

**NORWEGIAN TRANSPARENCY ACT
SECTION 5 REQUIRED REPORT**

<u>Norwegian Legal Entity:</u> Tesla Norway AS	<u>Date of Current Report:</u> June 30, 2023
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Summary:

Relating to the requirements of the Norwegian Transparency Act, Tesla Norway AS is committed to managing their business partner and supply chain relationships consistent with Organization for Economic Development (OECD) Guidelines for Multinational Enterprises. Tesla Norway AS has conducted due diligence on such parties in accordance with OECD Due Diligence Guidance with an emphasis on conducting a comprehensive risk assessment and appropriate follow up.

Tesla Norway AS has limited business partners but does business with numerous third parties throughout its Supply Chain. As a Norwegian entity focused on business in Norway, most of its suppliers are also Norwegian entities and its non-Norwegian suppliers are typically large global companies well known for their similar commitments and practices regarding Human Rights and Decent Working Conditions. Further, Tesla Norway AS's larger supplier is Tesla, Inc.

Tesla Norway AS initiated the most recent supplier recent risk assessment by first evaluating its complete list of over 600 suppliers. A five-step evaluation process was followed which included a first step of considering whether any of the suppliers were known to have concerns regarding Human Rights or Decent Working Conditions. Thereafter, based on the types of services or products, countries of operations or offices and sales volume to Tesla Norway AS, each supplier was designated as high, medium or low risk. An experienced team of compliance professionals conducted further due diligence on all medium and high-risk suppliers commensurate with the risk level. Globally recognized third parties and third-party platforms were used throughout that process.

Based on due diligence conducted of the Tesla Norway AS business partners and suppliers, which included a detailed understanding of the Human Rights and Decent Working Conditions practices, policies and guidelines of Tesla, Inc., no adverse impact or significant risk of adverse impacts were identified.

Tesla Norway AS will on a regular basis evaluate our business and supply chain partners. In addition, the company will modify its due diligence approach as business relationships and situations may change and will continually look for ways to improve its third-party risk assessment, due diligence and follow up efforts.

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Legal Entity Structure and Areas of Operation:

Tesla Norway AS is a wholly owned subsidiary of Tesla International B.V., Amsterdam, The Netherlands. The ultimate parent is Tesla, Inc., Delaware, United States of America, which is listed on the NASDAQ stock exchange. Tesla Norway AS's board consists of four individuals with varying background including sustainability, tax, finance and extensive business experience in Norway. Operationally, Tesla Norway AS is led by a Norwegian with a team that includes four direct reports who manage 1) Sales & Delivery, 2) Service, 3) Content & Programs, and 4) Enterprise Sales.

Functional Teams assigned to work with Tesla Norway AS include Human Resources (HR), Supply Management, Finance, Information Technology and Legal. HR is responsible for recruiting, developing, and retaining employees for the entity and importantly ensuring that Tesla Norway AS continues to maintain high standards in regard to Human Rights and Decent Working Conditions.

Tesla Norway AS is active in several different areas of operations. Sales and Delivery, which is responsible for vehicle sales and delivery of new and used vehicles. The Service team is responsible for the diagnose, repair, and service of our customers' electric vehicles.

The Charging team consists of employees working on expanding and servicing the Supercharger network of fast chargers. The Tesla charging network is continuously growing, and existing sites expanding, contributing to a seamless charging experience across Norway.

The Energy products business unit team members provide diagnostic support during the installation and servicing of Tesla energy storage products, performing maintenance, troubleshooting, and repairing issues at facilities with cutting edge Tesla products.

Tesla Norway AS operates its business within the country of Norway. All Norwegian legal, tax, and regulatory requirements are followed regarding its business including relationships with third parties.

