

'GREEN' MULTINATIONALS EXPOSED

TESLA



HEADQUARTERS Austin (Texas), United States

MAIN SHAREHOLDERS¹

- Elon Musk — 12.95%
- The Vanguard Group, Inc. — 6.16%
- Geode Capital Management LLC — 1.12%
- Capital Research & Management Co. (Global Investors) — 0.79%
- Baillie Gifford & Co. — 0.73%
- Capital Research & Management Co. (World Investors) — 0.57%
- Jennison Associates LLC — 0.36%
- T. Rowe Price Associates, Inc. (Investment Management) — 0.35%
- Fidelity Management & Research Co. LLC — 0.35%
- J.P. Morgan Investment Management, Inc. — 0.27%

- PROFITS**
- US\$12.58 billion in 2022
 - US\$14.35 billion between 2016 and 2022

TOP SALARIES AND BONUSES

CEO Elon Musk receives no salary or bonuses but currently owns 412 million shares of Tesla stock outright.²

DIVIDEND PAY-OUTS AND SHARE BUYBACKS

- US\$0.00 in dividend payouts in 2022; US\$0.00 between 2016 and 2022
- US\$0.00 in share buybacks in 2022; US\$0.00 in share buybacks between 2016 and 2022

RENEWABLE GENERATION

N/A

	2022	2021	2020	2019	2018	2017	2016
NET PROFIT (US\$ BILLION)	12.58	5.52	0.72	- 0.86	- 0.98	- 1.96	- 0.68
DIVIDENDS (US\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHARE BUYBACKS (US\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Exchange rate based on IRS annual values: <https://www.irs.gov/individuals/international-taxpayers/yearly-average-currency-exchange-rates>

Tesla was founded in 2003 by two engineers, Martin Eberhard and Marc Tarpening, in San Carlos, California.³ While Elon Musk won a lawsuit to have himself named as a founder of the firm, in fact he was just one of the earliest investors.⁴ The first Tesla car was a rebuilt Lotus Elise from the UK.⁵ Over the last 20 years, Tesla has become the largest manufacturer of electric cars in the world, producing almost 1 million cars in 2021 — although BYD, Geely, and SAIC in China are expected to overtake it eventually.⁶

Most of Tesla’s revenue is derived from selling cars. In 2020, Tesla reported US\$810 million in revenue (less than 7 per cent of total revenue) from its energy generation and storage business. This business consists of Megapack, a power storage unit for utilities; Powerwall, a power storage device for homes and businesses; and solar panels.⁷ Tesla manufactures cars and batteries in Canada, China, Germany, and the US (the firm previously had a factory in the Netherlands which has now been shut down).⁸ To date, it has installed Megapack systems in Australia, Japan and the US.⁹

The company has become synonymous with the so-called ‘clean energy revolution’. It is also synonymous with CEO Elon Musk. Musk is the world’s richest man, even though he does not draw a salary – mostly because he is compensated with company shares worth billions. A multi-year deal signed by the company board in 2018 provided Musk with a pay packet of US\$56 billion. This has been challenged in court by one of Tesla’s shareholders.¹⁰ By way of comparison, the average salary of the top 500 CEOs on the Standard & Poor’s index is US\$18.3 million in 2021.¹¹

Something rarely talked about is the fact that **Musk built his flagship car and battery company with government subsidies that run into several billion dollars.** Indeed, Subsidy Tracker lists over US\$2.5 billion in subsidies to Tesla.¹² **In 2010, Tesla received a federal loan of US\$465.5 million (since paid back) which was twice as much as the company raised from investors,** giving the company a major break when it first started expanding.¹³ New York state gave SolarCity, a Tesla subsidiary, US\$350 million towards a factory and an estimated US\$400 towards equipment, to convince the company to move to Buffalo in 2014.¹⁴ Nevada gave Tesla a US\$1.3 billion tax break to set up a

car factory.¹⁵ Moving forward, there is uncertainty about which cars will be eligible.¹⁶ SpaceX, another Elon Musk company, has received US\$5.4 billion in NASA contracts.¹⁷

Additionally, it is worth examining the purportedly positive environmental impact of a Tesla vehicle. An electric car is only as green as the power source that it uses. Although some Teslas are charged with solar and wind power, the vast majority draw power from the local grid, which is often dependent on conventional power. Teslas that are charged from coal power are simply coal-fueled cars. But whether Teslas are charged with electricity generated by fossil-fuel-based power plants, dams which have displaced millions or nuclear plants that have poisoned the Earth — **until the entire power grid is green (and production does not violate human rights), electric cars are not a catch-all solution to decarbonising transport. Private battery-based vehicles put a greater strain on Earth's natural resources than public transport solutions.**

