

## CORPORATE RESPONSES

Updated November 14, 2023

**From Shanghai EZ Renewables**

March 9, 2021

Dear Laura,

Thanks for your kind enquiry and we haven't heard or experienced any issued mentioned below. The companies mentioned below operate under modern facilities and management.

Best regards

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**From Daqo New Energy**

May 10, 2021

Hi, Laura,

We have not received subsidies for "state-sponsored labour placement" in the Xinjiang Uyghur Autonomous Region. I am not sure where you find this information. I have searched the IPO document and find only one place probably what you refer to as "labor placement subsidies" (actually a bad translation), but it's under the category of "general accounting policy and accounting estimates".

The "labour placement subsidy" mentioned here is a very general description and a category under Chinese accounting policy. It should not be considered as a specific program in specific region in China. It's a very common subsidy scheme utilized by local governments globally including cities of Shanghai, Shenzhen, even New York and I am sure all major cities in Europe and U.S to attract talents to their local area. Many local governments provide such "labor placement" subsidies to companies to promote local employment and job creation. The term "安置" in Chinese should be understood to be "helping to settle down (from another place) securely and peacefully", rather than "placement", which is a bad translation of meaning.

You can imagine that Xinjiang being in a remote location, the availability of talent is generally limited, and the government provides employment related incentives and subsidies to attract skilled labor to work in the Xinjiang area. This would be no different from labor and employment related incentives that for example New York State Empire State Development Board provides to local companies, which

include government subsidies related to (and tied with) labor force, employment, job creation and training. There is no “state sponsorship” in the decision of hiring and employment, and nothing related to human rights issues could be inferred here.

We hire employees, mostly with specialized knowledge or skills in chemical, mechanical and electrical engineering, from the open job market and has NEVER engaged in any poverty alleviation, surplus labour, or labour transfer programs of minority citizens. In our factory in Xinjiang, we only have 18 ethnic-minority employees out of 2,021 employees in total.

Regarding our suppliers, we have already sent a formal statement to all of our suppliers in the Xinjiang region, clearly stating our stance of zero tolerance against forced labor, child labor, discrimination, sexual harassment, unfair and unequal treatment of employees. And all of them have provided us with formal written confirmation that they do not engage in such misbehavior which are also illegal in China under Chinese employment laws. Our major silicon powder suppliers are companies called Hesheng, Suokesi silicon and Xianggao. We don't see any clear evidence of forced labor issue in their plants.

Last but not the least, there is a very clear definition of "forced labor". We believe that one should not judge if there is forced labor or not simply by if a company has engaged in a particular program or has received certain types of subsidies. There should be clear evidence of violation for such claims to be made against a particular organization or individual. As principle, presumption of guilt without evidence should not be applied to any individual or company.

Thank you and best regards,



**何宁**

**Kevin He**

大全新能源公司 董事会秘书，投资者关系

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**From Tongwei**  
May 13, 2021

尊敬的谢菲尔德哈勒姆大学 Murphy 教授:

早上好! 我司于 5 月 9 日收到你以海伦娜肯尼迪国际司法中心名义发来的邮件调研函, 我司对此函非常重视。首先感谢贵中心及你对公司的关心, 我们也愿意后期分享你的调研成果报告。但由于公司正处于经营旺季, 再加上时间紧迫, 我们于今天才向你回复, 未来得及翻译成英文, 请多多包涵。现将你关心的问题简要回复如下:

一、通威股份是一家有近 40 年经营历史的中国民营企业, 主要从事绿色水产品和光伏新能源的生产和销售。通威的绿色水产品销售分布在全国各省市和部分东南亚国家, 绿色新能源生产基地主要分布在四川乐山、四川成都、内蒙古包头、云南保山和安徽合肥。公司生产过程中大量使用清洁能源, 并生产出高效、低碳绿色产品。全公司力争在 2023 年实现碳中和, 为人类气候治理率先做出我们应有的贡献。

二、中国改革开放四十多年, 由计划经济全面转向市场经济, 劳动力市场早已全面放开, 没有强迫劳动, 公司与员工个人之间双向自由选择。中国民营企业更是此用工市场机制下的典型代表, 我们公司没有任何强迫劳动的行为, 也没有你调研函中所涉及的违反法规的问题, 公司所有用工符合公司法及相关法律、法规, 我们没看到也没感受到行业内有任何强迫劳动的行为。

三、加强全球气候治理、减少碳排放, 实现碳中和是全球人类的历史使命。我们很高兴看到去年中欧之间及美国拜登总统上台后, 已空前达成全人类碳达峰、碳中和及全球气候治理管控共识; 我们很高兴看到以欧盟包括英国在内带头推动碳中和并牵引全球能源转型和气候管控; 我们也很高兴看到中国光伏产业经过近 20 年的发展, 有能力、有条件参与全球能源转型、气候变化治理及碳中和的实现; 我们也很高兴看到包括美国、欧盟国家在内的高校、研究机构及贵中心高度重视、共同关注, 充分沟通交流此历史使命话题, 促使我们全人类的共同目标早日实现, 通威非常愿意在此活动中奉献绵薄之力。

谢谢!

