



## SPECIFIC INSTANCE OF THE FRENCH NCP

### “SHEIN in France”

#### Final Statement, 18 September 2025

*The NCP identifies non-compliances with the OECD Guidelines. It recommends that the SHEIN Group review its policy and business model in order to comply with OECD Guidelines on Responsible Business Conduct.*

*The NCP will follow up on its recommendations.*

As set out in the *Procedural Guidelines of the OECD Guidelines for Multinational Enterprises*, following a specific instance procedure and after consultation with the parties involved, the NCP shall make the results of the procedure public.

As no agreement was reached in the present case, the French NCP publishes the following Statement. This Statement sets out the issues raised, the reasons why the NCP decided that they warranted further consideration and the actions it has taken to assist the parties. It also presents the analysis of the specific instance and the recommendations addressed by the French NCP to SHEIN Group as regards the implementation of the *Guidelines*.

### Table of Content

Presentation of the French NCP .....	2
Summary of the Specific Instance Proceedings by the French NCP .....	2
1. Content of the Complainant's Specific Instance and of the Company's Response ...	4
2. Initial Assessment of the Referral by the French NCP .....	7
3. Actions of the NCP: Procedure followed by the French NCP in accordance with its Bylaws .....	8
4. Results of the Good Offices of the French NCP .....	10
5. Examination of the Issues raised by the Specific Instance .....	11
6. Recommendations of the French NCP in the present case .....	27
7. Follow Up of the Specific Instance .....	31

NON-OFFICIAL TRANSLATION

## Presentation of the French NCP

The French National Contact Point for the Implementation of the OECD Guidelines for Multinational Enterprises ('NCP') is a tripartite body for the non-judicial settlement of disputes related to the implementation of the OECD Guidelines for Multinational Enterprises. Its mission is to ensure the effectiveness of the Guidelines by promoting them and contributing to the resolution of issues referred to it in the context of the specific instance procedure through its good offices, mediation and conciliation. It shall endeavour to examine the issues raised as soon as possible, if possible, within 12 months of receipt of the specific instance. It shall publish its decisions on its website.

## Summary of the Specific Instance Proceedings by the French NCP

### ◆ Parties to the proceedings:

**The French NCP was referred to on 21 June 2023 by two French Members of Parliament, M. Potier and M. Vallaud, with a specific instance concerning the activities of the multinational enterprise SHEIN in France.**

**SHEIN is an e-commerce platform offering a wide range of fashion items** (garment, footwear, accessories and beauty products) for women, men and children. Founded in 2012 in Nanjing (China) by Yangtian Xu (also known as Chris Xu), the Company initially specialised in the sale of made in China wedding dresses. It has gradually expanded its activity to cover the entire fashion sector (footwear, clothing, accessories and beauty products), now including home goods. The majority of products sold by SHEIN are made in China. **SHEIN's headquarter is based in Singapore<sup>1</sup>**. The Group has key centers of operation around the world, including Singapore, U.S., Brazil, and Ireland where its headquarter for Europe, Middle East and Africa (EMEA) is located<sup>2</sup>, and offices, some of which are located in Europe and in France. Information from Economic Services in French Embassies in China, Brazil, Ireland, Italy, Poland and Turkey, collected from open sources, enabled the NCP to detail information about the Group's main entities<sup>3</sup>.

### ◆ Main issues raised by the specific instance:

For the Complainants, and through SHEIN, "it is the issue of the sustainability of a number of **business models** that arises", in particular that of **the ultra-fast-fashion**. The Complainants regret that the company is a 'pioneer' in the permanent and addictive renewal of products, which makes its carbon, social and environmental footprint unsustainable. They describe SHEIN's ultra-fast fashion system as "completely outdated" with the present time, as they consider that it promotes overconsumption and pressure on workers". For the Complainants, it is difficult to be satisfied with elements of communication that do not change 'the logic of overconsumption inherent in its structure'.

**The referral questions the effectiveness of the Guidelines as a whole. The Complainants mention the lack of responsible conduct of SHEIN that would, be according to them, in contradiction with**

<sup>1</sup> [ROADGET BUSINESS PTE. LTD. \(201939698G\) - Singapore Company](#)

<sup>2</sup> [SHEIN launches EMEA headquarters in Dublin City - DETE](#)

<sup>3</sup> I.e: i) In China : Guangzhou Shein International Import & Export Co. Ltd, whose shareholder with 100 % control is Roadget Business Pte. Ltd., a Singapore company, Guangzhou Shein Supply Chain Management Co, Sources : [企查查 \(qichacha\)](#)<sup>3</sup>, [SHEIN为何要去伦敦上市？ 腾讯新闻](#), as well as [21 warehouses located in Guangdong province - source FINAL-SHEIN-2023-Sustainability-and-Social-Impact-Report.pdf.pdf](#) ; ii) i Ireland, Infinite Styles Services Co. Ltd, 1-2 Victoria Buildings, Haddington Road, Dublin 4, Dublin, D04 XN32 – source [CORE](#)

NON-OFFICIAL TRANSLATION

**OECD' recommendation.** It highlights the Group's lack of public disclosure regarding its human rights, working conditions, environmental risk management practices and health compliance of its products. The Complainants point to a manifest lack of due diligence, which they consider to be opposed with the Guidelines expectations. More broadly, they consider that SHEIN's business model harms consumers' interests by offering them low-priced products whose manufacturing conditions and actual composition would be hidden from them.

The Complainants base these allegations of violations of the OECD Guidelines on studies carried out by associations, including a Greenpeace's report from 2022<sup>4</sup>, which mentions that 15% out of 47 SHEIN products tested exceed the limits set by the European Union for dangerous chemical substances set by REACH Regulation. The referral also refers to a survey carried out by the Public Eye in association in November 2021<sup>5</sup> which mentions the extremely precarious working conditions of SHEIN's suppliers.

♦ Procedure carried out by the NCP:

The NCP received the Complainant's referral on **21 June 2023**. The NCP validated the referral' formal admissibility on 20 July 2023 and started the referral' initial assessment. At its meeting of **14 September 2023**, the NCP decided to accept the specific instance. It then drafted, adopted and issued an [Initial Assessment Statement on 18 October 2023](#).

The NCP then started **the good offices phase** with separate hearings of the parties in October 2023. In this context, the NCP also heard experts representing the *Fédération française du prêt à porter féminin* (Federation of French Women's Ready to Wear) and the *Contrat Stratégique de la Filière Mode et Luxe* (Strategic Contract for the Fashion and Luxury sector) on 27 February 2024. After examining the referral, the NCP decided to propose to the parties to enter into mediation. The NCP exchanged with the Complainants and with SHEIN with a view to organising a mediation meeting. The mediation meeting took place on **17 February 2025** at the Ministry of the Economy and Finance (Paris, France) and brought together the Complainants Mrs. Potier and Vallaud, assisted by an expert of the sector, Ms Faure, on the one hand, and representatives of SHEIN, on the other.

At the end of its meeting of **27 February 2025**, the NCP decided to move on to the conclusion phase of the referral, i.e., to prepare final Statement. It also adopted [an interim Statement](#) formalising the transition to the conclusion phase of the referral and which was the subject of consultations with the parties. The [interim Statement was published on 10 April 2025](#).

During the conclusion phase of the referral, the NCP sent additional questions to SHEIN in order to prepare the Final Statement. The NCP adopted a draft Final Statement on 26 June 2025 and then consulted the parties. It also informed the Belgian NCP. The Complainant validated the draft Final Statement and raised a question to the NCP. The Company submitted substantive comments and requested factual corrections. The NCP took into account parties' comments in its final drafting. The Final Statement, thus amended, was adopted by the NCP on 18 September 2025. This Final Statement was transmitted for information to the parties and to the Belgian NCP before its publication. The NCP subsequently published and notified the Final Statement to the OECD for inclusion in the Specific Instances database of NCPs for Responsible Business Conduct.