One of the most unsustainable components of a Tesla vehicle (and all electric cars and power storage systems) is the battery. **EV batteries use cobalt, lithium and nickel, the mining of which has grave environmental impacts pertaining to land, water and air quality and is often associated with horrific human rights abuses.**¹⁹ Tesla buys cobalt from Glencore's copper mine in the Katanga region of the Democratic Republic of the Congo, which is alleged to use child labour, as well as from three sites in China (Tesla has been sued together with Apple, Dell, Google and Microsoft over this matter).²⁰ It buys lithium from mines in Argentina, Australia and China and nickel from Australia, Canada, China, Indonesia and the US.²¹

To divert attention from this matter, Tesla boasts that the company recycles 100 per cent of old batteries. What they do not disclose is what proportion of the batteries are recycled. 'When Tesla says that they're recycling 100% of their batteries, it means that they are sending the batteries off to someone who's recycling them, recovering the material, and then who knows where that material is going', Kyle Wiens, the CEO of iFixit, told Vice.²² Tesla has since increased its internal battery recycling capacity, but due to the ten-year lifespan of the batteries they are yet to properly test their recycling capacities.²³

The company's car factories have some of the worst safety records of any auto-manufacturing facility in the US. In 2019, Tesla accumulated over three times the number of Occupational Safety and Health Administration violations that its top 10 competitors amassed collectively from 2014–2018.²⁴ Indeed **Tesla's factories reported 10 times more safety violations than Nissan, the next worst manufacturer, despite the fact that Nissan built almost 10 times as many cars over the same time period.**²⁵ The full extent of the problem may be even worse, according to an internal memo from California's Division of Occupational Safety and Health, which reported that Tesla had failed to include hundreds of injuries in annual summary data that it sends to the government and has failed to properly record other injuries in its logs since 2015.²⁶

Tesla has also been associated with poor working conditions for its employees. In February 2023, workers at the Tesla factory in Buffalo, New York, alleged that at least 18 workers have been fired due to their participation in union organising.²⁷ Workers began unionising due to poor wages and job insecurity, as well as against the introduction of a new surveillance system that monitors their keystrokes, deterring some staff from taking short breaks and using the bathroom.²⁸ This is not the first time Tesla has been accused of union busting and unfair dismissal. In March 2023 a court ruled in favour of an employee that was illegally fired after being involved in union organising in 2017.²⁹

Tesla's factories also have a questionable record on air pollution. For example, the company does not disclose exact numbers on greenhouse gas emissions but uses graphs instead, unlike Ford and General Motors who publish specific data.³⁰ **In 2018, the company was fined US\$139,500 by the Bay Area Quality Management District over the high levels of nitrogen oxide emitted by malfunctioning burners at its Fremont plant between 2013 and 2016.**³¹ Further, Tesla was fined US\$275,000 by the US Environmental Protection Agency for failing to clean the air filtration system at the new vehicle paint shop at the Fremont factory for three years, resulting in at least one chemical fire.³² Then there is the question of water consumption by Tesla factories. For example, the company would use 30 per cent of the total water volume in Brandenburg, Germany, where the company is building cars and batteries if planned expansion goes ahead.³³ In 2023 this was still being opposed.³⁴

Tesla is poised to benefit hugely from the 2022 US Inflation Reduction Act because of the major subsidies that are available for both battery and electric vehicle production. The company has already announced that it plans to capitalise on these subsidies.³⁵

CORE CONTROVERSIES

- **Tesla is currently the largest manufacturer of electric cars in the world.**
- **Tesla was kickstarted and is maintained by US government and federal subsidies that likely exceed US\$10 billion.**
- **A multi-year deal with the company board provided CEO Musk with US\$56 billion, while in 2021 alone Musk was paid US\$23.5 billion in shares.**
- **Tesla is ready to benefit from new public subsidies under the 2022 US Inflation Reduction Act.**
- **The company buys cobalt for its car and power storage system batteries from the Glencore copper mine in the Democratic Republic of the Congo, which has been accused of using child labour.**
- **Tesla's car factories have the worst health and safety record of any such facility in the US.**

The company was invited to send factual corrections to these findings but did not respond to our inquiry.

