Case Study:

Tesla

Burn rubber not gasoline!

To accelerate the advent of sustainable transport and electric technology.

PDF

Reference

Special Topics in Business Ethics
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December 12, 2004

Business Ethical Issues

Criticism	Description	Source	Catergory
Air Quality Violations	Tesla faced multiple fines for air quality violations, including $1 million in 2021 and $140,000 in 2018 for emissions breaches.	Ethical Consumer	Environmental
Child Labor Allegations	Tesla faces criticism and lawsuits for alleged involvement in child labor in Congo's cobalt mining industry.	Freedom United	Labor
Uyghur Region Concerns	Tesla has been criticized for sourcing materials from Xinjiang, China, due to reports of forced labor practices.	Ethical Consumer	Politics
High Executive Compensation	Tesla executives, especially Elon Musk, face criticism for excessively high compensation relative to the company's performance and ethics.	Ethical Consumer	Shareholders
Tax Avoidance Strategies	Tesla faces ethical concerns for allegedly using tax avoidance strategies through subsidiaries in various tax havens.	Ethical Consumer	Goverment
Greenwashing Accusations	Critics accuse Tesla of greenwashing by exaggerating its environmental impact, undermining the credibility of its sustainability claims.	GW Blogs	Environmental
Whistleblower Retaliation	Tesla faces allegations of retaliating against employees who report unethical practices, raising concerns about workplace culture and employee rights.	Harbert College	Employee
Autopilot Safety Concerns	Tesla's Autopilot feature faces scrutiny over accidents, raising ethical concerns about consumer safety and transparency in marketing.	arXiv	Product

Too young to have enough time to make even bigger mistakes

Company	Establis	Website	Major Business Ethics-Related Events
Enron	1985	Enron	Accounting fraud leading to bankruptcy in 2001
Ben & Jerry's	1978	benjerry.com	Controversies over ingredient sourcing and environmental impact
TikTok	2016	tiktok.com	Data privacy concerns and content moderation issues
Trafigura	1993	trafigura.com	2006 Ivory Coast toxic waste dump incident
Sackler Family	1892	Purdue Pharma	Role in the opioid crisis through Purdue Pharma
Facebook	**2004**	facebook.com	Cambridge Analytica data scandal in 2018
Johnson & Johnson	1886	jnj.com	1982 Tylenol poisonings; recent talc powder lawsuits
Nestlé	1867	nestle.com	Infant formula marketing controversy in developing countries
Volkswagen	1937	volkswagen.com	2015 emissions cheating scandal ("Dieselgate")
Tesla	**2003**	tesla.com	Allegations of labor violations and autopilot safety concerns
Philip Morris	1847	pmi.com	Lawsuits over misleading marketing of tobacco products
Norfolk Southern	1982	nscorp.com	Environmental violations and train derailments
NIKE	1964	nike.com	Allegations of sweatshop labor practices in the 1990s
BP	1909	bp.com	2010 Deepwater Horizon oil spill
Monsanto	1901	Minsanto	Controversies over GMOs and Roundup herbicide litigation
Jeffrey Epstein	1982	Jeffery_Epstein	Convicted of sex trafficking minors; associated financial crimes

Wrong or Decline model

Era	Characteristics	Challenges	Relationship between Fame and Profit
Era of Pioneers	- In a difficult environment, requiring struggle and innovation. - Strong goal-driven, highly efficient, extraordinary leadership.	- Lack of resources, high external pressure. - Emphasis on individual heroism, neglecting long-term stable infrastructure.	- Fame is often a byproduct, profit accumulation is the core goal. - Profit realization becomes the main standard for changing the status quo.
Second Generation: Preservation and Expansion	- Growing in a stable environment, mastering more resources. - Strong resource integration and optimization ability, able to expand the foundation.	- Decline in innovation ability, reliance on existing models, possibly lacking long-term vision. - Intensified power struggles within the family or organization.	- Still profit-centric, but gradually pursuing fame, such as through charity or brand influence. - Enhancement of fame strengthens profit stability.
Third and the rest generations: Decline	- Growing up in a comfortable environment, lacking the spirit of struggle and management ability. - Family or business faces resource dilution and internal conflicts.	- Lack of entrepreneurial mindset, resource dilution, difficult to cope with market changes. - Internal division and disorderly management may lead to rapid decline.	- Slower profit accumulation, fame becomes the main pursuit but lacks practical value support. - Overemphasis on fame may weaken economic strength.

