



## Tesla Global Modern Slavery and Child Labor Transparency Statement

This statement is made on behalf of Tesla, Inc. and its subsidiaries, including reporting entities Tesla Motors Australia, Pty Ltd<sup>1</sup>, Tesla Motors Limited<sup>2</sup>, and Tesla Motors Canada ULC<sup>3</sup> (together, “Tesla”), for Tesla’s fiscal year ending on December 31, 2023. We are publishing this statement under the Australia Modern Slavery Act of 2018, the UK Modern Slavery Act of 2015, the California Transparency in Supply Chains Act of 2010, and the Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act of 2023, as a demonstration of our commitment to combat modern slavery and child labor and an affirmation of the values we hold and adopt across Tesla’s business operations and supply chain.

### **Our commitment**

The ethical treatment of all people and regard for human rights is core to Tesla’s vision of a sustainable future for all. We are committed to ensuring that the way we conduct our business reflects our values and our belief that everyone should be treated with dignity and respect.

In line with Tesla’s mission to accelerate the world’s transition to sustainable energy, Tesla is committed to ensuring that its operations and those of the companies in our supply chain respect human rights and protect the environment. We strive to maximize the positive impact of our supply chain for people and the planet. Our goal is that wherever Tesla’s supply chain has an impact, local conditions for stakeholders continuously improve as a result of our purchasing decisions and relationships.

Combatting modern slavery and eliminating child labor require collaboration between governments, civil society, international organizations, and the private sector. Tesla is committed to pursuing a holistic approach to identify, mitigate, and remedy modern slavery and child labor risks in our supply chain and operations. We will continue to learn from our experience and improve our programs year over year. Tesla recognizes the International Labour Organization (“ILO”) definitions of forced labor, modern slavery, and human trafficking and has zero tolerance for any form of such abuses, including debt bondage, indentured labor and compulsory prison labor. We are committed to ensuring that our supply chain – from raw materials to final products – is free of such abuses and we will not knowingly accept products or services from suppliers that include forced labor or human trafficking in any form.

We will not tolerate any transporting, harboring, recruiting, transferring, or receiving of persons by means of threat, force, coercion, abduction, or fraud for labor or services. No worker may be coerced to work or subjected to physical punishment or threats of violence or other forms of physical, sexual, psychological, or verbal abuse as a method of discipline or control. We also do not allow any direct or indirect control tactics, including threats, corporal punishment, or economic, emotional, or familial

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<sup>1</sup> Tesla Motors Australia, Pty Ltd, an indirect wholly owned subsidiary of Tesla, Inc., is an Australian proprietary company that sells Tesla vehicles and energy products.

<sup>2</sup> Tesla Motors Limited, an indirect wholly owned subsidiary of Tesla, Inc., is a UK private limited company that sells Tesla vehicles and energy products.

<sup>3</sup> Tesla Motors Canada ULC, an indirect wholly owned subsidiary of Tesla, Inc., is a Canadian unlimited company that sells Tesla vehicles and energy products.

abuse at our facilities nor in the facilities of our suppliers.

All workers have the right to freedom of movement, and the conditions of employment must not restrict their movement through the retention of identity papers, holding of deposits, accommodation requirements, or any other action aimed at restricting worker mobility.

While modern slavery can impact any population, we acknowledge that some groups are more vulnerable than others. In our efforts, we take care to respect those most vulnerable or marginalized, including certain groups like migrant workers, contract, agency, and temporary workers, ethnic/religious minorities, indigenous peoples, and young or student workers.

In line with the Employer Pays Principle, no worker should be required to pay recruitment or other similar fees to secure or retain their employment. Tesla does not allow the use of recruitment fees or other related fees for employment such as application, recruiting, hiring, placement, or processing fees, from workers. The cost of recruitment should be borne by the employer. Tesla requires full reimbursement to workers who have paid recruitment fees or other related fees for employment.

We respect the rights of children and young workers. Tesla prohibits the use of child labor in our operations and supply chain. Tesla follows local and national laws restricting the employment of underage workers. Regardless of local laws, no workers at a facility or location that provides materials or services for Tesla or Tesla products may be under the age of 15. Should a case of child labor be identified within our supply chain – as defined by local law or younger than 15, whichever is more stringent – Tesla will take immediate action and ensure appropriate remediation. Tesla prohibits workers under the age of 18 from engaging in hazardous work. If a worker under the age of 18 was found to be involved in hazardous work, we would remove them from the situation and provide alternative work that is age appropriate and not hazardous.

