

Resolved: Shareholders request that the Board of Directors commission an independent, third-party report assessing the extent to which Tesla is effectively fulfilling its responsibility to respect human rights and engage in responsible sourcing practices. The report should include analysis of how Tesla’s Code of Business Conduct and Ethics, Supplier Code of Conduct, and Human Rights and Conflict Minerals Policy are implemented to address adverse human rights impacts occurring within its direct operations and across the value chain. The report should exclude information relevant to any pending legal proceeding or threatened proceeding of which Tesla has notice.

Whereas: Tesla sources thousands of parts from hundreds of global suppliers through complex, extended supply chains and acknowledges that “reliably determining the origin [of raw materials] is a difficult task.”¹ Cobalt, conflict minerals, steel, lithium, rubber, mica, nickel, and electronics used in Tesla’s products may present human rights risks.²

Cobalt used in Tesla’s lithium-ion batteries can be traced to Glencore-owned mines in the Democratic Republic of Congo (DRC) where child labor is pervasive. Cobalt mining is one of the worst forms of child labor, requiring working with sharp tools in mines at risk of collapse. Tesla is a defendant in a class action lawsuit alleging it is “knowingly benefiting from and aiding and abetting the cruel and brutal use of young children in the [“DRC”] to mine cobalt.”³ In spite of its long-term partnership with Glencore to annually source up to 6,000 tons of cobalt, Tesla’s motion to dismiss the lawsuit argued that it cannot control the actions of the mining companies in its supply chain. This conflicts with Tesla’s own “policies” that it will ensure these conditions do not occur in its supply chain and it will not tolerate the use of slave or child labor.

As Tesla seeks to source more nickel for electric vehicle production, its failure to demonstrate responsible sourcing presents risks. Russian Indigenous activists urge Tesla not to source from Norilsk Nickel until it remediates devastating environmental, cultural, and economic harms from a major oil spill that impacted the traditional territory and livelihoods of Indigenous Peoples.⁴

The National Labor Relations Board (NLRB) recently upheld a 2019 federal ruling that Tesla violated labor laws by blocking union organizing, and the company was ordered to reinstate a fired worker and remove an anti-union tweet by Elon Musk. Tesla also faces ongoing lawsuits alleging racial harassment and discrimination.

Additionally, Tesla’s factory conditions may violate the right to a safe and healthy workplace. Tesla’s Fremont, CA plant has a history of repeat fines for severe Occupational Safety and Health Administration (OSHA) violations. Insufficient safety trainings, noncompliant safety markings, exposure to toxins, and undercounting or mislabeling injuries have been documented. Tesla employees who raised concerns about the company’s insufficient response to COVID-19 faced retaliation amidst rising infections.

¹ <https://www.tesla.com/sites/default/files/about/legal/2019-conflict-minerals-report.pdf?redirect=no>

² https://iasj.org/wp-content/uploads/IASJ_ShiftingGearsReport_F.pdf

³ <http://www.iradvocates.org/case-update/cobalt-mining-case/child-cobalt-miners-file-amended-complaint-against-apple-alphabet>

⁴ <https://www.culturalsurvival.org/news/indigenous-activists-demand-tesla-stop-buying-nickel-nornickel-russia>

Tesla's poor human rights performance suggests its human rights commitments are neither effectively implemented, contributing to positive human rights outcomes, nor ensuring access to remedy.