouraged to explore internal opportunities using our internal mobility tool and discuss their career development with the manager.
- Offering additional apprenticeships like our Manufacturing Development Program and Leadership Development opportunities.



Integrate diversity, equity, and inclusion principles and practices into the DNA of our company.

We are intentionally building our DEI team with a structure that removes barriers and permits implementation more quickly. We continue to educate our employees about unconscious bias and the impact it has on our operations. Championing diversity and inclusion for our employees is not enough. We must also focus our efforts on fair, equitable and sustainable systems in our business and support similar goals within our communities.

To build equity and inclusion into our business practices, we are committed to the following:

- Doubling down on our efforts by having our talent and learning organizations report into our Director of Diversity and Inclusion. Our new leader of Inclusion, Talent, and Learning, together with our organization, are ensuring that equitable learning resources and career development programs are in place for all employees.
- Deploying our unconscious bias trainings throughout the recruiting organization and with all people managers.
- Formalizing collaboration between the Diversity, Equity and Inclusion, Supply Chain and Government Affairs teams to ensure local minority, women, LGBTQ, disabled and veteran owned businesses are connected to opportunities with Tesla. Tesla partners with thousands of small and large scale suppliers in the U.S. which represents a tremendous opportunity to make an impact in local communities by expanding our supplier diversity outreach.



ERGs are Building Community and Leaders

Connect internal and external communities to opportunity with Tesla.

We are connecting communities to one another to create a sense of belonging and fostering access to opportunity to join us on our mission. Internally, our Employee Resource Groups (ERG) are building community and leaders. The voluntary, employee-led community groups that promote a diverse, inclusive workplace. They offer employees connection and create a forum for employees who share common interests and goals to work with and support one another.

We have seven ERGs – Asian Pacific Islanders at Tesla, Black at Tesla, Intersectionality, Latinos at Tesla, LGBTQ at Tesla, Veterans at Tesla and Women in Tesla – collectively represented at 32 locations across Tesla. Our ERGs are led by managers and sponsored by company executives.

To expand our community and create a sense of belonging we are committed to the following:

Continuing to grow and support our ERG network and engage them as a key business resource.



Asian Pacific Islanders at Tesla
Executive sponsor:
Nagesh Saldi, Chief Information Officer



Black at Tesla
Executive sponsor:
Carolyn Garner, Director, Payroll



Latinos at Tesla
Executive sponsor:
Oscar Moncada, Director IT Operations



LGBTQ at Tesla
Executive sponsor:
Jerome Guillen, President Automotive



Women in Tesla
Executive sponsor:
Drew Baglino,
SVP Powertrain & Energy Engineering



Veterans at Tesla
Executive sponsor:
Laurie Shelby,
VP, Environmental Health & Safety

Executive Sponsors Lead Carolyn Garner

Carolyn Garner was recruited to join Tesla as the Director of Payroll in April 2018. Recently Carolyn's role was expanded to include oversight of payroll processes in EMEA. Carolyn is also serving as the Business Owner on Tesla's internal development of a company-wide HR Operating System. In addition to her expanded role, Carolyn is also the executive sponsor of Black at Tesla, an Employee Resource Group that supports Black employees.

"We re-built Black at Tesla from the ground up. I wanted to give people an opportunity to let themselves shine."



We provide tens of thousands of entry level, full-time positions with zero-cost health care and benefits – something that has virtually ceased to exist in California, especially in Silicon Valley. We will continue to offer opportunities at Tesla as a chance for social and economic mobility for families across the country.

To foster access to opportunity with Tesla, we are committed to the following:

- Continuing to provide local community members access to thousands of job openings across the country where we train entry level workers to learn valuable skills in manufacturing, vehicle service and solar roof installation, offering full benefits from day one. We have long stated that candidates don't have to have a college degree to work at Tesla. This represents an enormous opportunity for high school graduates from underserved communities to join us in our mission and grow their careers with us.
- Continuing to provide employees with access to free commuter buses to and from neighborhoods that are traditionally underserved by municipal transportation and/or do not provide transportation at the times when employees need to arrive or depart to and from their shifts.
- Continuing to provide equity in Tesla as part of total compensation for all roles, at all levels, and increasing entry-level pay for roles where equity does not kick in until after the 12th month of hire.





Our Journey

We are continuing our journey to create a company where our employees closely mirror the U.S. population, where every employee feels like they can bring their whole self to work and where our culture is systematically safe, respectful, fair and inclusive of everyone.

We will stay true to our DEI principles – transparency, accountability, sustainable solutions and knowledge to guide our way. Continuous improvement is in our company DNA.

As we continue to innovate and enhance our products, we will continue to innovate and enhance our diversity, equity, and inclusion practices.



FOOTNOTES

To align with U.S. government reporting requirements, data in this report is based on a snapshot in time of our U.S. demographics and categories prescribed by the federal government. These categories are not necessarily representative of how our industry or workforce is organized.

Data is representative of 2020 as of the writing of this report. Totals may not add to 100% due to rounding or individuals who selected “decline to state” or left the category blank.

Our working definitions include:

Leadership

Director and above.

Underrepresented

Someone whose self-identified racial or ethnic makeup is Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, Alaska Native, other Pacific Islander, or multiracial.

Additional Groups

Native American, Native Hawaiian, Alaska Native, and other Pacific Islander or multiracial.