♦ Coordination of NCPs:

A specific instance relating to SHEIN's activities was referred to the Belgian NCP by former Belgian Members of Parliament on 1<sup>st</sup> December 2023<sup>6</sup>. The French NCP Secretariat regularly exchanged with the Belgian NCP and informed it about the progress of the proceedings.

<sup>4</sup> [Hazardous chemicals in SHEIN products - Greenpeace Switzerland](#)

<sup>5</sup> [Trimer for SHEIN](#)

<sup>6</sup> [Communique-Evaluation-initial-Instance-Specific-SHEIN-individuals.pdf](#)

NON-OFFICIAL TRANSLATION

♦ **Summary of the Specific Instance Analysis and NCP's Recommendations:**

The NCP notes that, at the date of submission of the referral, the information available on SHEIN Group functioning and its supplies was limited (first two editions of the Report on Sustainability and Social Impact for 2021 and 2022), which made it likely that the OECD Guidelines were not respected concerning notably disclosure, due diligence, human rights, environment and consumer interest. Issues and allegations raised in a substantiated manner by the Complainants appear to be legitimate in this respect.

Since then, the NCP notes that SHEIN put in place and published tools for its supply chain management and its communication that enhance its corporate policy. It notes that SHEIN made sustainability commitments, including through its UN Global Compact membership since 2022, and announced targets to reduce its greenhouse gas emissions.

The NCP notes that while the Group's sustainability policy has been further developed, its concrete implementation faces several non-compliances with an effective implementation of the Guidelines in the management of its supply chain as well as in the identification, assessment, prevention, mitigation as well as remediation of social and environmental impacts and compensation of these damages associated with all the Company's products and services. The NCP also notes that there is a clear lack of progress on transparency in the governance and financial reporting of the group. SHEIN stated that it disputes this analysis.

Accordingly, the NCP recommends that SHEIN continue to develop its internal policies with the objective of effectively integrating the OECD Guidelines regarding: (i) respecting of local law in France and in the European Union and respecting the OECD Guidelines in China without contravening domestic law, (ii) conducting due diligence with respect to its activities, products and services, and in relation with its supply chain, (iii) respecting human rights and working conditions, (iv) respecting the environment, (v) public disclosure of financial and non-financial information and regarding its governance, (vi) respecting consumer interests and (vi) lobbying. The recommendations are detailed in part 6.

**Conclusion of the proceedings:**

This Final Statement closes the proceedings. The NCP presents the procedure followed and analyses issues raised on the effectiveness of the Guidelines. It addresses recommendations to SHEIN Group, that it will follow in 12 months.

## **1. Content of the Complainant's Specific Instance and of the Company's Response**

An [Initial Assessment Statement on 18 October 2023](#) sets out the referral and the Company's response.

♦ **Presentation of the Complainant and the Specific Instance:**

The referral was submitted to the French NCP on 21 June 2023 by two French Members of Parliament, M. Potier, elected in the 5<sup>th</sup> constituency of Meurthe-et-Moselle and Mr Vallaud, elected in the 3<sup>rd</sup> constituency of the Landes.

The referral is based on a structured critique of SHEIN's "ultra-fast fashion" model, based on what the Complainant considers a strategy of "production and marketing of garment at very low prices, in massive quantities, at a daily pace, with more than 8,000 new references being put online every day".

NON-OFFICIAL TRANSLATION

It states that “SHEIN’s strategy is based on a supply chain that is ‘extremely fragmented, opaque and largely outsourced in China, with no apparent control or clear contractual obligation to comply with social, environmental or health standards”.

According to the referral, the Complainant considers that SHEIN’s production model would promote overproduction and overconsumption, and lead, according to him, to adverse impacts on human rights, working conditions, the environment and consumers in violation of the OECD Guidelines. In particular, the referral raises allegations of violation of the Guidelines concerning:

- **As regards as environmental and health issues** (Chapter VI Environment), a Greenpeace study<sup>7</sup> conducted in 2022 mentions that 32% out of 47 SHEIN products tested would contain hazardous chemicals, and that 15% of these 47 products would exceed the legal limits set by EU regulations. These substances, which Greenpeace claimed was present in clothing and accessories sold by SHEIN that they tested, pose serious risks to consumer health and ecosystems, in particular due to water pollution and recycling difficulties.
- **As regards human rights and working conditions** (Chapter IV Human Rights and Chapter V Employment and Industrial Relations), the referral is based on an investigation by the NGO Public Eye in November 2021<sup>8</sup> documenting working conditions in SHEIN suppliers’ garment workshops in Canton. Workers’ testimonies point to illegal working hours (up to 75 hours per week), the absence of an employment contract, unsupervised pay per piece, and the absence of social security contributions.
- **As regards transparency and disclosure** (Chapter III Disclosure), the Complainants complain about SHEIN’s ‘total opacity’ regarding its social and environmental practices and the fact that no information is available on the Group’s structure and finances, its subcontracting supply chain, audits carried out, manufacturing conditions of its products and the Company’s business partners.
- Finally, the referral points **to a harm to consumers’ interests** (Chapter VIII Consumer Interests), in view of the potentially dangerous nature for health and the environment of the products placed on the French market by SHEIN.

**With the specific instance, the Complainant asks SHEIN to comply with the OECD Guidelines (2011 edition), in particular to comply the recommendations on respecting local law and the due diligence for the responsible business conduct:**

Chapter I Concepts and Principles, paragraph 2 on compliance with domestic law:

*2. Obeying domestic laws is the first obligation of enterprises*

Chapter II General Policies, in particular paragraphs 2 on the respect of human rights:

*2. Respect the internationally recognised human rights of those affected by their activities.*

Chapter II General Policies, in particular paragraphs A.11 and A.13 on enterprises’ due diligence:

*A.11. Avoid causing or contributing to adverse impacts on matters covered by the Guidelines, through their own activities, and address such impacts when they occur.*

---

<sup>7</sup> [Hazardous chemicals in SHEIN products - Greenpeace Switzerland](#)

<sup>8</sup> [Trimer for SHEIN](#)

NON-OFFICIAL TRANSLATION

*A.13. In addition to addressing adverse impacts in relation to matters covered by the Guidelines, encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of responsible business conduct compatible with the Guidelines.*

The Complainant also asks SHEIN to comply with several Recommendations of the [French NCP report on the implementation of the OECD Guidelines in the textile and clothing sector of 2 December 2013](#):<sup>9</sup>

- [Recommendation 1](#): Formalise ethical commitments and compliance with OECD and ILO international standards;
- [Recommendation 4](#): Control subcontracting in order to minimise risks;
- [Recommendation 9](#): Ensure that suppliers pay an adequate wage to satisfy the basic needs of workers and their families.

The Complainant requests the French NCP's good offices **to initiate a dialogue** with the SHEIN Company in order to access elements of answers from the Group, and to contribute to the resolution of the issues raised in the context of this specific instance.

♦ [SHEIN Group's reply to the referral](#):

The Group responded positively to the requests of the NCP, agreeing to exchange with the NCP and meeting with the Chair and the Secretary-General to discuss the procedure.

[During the Initial Assessment Phase](#):

In response to the NCP, SHEIN provided the NCP Secretariat with elements of responses to the referral, as well as documents related to audits carried out by SHEIN on its suppliers. **Those documents were reserved, at SHEIN's request, for internal use by the NCP.** Due to this fact these documents were not forwarded to the Complainant.

SHEIN also referred the NCP to the sustainability documentation that had been made available on the Group's website **after** the referral was submitted in June 2023. This online documentation included SHEIN's supply chain governance policy, including the Supplier Code of Conduct, the Responsible Sourcing Policy, and the Supplier Responsibility Standards, which detail SHEIN's requirements for its suppliers.

[During the Good Offices Phase](#):

One of the characteristics of the NCP's good offices is to facilitate the exchange of information between the parties, while respecting the confidentiality of the proceedings. Furthermore, the Complainant signed a confidentiality agreement on 24 February 2024, of which SHEIN was informed.