Tesla also recognizes the Universal Declaration of Human Rights, which focuses on dignity, respect and equality, without discrimination, for all people. In addition, we utilize the United Nations Guiding Principles on Business and Human Rights (“UNGPs”) and the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises. Tesla follows the Organization for Economic Cooperation and Development (“OECD”) Due Diligence Guidance for Responsible Business Conduct, and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas when identifying, mitigating and reporting risks within our value chain. We look to the OECD Due Diligence Guidelines to inform our process and use feedback from our internal and external stakeholders to find ways to continually improve it.

Tesla sets Responsible Sourcing standards through our Responsible Sourcing policies and drives supplier conformance with those standards through our contracts and supplier guidelines. We have three Responsible Sourcing policies—the Supplier Code of Conduct, Global Human Rights Policy, and Responsible Sourcing Policy (together, our “Policies”)— which are applicable to all suppliers, regardless of supplier type, to ensure we are upholding our commitment to Responsible Sourcing throughout our extended value chain. These policies are available to our suppliers on Tesla’s Supplier Relationship Management Portal.

Our supplier guidelines also address our policies on responsible sourcing of minerals and state our expectation that all Tesla suppliers are accountable for performing forced labor due diligence on their supply chains in accordance with international standards and legal requirements. Our contractual terms

with suppliers also require compliance with our Policies and all applicable local regulations, including those regarding forced labor, modern slavery, and child labor in the countries where they are doing business. In early 2023, we strengthened our various contract templates with additional language and restrictions related to supply chain traceability and the removal of high-risk entities in the supply chain. We also require new suppliers to acknowledge Tesla’s Supplier Code of Conduct during onboarding.

We ensure compliance with our policies and supplier expectations by identifying potential risks in our extended supply chain, conducting assessments and audits at the Tier 1 and upstream level, and working in collaboration with suppliers to improve identified risks and mitigate potential future risk. We use multiple sources of information, including subject area experts, public reports and our involvement with organizations, to identify specific areas of concern on which we may need to conduct additional due diligence.

Where we find violations of our policies, we take appropriate actions to address the issue and improve supplier operations and conditions for workers. Tesla considers indicators of forced and child labor to be the highest severity of non-conformances and thereby prioritizes responding to these risks. Generally, we work in partnership with suppliers to review root causes, and as appropriate, approve plans to improve, remediate and monitor evidence of improvement and worker engagement. If appropriate, Tesla may disengage with a supplier and not re-engage until evidence of remediation is provided and the supplier has strengthened its management systems to prevent future violations.

#### **Our organizational structure and our business operations and supply chain**

Our business was founded in 2003, and we helped define and create the clean energy market. We design, develop, manufacture, sell and lease high-performance fully electric vehicles and energy generation and storage systems, and offer services related to our products. For more information about our business and organizations, please see our annual report on Form 10-K for the year ended December 31, 2023, filed publicly with the U.S. Securities and Exchange Commission (“SEC”).

Tesla, Inc. is headquartered in Texas, USA. As of December 31, 2023, Tesla had 140,473 full-time employees located in our subsidiaries and operations around the world.

Tesla’s supply chain has a unique hybrid of traditional automotive and high-tech industry suppliers from around the world. We are highly dependent on the information provided to them by their respective supply chains. However, all of Tesla’s supply chain partners, regardless of location in the supply chain, are subject to our Policies. Most direct suppliers are required to provide evidence of the existence of policies that address, among other things, social issues.

Our Policies are the foundation for ensuring social and environmental responsibility and ethical conduct by our suppliers throughout our global supply chain — no matter the industry, region or materials, and including with respect to preventing the use of modern slavery, child labor and human trafficking. Tesla continues to identify and do business with organizations that conduct their business with principles that are consistent with our policies.

