

Policy Statement on Human Rights Strategy

Applicability

This policy statement (Policy Statement) relates to paragraph 6 (2) requirements of the 2021 German Supply Chain Due Diligence Act (SCDDA) and shall be adopted by each German affiliate of Tesla, Inc. (Tesla) which is or may become subject to the SCDDA. The undersigned Tesla entity (Tesla SCDDA Entity) hereby adopts this Policy Statement.

Tesla's Commitment to globally recognized Human Rights

Tesla's mission is to "Accelerate the World's Transition to Sustainable Energy". Accordingly, human rights and environmental protection issues are held in the highest regard. The expectation is that this mission is upheld not just in Tesla's own operations but throughout the entire value chain. Tesla upholds this commitment through its policies, including the Global Human Rights policy and the Tesla Supplier Code of Conduct, which embody its commitment to respect, embed and uphold the values they represent throughout the business and supply chain. Tesla looks to globally recognized standards, including the United Nations Guiding Principles on Business and Human Rights as guidance for its policies and business practices.

Tesla recognizes that policies alone are not sufficient for enforcing expectations. Thus, performing due diligence on salient risks at its own operations and those of suppliers is a critical component of creating a more sustainable future. For the supply chain, Tesla follows the Organization for Economic Cooperation and Development (OECD) "Guidelines for Due Diligence for Responsible Business Conduct" and "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" when identifying, mitigating and reporting risks within the value chain.

Corporate Due Diligences and Procedures

Responsibilities

To oversee compliance with the SCDDA, Tesla has formed a committee with members from Supply Chain, Governance, Legal, Sustainability and Human Resources. This committee is responsible for the project implementation and ensures all due diligence requirements under the SCDDA are operationalized and timely fulfilled. The committee on at least an annual basis report to the Tesla SCDDA Entity Executive Management and the appointed Human Rights Officer (HRO) on any identified risks and efforts to prevent, mitigate and remediate any associated harm.

Risk Management System

A multistage process has been implemented at Tesla to detect and address risks within the supply chain and company business operations. The purpose of this process is to systematically identify potential adverse human rights and environmental impacts of both Tesla's own actions and the activities of suppliers, and to take necessary remedial measures where required.

Tesla's supply chain management system is embedded into sourcing practices and is applicable to the Tesla SCDDA Entity. The responsible sourcing teams are part of the supply chain organization, giving them an in-depth understanding of sourcing decisions, and allowing respect for human rights and the environment to be incorporated into the process. Further details on individual components of the related management systems are detailed below.

Risk Analysis

For human rights and environmental risks, Tesla and the Tesla SCDDA Entity (collectively, the Companies) use a risk-based approach to supplier due diligence. The goal is to identify violation risks and work to mitigate them in operations and supply chains. The supply chain organization conducts risk analyses of suppliers where there are direct contractual relationships as well as those further upstream within the supply chain. These efforts to understand risk include, but are not limited to, looking at the industry in which suppliers are operating and the location of their facilities or source of workforce. When weighing and prioritizing risks, Tesla considers the severity of potential violations, the potential reversibility of the violations and the probability of occurrence and the relationship with and influence over the supplier.

Internally, the Companies continuously assess their own operations for areas where there are specific risks of human rights and environmental violations. They seek to remedy adverse impacts, track and measure progress, and report findings. For the Tesla SCDDA Entity, findings are reported to Executive Management and the HRO as described above. The risk analysis forms the basis for the identification of appropriate objectives, preventive measures, and remedial actions.

Identified Risks

Tesla has identified the following potential supply chain risks via engagement with its procurement organization, multi-stakeholder and non-governmental organizations, industry and investor groups. These risks are common to companies operating within the automotive or technology industries. The below lists are not exhaustive of the potential violations of environmental or human rights requirements that may occur in the supply chain but are those for which the likelihood or severity of impact are highest.

Salient Human Rights Risks

- Indigenous rights
- Fair working conditions, including freely chosen employment
- Occupational health and safety
- Co-existence between industrial and artisanal mining operations
- Violence and conflict

Salient Environmental Risks

- Access to clean water and protecting water levels
- Air pollution
- Energy use and GHG emissions reduction
- Hazardous substance management
- Protection of forests and biodiversity
- Waste management, including tailings
- Water quality in waterways affected by operations

In addition, the Tesla SCDDA Entity identifies and ranks risks during its periodic risk assessments conducted per the SCDDA.