ENDNOTES

1. Please note, this data changes regularly. Source: MarketScreener (n.d.) 'Tesla, INC'.
<https://www.marketscreener.com/quote/stock/TESLA-INC-6344549/company/> Last accessed: 24 October 2023
2. Isidore, C. (2023) 'Elon Musk is currently working for Tesla for free. That could change', 20 February.
<https://edition.cnn.com/2023/02/20/investing/elon-musk-pay/index.html> Last accessed: 31 October 2023
3. Ohnsman, A. (2021) 'Tesla Had 5 Founders. Why Did Only Two Get Really Rich?', 10 November. <https://www.forbes.com/sites/alanohnsman/2021/11/10/tesla-had-5-founders-only-two-got-really-rich> Last accessed: 19 October 2023
4. Ibid.
5. Ibid.
6. Smitka, M. (2022) 'China NEV Segment Analysis: BYD, VW, and Geely Stand Out', 2 August. <https://seekingalpha.com/article/4528836-china-nev-segment-analysis-byd-vw-and-geely-stand-out> Last accessed: 19 October 2023
7. Bellan, R. (2021) 'Tesla's solar and energy storage business rakes in \$810M, finally exceeds cost of revenue', 27 July.
<https://techcrunch.com/2021/07/26/teslas-solar-and-energy-storage-business-rakes-in-810m-finally-exceeds-cost-of-revenue/> Last accessed: 19 October 2023
8. McCandless, J. (2021) 'Here's Where Tesla Produces Its Electric Cars Around the World', 3 August.
<https://www.newsweek.com/heres-where-tesla-produces-its-electric-cars-around-world-1614075> Last accessed: 19 October 2023; and Szymkowski, S. (2021) 'Tesla to shutter Model S, Model X final assembly plant in the Netherlands, report says', 19 March. <https://www.cnet.com/roadshow/news/tesla-model-s-model-x-assembly-plant-netherlands/> Last accessed: 19 October 2023
9. Severns, M., Stiles, M. and Leeds Matthews, A. (n.d.) 'Elon Musk hates government subsidies. His companies love them', 30 April. <https://www.grid.news/story/technology/2022/04/30/elon-musk-hates-the-government-his-companies-love-it/> Last accessed: 18 October 2023; and Colthorpe, A. (2022) 'Tesla deployed nearly 4GWh of energy storage in 2021', 28 January.
<https://www.energy-storage.news/tesla-deployed-nearly-4gwh-of-energy-storage-in-2021/> Last accessed: 18 October 2023
10. Barr, K. (2023) 'Judge Leaves Elon's \$56 Billion Tesla Pay Package in Doubt', 21 February.
<https://gizmodo.com/elon-musk-tesla-trial-twitter-tornetta-1850141881> Last accessed: 19 October 2023
11. McFarland, M. (2022) 'Elon Musk heads to court over Tesla pay that made him the world's richest person', 13 November.
<https://edition.cnn.com/2022/11/13/business/elon-musk-court-pay/index.html> Last accessed: 19 October 2023
12. Good Jobs First. (n.d.) 'Subsidy Tracker Parent Company Summary: Tesla Inc.'.
<https://subsidytracker.goodjobsfirst.org/parent/tesla-inc> Last accessed: 9 October 2023
13. Severns, M., Stiles, M. and Leeds Matthews, A. (n.d.) 'Elon Musk hates government subsidies. His companies love them', 30 April.
<https://www.grid.news/story/technology/2022/04/30/elon-musk-hates-the-government-his-companies-love-it/> Last accessed: 19 October 2023
14. Mullaney, T. (2015) 'Elon Musk's biggest challenge yet: Recharging Buffalo, NY', 11 June.
<https://www.cNBC.com/2015/06/11/elon-musks-biggest-challenge-yet-recharging-buffalo-ny.html> Last accessed: 11 October 2023
15. Hirsch, J. (2015) 'Elon Musk's growing empire is fueled by \$4.9 billion in government subsidies', 30 May.
<https://www.latimes.com/business/la-fi-hy-musk-subsidies-20150531-story.html> Last accessed: 19 October 2023
16. Domonokshe, C. (2023) 'The \$7,500 tax credit to buy an electric car is about to change yet again', 31 March.
<https://www.npr.org/2023/03/31/1167084120/electric-vehicles-cars-tax-credit-climate-bill> Last accessed: 4 October 2023
17. Severns, M., Stiles, M. and Leeds Matthews, A. (n.d.) 'Elon Musk hates government subsidies. His companies love them', 30 April 2022. <https://www.grid.news/story/technology/2022/04/30/elon-musk-hates-the-government-his-companies-love-it/> Last accessed: 18 October 2023
18. Zheng, M. (2023) 'The Environmental Impacts of Lithium and Cobalt Mining', 31 March. <https://earth.org/lithium-and-cobalt-mining/> Last accessed: 19 October 2023
19. Calma, J. (2023) 'Tesla battery material supplier tops list of human rights abuses for second year in a row', 15 June.
<https://www.theverge.com/2023/6/15/23760915/tesla-supplier-glencore-human-rights-abuse-allegations-battery-minerals-mining-energy> Last accessed: 20 October 2023