#### **Our employees and those who work for our suppliers**

Our recruitment procedures comply with the relevant local regulations and standards; we adopt a fair and equitable approach when scouting for talent; and all wages are compliant with local laws and regulations. Tesla also advocates freedom of employment, which means all work should be done voluntarily. No employee should be forced to work against their will. Our employees may terminate

their employment by giving any required contractual or statutory notice. Child labor and the employment of children below the applicable minimum legal age is strictly forbidden at Tesla. Tesla's Policies set out our approach to this matter and are applied throughout the company and across our global supply chain. Tesla employees must also adhere to our Code of Business Ethics ([https://digitalassets.tesla.com/tesla-contents/image/upload/Business\\_Code\\_Of\\_Ethics](https://digitalassets.tesla.com/tesla-contents/image/upload/Business_Code_Of_Ethics)).

### **Our supply chain**

Tesla purchases thousands of parts, which we source globally from hundreds of suppliers. We have developed close relationships with several key suppliers, particularly in the procurement of battery materials and certain other key system parts.

Our Policies are part of our ongoing efforts to ensure that social and environmental responsibility and ethical conduct exist throughout our supply chain, regardless of industry, region or materials. Annually, we publish an Impact Report that describes our efforts to identify and manage environmental and social risks in our global supply chain as well as disclose suppliers with whom we have a direct relationship in our battery supply chain. We also publicly file with the SEC a Conflict Minerals Report (most recently published on May 31, 2024 for FY23) with a description of our global due diligence efforts related to the sourcing of certain "conflict minerals," including tantalum, tin, tungsten and gold (known commonly as "3TG"). These reports also describe our broader efforts to work with our global suppliers to ensure they adhere to our policies.

### **How we manage modern slavery and child labor risks in our supply chain**

In line with the UNGPs, identifying and prioritizing the most salient risks connected to Tesla's operations and supply chain is central to our human rights due diligence practices. In 2023, Tesla conducted a company-wide sustainability assessment to determine areas material to the business and salient to society and the environment. Our stakeholder engagement involved key departments, resulting in the identification of 20 areas following a comprehensive review of Tesla's materials and external guidelines. We started with quantitative measurements surveying key global stakeholders and, where helpful, followed up with cross-functional in-depth interviews to contextualize quantitative scores. We normalized scores by leveraging our sustainability expertise to assess biases, impacts, risks and opportunities across Tesla's business and the broader environment and society. Throughout the process, we partnered with a third-party expert to align with best practices. We will continue to evaluate the saliency of these risks and opportunities periodically to inform our overall strategy. The assessment determined the potential for child labor and forced labor to be a salient risk for Tesla because of the potential for harm if such an incident were to occur.

We updated our Global Human Rights Policy to identify the potential for forced labor, modern slavery, child labor, and young workers as salient human rights and salient responsible sourcing risks to Tesla. Specific areas of risk may include: suppliers or sub-suppliers located in countries that may have a higher risk of modern slavery or child labor, potential exposure to entities that may not comply with human rights and labor laws, and certain products and natural resources that may have higher modern slavery or child labor rights risks based on how they are produced or mined.

In response, Tesla has implemented the following risk assessment and mitigation activities:

- Risk assessment:
  - Prioritize mapping high-risk supply chains to raw materials;
  - Understanding suppliers' existing policies and management systems related to forced labor;