During the various exchanges between the Group and the NCP on the one hand and during the mediation meeting on the other hand, the Group provided further elements of response to the referral. SHEIN also insisted throughout the exchanges on the strict confidentiality of the elements transmitted to the NCP. For the reason, these elements were not forwarded to the Complainant.

Regarding social issues related to its supply chain SHEIN stressed "its commitment to respect for human rights and its willingness to act in favour of reducing the harm to the environment of its activities". The Group explained the existence of quality and safety control procedures for SHEIN products so as

---

<sup>9</sup> [Dedicated webpage](#) and Report [NCP REPORT ON IMPLEMENTATION OF THE OECD GUIDELINES IN THE TEXTILE AND CLOTHING SECTOR](#)



NON-OFFICIAL TRANSLATION

to comply with French and European requirements. SHEIN also relied on the documentation, consolidated since 2022, available on its website<sup>10</sup> and highlighted its “increased interest and increased respect for human and labour rights in its supply chain”. As such, SHEIN mentioned its 2023 Sustainability Report and its Supplier Code of Conduct. SHEIN also presented its ‘on-demand fashion’ model and the characteristics of its audit system for its Tier 1 and Tier 2 suppliers. SHEIN’s Sustainability and Social Impact Report for 2023 states that 3 900 audits were carried out in 2023 on suppliers representing 95% of the total value produced.

The Company also acknowledged that it had ‘margin of progress’ in its responsible sourcing policy, and indicated that it was stepping up its efforts in collaboration with its suppliers to address all the issues raised.

When it comes to the environment, SHEIN stressed being on a “decarbonisation path”. The Group highlighted objectives and initiatives in the fight against global warming and the reduction of greenhouse gases emissions. SHEIN also indicated that it was developing its production in Turkey and in Brazil to supply European and North American markets respectively. To reduce its use of virgin material, SHEIN is developing the incorporation of recycled polyester fibers into garment products of SHEIN brand. SHEIN also stated through its partnership with Alogia (formerly known as ‘Queen of Raw’) to repurpose other brands excess inventory of deadstock materials. It utilized 19 927 meters of deadstock materials in 2023.

## 2. Initial Assessment of the Referral by the French NCP

### ♦ Application of the Guidelines to the present case:

The OECD Guidelines for Multinational Enterprises apply to all enterprises operating in and from the territory of adhering States, including France. As such, any multinational enterprise active on the French market, including through online platforms, temporary outlets or targeted promotional activities, is required to comply with the Guidelines. The OECD Guidelines were updated on 8 June 2023 and this update entered into force on the same day.

**1. The NCP notes that SHEIN’s activity on French territory is very real:** through its online sales, the delivery of its products in France, its physical marketing operations (ephemeral / pop-up shops in Paris, Lyon, Montpellier or Toulouse), its digital campaigns or its parades in France. **This activity forms the basis for the French NCP jurisdiction to interact with SHEIN despite the fact that its global headquarters are located in Singapore.** The NCP also notes that the infringements referred to it would have a negative impact on consumers in France and on the disclosure of information in France. **The French NCP, as the national body responsible for promoting and ensuring compliance with the OECD Guidelines by domestic companies, is therefore competent to examine that specific instance.**

<sup>10</sup> Sustainability and Social Impact Report 2023 (62 pages): [FINAL-SHEIN-2023-Sustainability-and-Social-Impact-Report.pdf.pdf](https://www.shein.com/2023-sustainability-report)

Supplier Code of [Conduct - SHEIN Group](#)

Supplier Responsibility [Standards - SHEIN Group](#)

[SHEIN Responsible Sourcing Policy - SHEIN Group](#)

Human Rights [Policy - SHEIN Group](#)

Declaration on health and safety at work: <https://www.SHEINgroup.com/workplace-health-safety-statement/>

Chemical documents: <https://www.SHEINgroup.com/wp-content/uploads/2024/04/Manufacturing-Restricted-Substances-List%E2%82%AC%88MRSLE2%82%AC%89.pdf>

<https://www.SHEINgroup.com/wp-content/uploads/2024/04/SHEIN-RSL-RESTRICTED-SUBSTANCES-LIST-B2.pdf>

Animal welfare policy <https://www.SHEINgroup.com/animal-welfare-policy/>

NON-OFFICIAL TRANSLATION

2. On the other hand, the referral was submitted to the NCP on 20 June 2023. The specific instance refers to facts prior to 8 June 2023. The Complainant asks the Group to comply with OECD standards on responsible business conduct in the future. **Therefore, the versions of the 2011 and 2023 Guidelines apply to the present case. However, the NCP focused its analysis on the 2023 version to guide changes needed to bring SHEIN closer to compliance with the Guidelines as they currently stand.**

♦ Analysis of Formal Admissibility cf. Initial assessment Statement of 18 October 2023:

On 20<sup>th</sup> July 2023, the NCP found that formal admissibility criteria, as set out in Article 16 of its Bylaws, were met. The referral is precise and reasoned. It includes the identity of the concerned Company and the identity and contact details of one of the two Complainants. It includes also details of the facts alleged by the complainants against SHEIN and the elements of the OECD Guidelines for Multinational Enterprises on behalf of which the NCP is referred to.

♦ Analysis of the Initial Assessment - cf. Initial assessment Statement of 18 October 2023:

The NCP found that the referral met the other admissibility criteria set out in Articles 21, 22, 23 and 25 of the NCP Bylaws. The referral is made in good faith (Article 22). Complainants are identified and their interest in bringing the referral is part of the preservation of the public interest (Article 23). The Complainants specify the link between the Company's activities and the allegations of violations of the OECD Guidelines. There is a link between these allegations and the content of the Guidelines. At the time the referral was submitted, no parallel proceedings were initiated by the Complainants.

The French NCP has already dealt with [a specific instance concerning this sector](#) and participated [in the development of the OECD Due Diligence Guidance for the Garment and Footwear Sector](#).

The NCP considered that the issues raised by the referral merited further consideration to contribute to the effectiveness of the Guidelines (Article 25). The NCP took note of the Company's response and its openness to dialogue. It also took note of the Complainants' request to establish a framework for dialogue with the Company to get its practices evolve in compliance with OECD standards. The French NCP therefore accepted the specific instance and offered its good offices to the parties, who accepted them.

The Initial Assessment resulted in the publication of an [Initial Assessment Statement](#) on 18 October 2023, which had been the subject of consultations with the Parties.

### 3. Actions of the NCP: Procedure followed by the French NCP in accordance with its Bylaws

The Specific Instance procedure to the NCP is confidential.

The NCP shall endeavour to carry out the initial assessment of a referral within an indicative period of three months after the acknowledgement of receipt (Article 26). Where a specific instance meets the initial assessment criteria (Articles 22 and 23), the NCP accepts it and offers its good offices to the parties. It assesses the referral. It helps the parties to resolve their dispute (Article 25). At the end of its good offices or when one of the parties no longer wishes to participate, the NCP move to the conclusion phase of the procedure and prepares a Final Statement. If no agreement is reached between the parties, the NCP makes recommendations.



