

December 14th, 2023

Robyn M. Denholm
Board of Directors
Tesla, Inc.
By email: ir@tesla.com

Dear Ms. Denholm,

We, the undersigned group of Nordic institutional investors, representing combined assets of approximately one trillion USD, write to ask the Board of Tesla, Inc. (“Tesla” or the “Company”) to address the current situation in Sweden.

In Sweden, collective agreements are the core of the Swedish Labour Market Model, and have been so for the last one hundred years thereby demonstrating their efficacy for both employees and employers. There is no legislation on establishing minimum wages or the universal application of agreements. The employer’s organizations and the trade unions negotiate and determine the wage formation. They also play a key role in establishing other employment conditions in the labour market, such as for example agreements relating to occupation pension and other collectively agreed insurance schemes that supplement the general statutory social insurance. Areas such as working environment, employment promotion, gender equality and emergency situations are also examples of what a collective agreement entail.

Around 90 percent of employees in Sweden work for employers with collective agreements.

You can find more information about and examples on the Swedish labour model at the Swedish National Mediation Office: [The Swedish model and collective agreements \(mi.se\)](https://www.mi.se/en/the-swedish-model-and-collective-agreements) and at the Swedish Work Environment Authority: [Swedish labour market model and collective agreements - Arbetsmiljöverket \(av.se\)](https://www.av.se/en/swedish-labour-market-model-and-collective-agreements)

In the other Nordic countries the situation is quite similar. The social partners have a key role in setting a regulation that is flexible and fit for purpose in the relevant sectors and companies.

This “Flexicurity model” on the labour market has enabled the Nordics to thrive as one of the most prosperous and harmonious regions worldwide. The Nordic model is dedicated to sustainable outcomes, which has also benefitted Tesla as the company has been able to gain a significant market share in our region.

As investors in your Company, we recognise the groundbreaking technologies and innovations produced, which have paved the way in electrifying the transport industry - with the end goal of keeping our planet habitable. However, we are deeply concerned about the current conflict in Sweden and Tesla’s attitude against the right to collective bargaining, which is underpinned in the Swedish Labour Market Model.

As you recognize in your Guidelines and disclosures, as board members in Tesla your responsibility is to represent all shareholders and oversee the ESG matters and strategy, including employment conditions. We as Nordic investors acknowledge the decade old tradition of collective bargaining, and therefore urge Tesla to reconsider your current approach to unions.

To that end we are seeking a dialogue with you on your management of the issues highlighted and would like to request a meeting for early 2024 to discuss this. Could you kindly indicate your availability for a meeting in January or February 2024 with the below referenced investors?

Sincerely,