



# Annual Report for Canada's New Anti-Forced Labor Supply Chain Law

## CY2023

This report was prepared by LONGi Solar Technology (U.S.) Inc. (LONGi-US), in accordance with the requirements of Part 2 of the Canadian *Fighting Against Forced Labor and Child Labor in Supply Chains Act* (the "Act"). This report describes LONGi-US' activities during its most recent financial year, January 1, 2023 to December 31, 2023, to prevent and reduce the risk that forced labor or child labor is used at any step in LONGi-US's supply chains and provides additional information set out in the Act.

### LONGi Structure, Activities and Supply Chains

LONGi Solar Technology (U.S.) Inc. (LONGi-US) is a wholly-owned subsidiary of LONGi Green Energy Technology Co., Ltd. (LONGi-Group) (Collectively "LONGi") a leading global solar energy company operating with the mission to use solar energy to create a green world. Founded in 2000, LONGi-Group has established itself as a pioneer in the solar industry, particularly in the development and production of mono-crystalline silicon wafers, cells, and modules. LONGi-Group is one of the world's largest solar technology companies, ranking first in global module shipments since 2020. The company is renowned for its innovation-focused approach and commitment to sustainability. LONGi-Group has broken the photovoltaic cell conversion efficiency record 16 times in a row since 2021.

LONGi-US exclusively imports solar products produced by the LONGi-Group and conducts numerous North American operations for LONGi-Group, including: sales, marketing, and customer support for LONGi-Group's solar products in North America. LONGi-US plays a critical role in adapting LONGi-Group's strategies to the local market, ensuring compliance with regulations, and meeting the specific needs of North American customers. LONGi-US specifically engages in the following activities:

- **Sales and Distribution:** LONGi-US handles the logistics of importing LONGi-Group-produced solar cells and panels into North American markets. This includes working with a network of distributors and after-sales services to ensure timely delivery and availability of products.
- **Marketing and Customer Outreach:** LONGi-US conducts marketing campaigns to promote its products in North America. This includes attending trade shows, participating in industry conferences, and engaging in digital marketing efforts to increase brand awareness and educate potential customers about the benefits of their high-efficiency solar solutions.
- **Technical Support and Service:** LONGi-US provides technical support to North American customers, offering assistance with product installation, maintenance, and troubleshooting. This ensures that customers can effectively use LONGi-Group's products and maximize their solar energy production.

- **Compliance and Certifications:** LONGi-US ensures that LONGi-Group products meet local standards and regulations across North America. This includes obtaining necessary certifications from regulatory bodies, demonstrating compliance with relevant supply chain laws and adhering to industry standards for safety and performance.
- **Research and Development Collaboration:** Although most research and development is conducted by the LONGi-Group, LONGi-US may collaborate with local research institutions or participate in pilot projects to tailor LONGi-Group's technologies to the specific conditions and requirements of the North American market.
- **Partnerships and Alliances:** LONGi-US forms strategic partnerships with local businesses, utilities, and government entities to expand its market presence and influence in the renewable energy sector.

Through these focused operations, LONGi-US supports the overarching goals of LONGi-Group, while addressing the unique demands necessary to serve to the growing demand for clean energy by providing high-quality solar modules to North America.

As one of the world's largest manufacturers of single-crystal silicon products, LONGi-Group has a vast global footprint that includes more than 60,000 employees and operations in over 30 locations and 30 manufacturing sites globally:

- **LONGi-Group Corporate Operations:** LONGi-Group headquarters is located in Xi'an China. LONGi-Group maintains corporate offices in: Shanghai, China; Madrid, Spain; Frankfurt Germany; Dubai, United Arab Emirates; New Delhi, India; Tokyo, Japan; Sydney, Australia; the United States (San Ramon, California and Dallas, Texas); St. Paul, Brazil.
- **LONGi-Group Production Operations in China:** LONGi-Group maintains 8 main production facilities in China: Yunnan, Ningxia, Jiangsu, Shaanxi, Zhejiang, Anhui, Qinghai and Shanxi, with the Yunnan and Ningxia facilities being the largest.
  - o **Yunnan Production Facilities:** The Yunnan production facilities consist of 7 main plants: Baoshan, Tengchong, Lijiang, and Huaping mono-crystalline silicon plants, as well as the Chuxiong, Lufeng and Qujing wafer plants.
  - o **Ningxia Production Facilities:** Ningxia production facilities consist of 5 plants: LONGi Photovoltaic Technology (Yinchuan), LONGi Silicon (Yinchuan) + wafer plant, LONGi Solar (Ningxia) and Photoelectric cell plant, Yinchuan LONGi Silicon Materials Co., Ltd.
  - o **Jiangsu Production Facilities:** The Jiangsu production facilities consist of 4 plants: Wuxi hydrogen production equipment plant, Taizhou cell plant, and Taizhou and Jiangsu module plants.
  - o **Shaanxi Production Facilities:** The Shaanxi production facilities consist of 7 plants: Xi'an wafer plant, Xi'an module plant, Xi'an cell plant in National Aerospace Base, Xi'an cell plant in Gaoling District, and Xi'an and Xianyang module plants, Xi'an and Xianyang cell plant as well as wafer plant.