NON-OFFICIAL TRANSLATION

Since receiving the referral, the NCP has undertaken the following actions:

Date	Action taken
<b>June 2023 to October 2023</b>	<b>1<sup>st</sup> Phase: Formal Admissibility and Initial Assessment of the referral</b>
20 June 2023	Submission of the Specific Instance by the Complainant.
21 June 2023	The NCP Secretariat acknowledges receipt of the Specific Instance.
22 June 2023	The NCP Secretariat forwards a copy of the referral to the NCP members.
11 July 2023	The NCP exchanges with the Complainant to present the Specific Instance procedure.
20 July 2023	<b>NCP meeting:</b> the NCP validates the referral Formal Admissibility and starts the Initial Assessment.
25 July 2023	The NCP informs SHEIN Group of the referral and its Formal Admissibility.
6 Sept. 2023	The NCP meets with a representative of the SHEIN Group to present the Specific Instance procedure.
14 Sept. 2023	<b>NCP meeting:</b> the NCP finalises the Initial Assessment and decides to accept the Specific Instance. It instructs the Secretariat to inform the parties and to prepare an Initial Assessment Statement and to organise separate meetings with the parties.
04 October 2023	The NCP validates the draft Initial Assessment Statement and then submits it to the Parties for comment.
<b>October 2023 to February 2025</b>	<b>2<sup>nd</sup> Phase: Good Offices and Mediation of the French NCP</b>
10 October 2023	<b>NCP meeting:</b> NCP hearing of the Complainants
18 October 2023	<b>NCP meeting:</b> NCP hearing of SHEIN' representatives
18 October 2023	The NCP adopts and publishes the Initial Assessment Statement after having consulted the Parties.
27 February 2024	<b>NCP meeting:</b> the NCP hears representatives of the French Federation of Women's Ready to Wear, M. Rivoallan, and the Strategic Contract for the Fashion and Luxury Sector, Ms Gérardin, as part of their expertise in the sector.
29 February 2024	The NCP has Complainants sign a confidentiality agreement.
September 2024	The NCP decides to propose to the parties to enter into mediation, and instructs the Secretariat to organise this meeting.
November 2024	The NCP receives the agreement in principle of the parties to participate in a mediation meeting.
January 2024	The NCP decided to seek the support of an expert on the Guidelines and due diligence in the garment and footwear sector for the continuation of the proceedings, Ms Souque.
10 February 2025	The NCP has Ms Faure sign a confidentiality agreement; she will assist the Complainants during the mediation meeting.
17 February 2025	<b>Mediation meeting:</b> the NCP moderated the mediation meeting at the Ministry

NON-OFFICIAL TRANSLATION

	of Economy and Finance (Paris, France), with the participation of the Complainants assisted by an expert, Ms Faure, and SHEIN Group' representatives. The NCP proposes to the parties to prepare an Interim Statement, which they accept.
27 February 2025	<b>NCP meeting:</b> The NCP decided to move on to the conclusion phase of the referral and to prepare a Final Statement, which it instructed the Secretariat to prepare. The NCP adopts the Interim Statement after consultation with the Parties.
<b>March to September 2025</b>	<b>3<sup>rd</sup> Phase: Conclusion of the Specific Instance</b>
7 March 2025	The NCP sends SHEIN a list of questions with a view to drafting the draft Final Statement. It contacts several Economic Services to gather open-source information on the activities and structure of SHEIN in several countries (China, Turkey, Brazil, Poland, Italy, Ireland).
10 April 2025	The NCP publishes the <a href="#">Interim Statement</a> of 27 February 2025 on its website, after informing the Parties.
24 April 2025	The NCP acknowledges receipt of SHEIN's response to its questions.
26 June 2025	The NCP adopts the draft Final Statement and invites parties to submit their comments. It informs the Belgian NCP.
15 and 16 July 2025	The NCP receives comments from the parties on the draft Final Statement and instructs the Secretariat to finalize the Final Statement.
18 September 2025	The NCP adopts the Final Statement and forwards it to the Parties and the Belgian NCP for information.  The NCP then publishes the Final Statement and notifies it to the OECD that will include it in the Specific Instances database of NCPs.

#### 4. Results of the Good Offices of the French NCP

1. The good offices of the French NCP made it possible to organise a **mediation** meeting and **to facilitate dialogue between the Complainants and SHEIN**. An agreement was reached to hold this meeting on 17 February 2025 at the Ministry of Economy and Finance (Paris, France). During this mediation meeting, the exchanges between the Complainants and SHEIN were structured in four parts: (i) introductory remarks, (ii) environmental and health impacts of SHEIN's products, (iii) working conditions and human rights in SHEIN's supply chain and (iv) publication of information by SHEIN.

The NCP is pleased to have been able to facilitate this direct exchange, which is a direct result of its good offices. It thanked the parties for their participation.

2. **Despite the mediation of the French NCP, parties failed to reach an agreement at the end of their exchanges.** The NCP notes that the mediation meeting revealed the persistence of substantive disputes on SHEIN's fast-fashion model and on all the themes and allegations contained in the Specific Instance.

NON-OFFICIAL TRANSLATION

**3. SHEIN accepted the dialogue and participated in the good offices.** The Group also provided elements of response to the NCP. The NCP regrets, however, that it **was unable to pass on this information to the Complainants, under request by the Enterprise.**

**4.** The NCP notes that during the proceedings, between June 2023 and February 2025, the Company **enriched its communication** on its supply chain management and published yearly a 'Sustainability and Social Impact' report, which testifies the impact of the procedure conducted by the NCP.

## 5. Examination of the Issues raised by the Specific Instance

The NCP Bylaws provide that "If it considers it relevant, in particular to enhance the effectiveness of the Guidelines, the NCP for RBC may decide on the compliance with the Guidelines of the actions, measures and decisions of the parties examined in the context of the proceedings" (Art. 33.2).

The NCP thanks the parties for their commitment to the procedure. In the absence of agreement between the parties, the NCP examines the issues raised in the Specific Instance regarding SHEIN' implementation of the OECD Guidelines on Responsible Business Conduct. The NCP analyzed the Specific Instance in the light of the facts brought to its attention by the Complainant and of the responses provided by the Company, as well as with its own analysis of normative tools with regard to the OECD Guidelines updated in 2023.

**The analysis of the NCP focuses in particular on the following issues:**

### 5.1. About Obeying domestic law as provided for in Chapter I on Concepts and Principles

♦ Reminder of the OECD Guidelines on Responsible Business Conduct:

***'Obeying domestic laws is the first obligation of enterprises. The Guidelines are not a substitute for, nor should they be considered to, override domestic law and regulation. Failure of governments to uphold the principles and standards consistent with the Guidelines or their associated international commitments does not diminish the expectation that enterprises observe the Guidelines. While the Guidelines extend beyond the law in many cases, they should not and are not intended to place an enterprise in situations where it faces conflicting requirements. However, in countries where domestic laws and regulations conflict with the principles and standards of the Guidelines, enterprises should seek ways to honor such principles and standards to the fullest extent which does not place them in violation of domestic law'. (CHAPTER I, Article 2).***

♦ NCP' Analysis:

A large majority of the SHEIN' manufactured products is sold in France and in the European Union as well as in North America, i.e., in countries adhering to the OECD Guidelines. To date, most of products marketed by SHEIN are manufactured in China.

NON-OFFICIAL TRANSLATION

**i. SHEIN should ensure compliance with domestic law in the countries where the Group markets its products, in the case at hand in France where EU law also applies.**

According to the NCP's investigation, on the one hand SHEIN is subject in France<sup>11</sup> to French legislation on **consumer protection** (Consumer Code, REACH regulation, etc.), the **fight against waste and the circular economy**, in particular the environmental display (AGEC Act of 10 February 2020). On the other hand, SHEIN is subject in France to European legislations regarding **fighting forced labour**, **Corporate Sustainability Due Diligence Directive**<sup>12</sup> (CSDDD), **Corporate Sustainability Reporting Directive (CSRD)**, as well as European legislations on **Digital Services** (DSA for Digital Services Act) and **Very Large Online Platform (VLOPs)**.

If these European legislative measures have entered into force, not all of them are yet fully implementable, and some - CSRD and CSDDD - are being renegotiated within European institutions<sup>13</sup>. However, companies can prepare for them.