- Requiring suppliers to undergo independent, third-party audits, including assessment against the ILO indicators of forced labor through on-site inspections and confidential worker interviews;
- Implementing a Tesla-specific program of social and environmental compliance audits that follows the Responsible Business Alliance (“RBA”)’s audit guidance and assesses select suppliers on issues including their compliance with freely chosen employment. The assessments look for indicators of forced labor, such as:
  - Supplier sites where working hours exceed the 60-hour weekly threshold
  - Share of foreign migrant workers
  - Supplier sites with dispatch/contract workers
  - Worker accommodation
  - Use of third-party labor agencies
  - Evidence of working hours document falsification, passport withholding, withheld wages, recruitment fees and inhumane treatment
- Implementing targeted assessments of suppliers with a higher risk of forced labor;
- Maintaining awareness of geographic risks, labor trends, and other factors through various sources;
- Incorporating NGO and other stakeholder reports (including feedback) to assess risk and inform business decisions;
- Screen suppliers using a combination of resources, including reputable third-party tools and experts, including legal advisors; and
- Incorporating the voices of workers, rights holders and rights defenders by providing avenues for those stakeholders to raise potential concerns, including anonymously through an Integrity Line that is available 24 hours a day, seven days a week.
- Risk mitigation:
  - Require suppliers to acknowledge our Supplier Code of Conduct at onboarding, which includes anti-forced labor provisions, and make anti-forced labor commitments in supplier contracts;
  - Requiring suppliers implement corrective action plans for gaps identified during audits or other avenues;
  - Take action against contractors and appropriate parties who fail to meet the requirements of our Policies, including potential termination of contract;
  - Requiring our Tier 1 suppliers to certify that their materials incorporated into Tesla products comply with the applicable laws;
  - Transitioning away from purchasing goods or services from any supplier that is believed to be engaging in non-compliant practices if the supplier does not take corrective actions and the violation is not remediated in a satisfactory manner;
  - Engaging in multi-stakeholder working groups, such as those within the RBA and its associated Responsible Labor Initiative working group on forced labor, for us to better understand how we can enhance our efforts and contribute to others' understanding of best practices and stay up-to-date with industry trends and best practices, as well as support shared solutions;
  - Training relevant employees to raise awareness of the issues surrounding modern slavery and ensure that employees who work with suppliers are trained on issues of modern slavery and child labor, particularly with respect to

- identifying and mitigating such risks within our supply chain; and
- Expecting our suppliers and their respective suppliers to implement an effective grievance management system for their operations, reaching suppliers' workers and their legitimate representatives;
- When concerns are raised through our Integrity Line or other worker voice, grievance and remedy channels, working with stakeholders to address conditions raised, as appropriate (Tesla utilizes a tracking system to document concerns raised by employees while protecting the identity of employees who wish to stay anonymous) to ensure follow-through and resolution and allow for appropriate teams to review data and consider proactive solutions.

**Examples of how we manage modern slavery risks across our supply chains include:**

- Progress on Tesla's own social and environmental compliance audit program: 2023 marked the sixth year of the program. In this year, we expanded the scope of our audits in both the number as well as geographic locations of suppliers who underwent these audits. Our audits of suppliers evaluate requirements such as:
  - All work must be voluntary
  - Regardless of local laws, no workers at a facility or location that provides materials or services for Tesla or Tesla products may be under the age of 15
  - Working hours are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or uncommon circumstances
  - For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed
  - No harsh and inhumane treatment of workers
  - No harassment of or discrimination against workers
  - Process to cascade the Supplier Code of Conduct requirements to company's own suppliers and to monitor their compliance to the Code

In the event an issue is identified, the supplier is expected to develop a Corrective Action Plan detailing causes and provide planned remediation actions to address identified areas of concern and take measures to correct non-conformances.

- Supplier Self-Assessment Questionnaire (SAQ): The SAQ pushes Tesla sourcing efforts beyond generalized risk associated with certain commodities and countries by requiring each unique location providing production parts, materials, or services to Tesla to submit a response. Suppliers affirm that they have policies, processes, and controls at the manufacturing site level consistent with all Supplier Code of Conduct topic areas: labor, health and safety, environment, ethics and supply chain responsibility. This systematic process to identify risk at scale based on actual practices enables Tesla teams to proactively prioritize more extensive due diligence for high-risk suppliers based on the extent of potential impact on workers' health, safety or fundamental human rights and number of workers/employees impacted at the supplier site. In 2023, we scaled our SAQ program from pilots to full launch reaching nearly 1,000 supplier sites and will continue our outreach throughout 2024. Follow-up with suppliers includes communication of risks identified and best practices along with development of supplier specific improvement plans, such as guidance on how to close policy gaps and building supply chain mapping capabilities.

Additionally, we will communicate results to supply chain leadership and buyers.