- **Zhejiang Production Facilities:** The Zhejiang production facilities consist of 4 plants: Quzhou module plant, LONGi Solar Technology (Jiaxing), LONGi Photovoltaic Technology (Jiaxing), and LONGi Photoelectric Technology (Jiaxing).
- **Anhui Production Facilities:** The Anhui production facilities consist of 2 plants: Chuzhou and Wuhu module plant.
- **Shanxi Production Facility:** The Datong module plant is the main production facility in Shanxi Province.
- **LONGi-Group Production Operations in Southeast Asia:** LONGi-Group maintains 3 overseas production facilities in Kuching, Malaysia, Serendah, Malaysia and Vietnam.
  - **Kuching Production Facilities:** The Kuching production facilities consist of 5 plants: Kuching ingot plant, Bingtulu ingot plant, Kuching wafer plant, Kuching Cell Plant and Serendah module plant.
  - **Vietnam Production Facilities:** The Vietnam production facilities consist of 2 plants: cell plant and module plant.
- **LONGi-Group Global Production:**

LONGi-US is a proud supplier to the Canadian market. In 2023, LONGi-US imported approximately 42,568,950 watts of solar modules into Canada. These modules were produced in various LONGi-Group facilities across Malaysia and Vietnam. To manufacture products that innovate and improve the technology of photovoltaic power generation, LONGi-Group must strategically cooperate with its network of suppliers across the global energy industry. LONGi-Group has built long-term strategic partnerships with suppliers located in Asia, North America, Europe, and Africa. These suppliers provide key raw materials and manufactured products that are integral to renewable energy. LONGi and its supplier's technical leadership ensures innovative ideas, and technologies that: lower costs through technical innovations; expand application scenarios; and provide reliable and sustainable green energy to all mankind.

LONGi-Group is committed not only to promoting solar energy innovation but also to upholding business practices consistent with our social, environmental, and ethical responsibilities. As a prerequisite to a supplier partnership with LONGi-Group, we require companies to commit to complying with the following: all applicable laws and regulations in the countries/regions where they operate; and the LONGi [Supplier Code of Conduct](#), which encourages adoption of internationally recognized industrial standards and best practices code of ethics, labor protection (including forced labor and child labor), occupational health and safety, environmental protection and social responsibility management system.

#### **LONGi-Group Policies and Due Diligence Processes in Relation to Forced Labor and Child Labor**

LONGi-Group is firmly opposed to the use of forced labor and child labor and is committed to the maintenance of due diligence policies and practices necessary to ensure that LONGi-Group supply chains

are free of forced labor and child labor. LONGi-Group policies and processes apply to all affiliates, including LONGi-US.

- LONGi-Group operations are governed by our [Code of Business Conduct](#), which includes express prohibitions against the use of forced labor and child labor in LONGi-Group facilities and the purchases of products or raw materials produced by forced labor or and child labor. We commit to vigorous efforts intended to ensure that neither materials provided to us by a supplier nor the goods we produce will contribute to any form of forced labor or child labor.
- LONGi-Group requires its suppliers to sign LONGi-Group's Supplier Code of Conduct, which outlines commitments we require of our suppliers as to ethics, labor protection (including forced labor and child labor), occupational health and safety, environmental protection and social responsibility management system. The LONGi-Group Supplier Code of Conduct imparts a contractual obligation on our suppliers, and any material violation of a suppliers' duties under the code may trigger action up to and including termination of LONGi-Group's partnership with the supplier.
- LONGi-Group uses risk management software tools to screen potential suppliers before engaging in a new partnership. These tools derive information from a wide variety of data, including: global production and trade flows; research reports on forced labor, and/or child labor associated with the production of goods and the provision of services that may enter solar supply chains; and sector-specific information about countries where trafficking-related risks and cases have been reported.
- LONGi-Group maintains supply chain traceability protocols for all shipments to Canada, whereby LONGi-Group requires suppliers to submit key documents supporting the sourcing, production, and transportation of goods that LONGi-Group procured from the supplier. These documents include contracts, production records, transportation records and other similar documents. LONGi-US regularly audits these supplier documents corresponding to shipments imported across North America. These LONGi-US audits of key supply chain documents confirm supplier records at multiple levels of the LONGi-Group supply chain. These audits ensure LONGi-US has full visibility into the entities, production locations, and labor standards used in the LONGi-Group supply chain.