1. In order to provide consumers in France with clearer, more understandable and more sincere information on the "environmental qualities and characteristics of waste-generating products", Article 13.I of the Law on the fight against waste and the circular economy of 10 February 2020 ("AGEC") provides for harmonising, framing and specifying, on the substance and on the way of presenting them, a number of environmental claims. **From the information available<sup>14</sup>, it appears that SHEIN exceeds AGEC law thresholds, and that therefore, SHEIN would be subjected to a requirement to inform consumers on its website about: (i) the percentage of recycled materials, (ii) the geographical traceability (country) of weaving, dyeing, printing and making-up operations of textile products for garment and household linen, and (iii) the geographical traceability (country) of stitching, assembly and finishing operations of footwear.**

2. The NCP investigation shows that SHEIN Group would be subject to **the EU Regulation on prohibiting products made with forced labour on the EU market adopted** on 12 December 2024 and entered into force the following day<sup>15</sup>. The Regulation will apply as of 14 December 2027, except certain provisions<sup>16</sup> which have been applicable since 13 December 2024.

3. The SHEIN Group should be subject to the **European Corporate Sustainability Due Diligence Directive ("CSDDD")** in its version of 5 July 2024 which entered into force on 25 July 2024<sup>17</sup> and which should enter into application as of July 2028 under the Omnibus of 26 February 2025<sup>18</sup>. According to NCP's investigation, the Irish headquarters of SHEIN (that is SHEIN's subsidiary for Europe Middle East and Africa) would probably not be subject to the Directive as its workforce would be below the threshold of 1000 employees. However, according to Article 1.a, **the EMEA head office could be**

<sup>11</sup> The NCP's research shows that SHEIN would not be subjected to the French Law on the duty of vigilance of parent companies and ordering companies of 27 March 2017 (here) since the Group does not meet the criterion relating to the requirement of having "a registered office in France."

<sup>12</sup> Consolidated version [EUR-Lex - 02024L1760-20250417 - EN - EUR-Lex](#) Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859

<sup>13</sup> Negotiations are ongoing among European institutions on the proposition to modify CSDDD's content. See [Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directives 2006/43/EC, 2013/34/EU, \(EU\) 2022/2464 and \(EU\) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirement – 26.2.2025 \(2025/0045\(COD\)\)](#).

<sup>14</sup> In summary, the AGEC Law applies to producers, importers and distributors on the French market of various products, including textile-garment-footwear products, according to cumulative criteria (i) of EUR 10 to 50 million of annual turnover and (ii) of 10 000 to 25 000 cumulative units sold in France annually.

<sup>15</sup> [Regulation - EU - 2024/3015 - EN - EUR-Lex](#)

<sup>16</sup> These are Articles 5.3 on the competent authorities, 7 on the information and communication system, 8 and 9.2 on the database collecting risks of forced labour and the provision of information, 11 on the drafting of guidelines by the European Commission, 33 on the exercise of the delegation, 35 on the creation of a dedicated committee and 37.3 on the setting up rules and sanctions by EU Member States.

<sup>17</sup> [Directive - EU - 2024/1760 - EN - EUR-Lex](#)

<sup>18</sup> Entry into force for **non-European companies** on 26 July 2028 for a turnover of +€1.5 billion in the EU, on 26 July 2029 for a turnover of +€900 million in the EU and on 26 July 2030 for a turnover of +€450 million in the EU.

NON-OFFICIAL TRANSLATION

**subject** if it consolidates the staff of the other SHEIN companies present in the EU (Poland, Italy, etc.) and if it then exceeds the threshold of 1000 employees. Finally, pursuant to Article 2.2(b) of the Directive, the SHEIN Group, which parent company is seated in Singapore, would fall within the scope of the Directive to apply to non-European entities as a result of a turnover in the EU of more than EUR 450 million. **Therefore, the CSDDD in its current version would fully apply to the activities and supplies of products marketed by SHEIN in the EU.** If the Group's turnover in the EU exceeds EUR 1.5 billion, then the SHEIN Group will have to comply with the Directive **as of July 2028.**

**4. The SHEIN Group would also appear to be subject to the European regulation on sustainability reporting (CSRD) in its current version.** The Dublin-seated EMEA subsidiary could be subject to the CSRD since, according to information from the NCP, the SHEIN Group would not be subject to similar obligations either in Singapore or elsewhere (China, United States). **As with the CSDDD, the CSRD also applies to undertakings governed by foreign law that have a subsidiary in the EU,** provided that that subsidiary is a large undertaking and that the subsidiary in question has more than EUR 150 million in turnover in the EU. In the present case, **the SHEIN Group is subject to the CSRD** because it has several subsidiaries in the EU (Ireland, Italy, Poland) and has a turnover above the threshold (plus EUR 7.7 billion according to some sources). The NCP notes that the entry into application of the CSRD has been postponed to 2028 for the year 2027 for large enterprises and that work is ongoing to simplify it. It noted, however, that, as it stood, the SHEIN Group would be subject to it.

**5. The NCP notes that investigations against SHEIN are ongoing in France and the EU concerning compliance with several EU regulations.** The French Directorate-General for Competition, Consumer Affairs and Fraud Control (DGCCRF) has for several years initiated an investigation targeting SHEIN which has not been made public<sup>19</sup>. The NCP notes that the Ministry of the Economy, Finance, and Industrial and Digital Sovereignty announced on 3 July, 2025, that "An investigation by the Directorate-General for Competition, Consumer Affairs, and Fraud Control (DGCCRF) revealed that Infinite Style E-commerce LTD (ISEL), responsible for sales of SHEIN brand products, had engaged in misleading commercial practices toward consumers regarding the reality of the price reductions granted and the scope of commitments regarding environmental claims" and that "With the agreement of the Paris Public Prosecutor, and following a settlement procedure, a fine of €40 million was proposed to ISEL for misleading commercial practices, which it accepted. The DGCCRF remains vigilant regarding changes in the practices observed following these investigations"<sup>20</sup> (non-official translation).

The NCP notes that on 6 February 2025, the European Commission opened a proceeding concerning SHEIN and requested it to provide "information on illegal products and its recommender system" under the Digital Services Act (DSA)<sup>21</sup>. The NCP also notes that on 26 May 2025 "the Commission and national authorities urge SHEIN to respect EU consumer protection laws"<sup>22</sup>, in coordination with France<sup>23</sup>. The Commission states that "SHEIN now has one month to reply to the Consumer Protection Cooperation Network findings and propose commitments on how they will address the identified consumer law issues. Depending on SHEIN's reply, the CPC network may enter a dialogue with the company. If SHEIN fails to address the concerns raised by the CPC network, national authorities can take enforcement measures to ensure compliance. Thus includes the possibility to impose fines based on SHEIN's annual turnover in the EU Member States concerned".

<sup>19</sup> Parliamentary question by Mr Hingray published on 22 May 2025.

<sup>20</sup> [Fast fashion : SHEIN sanctionné d'une amende de 40 millions d'euros à la suite d'une enquête de la DGCCRF](#)

<sup>21</sup> Press release of 6 February 2025, [The Commission requests information from SHEIN on illegal products and its recommendation system - European Commission](#).

<sup>22</sup> Press release of 26 May 2025, [Commission and national authorities urge SHEIN to respect EU consumer protection laws](#)

<sup>23</sup> Press release of 27 May 2025, [SHEIN : une action résolue de la France et de plusieurs Etats, une volonté ferme de l'Union européenne, pour un commerce loyal](#)



NON-OFFICIAL TRANSLATION

DGCCRFR' Decision on 3 July 2025 and these proceedings highlights questions of French and European authorities, and stakeholders, as to the respect of domestic laws by SHEIN, in contravention of the recommendations of the OECD Guidelines.

**ii. The majority of SHEIN's supply come from China, where SHEIN should seek to obtain the respect of the Guidelines as far as possible without contravening domestic law.**

China has not ratified several ILO Conventions<sup>24</sup> that are incorporated into Chapters IV and V of the Guidelines:

- Protocol 29 of 2014 to the Forced Labour Convention (1930)
- Convention 87 on Freedom of Association and Protection of the Right to Organise (1948)
- Convention 98 on the Right to Organise and Collective Bargaining (1949)
- Convention 187 on the Promotional Framework for Safety and Health at Work (2006)
- Convention on Working Hours/Industry (1919)
- Convention 131 on Minimum Wage Fixing.