- **Tesla Employee Training:** Throughout 2023, we held monthly responsible sourcing trainings for the entire procurement team, including a December Human Rights Day training – in honor of the 75th anniversary of the Universal Declaration of Human Rights – on how Tesla’s mission relates to human rights in the supply chain. We also educated colleagues on our policy prohibiting worker-paid recruitment fees, how to identify potential signs of modern slavery when visiting supplier sites, and supplier audit progress. In total, our trainings that related to modern slavery topics reached over 1,000 colleagues. We also continued a new-hire training program for Supply Chain Organization employees such as Supply Chain Managers and Supplier Industrialization Engineers that covers Tesla’s responsible sourcing policies.
- **Supplier Training:** In 2023, we sponsored a select group of our suppliers to attend a training on forced labor conducted by the Responsible Labor Initiative, an initiative of the Responsible Business Alliance.
- **Acting on Grievances Raised:** In 2023, we received concerns related to responsible sourcing through a variety of grievance channels. Below are two examples of concerns related to modern slavery that we received and how we acted on them:

Supply Chain	Category of Concern	Process to Address Concern	Outcome
Gold	Alleged deforestation, forced labor, human rights concerns	Engaged with audit programs, engaged directly with gold refiners, sought to understand concerns of impacted stakeholders by engaging directly with an organization that seeks to advance the rights of Indigenous peoples	Encouraged removal of certain actors from Tesla’s upstream supply chain
Tier 2 interior lighting	Alleged worker-paid recruitment fees	Engaged directly with Tier 1 supplier to launch investigation	Engaged Tier 1 supplier with audit programs

**Key achievements in 2023:**

- 13,018 suppliers screened using industry-leading third-party tools
- 984 supplier facilities surveyed on ILO forced labor indicators through Tesla’s Self-Assessment Questionnaire
- 156 suppliers completed audits (covering indicators listed above), including 3,645 worker interviews
- 5,400 workers reimbursed over \$150,000 after we identified instances where workers were charged recruitment or other fees for employment; as a form of remediation, we require reimbursement of the full cost of such fees
- 96% of audited suppliers demonstrate effective grievance mechanisms with the remaining working on corrective actions

- Launched ability to restrict purchasing on our supply chain management portal if potential risks are identified and not mitigated
- Over 1,000 staff covered in monthly trainings for entire procurement team on how to identify potential forced labor risks when visiting suppliers and a December Human Rights Day training—honoring the 75th anniversary of the Universal Declaration of Human Rights—on how Tesla’s mission is linked to human rights in the supply chain. Requested suppliers to complete similar trainings for their staff

**Examples of how we manage modern slavery and child labor risks in specific material supply chains:**

The following 2023 case studies highlight the importance of continually engaging and collaborating with suppliers to foster a culture of accountability:

**Interiors:** We became aware of a potential concern under our Supplier Code of Conduct in our interiors supply chain related to recruitment practices of a labor broker. We quickly commissioned and participated in-person in two independent audits, and, upon confirmation of the risk, the supplier terminated the relationship with its labor broker, while giving contract workers the option to continue working for the supplier under new management. For mitigating future risks, our supplier established new due diligence processes for contracting partners and upstream suppliers, reimbursed all identified recruitment-related health exam fees to workers, established processes to eliminate fees paid by workers in future recruitment paths, and created a new sustainability function with dedicated staff.

**Battery:** In 2023, we conducted detailed chain of custody pilot exercises to verify material traceability for high-risk inputs from battery cell to mine site. We worked hand-in-hand with cross-functional supplier teams to ensure management systems and documentation logs were updated to meet regulatory requirements. As a result of our engagement, suppliers increased material traceability and are strengthening their documentation processes to improve chain of custody.

**Interiors Accessories:** During a supplier’s first audit, worker interviews cross-checked against the supplier’s records confirmed that workers paid fees to obtain employment, faced involuntary wage deductions, and were unable to access passports held by the employer—all of which are violations of Tesla’s Supplier Code of Conduct. Tesla worked with the supplier to formulate a comprehensive corrective action plan covering immediate and long-term actions, resulting in the immediate return of all 10 workers’ passports to enable freedom of movement, a company-wide investigation to understand root causes of fees paid by workers, fee repayment, an end to involuntary wage deduction, and management and employee trainings. The case highlighted the importance of continually engaging and collaborating with suppliers to foster a culture of accountability.

**Aluminum:** We continue to map our aluminum supply chain in more detail, using chain of custody exercises to work toward full material traceability. For example, in one supply line, we were able to map completely upstream and determine that two mines in that supply chain are certified by the Aluminum Stewardship Initiative (ASI) Certification Performance Standard, which includes criteria on forced labor, with one mine also certified by the ASI Chain of Custody Standard, which evaluates a supplier’s traceability management systems—ultimately enabling the assessment of forced labor risk in the most upstream part of this supply chain.