#### **Risks of Forced Labor and Child Labor**

LONGi-Group relies on information that is self-generated, and information that is provided by governments, international bodies and other non-governmental organizations to enhance its identification of key areas for the risk of forced labor and child labor its supply chains. This information ensures that LONGi-Group can identify heightened areas of focus for assessing and managing risks with direct suppliers and indirect suppliers further upstream into LONGi-Group supply chains. The information that LONGi-Group relies on to assess and manage these risks include:

- **Supply Chain Mapping:** LONGi-Group uses this tool to provide a systematic approach to understanding and visualizing the flow of goods and services from a supplier's initial acquisition

of raw materials through production in LONGi-Group facilities to assess forced labor and child labor risks. LONGi-Group continuously monitors supply chain documentation to identify changes to mapping that might reveal increased risks of forced labor and child labor. Below, LONGi-US provides a step-by-step description of how supply chain mapping is typically conducted for this purpose:

- **Identify and Document Supply Chain Tiers:** LONGi-Group identifies the suppliers. Tier 1 Suppliers - These are direct suppliers who provide finished goods or components directly to LONGi-Group. Tier 2 Suppliers - Suppliers to LONGi-Group's Tier 1 suppliers, providing raw materials or intermediate goods. Tier 3 and Beyond - Further upstream suppliers involved in the early stages of production, often including raw material extraction and processing.
- **Gather Data and Information:** LONGi-Group collects detailed information about each supplier, including location, ownership, production processes, and labor practices.
- **Production Processes:** LONGi-Group works closely with suppliers to understand the production processes at each tier to identify labor-intensive stages where forced labor and child labor may be more likely to occur.

- **Assessment of Geographic Risks:** LONGi-Group uses a variety of resources to assess the forced labor and child labor risk level in different countries. This effort intends to identify countries and regions where risks of forced labor or child labor have been reported by credible sources, including, but not limited to:

- **U.S. Department of Labor's List of Goods Produced by Forced Labor or Child Labor:** provides a comprehensive list that identifies goods and their source countries that are at risk of being produced by forced labor or child labor.
- **Global Slavery Index:** provides data on the prevalence of modern slavery, including forced labor, in different countries.
- **International Labor Organization:** provides country profiles with information on labor practices, including forced labor and child labor.
- **United Nations Office on Drugs and Crime:** includes data on human trafficking, which often involves forced labor and child labor, providing country-specific information.
- **Human Rights Watch:** publishes reports on human rights practices around the world, including issues related to forced labor and child labor.
- **Transparency International:** identifies countries where corruption might exacerbate labor abuses, including forced labor and child labor.
- **Various Non-Governmental Organizations and Research Institutions:** provides reports and resources on forced labor and child labor.
- **Commercial Risk Assessment Firms:** offer commercial risk assessment tools and reports that can provide detailed insights into forced labor and child labor risks by country and sector.

- **On-Site Audits and Inspections:** Certain commercial activities, such as mining, may carry a risk of forced labor or child labor. Audits of suppliers, particularly in these areas, are conducted by LONGi-Group staff and/or third-party auditors to gain insights into working conditions and to identify potential forced labor or child labor risks.

LONGi-Group supply chain mapping for assessing and managing forced labor and child labor risks represents a comprehensive approach that requires detailed information gathering, risk assessment, and continuous monitoring across a variety of tools and mechanisms. LONGi-Group implements these robust risk mitigation strategies, to help prevent forced labor and child throughout its supply chains.

#### **Any Measures Taken to Remediate Any Forced Labor or Child Labor, Including Loss of Income**

LONGi-Group monitors its suppliers' compliance with its Supplier Code of Conduct through random audits conducted by LONGi personnel and with independent third-party auditors. During 2023, LONGi conducted 28 supplier audits using an 89-point checklist (consistent with SA8000 standards) to confirm supplier compliance practices on, labor protections (including forced labor and child labor), occupational health and safety, environmental protections and social responsibility management systems.

During 2023, LONGi did not discover any issue forced labor or child labor compliance failures as a result of LONGi personnel audits or third/party audits. Accordingly, no remedial action was required (including with respect to loss of income).

#### **Training Provided to Employees on Forced Labor and Child Labor**

LONGi-Group has various employee trainings that reflect its strict prohibition on the use of forced labor and child labor in its supply chains. These trainings serve to educate employees and supply chain partners on LONGi-Group's policies for forced labor and child labor; how to identify potential risks; and the procedures for reporting concerns.

