



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

November 20, 2023

By email to IR@tesla.com

Ms. Robyn M. Denholm
Chair of the Board of Directors
Tesla, Inc.
1 Tesla Road, Austin, TX 78725

Re: Elon Musk

Dear Ms. Denholm:

I am writing to express my concern about CEO Elon Musk's recent posts on X in support of anti-Semitic statements on that platform, and the silence emanating from Tesla's Board of Directors about these abhorrent comments. I urge you and the rest of the Board to take appropriate action holding Mr. Musk accountable in accordance with the company's Business Code of Ethics.¹

As Comptroller of the City of New York, I serve as a trustee and the custodian and investment advisor to the New York City Retirement Systems (NYCRS), which have a total of \$248 billion under management as of September 30, 2023, including \$946 million in Tesla shares. We protect the retirement benefits for nearly 800,000 active and retired New York City public employees and their beneficiaries.

We are deeply concerned that his hateful statements on X will have material negative reputational and financial effects on Tesla. While, like all Americans, Mr. Musk is free to express his opinions—even when they are false, anti-Semitic, and hateful—the Board must exercise oversight and judgment to ensure those opinions do not cause harm to the Company.

The facts surrounding Mr. Musk's support of anti-Semitic content on X are not in dispute. On November 15 he replied, "You have said the actual truth," to affirm anti-Semitic comments made by "The Artist Formerly Known as Eric" in the following exchange on X:

Charles Weber posted:

"To the cowards hiding behind the anonymity of the internet and posting 'Hitler was right': You got something you want to say? Why don't you say it to our faces..."

Another user, "The Artist Formerly Known as Eric," replied:

"Okay. Jewish communities have been pushing the exact kind of dialectical hatred against whites that they claim to want people to stop using against them."

¹ <https://digitalassets.tesla.com/tesla-contents/image/upload/IR/business-code-of-ethics>

"I'm deeply disinterested in giving the tiniest s**t now about western Jewish populations coming to the disturbing realization that those hordes of minorities that support flooding their country don't exactly like them too much."

"You want truth said to your face, there it is."

Mr. Musk replied to "The Artist Formerly Known as Eric" with:

"You have said the actual truth."

Mr. Musk's statement voices agreement with the anti-Semitic "replacement theory" trope, which claims, falsely, that there is an effort to replace white people that is orchestrated by Jews. Spreading this particular and hateful lie is not harmless: the murderer who killed 11 Jews at the Tree of Life Synagogue in Pittsburgh in 2018 cited this same anti-Semitic canard as the reason for his mass murder.

Mr. Musk's activity has drawn widespread and significant condemnation. The White House specifically addressed Mr. Musk's tweets on November 17: "We condemn this abhorrent promotion of antisemitic and racist hate in the strongest terms, which runs against our core values as Americans," White House Deputy Press Secretary Andrew Bates said. "We all have a responsibility to bring people together against hate, and an obligation to speak out against anyone who attacks the dignity of their fellow Americans and compromises the safety of our communities."

It has also prompted corporate action. Numerous large advertisers have pulled their advertising from X since Mr. Musk's "truth" tweet, including Apple, Disney, IBM, Warner Bros, Lionsgate, Sony Pictures and Paramount. They have rightly expressed concern and outrage about Mr. Musk's support for anti-Semitism, and plainly do not want to be associated with a platform that condones anti-Semitism and other hate speech and whose owner actively promotes it.

This is not the first time Mr. Musk's imprudent use of social media has drawn negative and costly attention to the Company, with one instance leading to a consent agreement with the SEC and subsequent litigation. On a matter of such significance, it is incumbent on the board to exercise its oversight responsibilities and take decisive public action. His X statements are also in complete contravention of Tesla's Code of Business Ethics, which touts that: "Tesla has been, is and always aspires to be a Do the Right Thing company—in other words, engaging in conduct that you and your family would be proud of."

Are you and your family proud of Musk's anti-Semitic ranting? I sincerely hope not.

I am aware that it can be difficult for boards of directors to sanction the CEO. However, the Tesla Code of Business Ethics has a specific section for CEO and Senior Financial Officers which concludes with the following Section 5:

The Board of Directors shall determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of the Code of Business Ethics or of these additional procedures by the CEO and Tesla's senior financial officers. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code of Business Ethics and to these additional procedures, and shall include written notices to the individual involved that the Board has determined that there has been a violation, censure by the Board, demotion or re-assignment of the individual involved, suspension with or without pay or benefits (as determined by the Board) and termination of the individual's employment. In determining what action is appropriate in a particular case, the Board of Directors or such designee shall take into account all

relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.

A century ago, Henry Ford built a great and iconic automobile manufacturer despite a “strenuous anti-Semitic campaign that did his Ford Motor Co. incalculable harm.”² It would be a terrible irony if Tesla also became known as an iconic automobile company whose leader’s anti-Semitic statements did his company incalculable harm.

As CEO, Mr. Musk is the face of Tesla, and his behavior here, for better or worse, directly reflect on the Company. As Chair of the Board, you have a responsibility to all shareholders to hold Mr. Musk accountable for actions when they harm the Company and contravene the Company’s Code of Business Ethics. If the Board takes no action against Mr. Musk, it sends a message to all Tesla employees that the behavior of the company’s CEO is unassailable, the Company’s Code of Business Ethics is toothless, and employees are free to take any action or utter any words, no matter how hateful or harmful. The resulting legal risk as well as damage to the culture and reputation of Tesla may be inestimable.

I urge you to take your responsibility seriously and without fear or favor to ensure that the Board holds Mr. Musk accountable for his anti-Semitic action. Shareholders, employees, customers, and decent people everywhere are counting on you.

Sincerely,



Brad Lander
New York City Comptroller

² <https://www.bloomberg.com/view/articles/2013-07-29/it-s-still-henry-ford-s-world>