Resolved
Shareholders request the Board of Directors of Tesla, Inc. to oversee the preparation of an annual public report describing and quantifying the effectiveness and outcomes of Company efforts to prevent harassment and discrimination against protected classes of employees, including, but not limited to, sexual harassment and racial discrimination. The report should disclose the Company’s progress on relevant metrics and targets, such as:

- the total number and aggregate dollar amount of disputes settled by the company related to abuse, harassment or discrimination based on race, religion, sex, national origin, age, disability, genetic information, service member status, gender identity, or sexual orientation;
- the company’s progress toward reducing the average length of time it takes to resolve sexual harassment or discrimination complaints, either through internal processes or through litigation; and
- the total number of pending harassment or discrimination complaints the company is seeking to resolve through internal processes or through litigation.

This report should not include the names of accusers or details of their settlements without their consent and should be prepared at a reasonable cost and omit any information that is proprietary, privileged, or violative of contractual obligations.

Supporting Statement
Information concerning complaints, legal disputes, and settlements (individually and in the aggregate) are of great interest, and often material to investors. The SEC has shown increased attention to human capital management issues, as demonstrated by its 2020 rulemaking, and Chairman Gensler’s public comments about upcoming additional disclosure proposals and characterization of workforce as a “key asset.” There have been several high-profile derivative suits settled recently, including at Twentieth Century Fox, Wynn Resorts, and Alphabet, alleging boards breached their duties for failing to protect employees from discrimination and harassment, injuring the companies and their shareholders.

In Tesla’s 2020 Diversity Equity and Impact Report the Company states, “We insist on equitable practices not just because it’s the right thing to do, but because fair processes allow our team members to bring their whole selves to work. We value and include underrepresented communities at all levels of our company.” Nevertheless, there have been numerous news reports and allegations of gender and race discrimination, harassment and retaliation at the Company. In October 2021, a California jury returned a $137 million verdict, including $130 million in punitive damages, against the Company for its racially hostile work environment. It has been reported that most Tesla workers are currently bound by mandatory arbitration agreements, so consequently there is little transparency into the extent of workforce mismanagement.

A report such as the one requested would assist shareholders in assessing whether the Company is improving its workforce management. Civil rights violations within the workplace can result in substantial costs to companies, including fines and penalties, legal costs, costs related to absenteeism, and reduced productivity. A company’s failure to properly manage its workforce can damage corporate goodwill, making it more difficult to retain and recruit employees, and jeopardize relationships with customers and partners.