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Guidelines and Procedures for Handling Adverse impacts on Fundamental Human Rights and Decent Working Conditions

Tesla Norway AS closely adheres to the guidelines and procedures for handling Adverse Impacts to Human Rights and Decent Working Conditions as Tesla, Inc. (Adverse Impacts Approach"). The Adverse Impact Approach is a multi-tiered process that allows for a risk-based and scalable due diligence system to identify and mitigate such risks, and includes the following:

1. Risk assessment: Suppliers are assessed on a matrix of risks, including human rights and working conditions. Risk values are based not on Tesla's own assessment but on industry accepted values, e.g. the OECD Guidelines for Multinational Enterprises, Responsible Business Alliance's (RBA) Risk Assessment Platform. The risk levels within each category are weighted based on the potential impact of the risk.
 - a. Inherent Risks: suppliers are assigned a risk value based on the supplier facility's characteristics, specifically the location of their facility and the industry or commodity in which they work.
 - b. Exposure Risks: suppliers are assessed on their impact to our production, i.e., what is Tesla's spend with the supplier and are they the sole-source for the material they are providing or are alternatives available.
 - c. Direct Risks: information gathered from our Supplier Self-Assessment Questionnaire, global whistleblower hotline ("the Integrity Line") and Corporate Social Responsibility Audits (more information below) is used to assess a facility's maturity of being able to address potential risks. Tesla also reviews news articles and NGO reports with information on companies potentially within our supply chain. Tesla employees may also choose to nominate companies for additional review based on their visits or interactions with the supplier facility.
2. Self-Assessment Questionnaire (SAQ): In 2022 Tesla implemented a SAQ of suppliers to gain further insight on performance to our Supplier Code of Conduct. SAQ's are requested at the facility level, to provide the best insight into their maturity of implementing policies and procedures that can prevent negative Human Rights and Decent Working Conditions impacts. Information gained from these responses is used for prioritizing suppliers to undergo an on-site Corporate Social Responsibility Audit and for identifying suppliers that may need additional support to improving their existing management systems.

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**Guidelines and Procedures for Handling Adverse impacts
on Fundamental Human Rights and Decent Working Conditions (cont.)**

3. The Tesla Integrity Line is a third-party managed helpline available to employees, contractors and third parties including suppliers, their employees, community members and other stakeholders. The Integrity Line is one of Tesla's grievance mechanisms that can be used to report concerns, especially those relating to Tesla's policies against illegal conduct, unethical behavior or human rights violations including child or forced labor. The Integrity Line is available in 60 languages and is accessible 24 hours a day, 7 days a week, allowing anyone to report concerns anonymously and without fear of retaliation. All matters are promptly and appropriately investigated by the appropriate team of professionals. Concerns related to responsible sourcing and human rights are directed to Tesla's Responsible Sourcing team. Tesla's aim is to acknowledge concerns within 72 hours and resolve cases within 30 days. Some cases may require additional time.

4. Corporate Social Responsibility (CSR) Audits: Suppliers that are prioritized on the above matrix are expected to complete an on-site audit with an independent, third-party auditor, approved by the Responsible Business Alliance (BA) and by Tesla. These audits are conducted to the RBA's Code of Conduct, and industry-leading code covering areas of labor (including Human Rights and Decent Working Conditions), environment, health and safety, ethics and management systems. Tesla's own Supplier Code of Conduct is based on the RBA's Code. Audits include the identification of non-conformances for which corrective action plans are required to be developed and implemented.

Where a potential risk from the above is identified, Tesla will work with the supplier to improve facility process to mitigate the likelihood that an adverse impact will occur. This may include direct conversations with the supplier, corrective action plans or trainings.

Where an existing adverse impact is identified, Tesla requires remediation by our suppliers and evidence that the remediation has been implemented. Following best practices, our preferred reaction is to support the supplier in mitigating the adverse impact, however in the case that a supplier is unwilling or unable to address the adverse impact in a timely manner, Tesla may cease its commercial relationship with the supplier.

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Currently Identified Actual or Significant Risks of Adverse Impacts:

Based on the most recent due diligence conducted on Tesla Norway AS business partners and suppliers as summarized above, there were no actual or significant risks of Adverse Impacts relating to Human Rights or Decent Working Condition violations identified.

Current Measures Implemented or Planned to Cease Actual Adverse Impacts, including Results or Expected Results:

As there are no current Actual Adverse Impacts identified, no measures are needed to be implemented or planned.

Current Measures Implemented or Planned to Mitigate Significant Risks of Adverse Impacts, including Expected Results

As there are no current significant Risks of Adverse Impacts identified, no measures are needed to be implemented or planned.

This Report has been finalized and submitted as of June 30, 2023, and has been electronically signed by each of the Directors of Tesla Norway AS.



Harpert van Dijk - Director



Vaibhav Taneja – Director



Axel Tangen – Director



Stephan Werkman - Director