Preventive Measures

Tesla has integrated its human rights strategy into all relevant business areas and established appropriate measures to ensure compliance. Additionally, Tesla has published guidelines and statements that are applicable to the Tesla SCDDA Entity to promote sustainability along the value chain. These documents outline specific actions and objectives and serve as a mandatory framework and are available to all employees via an employee intranet site.

To ensure employee awareness of Tesla's corporate values and principles, the Companies provide trainings and information sessions. From day one in New Hire Orientation, employees learn about the Companies' respectful workplace. Trainings on Business Ethics and Anti-Harassment are completed on an ongoing basis. Additionally, employees are exposed to our Diversity, Equity and Inclusion (DEI) principles and are encouraged to join Employee Resource Groups.

To prevent the potential of human rights and environmental related risks in their supply chain, the Companies take multiple steps. These include, but are not limited to: contractually binding suppliers to a Responsible Sourcing Policy, Global Human Rights Policy (RSGHRP) and Supplier Code of Conduct (SSC); providing trainings to the supply chain organization on topics related to human rights and environmental risks and how they can recognize and mitigate those risks; and on a risk basis, audit suppliers through on-site, third-party audits to international recognized audit protocols on issues including Labor, Environment, Health & Safety, Ethics and Responsible Sourcing. The RSGHRP and the SSC are publicly available on the Tesla internet site at www.tesla.com.

Remedial Actions

In the event of credible evidence or suspicion of possible human rights violations within their business operations, the Companies expeditiously undertake measures to verify and terminate any violation.

In the event of external violations, the response is based on the severity of a violation, and the relationship with that supplier. The Companies work to minimize the impact of the violation and prevent any further violations. When a violation occurs and the Companies do not have a direct business relationship, i.e. when it concerns indirect suppliers, the Companies will use their existing relationships with downstream suppliers and industry groups, which may include peer companies, to apply leverage for the violation to be remediated. Where direct engagement does not lead to meaningful progress and/or where there is insufficient evidence or lack of viability for the immediate and appropriate mitigation of serious abuses, the Companies consider all appropriate forms of leverage, including the reduction and/or termination of supply agreement and/or suspension or discontinued engagement with suppliers.

Complaint Procedure

Tesla maintains a complaint platform (Tesla Integrity Line) that is also used by Tesla SCDDA Entity. The Integrity Line is accessible by all Companies' employees, the employees of suppliers and others within or even outside the value chain. Information on accessing the, or reporting through, the Integrity Line can be found at <https://ts.la/integrityline>. Complaints may also be sent directly to compliance@tesla.com. The Integrity Line is available in approximately 60 languages and is accessible 24 hours a day, 7 days a week, allowing anyone to report concerns anonymously and without fear of retaliation. The Companies take all concerns raised in good faith seriously. 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.

Due Diligence for Indirect Suppliers

When performing due diligence on our extended, or upstream supply chain for which the Companies may not have a contractual relationship, a risk-based approach is also taken. The Companies focus their efforts in areas considered to have the highest likelihood of an occurrence of a violation, or in areas where the violation would be most severe. Where necessary, the due diligence efforts extend through the entire value chain, to the point of materials extraction, and to enterprises involved with the transport of materials.

Documenting and Reporting

Tesla maintains, and periodically reviews and updates, documents and procedures related to human rights and environmental due diligence. Tesla reports on an annual basis on these efforts through regulatory disclosures in Germany, Australia, the United Kingdom, and the United States of America, as well as through the annual Impact Report.

Tesla will publish a yearly report, submitted to the Federal Office for Economic Affairs and Export Control (BAFA), starting from the first quarter of 2024. The Tesla SCDDA Entity will retain relevant documents and comply with the SCDDA reporting requirements.

Stakeholder Engagement

Assessing and addressing human rights risks is an ongoing effort that involves engaging with internal and external stakeholders. To help ensure the relevant stakeholders are aware of potential human rights and environmental risks, Tesla maintains a specialized Responsible Sourcing team within its Supply Chain Organization to lead due diligence efforts. Tesla also maintains an internal cross-functional Responsible Sourcing Steering Committee composed of Tesla leadership from Supply Chain, Internal Audit, Human Resources, Investor Relations, EHS, Public Policy & Business Development, Sustainability, Compliance and Legal, oversees these due diligence efforts and potential risks within our own operations and supply chain.

Final Words

The Tesla SCDDA Entity will comply with all aspects of the law with the support of Tesla. The Companies are committed to upholding and respecting human rights worldwide and complying with all related legal requirements related to their own operations and supply chain as well as in regard to the environment.

Approved and Adopted:

Tesla Manufacturing Brandenburg SE