

Congress of the United States  
Washington, DC 20510

May 1, 2023

Mr. Gary Gensler  
Chair  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington DC 20549

Dear Chair Gensler:

We write with serious concerns and seek your engagement regarding a potential upcoming Initial Public Offering (IPO) by SHEIN, the China-backed fast-fashion retailer.

Established in Nanjing, China, in 2008, and now headquartered in Singapore, SHEIN has grown rapidly to become the world's largest fashion retailer with an estimated value of \$64 billion. The company principally profits from selling inexpensive clothing and other products targeted to young consumers through its mobile application or app. SHEIN's mobile app is currently the fourth most downloaded app in the United States.<sup>1</sup> The company is also one of TikTok's largest advertisers and pays thousands of social media "influencers" to market its wares to consumers via short and addictive videos on TikTok.

SHEIN's growth is attributed to a business model that harvests vast amounts of consumer data using complex algorithms and manipulates an enormous supply chain across China to manufacture goods rapidly to meet consumer demand. SHEIN has come under heavy criticism for utilizing underpaid labor in its supplier factories and violating human rights. A Bloomberg analysis has found scientific evidence that cotton from the Xinjiang Uyghur Autonomous Region (XUAR) was present in clothing sold by SHEIN in 2022.<sup>2</sup> While SHEIN claims its products do not utilize Uyghur forced labor and it works with third parties to audit its facilities, experts counter these types of audits are easily manipulated or falsified by state-sponsored pressure.<sup>3</sup> Other experts argue that it is appropriate to presuppose that any product made in the XUAR is made with forced labor.<sup>4</sup>

SHEIN is aggressively raising capital and plans to execute an IPO before the end of this calendar year. Given the company's business model and credible allegations of utilizing underpaid and forced labor, which would be in violation of the Uyghur Forced Labor Prevention Act (P.L. 117-78), we request that you set forth regulations and mandate SHEIN to certify via independent

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<sup>1</sup> Lu, S., Hao K. and Huang R. (2023, March 26). Why Chinese Apps Are the Favorites of Young Americans. *The Wall Street Journal*.

<sup>2</sup> Prasso, S. (2022, November 20). Shein's Cotton Tied to Chinese Region Accused of Forced Labor. *Bloomberg.com*

<sup>3</sup> Chua J.M. (2023, February 9). Shein's Xinjiang Links Have Lawmakers Asking Questions. *Sourcing Journal*.

<sup>4</sup> The Chinese Communist Party's Threat to America, 118th Congress (2023) (testimony of Scott Paul).

verification that the company does not use Uyghur forced labor as a condition of being registered to issue securities in the United States. We further request that you notify the national securities exchanges registered under Section 6 of the Securities Exchange Act of this requirement.

We strongly believe that the ability to issue and trade securities on our domestic exchanges is a privilege, and that foreign companies wishing to do so must uphold a demonstrated commitment to human rights across the globe.

Sincerely,



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Jennifer Wexton  
Member of Congress



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John Rose  
Member of Congress



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Gregory Meeks  
Member of Congress



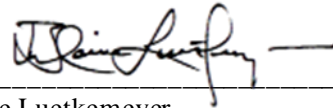
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French Hill  
Member of Congress



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James McGovern  
Member of Congress



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Blaine Luetkemeyer  
Member of Congress



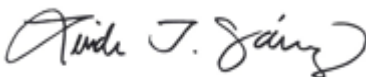
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Earl Blumenauer  
Member of Congress



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Chris Smith  
Member of Congress



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Linda Sánchez  
Member of Congress



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Eric A. "Rick" Crawford  
Member of Congress



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Seth Moulton  
Member of Congress



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John Moolenaar  
Member of Congress



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Haley Stevens  
Member of Congress



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Alex X. Mooney  
Member of Congress



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Jake Auchincloss  
Member of Congress



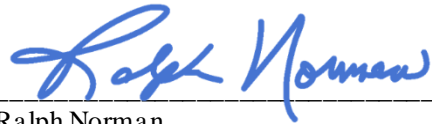
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Neal P. Dunn, M.D.  
Member of Congress



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Jill Tokuda  
Member of Congress




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Ralph Norman  
Member of Congress



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Scott Fitzgerald  
Member of Congress



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C. Scott Franklin  
Member of Congress



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Carlos A. Giménez  
Member of Congress



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August Pfluger  
Member of Congress



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Michael V. Lawler  
Member of Congress



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Zach Nunn  
Member of Congress