- **LONGi-Group Code of Business Conduct:** establishes ethical standards and guidelines for the company's operations. It emphasizes the importance of integrity, compliance with laws, respect for human rights, and environmental responsibility. The code aims to ensure that all employees and stakeholders conduct business ethically, fostering a culture of transparency and accountability. The training, which is mandatory, is provided to all LONGi employees at the time of onboarding and is available year-round online.
- **SA8000 Standard Training:** includes child labor, forced or compulsory labor, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration, and management systems. The training educates LONGi employees on socially responsible practices in areas such as worker rights and workplace conditions to ensure fair treatment of workers, compliance with labor laws, and implementation of ethical business practices throughout the supply chain and improving worker well-being. Training is mandatory and is provided to all LONGi employees at the time of onboarding.
- **ISO26000 Standard Training:** provides guidance on integrating social responsibility into LONGi's policies and practices, covering areas such as human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement. The training educates LONGi employees on socially responsible practices, focusing on worker rights and workplace conditions. It aims to ensure fair treatment, compliance with labor laws, and the implementation of ethical business practices throughout the supply chain. Training is mandatory and is provided to all LONGi employees at the time of onboarding.

- **Supplier Due Diligence Training:** provides guidance on identifying and mitigating risks of forced labor and child labor within the supply chain. The training aims to ensure compliance with the ethical standards identified in the LONGi Supplier Code of Conduct. It also encourages companies to implement effective monitoring and corrective actions to prevent forced labor and child labor practices in their supply chains. We also conduct on-site training covering the LONGi Supplier Code of Conduct for major suppliers. This training is open to all major suppliers.
- **Social Responsibility Standard-Labor and Employment Training:** aims to enable employees to have a deeper understanding of Corporate Social Responsibility systems and requirements, mainly including general codes of conduct; interpretation of major regulations, requirements and related processes. This training is open to all employees through our online learning platform.
- **Interpretation of Labor Contract Law and Prevention of Employment Risks Training:** provides guidance on understanding labor laws and employment risks within China. This training is mandatory for Human Resource employees.
- **ESG Classroom:** includes a course on the United Nations Guiding Principles on Business & Human Rights Training that is focused on the connection between business and human rights. The training aims to impart an understanding of certain policies and measures in respect of human rights. This training is open to all employees through our online learning platform.

This list represents several of the LONGi-Group trainings maintained and offered to employees and suppliers. By implementing a structured and comprehensive training program, LONGi-Group intends to educate its employees and supply chain partners on preventing forced labor and child labor.

#### Assessing Effectiveness

Protecting LONGi-Group's supply chain from forced labor and child labor risks involves many actions deployed in concert, including training, due diligence, and verification. While no single measure should be quantified to demonstrate success, we generally consider the following when assessing the overall effectiveness of our efforts:

- **Regular Audits and Inspections:** As described above, LONGi-Group conducts audits of suppliers to ensure compliance with forced labor and child labor prohibitions.
- **Due Diligence and Tracking Systems:** LONGi-Group uses software solutions to screen potential suppliers before engaging in a new partnership.
- **Supply Chain Traceability:** LONGi-Group regularly reviews supplier provided documentation to monitor for anomalies that might indicate a risk of forced labor or child labor.
- **Employee Training:** LONGi-Group provides ongoing training for employees on recognizing and reporting forced labor and child labor.
- **Supplier Training:** LONGi-Group offers training programs for suppliers to ensure they understand and comply LONGi-Group supplier obligations.
- **Non-Compliance Reported or Discovered:** LONGi-Group has established mechanisms that allow workers to report issues confidentially and without fear of reprisal.

- **Remediation of Risks/Incidents:** LONGi-Group monitors and analyzes data on reported incidents of forced labor or child labor to ensure development and implementation of remediation plans for any identified cases of forced labor or child labor, ensuring that affected workers receive appropriate support and compensation.
- **Supplier Contracts Terminated Due to Compliance Violations/Risks or Occurrence of Forced Labor or Child Labor:** LONGi-Group's Supplier Code of Conduct imparts a contractual obligation on our suppliers, and any material violation of their duties under the code may trigger action up to and including termination of LONGi-Group's partnership with the supplier.

By integrating these methods into a comprehensive assessment framework, an LONGi-Group evaluates the success of its efforts to prevent forced labor and child labor within its supply chains.

This report was approved by the LONGi Solar Technology (U.S.) Inc.'s board of directors on May 31, 2024.

In accordance with the requirements of the Act, and in particular pursuant to paragraph (4)(a) section 11 thereof, I, LUO Xin, attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind LONGi Solar Technology (U.S.) Inc.

/s/



Full name: LUO, Xin

Title: Vice President

Date: May 31, 2024