The U.S. Department of Labor 2022 List of Goods Produced by Child or Forced Labor identifies several inputs to Tesla products as a risk. Below is how we manage modern slavery and child labor risks in those supply chains:

- **Gold**
  - In 2023, a member of Tesla’s Responsible Sourcing team continued to co-chair the Responsible Minerals Initiative Gold Team, a workgroup aiming to increase the uptake of responsible sourcing practices in the gold supply chain. We worked with representatives from the Responsible Minerals Initiative (“RMI”), peer companies in the automotive and technology sectors and civil society stakeholders to discuss opportunities to continually improve the industry’s approach to responsible 3TG sourcing. We provided feedback to RMI and other OECD-aligned, independent assessment programs (such as London Bullion Market Association’s (“LBMA”) Responsible Gold Programme) on opportunities to strengthen the industry’s audit protocol, upstream due diligence and collective industry tools.
  - Tesla also visited two artisanal mines and two processing facilities in a gold production region in Peru and engaged one gold aggregator to become Peru’s 1st RMAP-audited gold aggregator.
  - Supported the expansion of the Better Mining Supply Chain Due Diligence Monitoring, Corrective Action Plans and 3T minerals traceability program in the DRC and Rwanda to two additional 3T mine sites, enabling on one hand a substantial increase in volume of Better Mining-assured 3T minerals, and on the other hand, an increase of the number of impacted workers by 44.5% in these most upstream positions of the supply chain.
  - Conducted due diligence in line with the OECD Due Diligence Guidance for Responsible Minerals Supply Chains, including surveying our supply chain to understand the 3TG smelters and refiners in Tesla’s supply chain. We continue to require our direct suppliers to source only from smelters and refiners (“SoR”) that are certified to a globally recognized due diligence framework or otherwise meet Tesla’s expectations. In 2023, Tesla contributed to the RMI Audit Fund, funding three Responsible Minerals Assurance Program (RMAP) assessments to increase compliant smelters and refiners in Tesla’s supply chain. Where a supplier provides us with information that one or more SoR in our supply chain is not certified, we request information on their current actions and timelines to remove that SoR. We continue to explore opportunities to strengthen our approach to responsible sourcing of 3TG.
- **Mica**
  - In recognition of the risk of child labor in the mica supply chain, Tesla engages with its Tier 1 suppliers and requires that they are or become members of the Responsible Mica Initiative.
- **Silica**
  - Tesla continued to focus on supply chain mapping and due diligence for our solar supply chain, gaining visibility into upstream suppliers down to the polysilicon level.
  - We screened potential suppliers and conducted proactive supplier due diligence, starting with the initial sourcing process through to awarding potential business. For the solar cells going into our Solar Roof product, we collaborated with a candidate supplier to verify suppliers back to the polysilicon level. For each tier, we verified the origin of materials prior to sourcing. Through this process, we were able to

- successfully influence sub-tier supplier selection.
- In our other solar supply chains, our suppliers take the lead in mapping and selecting their sub-tier suppliers. This leads to a lower level of control or ability to influence for Tesla in some cases. In those areas, we still strive to gain visibility into our sub-tier supply chain and gather information to increase our confidence in proper working conditions and respect for human rights.
- In cases where suppliers have been unable or unwilling to meet our expectations, where appropriate or possible, we navigated away from them and chose alternative sources. While this approach led to a more limited supply base, it has provided us with an increased confidence level in the companies with whom we chose to do business.
- **Cobalt**
  - In 2023, we direct sourced >55% of the cobalt that goes into our batteries. This allows for increased leverage for environmental and social impact at mining and refining level and strong traceability. For materials that we do not direct source, we apply the same supply chain mapping and due diligence requirements.
  - As part of our risk mitigation efforts, 100% of our direct cobalt suppliers (mines and refiners) completed an audit, and 11 cobalt suppliers completed an audit against a Tesla-preferred international standard covering environmental and social risks. Tesla maintains regular engagement with Non-Governmental Organizations (NGOs).
    - In 2023, our direct cobalt supplier conducted a comprehensive third-party human rights risk assessment, developed a procedure to gather, review and respond to community requests, and assessed existing grievance mechanism against expectations laid out in the UNGPs.
  - While all of Tesla's sources are industrial mines, we continue to co-fund the Fair Cobalt Alliance (FCA) working with artisanal and small-scale mining (ASM) communities in the DRC. We remain committed to staying engaged in the DRC to improve conditions for stakeholders impacted by cobalt mining.
  - In 2023, the Fair Cobalt Alliance accomplished the following:
    - 18 children who were found working in ASM enrolled in a comprehensive remediation program that includes re-integration to education, living stipends, and health and psycho-social support
    - 21 local community savings and loans groups were deployed
    - 5,206 artisanal miners were trained on safety standards

