

## Tesla Inc. Shareholder Proposal 2022

**RESOLVED:** the Board of Directors of Tesla, Inc. (“Tesla” or “the company”) to adopt and publicly disclose a policy on its commitment to respect the rights to freedom of association and collective bargaining in its operations, as reflected in the International Labour Organization (ILO) *Declaration on Fundamental Principles and Rights at Work* (“Fundamental Principles”). The policy should:

- Be applicable to Tesla’s direct operations and subsidiaries globally;
- Include a commitment to non-interference when employees exercise their right to form or join trade unions;
- Prohibit any member of management or agent of Tesla from undermining the right to form or join trade unions or pressuring any employee from exercising this right;
- Describe the ongoing due diligence process Tesla will use to identify, prevent, mitigate and account for any violations of these rights, including how it will remedy any misaligned practices.

**SUPPORTING STATEMENT:** Freedom of association and collective bargaining are fundamental human rights protected by national and international legal standards including the ILO Fundamental Principles and the UN Universal Declaration of Human Rights.

The ability of workers to organize, act concertedly, and engage in collective bargaining is an important human right that can be a net positive for companies and investors.

Despite a recent public [invitation](#) by the company’s CEO for labor unions to organize a vote at Tesla’s California factory without interference, Tesla does not have any formal policy commitments to respect the right to freedom of association, nor has it demonstrated how it would effectively operationalize such a commitment. While the Company’s [Supplier Code of Conduct](#) articulates the Company’s expectations of suppliers in this regard, it has no corresponding policies for its own operations.

In fact, the Company has been accused of limiting the exercise of fundamental labor rights through tactics of [interference](#), [intimidation](#), and retaliation against employees involved in unionization efforts. In 2021, the National Labor Relations Board [upheld](#) a 2019 ruling that Tesla illegally fired a worker involved in union organizing, and that the CEO had illegally threatened workers regarding unionization.

These allegations, against the backdrop of claims of [racial discrimination and sexual harassment](#) by former Tesla employees and [reports of poor working conditions](#), represent material reputational, legal and operational risks to its shareholders. Allegations of interference with unionization efforts, and resulting regulatory enforcement, at [other companies](#) further demonstrate the significance of these risks.

The transition to a low-carbon future cannot come at the expense of workers’ rights. It is crucial for shareholders to understand how Tesla’s policies and practices respect fundamental labor rights. Greater

transparency on these issues would help address concerns about the company's reputation, clarify its commitment to basic human rights, enable investors to perform their own due diligence according to their fiduciary duty and protect long-term shareholder value.

**We urge fellow shareholders to vote FOR this resolution.**