China's labour law does not, as it stands, allow workers' freedom of association and representation and collective bargaining, contrary to the OECD Guidelines. Under the Guidelines, it is the undertaking's responsibility to implement proactive measures to ensure, as far as possible and without contravening domestic law, compliance with applicable international standards, even in the absence of equivalent legal obligations in the country of operation. The ILO core conventions apply to all ILO Members States, including China, whether they have ratified them or not. Thus, the need to comply with Chinese law cannot exempt SHEIN from the need to respect the standards of responsible business conduct and fundamental rights laid down in international standards.

The NCP notes that the documentation published by SHEIN under its Supplier's Code of Conduct (Supplier Responsibility Standards) systematically mentions the need for strict application of domestic law. **The NCP notes that the SHEIN's supplier's management system relies upon the Supplier's Code of Conduct which is based primarily on compliance with domestic law;** in the present case, Chinese law for the vast majority of its production. However, Chinese law is not as protective as OECD' Responsible Business Conduct standards on human and social rights, for example concerning freedom of association and collective bargaining of workers.

SHEIN's standards mention some of the norms of international law, but unlike domestic law whose respect is requested, the respect of these international standard is only "encouraged", with no further description of how such compliance is encouraged in practice by SHEIN for example concerning freedom of association and collective bargaining of workers. SHEIN, however, emphasizes two points: i) the Code of Conduct stipulates that suppliers must comply with ILO conventions on forced labor, and ii) the Supplier Responsibility Standards stipulate that, in the absence of local rules on overtime compensation, workers must be compensated at least 125% of the base hourly rate.

**SHEIN's supplier assessment is based on audits, the criteria for which are primarily derived from the Code of Conduct and Supplier Responsibility Standards; SHEIN does not publish its audit framework.**

Its audit framework places particular emphasis on violations that result in either "immediate termination of the contract" of the supplier by SHEIN ("ITV") and "immediate remediation of the violation" by the supplier ("IRV"). SHEIN uses the acronyms "ITV" for Immediate Termination Violation and "IRV" for Immediate Remediation Violation. The situations considered for these two categories of violations are specified in the document "SHEIN Responsible Sourcing Policy," an internal Group standard – see below, § 5.3.6. However, the supply chain policy does not specify how the Group measures compliance with these standards and international norms. Indeed, the NCP did not find information on the criteria

---

<sup>24</sup> [Conventions, Protocols and Recommendations | International Labour Organization](#)



NON-OFFICIAL TRANSLATION

used to rate indicators and their weighting to determine the score of an audit, nor on the training of auditors.

The standards imposed by SHEIN on its suppliers do not appear to contain sufficiently binding mechanisms nor to provide clear incentives for suppliers to go beyond the requirements of domestic law, since their wording does not, as it stands, guarantee their operability on the ground. The drafting of these standards is confusing on their practical application, particularly on weekly working time, or on wages issues which would allow a decent way of living for workers and the use of workers in training which could conceal the use of forced labour (see point 4 below).

This situation effectively exempts suppliers from respecting fundamental rights at work and creates a risk of exposure of all actors in the SHEIN supply chain to breaches of the OECD Guidelines, in particular in the areas of human rights and working conditions. The NCP notes that freedom of association and collective bargaining, that are principals and fundamental rights at work are not part of non-compliances retained by SHEIN as situations that require immediate termination of the contract or immediate remediation of the situation by the supplier (that is to say "ITV" and "IRV" categories provided for by SHEIN). This approach contradicts the ambition to go beyond law attached to responsible business conduct

**→ As provided for in Article 2 of Chapter I, SHEIN should ensure that it complies with the French and European law in France and in the UE where it operates. SHEIN should also explore how to enforce the OECD Guidelines and international standards in its supply chain, including where the strict application of domestic law is not sufficient to prevent breaches of the Guidelines.**

**The NCP therefore finds that SHEIN does not comply with the Concepts and Principles of Chapter I.**

## 5.2. About Disclosure under Chapter III of the Guidelines

### ♦ Reminder of the OECD Guidelines on Responsible Business Conduct:

*'Enterprises should disclose regular, timely, reliable, clear, complete, accurate and comparable information in sufficient detail on all material matters' (CHAPTER 3, Article 1)*

*Article 2 sets out a non-exhaustive list of financial information that should be included in enterprises' disclosure policy, including: 'a) the financial and operating results of the enterprise; b) enterprise objectives and sustainability-related information; c) capital structures, group structures and their control arrangements; d) major share ownership, including beneficial owners, and voting rights, (...)' (CHAPTER 3, Article 2);*

*Chapter III also sets out that 'it is also important that enterprises communicate responsible business conduct information as part of their responsibility to carry out due diligence' and that responsible business conduct information can include 'information on measures taken to embed policies on responsible business conduct issues into the enterprise's management and oversight bodies; the enterprise's identified areas of significant impacts or risks, the adverse impacts or risks identified, prioritised and assessed, as well as the prioritisation criteria' (CHAPTER 3 Article 3)".*

NON-OFFICIAL TRANSLATION

## ◆ NCP's Analysis:

### i. Financial and Governance information about SHEIN

The NCP notes that despite the opening of the specific instance proceedings, information on the Company's activity, finances and governance remains extremely scarce, which does not allow for a clear overview of its activities, turnover and structuring in the EU and globally. The Company has structures in several EU countries, but no information on these structures and the links between these entities and the parent company Roadget Business in Singapore is available.

When questioned by the NCP and the Complainant on this matter, **SHEIN explicitly refused to provide financial and governance information, citing its status as a "non-listed private entity"**. The NCP notes an opacity on the financial results of the company, its structure and its mode of governance.

Thus, the information made available by the Group does not correspond to the expectations of the OECD Guidelines. The NCP notes in particular (i) the lack of information on the Group's governance, its structure, its shareholding, the remuneration of its directors, the composition of the board of directors, (ii) the lack of information on the Group's economic and financial situation and (iii) the lack of information on the Group's social and environmental impact, and its responsible business conduct.

### ii. Non-Financial information about SHEIN

**At the time of receipt of the referral, in June 2023**, little information was available on SHEIN's social and environmental policy and its supply chain management. SHEIN reports that the first two editions of its 2021 and 2022 Sustainability and Social Impact Report are available and address the key principles of governance for its sourcing policy. Thus, at the time the referral was received, there was little evidence to support compliance with the OECD Guidelines on this point, notably concerning the respect of local law, disclosure, due diligence, human rights, the environment and consumer interest.

**On the other hand, in parallel with the progress of the proceedings, the NCP notes that the Group has put in place a set of elements that support its non-financial communication.** SHEIN now publishes:

- i) A Sustainability and Social Impact Report (3 reports are now available: 2021<sup>25</sup>, 2022<sup>26</sup> and 2023<sup>27</sup>) and correspondences with the Global Reporting Initiative classification;
- ii) Information on its actions labelled "sustainability" on its website ("decarbonization", "circularity", supporting organisations that seek to address the issue of textile waste sustainable viscose);
- iii) Components of its supply chain management policy, including its Supplier Code of Conduct, its Supplier Responsibility Standards (updated in August 2023) and its Responsible Sourcing Policy (July 2024).

The latest Sustainability and Social Impact Report 2023 sets out the Company's social and environmental policy. Statements of policies and initiatives are made public on the Group's website<sup>28</sup>.

