



## 2016 UK Modern Slavery Act Transparency Statement

This statement is made on behalf of Tesla, Inc. and its subsidiaries (“Tesla”). We are publishing this statement under the UK Modern Slavery Act 2015 as a demonstration of our commitment to anti-slavery practices and an affirmation of the values we hold and adopt across our business.

At Tesla, we are committed to ensuring that the way we conduct our business and dealings with our suppliers reflects our values and our belief that everyone should be treated with dignity and respect. Tesla is committed to ensuring that its suppliers do not use slave or child labour or engage in human trafficking. Tesla does not, and will not, tolerate the use of slave or child labour in the manufacture of its products and does not, and will not, accept products or services from suppliers that engage in human trafficking in any form. Human trafficking, child labour and slavery are crimes under state, federal and international law. These crimes exist in countries throughout the world. Our commitment is summarized in the [Tesla Supplier Code of Conduct](#), and we are working to ensure that our suppliers uphold the principles in this statement.

### **Our organisational structure and our business**

Tesla's mission is to accelerate the world's transition to sustainable energy. We design, develop, manufacture and sell high-performance fully electric vehicles, and energy storage systems, as well as install, operate and maintain solar and energy storage products. We have established our own network of EV sales and service centres and Supercharger stations globally. We have operationally structured our business in a manner that we believe will enable us to rapidly develop and launch advanced electric vehicles and technologies.

Tesla is headquartered in California, USA. We operate, however, and have subsidiaries across the world, including in the UK.

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

At Tesla, we hire the world's best and brightest people to help us achieve our mission and so people are one of our key focuses. We are committed to creating safe and secure workplaces and working environments.

All 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 the required contractual or statutory notice. Child labour and the employment of children below the minimum legal age is strictly forbidden at Tesla.

Tesla maintains a Human Rights and Conflict Minerals Policy that sets out our approach to this matter and is strictly applied throughout the company and across our supply chain. Tesla employees must adhere to its Code of Business Conduct and Ethics adopted by the Board of Directors on May 20, 2010. Additionally, we expect our suppliers to adhere to our Supplier Code of Conduct and comply with all applicable local and national laws.

### **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 cells and certain other key system parts.

Our complex supply chain is a unique hybrid of the traditional automotive and high tech industries and encompasses suppliers from around the world. Many of our Tier 1 suppliers (i.e., direct suppliers) do not purchase all their raw materials directly and instead must obtain them from downstream suppliers and sub-suppliers. Therefore, our suppliers are highly dependent on the information provided to them by their suppliers and sub-suppliers.

Tesla is a Supporter Member of the Electronics Industry Citizenship Coalition (EICC). Tesla supports the EICC's mission and vision to create sustainable value through stakeholder collaboration to improve working and environmental conditions through leading standards and practices.

### **Assessing and managing risk**

Tesla undertakes the following actions to ensure compliance by our suppliers with our Human Rights and Conflict Minerals Policy:

- evaluate our supply chain to address risks related to human trafficking and slavery and child labour;
- audit suppliers, to evaluate supplier compliance with Tesla's Human Rights and Conflict Minerals Policy;
- require direct suppliers to certify that materials incorporated into Tesla products comply with laws regarding slavery, child labour and human trafficking;
- investigate if we have a reasonable basis to believe that one of our suppliers is engaging in human trafficking or use of slave or child labour; and
- transition away from purchasing goods or services from any supplier that is believed to be engaging in human trafficking or use of slave or child labour.

### **Training**

It is important to us that our employees are aware of the issues surrounding modern slavery and support our values and to train employees who work with suppliers on the issues of human trafficking and slavery, particularly with respect to mitigating risks within our supply chain. Where necessary, we implement appropriate disciplinary action, including potential termination of contract, for those who do not comply with our Human Rights and Conflict Minerals Policy.

This statement is given on behalf of Tesla, Inc. and its subsidiaries for the financial year ending 31 December 2016. It sets out the steps taken during the financial year to prevent modern slavery and human trafficking in our business and supply chains.

By: /s/ Todd A. Maron  
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