通威股份有限公司  
2021 年 5 月 12 日

**From Hoshine Silicon Industry Co., Ltd.**

November 14, 2023

Dear Helena Kennedy Centre for International Justice,

I am Laura Zhu, the Sales Manager of Hoshine Silicon Industry Co., Ltd.

The main purpose of this letter is to ask if you could forward a letter we wrote to Forced Labour Lab at the Helena Kennedy Centre for International Justice to the leadership of the Forced Labour Lab. Previously, Prof. Laura Murphy of Forced Labour Lab had published 2 reports on the so-called “forced labor” in Xinjiang, and we would like to have further communication with the Lab about the reports. However, we can only find the contract information of Prof. Laura Murphy on the website of the Helena Kennedy Center for International Justice, and we learned from public sources that Prof. Murphy is no longer working in the Forced Labour Lab and will serve as a policy advisor for the Under Secretary in the Office of Policy in the Department of Homeland Security in the USA. I would be grateful if you could forward the attached letter to the leadership of Forced Labour Lab.

Laura Zhu

Hoshine Silicon Industry Co. Ltd.

November 10, 2023

**Attachment – 23.11.14 - Letter to Helena Kennedy Centre for International Justice**

Dear director of the Forced Labour Lab at the Helena Kennedy Centre for International Justice of Sheffield Hallam University,

I am Laura Zhu, the sales manager of Hoshine Silicon Industry Co., Ltd. (hereinafter “Hoshine Silicon”) and I noted that the Lab mentioned so-called “forced labor” in Hoshine Silicon’s subsidiary in Xinjiang in your reports “IN BROAD DAYLIGHT—Uyghur Forced Labor and Global Solar Supply Chains” in May 2021 and “DRIVING FORCE—Automotive Supply Chains and Forced Labor in the Uyghur Region” in December 2022. In June 2021, U.S. Customs and Border Protection (CBP) added Hoshine Silicon and all of its subsidiaries to the WRO’s Entity List and these companies are also subject to the UFLPA Entity List implemented in June

2022. CBP not only listed Hoshine Silicon's subsidiary in Xinjiang, but also listed its parent company (Hoshine Silicon) and other subsidiaries, which are located thousands of kilometers away from Xinjiang and have no relationship with Hoshine Silicon's subsidiary in Xinjiang. This has caused a serious impact on Hoshine Silicon's reputation and daily operations. After our research, we believe that CBP's designation of Hoshine Silicon on the WRO Entity List is in large part based on the reports of Labour Lab.

The purposes of our writing this letter to you are, firstly, to clarify the allegations of forced labor mentioned in your report; secondly, to update you on the latest situation of Hoshine Silicon; thirdly, to establish contact to enhance our understanding and eliminate misunderstandings, and invite you and your team to visit Hoshine Silicon's facilities at an appropriate time for an on-site audit to get a better understanding of Hoshine Silicon's real situation.

First of all, Hoshine Silicon is a listed company located in Zhejiang Province in eastern China that specializes in silicon-based products and constructs silicon-based products and downstream products production facilities in Zhejiang, Xinjiang, Yunnan, Sichuan and Heilongjiang provinces. Among them, there are Eastern Hoshine, Western Hoshine and Central Hoshine production bases constructed in Xinjiang. In conclusion, Hoshine Silicon has subsidiaries with independent legal status in various parts of China, which utilize the advantages of industrial clusters to produce silicon-based products. They are independent of each other and independent from the subsidiaries in Xinjiang both in terms of legal status and raw material supply and there are no related transactions. However, CBP listed subsidiaries that are unrelated to Xinjiang in the WRO Entity List. We intend to file a lawsuit in the U.S. Court of International Trade and we will learn the reasons why the CBP listed non-Xinjiang subsidiaries on the WRO Entity List with the disclosure of evidence and the U.S. Government's Administrative Record. We will take the next step of judicial measures based on what we have learned and return fair treatment to Hoshine Silicon's non-Xinjiang subsidiaries.

It is inevitable that there are local employees from all over China, including Han Chinese, Uyghurs and other ethnic groups, because Hoshine needs local people, and local people need to work to raise a family. However, for both Han Chinese and Uyghur employees, Hoshine provides equal pay for equal work and all employees enjoy the same treatment. If Hoshine does

not employ Uyghurs or does not give them the equal treatment, which means that Hoshine discriminates them in employment. This is not only illegal in China, but also not allowed in Western societies. If Hoshine refuses to employ Uyghurs, they will lose the opportunity to work and the ability to support their families. If you have the opportunity to come to Xinjiang, you can communicate individually with the Uyghur employees recruited by Hoshine and get a first-hand insight of whether Hoshine treats Han Chinese and Uyghur employees equally in recruitment and employment, and whether there is “forced labor” alleged in the reports. We hope that you take this opportunity to re-identify whether forced labor exists.