### **Assessing the effectiveness of our actions**

In 2023, Tesla continued to expand the scope and breadth of its responsible sourcing efforts to take a closer look at how we are sourcing our materials and to better understand the potential risks of those sourcing decisions. We strive to continually improve in our efforts to identify and respond to issues within our supply chain and track improvements over time. In line with the UNGPs, the table below outlines how our activities map to the UNGP framework and the progress we have made towards combatting modern slavery and child labor in 2023.

UNGP Reporting Framework		Our Priority	Progress Against Priority in 2023
PART A: Governance of Respect for Human Rights	Policy Commitment	Our policies are best in class and are updated every two years with input from diverse stakeholders	<ul style="list-style-type: none"> <li>We updated our Global Human Rights Policy and Responsible Sourcing Policy in Q2 2023. Both policies are publicly available: <a href="https://www.tesla.com/legal/additional-resources">https://www.tesla.com/legal/additional-resources</a></li> </ul>
	Embedding respect for human rights	Combatting modern slavery and child labor remains a priority for Tesla's Responsible Sourcing team and is integrated into business decisions, including in discussions with senior management	<ul style="list-style-type: none"> <li>In 2023, we committed more resources to combat forced labor risk in our supply chain and continued to discuss salient issues with management.</li> </ul>
		Suppliers are aware of our expectations	<ul style="list-style-type: none"> <li>We updated our standard supplier contract to include additional requirements related to responsible sourcing.</li> <li>Tesla responsible sourcing policies are now available on our public website and in our supplier relationship management portal.</li> <li>Our Supplier Code of Conduct and policies are translated into over 25 different languages, available on our website.</li> </ul>
		Tesla colleagues are trained in identifying and mitigating human rights risks	<ul style="list-style-type: none"> <li>Our 2023 anti-modern slavery trainings reached over 1,000 colleagues.</li> </ul>
		We incorporate lessons learned and continually improve our response	<ul style="list-style-type: none"> <li>Engaged external stakeholders to incorporate their feedback on our previous disclosures, overall strategy and policies.</li> <li>Substantively improved our screening process to vet current and potential suppliers and pre-empt risks before they enter our supply chain.</li> </ul>
PART B: Defining a Focus of Reporting	Statement of Salient Issues	By updating Tesla's salient issues proactively every two years, our efforts match our operating environment	<ul style="list-style-type: none"> <li>Conducted a company-wide sustainability assessment to determine areas material to the business and salient to society and the environment. The assessment determined the potential for child labor and forced labor to be a salient risk for Tesla because of the potential for harm if such an incident were to occur. Further, through our Global Human Rights Policy, we identified child labor and young workers, as well as forced labor and modern slavery as salient human rights and salient</li> </ul>