20. Lambert, F. (2022) 'Tesla releases list of battery material suppliers, confirms long-term nickel deal with Vale', 6 May. <https://electrek.co/2022/05/06/tesla-list-battery-material-suppliers-long-term-nickel-deal-vale/> Last accessed: 19 October 2023; and Soguel, D. (2019) 'Glencore named in Congo child labour case targeting Big Tech', 20 December. <https://www.swissinfo.ch/eng/glencore-congo-cobalt-mining-lawsuit/45446800> Last accessed: 19 October 2023
21. Lambert, F. (2022) 'Tesla releases list of battery material suppliers, confirms long-term nickel deal with Vale', 6 May. <https://electrek.co/2022/05/06/tesla-list-battery-material-suppliers-long-term-nickel-deal-vale/> Last accessed: 19 October 2023
22. Carleton, A. (2021) 'When Tesla Says It Recycles 100% of Its Batteries, What Does That Mean?', 16 August. <https://www.vice.com/en/article/xgxke4/when-tesla-says-it-recycles-100-of-its-batteries-what-does-that-mean> Last accessed: 19 October 2023
23. Lambert, F. (2022) 'Tesla significantly increases its battery recycling capacity, but only a few owner battery packs are coming back', 9 May. <https://electrek.co/2022/05/09/tesla-increase-battery-recycling-capacity-battery-packs/> Last accessed: 19 October 2023
24. Stumpf, R. (2019) 'Tesla Had 3 Times as Many OSHA Violations and the 10 Largest US Plants Combined', 29 May. <https://www.thedrive.com/news/26727/tesla-had-3-times-as-many-osha-violations-as-the-10-largest-us-plants-combined> Last accessed: 29 September 2023
25. Ibid.
26. Eidelson, J. and Hull, D. (2020) 'Tesla left hundreds of injuries out of its workplace reports, California regulator says', 6 March. <https://www.latimes.com/business/story/2020-03-06/tesla-left-injuries-out-of-reports-california-safety-regulator-says> Last accessed: 18 October 2023
27. Ewing, J. and Scheiber, N. (2023) 'Tesla Fired Buffalo Workers Seeking to Organize, Union Says', 16 February. <https://www.nytimes.com/2023/02/16/business/tesla-buffalo-union.html> Last accessed: 29 September 2023
28. Sainato, M. (2023) 'Tesla fires more than 30 workers after union drive announcement', 17 February 2023. <https://www.theguardian.com/technology/2023/feb/17/tesla-fires-workers-union-buffalo> Last accessed: 29 September 2023
29. Scheiber, N. 'Tesla and Musk Lose Ruling on Factory Union Issues,' 31 March. <https://www.nytimes.com/2023/03/31/business/tesla-union-musk-twitter.html> Last accessed: 29 September 2023
30. Bansal, T. (2021) 'How Green is Tesla, Really?', 13 May. <https://www.forbes.com/sites/timabansal/2021/05/13/how-green-is-tesla-really/> Last accessed: 19 October 2023
31. Ibid.
32. Kolodny, L. (2022) 'Tesla and EPA reach a settlement after automaker's Clean Air Act violations', 22 February. <https://www.cnn.com/2022/02/22/tesla-and-epa-reach-a-settlement-after-clean-air-act-violations.html> Last accessed: 18 October 2023
33. Randall, C. (2021) 'Tesla Giga Berlin expansion threatened by water supply', 17 March. <https://www.electrive.com/2021/03/17/brandenburg-water-supplies-threatened-by-tesla-gigafactory-expansion/> Last accessed: 18 October 2023
34. Euronews. (2023) 'Tesla aims to double production capacity in German Gigafactory, targeting 1 million EVs annually', 21 July. <https://www.euronews.com/next/2023/07/21/tesla-aims-to-double-production-capacity-in-german-gigafactory-targeting-1-million-evs-ann> Last accessed: 18 October 2023
35. Amaro, S. (2023) 'Tesla is not the only company reviewing its Europe investment after Biden's Inflation Reduction Act', 3 March. <https://www.cnn.com/2023/03/03/tesla-one-of-many-companies-to-review-investments-in-europe-after-biden-ira.html> Last accessed: 18 October 2023

For over a century, energy multinationals have been wrecking the planet and exploiting people in pursuit of profit. Now, power producers and technology manufacturers are marketing themselves as 'green' to boost their reputation and benefit from public subsidies, grabbing lands, violating human rights and destroying communities along the way. Our investigation of fifteen 'green' multinationals conclusively shows that financial returns, not decarbonisation, is their primary business. 'Green' capital has taken over the energy transition, dictating its pace and blocking climate policies that hamper its profits. It is time to take on these greenwashing corporations and reclaim the entire energy sector through public ownership and democratic governance.

Download the full report and the 14 other company profiles on <https://www.tni.org/GreenMultinationals>.