<sup>25</sup> <https://www.SHEINGroup.com/wp-content/uploads/2024/05/2021-Sustainability-and-Social-Impact-Report-1.pdf> - 25 pages

<sup>26</sup> [https://www.SHEINGroup.com/wp-content/uploads/2024/05/2022\\_SHEIN\\_SustainabilitySocialImpactReport-1.pdf](https://www.SHEINGroup.com/wp-content/uploads/2024/05/2022_SHEIN_SustainabilitySocialImpactReport-1.pdf) - 43 pages

<sup>27</sup> <https://www.SHEINGroup.com/wp-content/uploads/2024/08/FINAL-SHEIN-2023-Sustainability-and-Social-Impact-Report.pdf.pdf> - 62 pages

<sup>28</sup> Sustainability and Social Impact Report 2023 (62 pages): [FINAL-SHEIN-2023-Sustainability-and-Social-Impact-Report.pdf.pdf](#)

2023 GRI report with [SHEIN-GRI-Index-2023 equivalences.pdf](#)

Code of Ethics - [SHEIN Group](#) Supplier Code of Conduct - [SHEIN Group](#)

Supplier Responsibility [Standards - SHEIN Group](#)

[SHEIN Responsible Sourcing Policy - SHEIN Group](#)

Human Rights [Policy - SHEIN Group](#)

NON-OFFICIAL TRANSLATION

This sharing of information illustrates a willingness to move towards greater transparency as recommended by the Guidelines, which is welcomed by the NCP.

On the other hand, the NCP notes that SHEIN still does not publish information on its responsibility to implement due diligence or on embedding Responsible Business Conduct into its governing and supervisory bodies. The NCP considers that information published on the Group's significant impacts is not sufficient and that there is no information on the identification, assessment, prioritization and ranking of the risks and priorities arising from its activities within the meaning of the Guidelines.

→ As it stands, SHEIN does not comply with most of Chapter III on disclosure, in particular Articles 1, 2 and 3, relating to disclosure of material aspects of its activities (governance, structures, financial results) and elements on its due diligence and on the risks arising from its activities.

### 5.3. About Due Diligence under Chapter II and Chapters IV, V, VI and VII of the Guidelines

#### ♦ Reminder of the Guidelines:

The Guidelines define due diligence as the process that, as an integral part of their decision-making and risk management systems, enables companies to identify, prevent, mitigate and report on how they address actual or potential adverse impacts of their operations.

Companies are encouraged to *'Carry out risk-based due diligence, for example by incorporating it into their enterprise risk management systems, to identify, prevent and mitigate actual and potential adverse impacts (...) and account for how these impacts are addressed' (CHAPTER II, Article 11)*.

Due diligence applies to risks of adverse impacts on human rights, employment and labour relations, the environment, corruption and science, technology and innovation.

#### ♦ Due Diligence in the textile and garment sector:

The OECD's extensive work on the garment and textile sector shows that it is exposed to **systemic risks of negative impacts on human rights, fundamental rights at work, the environment and good governance, at all stages of its value chain**. This exposure can be explained in particular by the structure into long, fragmented and often non-transparent supply chains, the involvement a plurality of actors who are operating in heterogeneous regulatory and social contexts.

The production of **raw materials**, whether of natural origin (such as cotton and viscose) or synthetic (such as polyester), poses significant environmental risks, such as soil and water pollution, excessive consumption of natural resources, and greenhouse gas emissions. These phases are also associated with documented social risks, including on health and safety, working conditions and human rights.

The **manufacturing** phase also concentrates high risks regarding workers' rights respect. These risks include non-compliance with international standards on health and safety at work, pay, excessive working hours, discrimination, forced labour, and the lack of trade union freedom and social dialogue.

---

Declaration on health and safety at work: <https://www.SHEINgroup.com/workplace-health-safety-statement/>  
Chemical documents: <https://www.SHEINgroup.com/wp-content/uploads/2024/04/Manufacturing-Restricted-Substances-List%E2%84%B6MRESL%E2%84%B9.pdf>  
<https://www.SHEINgroup.com/wp-content/uploads/2024/04/SHEIN-RSL-RESTRICTED-SUBSTANCES-LIST-B2.pdf>  
Animal welfare policy <https://www.SHEINgroup.com/animal-welfare-policy/>

NON-OFFICIAL TRANSLATION

These situations are frequently encountered in contexts of extensive subcontracting, often marked by contractual instability and weak power of control on the part of the ultimate buyers.

**Downstream of the sector**, environmental and societal risks persist, particularly in relation to the management of unsold goods, storage, delivery and end-of-life of products with waste.

Taking all these elements into account, companies operating in the textile sector should exercise enhanced due diligence in line with the OECD Guidelines for Multinational Enterprises and related international standards. Particular attention needs to be paid to relations with suppliers and subcontractors, due to their central role in the materialisation of risks, and the need for buyers to exercise adequate influence and control over practices throughout the supply chain.

*For more information, see the [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#)<sup>29</sup> and the [French NCP Report on the Implementation of the OECD Guidelines in the Textile and Clothing Sector of 2 December 2013](#)<sup>30</sup>.*

♦ **NCP's Analysis:**

The NCP notes that since the referral was received in June 2023, efforts have been made by SHEIN to formalise a sustainability policy and communicate its initial results. These documents (they are public on SHEINGROUP website) state that the Group integrates sustainability into its activities and that it conducts 'sustainable supply chain management'. SHEIN acknowledged that it had recently embarked on this sustainability path and that there was still a long way to go. The results of the sustainability policy are published in a Sustainability and Social Impact Report, and the most recent was published in 2023.

The NCP notes that its SHEIN sustainability commitments do not refer to the OECD Guidelines nor to risk-based due diligence. However, SHEIN states that it has put in place a series of mechanisms to regulate the responsibility of its Tier 1 and Tier 2 suppliers<sup>31</sup> in particular in social and environmental matters. The Group has adopted (i) a 'Supplier Code of Conduct' (SCoC), that suppliers are required to sign and to comply with, (ii) standards to frame the supplier's responsibility ('Supplier Responsibility Standard'), which details SHEIN's expectations, and (iii) a 'Responsible Sourcing Policy' (SHEIN), which structures the supplier's audit system.

**The NCP examined these different documents in the light of the risk-based due diligence recommended by the OECD and identified the following elements:**

1. As regards the supply of **cotton**, which is a sensitive material in China because it is strongly linked to the risk of Uyghurs forced labour, SHEIN told the NCP that it requires its suppliers to source cotton only from regions ensuring compliance with applicable domestic and international legislation, such as the US Uyghur Forced Labour Prevention Act (UFLPA). SHEIN has indicated to ensure a thorough **traceability** of the cotton used in the manufacture of its products. In addition, 75% of the products sold by SHEIN are made of polyester.

2. The terms '**due diligence**' and '**duty of due diligence**' do not appear in the Group's **documentation**. The OECD Guidelines are not quoted. The NCP considers that clarifications are needed to ensure compliance of SHEIN's sustainability standards with international standards (OECD, ILO, UN), e.g., on working time (see 5.4). The link between these standards and domestic law can be problematic and create risks of non-compliance with the Guidelines (see 5.1).

<sup>29</sup> OECD (2018), *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector*, OECD Publishing, Paris, [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector | OECD](#).

<sup>30</sup> [NCP REPORT ON IMPLEMENTATION OF THE OECD GUIDELINES IN THE TEXTILE AND CLOTHING SECTOR](#)

<sup>31</sup> See SHEIN [Responsible Sourcing Policy](#) – Version 4.0.

NON-OFFICIAL TRANSLATION

The documents published by SHEIN sweep away a large part of the problems relating to the very sector. The details of the standards displayed and the monitoring systems seem to leave SHEIN with a significant margin of action in the conduct of its activities and its control, thus without guaranteeing the effectiveness of compliance with international sustainability standards (see 5.1).

**3. SHEIN does not present any mapping of its activities or its supply chain, any mapping of its social and environmental impacts** (with the exception of the calculation of greenhouse gas emissions caused by the Company's activity) **and no mapping of the risks arising from its activities** (including upstream and downstream of the manufacturing activity) **to human rights** (Chapters IV and V), **the environment** (Chapter VI) and **consumer interests** (Chapter VIII). The NCP considers that this lack of risk mapping leads to a lack of the identification and prioritisation of risks to be addressed, and to a lack of prioritisation of measures to prevent, mitigate and remediate adverse impacts.