			responsible sourcing issues to Tesla.
	Determination of Salient Issues	Our saliency assessment incorporates the perspective of internal and external stakeholders	<ul style="list-style-type: none"> <li>Engaged with civil society, investor groups, representatives of impacted communities, employees, and industry experts to finalize our list of salient issues.</li> </ul>
	Choice of Focal Geographies	Our mitigation efforts correspond to high risk geographies and countries from which we source	<ul style="list-style-type: none"> <li>Developed a prioritization matrix to score various commodities and focalize our efforts in certain sourcing regions.</li> </ul>
	Additional Severe Impacts	We comprehensively identify, mitigate and remedy severe human rights impacts	<ul style="list-style-type: none"> <li>See our latest Impact Report for progress on other salient human rights risks.</li> </ul>
<b>PART C: Management of Salient Human Rights Issues --- This part of the disclosure focuses on Forced Labor, Modern Slavery, Human Trafficking, and Child Labor</b>	Specific Policies	We increase awareness of our human rights policies and commitments	<ul style="list-style-type: none"> <li>Updated our standard supplier contract to include additional requirements related to responsible sourcing.</li> <li>Tesla responsible sourcing policies are now available both in the public domain and in our supplier relationship management portal.</li> <li>Code of Conduct and policies are translated into multiple languages.</li> </ul>
	Stakeholder Engagement	We participate in cross-industry groups and collaborative efforts to improve our understanding and our approach to collectively addressing and combatting modern slavery and child labor	<ul style="list-style-type: none"> <li>Member of the Responsible Business Alliance</li> <li>Member of Responsible Minerals Initiative Emerging Minerals Working Groups (Lithium, Nickel)</li> <li>Co-Chair Responsible Minerals Initiative Gold Team</li> <li>Member of the Fair Cobalt Alliance Steering Committee</li> <li>Member of the Global Battery Alliance Human Rights Working Group</li> </ul>
	Assessing Impacts	We audit our suppliers and evaluate progress year over year on a range of environmental, social and governance issues including policies and indicators of forced labor risk	<ul style="list-style-type: none"> <li>156 initial CSR audits at Tier 1 suppliers (50% attended by Tesla team-members).</li> <li>Require suppliers to undergo a specialized audit focused on their facility labor practices.</li> <li>Our audit program continues to grow year over year. Where violations are identified, work with suppliers to review root causes, approve plans to improve and remediate issues, and monitor evidence of improvement and worker engagement. We may pause sourcing from a supplier until identified issues are remediated, or transition away from a relationship when a violation is not resolved.</li> </ul>
	Integrating Findings and	We improve our tools and processes to be	<ul style="list-style-type: none"> <li>Our ongoing screening process now includes third party risk intelligence tools</li> </ul>

	Taking Action	better able to identify and mitigate risks	<p>that provide further information on potential linkages with high risk areas or suppliers.</p> <ul style="list-style-type: none"> <li>• Deployed in depth mapping exercises for high risk supply chains to proactively increase our understanding of our sourcing practices.</li> </ul>
	Tracking Performance	Tesla develops a strong monitoring and evaluation program for addressing human rights risks	<ul style="list-style-type: none"> <li>• Begin to clean data to be able to develop system integration tools that will allow us to better understand trends and patterns in our supply chain risk profiles.</li> </ul>
	Remediation	We continuously improve and enable effective remedy if Tesla causes, contributes or is linked to human rights harm	<ul style="list-style-type: none"> <li>• Our third party grievance mechanism was made publicly available. See Impact Report for examples and process.</li> <li>• Track supplier progress against corrective action plans to ensure suppliers close findings in a timely manner.</li> <li>• 5,400 workers reimbursed over \$150,000 after we identified instances where workers were charged recruitment or other fees for employment; as a form of remediation, we require reimbursement of the full cost of such fees.</li> </ul>

### Internal collaboration and oversight

Tesla maintains a specialized Responsible Sourcing team within its Supply Chain Organization to lead human rights and environmental due diligence efforts. These efforts cover all of Tesla’s subsidiaries throughout the world, including those in Australia, Canada and the UK. In addition, an internal cross-functional Tesla Responsible Sourcing Steering Committee (the “Steering Committee”) composed of Tesla leadership from Supply Chain, Investor Relations, and Legal oversees these due diligence efforts and potential risks within our supply chain. Our efforts have been overseen and approved by the Steering Committee, including our Vice Presidents of Supply Chain. In addition, our Board of Directors reviews our policies and human rights efforts. We also engage external groups on a regular basis to provide feedback on our approach to responsible sourcing.

### Continuous improvement

Tesla continues to improve upon its responsible sourcing program in line with the company’s growth and supply chain developments.

A more detailed overview of Tesla’s supply chain human rights and environmental due diligence can be found in Tesla’s publicly available 2023 Impact Report.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the statement for Tesla Motors Canada ULC. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the statement is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Tesla Motors Canada ULC.

By:  \_\_\_\_\_

Name: David Jon Feinstein

Title: Director

Date: May 31, 2024