At the beginning of the 21st century, no one knew how long it would take

Year	Total	Electric	% of Electric
2000	58	0.02	0.03
2005	66	0.1	0.15
2010	78	0.5	0.64
2015	**90**	**0.6**	**0.67**
2016	95	0.8	0.84
2017	97.5	1.2	1.23
2018	95.6	2	2.09
2019	90.3	2.2	2.43
2020	77.6	3.1	3.99
2021	80.1	6.5	8.12
2022	84.8	~10	~11.76
2023	~94	~14	~14.89

Global automobile production, electric vehicle production and proportion of electric vehicles from 2000 to 2023

- Unit: 1,000,000 vehicles
- Data is sourced from the International Organization of Motor Vehicle Manufacturers (OICA) and Statista.
- Electric vehicle production numbers in earlier years are estimates due to less comprehensive data collection.
- Increase from 2021 Onwards: Reflects growing consumer demand, advancements in battery technology, and increased investment from automakers.

History

In June 2014, Tesla's CEO Elon Musk announced the company would open all its patents to accelerate the electric vehicle (EV) industry.

This move aimed to boost EV adoption, which was under 1% of the global market.

The impact included advancing EV technology, speeding up infrastructure development, and enhancing Tesla's market position.

By 2024, this strategy significantly increased competition, technological progress, and infrastructure improvements, with Tesla remaining a market leader.

Year	Important Issue	Employees	Vehicles Sold
2003	Founding of Tesla Motors by Martin Eberhard and Marc Tarpenning	0	0
2004	Elon Musk joins as Chairman and largest shareholder	10	0
2008	Launch of the Tesla Roadste	200	500
2012	Introduction of **Model S**	3,000	2,650
2013	Model S becomes the best-selling electric car	5,859	22,442
2014	Launch of **Model X**	10,161	31,655
2015	Continued growth in production	13,058	50,517
2016	Expansion of Gigafactory in Nevada	17,782	76,243
2017	Launch of **Model 3**	37,543	103,091
2018	Record sales with Model 3	48,817	245,491
2019	Increased production capacity	48,016	367,656
2020	Record deliveries amid pandemic	70,757	499,535
2021	**Model Y** and **Cybertruck** launch,	99,290	936,222
2022	Introduction of new battery technology	127,855	1,313,851
2023*	Continued innovation and growth	TBD	~1,324,074

All the Tesla Models

2008-
Roadster

2017-
Model 3

2012-
Model S

2021-
Model Y

2014-
Model X

2021-
Cybertruck

Production Capacity

Plant Name	Location	Start Year	Estimated Annual Capacity	Primary Products
Fremont Factory	Fremont, California, USA	2010	650,000 vehicles	Model S, Model 3, Model X, Model Y
Gigafactory Nevada	Storey County, Nevada, USA	2016	35 GWh of batteries	Battery packs, energy storage products
Gigafactory New York	Buffalo, New York, USA	2017	1 GW of solar products	Solar panels, solar roofs
Gigafactory Shanghai	Shanghai, China	2019	950,000 vehicles	Model 3, Model Y
Gigafactory Berlin-Brandenburg	Grünheide, Germany	2022	500,000 vehicles	Model Y
Gigafactory Texas	Austin, Texas, USA	2022	500,000 vehicles	Model Y, Cybertruck
Total			2,600,000 vehicles	

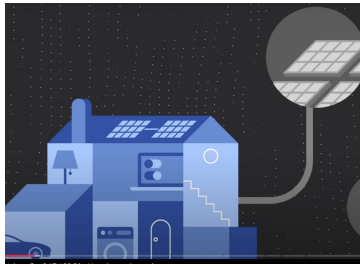
Introduction

Tesla wasn't just a car company, it was revolution. And as Tesla's reputation grew, so did its impact. Ohter car companies took notice. They watched Tesla's success, saw the excitement, and realized they'd have to change too.

- Overview of Tesla as an all-electric vehicle and energy generation company.
- Founded in 2003 by Martin Eberhard and Marc Tarpenning; named after Nikola Tesla.
- Focus on sustainable energy and corporate social responsibility, despite facing criticism and ethical challenges.

Tesla’s Master Plan for Sustainability

- *Open Source Patents: To encourage EV development globally.*
- *Energy Solutions: Development of Powerwall, Powerpack, and Solar Roof products.*
- *Microgrid Projects: Successful implementation in Ta'u and South Australia.*



High Density Battery: Tesla's Model 3 batteries have 260 Wh/kg energy density; new tech reaches 450 Wh/kg, boosting performance and efficiency.

Vehicle-to-Grid (V2G): Tesla's V2G tech lets Model 3 return energy to the grid, balancing demand and supply, and supporting grid stability.

Smart Charging System: Tesla's smart charging system optimizes costs by scheduling off-peak charging and adapting to driver habits, enhancing efficiency and user experience.

Corporate Social Responsibility at Tesla

- *Environmental Impact: Significant reduction in greenhouse gas emissions through EV sales and solar energy generation.*
- *Consumer Safety Initiatives: Advanced safety features in vehicles and proactive measures to enhance safety perceptions.*
- *Employee Focus: Emphasis on creating a diverse work environment and responsible sourcing of materials.*

This summary encapsulates Tesla's evolution from a luxury EV manufacturer to a leader in sustainable energy solutions while addressing its commitment to corporate social responsibility.