For the identification of forced labor, reference is usually made to the 11 ILO indicators of forced labor, which are: abuse of vulnerability, deception, restriction of movement, isolation, physical and sexual violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions, excessive overtime. The criterion for identifying the existence of forced labor is not race or gender, nor should it be the unsubstantiated accusations made by emigrated Uyghurs, who are hostile to the Chinese government and wear tinted glasses and racial hatred to publicize the so-called forced labor in Xinjiang, not for the sake of Xinjiang’s development and prosperity as well as a better life for Uyghurs in Xinjiang. Instead, they used so-called human rights as a mean to gain the sympathy of other Governments and in turn to hope that they impose sanctions on China in order to achieve other political purposes.

The criterion for identifying the existence of forced labour is the 11 internationally recognized ILO indicators of forced labour, and allegations of the existence of the 11 indicators of forced labour should be verified, not based on speculation or the unverified “testimonies” of individuals. The authenticity of evidence needs to be cross-examined, and no single piece of evidence should be used to substantiate the existence of forced labor in a public report. Otherwise, many companies would suffer the injustice. We definitely promise that the 11 indicators of forced labor do not exist in Hoshine Silicon’s subsidiaries in Xinjiang, and we hope that you and your team come to the companies to verify whether there are any allegations of the 11 indicators of forced labor against the Uyghur workers. At the same time, my testimony should also be cross-examined.

Secondly, Hoshine's facilities in Xinjiang has undergone radical changes in the past years, which is the inevitable result of economic and technological development. With the general application of high technology and improvement of corporate competitiveness, the production mode and technical level of Hoshine Silicon's facilities in Xinjiang have made a qualitative leap. Hoshine Silicon has technically improved and upgraded the original industrial silicon facility, realizing semi-automated or fully-automated production, and no longer needs a large number of industrial workers; the newly-built facility is designed and constructed in full accordance with the modernization requirements, realizing fully-automated production and management. Except for special parts such as maintenance and inspection of safety production, there are no longer any front-line workers. Regardless of whether facility is renovated or newly-built, the working environment is cleaner and more environmentally friendly due to automated production, meeting and exceeding the relevant environmental and labor auditing standards. (Please see attached photos<sup>1</sup>) If Hoshine Silicon was to remain at the backward level of production technology and efficiency that relied entirely on manual labor in the past, it would be impossible for Hoshine Silicon to stand firm in the modern fierce market competition, let alone become a global leader in the silicon-based industry.

Hoshine Silicon not only emphasizes production and operation, but also attaches great importance to the construction of corporate humanistic culture and ESG. Hoshine Silicon has established the Anti-Forced Labor System, promulgated the Hoshine Supplier Corporate Social Responsibility Management Manual, formulated policies and procedures against forced labor and implemented specific measures. Hoshine Silicon has also conducted social responsibility audits at the request of the clients, such as SMETA and TFS and so on, the results of these audits show that Hoshine Silicon's facilities are in full compliance with the standards of SMETA and other corporate social responsibility audit.

Finally, we understand that due to the differences in the specific era environment and culture, as well as unsubstantiated allegations made by individuals, you and your team made a description of Hoshine Silicon in the reports that was not consistent with the actual situation. As mentioned

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<sup>1</sup> Please see the attached photos of the facility environment, the attachment 1 shows the industrial silicon automated production workshop; the attachment 2 shows the automation control center of downstream of silicon-based industry chain.

above, these contents have brought Hoshine Silicon an immeasurable negative reputational impact as well as huge economic losses. They have also indirectly affected the income of Hoshine Silicon's employees, including the income of the Uyghur workers of Hoshine Silicon's subsidiaries in Xinjiang, which affected the protection and improvement of their family living standards. We believe this is inconsistent with your original intention of writing those reports, which was to want them to have decent jobs and good incomes. Through this email, we hope that we can establish a communication channel of mutual trust so that you can learn the real situation and eliminate misunderstandings. We also hope that in the future you will report the real situation that you have learned, to clarify the misunderstanding of Hoshine Silicon, as well as to eliminate the negative impact on Hoshine Silicon.

Thank you. Looking forward to hearing from you.

November 14, 2023

**Attachment 1 – Industrial silicon automated production workshop**





**Attachment 2 – Automation control center of downstream of silicon-based industry chain**



*In broad daylight: Uyghur forced labour in global solar supply chains*

MURPHY, Laura and ELIMÄ, Nyrola

Available from the Sheffield Hallam University Research Archive (SHURA) at:

<https://shura.shu.ac.uk/29640/>

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