By way of illustration, the 2023 Sustainability and Social Impact Report does **not include a country risk analysis**. However, the bulk of SHEIN's products manufacturing, raw material supply and storage activities are mainly located in China, where the effectiveness of international standards for responsible business conduct is regularly questioned (non-ratification of ILO standards, lack of workers' collective rights, lack of transparency of control procedures).

**4. The NCP notes that SHEIN's policy documents** that form the basis of its supply chain management system are declarative in scope, with the exception of the **Supplier Code of Conduct**, which contracts out certain obligations of suppliers to comply with SHEIN's sustainability standards. There is little mention of OECD-UN-ILO international standards. Only ILO conventions on forced labour and on the prohibition of discrimination (with a reference to the 1998 Declaration on Fundamental Principles and Rights) are quoted in the Supplier Code of Conduct. The **SHEIN Supplier Responsibility Standards** document, also published on the Group's website, is more comprehensive and refers to a large number of international standards. **However, it is not possible to understand the actual scope** of this document for suppliers in the audit scheme, due to the preponderance of the reference to compliance with domestic law.

**5. Furthermore, the Supplier Responsibility Standards, which set out SHEIN's expectations of its suppliers, do not appear to be signed by the suppliers and there is no evidence that it is incorporated into the contractual commitments.** In the absence of a clearly established binding value, the principles contained therein cannot in themselves constitute a preventive or remedial mechanism in line with the expectations of the OECD Guidelines on Human Rights and Labour Rights. Moreover, there is no explicit link between this benchmark and the audit grids used in the context of the supplier control system.

The prevention and remediation measures appear to be decorrelated with the real and potential known impacts of the sector (see below 5.5).

**6. As regards the control of its supply, the SHEIN Group publishes on its website its 'SHEIN Responsible Sourcing Policy' in version 4.0. It covers all of its tier 1 and tier 2 suppliers that produce the products of the SHEIN brand and its sub-brands<sup>32</sup>. Suppliers must ensure themselves that their suppliers and any subcontractors comply with the SRS standards.** This 'responsible sourcing policy' is structured mainly through a typology of two non-compliance and a supplier rating.

The Group's audit policy distinguishes between: the most severe breaches that lead to **the immediate breach of the contract of the supplier by SHEIN** ('ITVs' for 'Immediate Termination Violation'), which include ethics and transparency, corruption of an auditor, avoiding an audit, forced labour, child labour,

<sup>32</sup> See [SHEIN Responsible Sourcing Policy](#) – Version 4.0. "2Scope: This policy applies to Tier 1 and Tier 2 of products under the SHEIN brand and its sub-brands (collectively "SHEIN-branded products"). Tier 1 suppliers, also known as "contract manufacturers", are suppliers of finished SHEIN-branded products holding direct procurement contracts with SHEIN entities. Tier 2 suppliers include, without limitation, suppliers of textiles, packaging and other accessories for use by contract manufactures".



NON-OFFICIAL TRANSLATION

harassment or abuse of employees<sup>33</sup>, and breaches that require an **obligation to immediately remedy within 30 days by the supplier** ('IRVs' for 'Immediate Remediation Violation'), such as discrimination, preventing or interfering in the creation of a trade union, non-payment of the minimum wage, health and safety breaches or significant environmental pollution<sup>34</sup>. SHEIN indicates that the audited suppliers receive a final score at the end of the audit and that this score determines a grade letter (from A to E). SHEIN does not communicate on the audit grid nor on its methodology for rating the indicators and weighting scores of audits. In its Sustainability and Social Impact report for 2023, SHEIN reported a total of 3,990 audits, including 3,365 audits conducted on contract manufacturers (product's suppliers) and 625 audits carried out on textile suppliers, packaging suppliers, and subcontractors of SHEIN's finished goods suppliers. SHEIN indicates that these audits led to a breach of contract between SHEIN and the supplier in 5 cases.

However, the NCP observes a lack of clarity on the precise criteria, weighting and scoring arrangements for audits, which makes the supplier's assessment opaque to external parties and does not provide assurance on the effectiveness of compliance with the Guidelines. In the absence of transparency on the identification, prevention and treatment of non-compliances that are not part of violations leading to the immediate termination of the contract ('ITV') or to the immediate remediation of the situation ('IRV'), infringements such as excessive working hours could be identified without triggering appropriate due diligence and remediation measures. In addition, the Group's supply chain policy provides for **variable control arrangements for new suppliers** (ranging from a "full" audit to a remote verification of the sole ITV and IRV criteria) on the one hand, **but also for existing suppliers** (SRS audit and if needed a follow up audit), **without specifying the objective criteria justifying the choice of the type of audit**. SHEIN explains that the assessment of new suppliers can vary in form between a full on-site audit, an on-site inspection of only non-compliances leading to immediate termination of the contract and to immediate remediation of the situation ('ITV'/'IRV' categories), or a remote inspection for these ITV/IRV non-compliances. SHEIN specifies that existing suppliers are subject to a full on-site SRS audit once a year.

The data on the number of audits contained in SHEIN's Sustainability and Social Impact reports do not specify how much audits were carried out for new suppliers and for existing suppliers neither which types of audits were carried out (on-site audit, remote audit, audit of only ITV/RTV non-compliances or full-SRS audits). In its communication, SHEIN states that the ITV and IRV violations fell sharply between 2022 and 2023 to be close to 0% of the audits carried out.

This lack of a rigorous framework and the opacity of the auditing methodology limit the ability to assess the real effectiveness of SHEIN's system of social and environmental responsibility for its supply chain and fails to make it a responsible business conduct tool to manage risks.

→ The NCP notes that SHEIN has developed a governance policy of its supplies. As it stands, SHEIN's policy, normative texts, methodology, practice and communication do not yet correspond to the OECD's expectations on due diligence as set out in Chapter II of the Guidelines and the OECD Due Diligence Guidance for Responsible Business Conduct, on the one hand, and in Chapter IV on Human Rights, Chapter V on Employment and Industrial Relations, Chapter VI on the Environment and Chapter VII on Combating Corruption in All Its Forms, on the other.

<sup>33</sup> [SHEIN Responsible Sourcing Policy](#) – Version 4.0. § 3.4 Immediate Termination Violations (ITVs)

<sup>34</sup> [SHEIN Responsible Sourcing Policy](#) – Version 4.0. § 3.5 Immediate Remediation Violations (IRVs)



## 5.4. About the Respect for Human Rights, Social issues and Workers' Rights under Chapters IV and V

### ♦ Reminder of the OECD Guidelines:

#### Chapter IV, Articles 1 to 6:

*'Enterprises should*

- 1. Respect human rights, which means they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.*
- 2. Within the context of their own activities, avoid causing or contributing to adverse human rights impacts and address such impacts when they occur.*
- 3. Seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts.*
- 4. Have a publicly available policy commitment to respect human rights.*
- 5. Carry out human rights due diligence as appropriate to their size, the nature and context of operations and the severity of the risks of adverse human rights impacts.*
- 6. Provide for or co-operate through legitimate processes in the remediation of adverse human rights impacts where they identify that they have caused or contributed to these impacts.'*

*Chapter V, Article 1a: 'Enterprises should a) Respect the right of workers to establish or join trade unions and representative organisations of their own choosing, including by avoiding interfering with workers' choice to establish or join a trade union or representative organisation of their own choosing, d) Contribute to the elimination of all forms of forced or compulsory labour and take immediate and effective measures towards the elimination of forced or compulsory labour as a matter of urgency, e) Be guided throughout their operations by the principle of equality of opportunity and treatment in employment and not discriminate against their workers with respect to employment or occupation, f) Provide a safe and healthy working environment in line with the ILO Declaration on Fundamental Principles and Rights at Work.'*

### ♦ On the risks of human and labour rights violations in the textile and garment sector:

The textile and garment sector is identified by the OECD and the French NCP as a high-risk sector in terms of respect for human and labour rights<sup>35</sup>. These risks extend to all stages of the value chain, in particular in the manufacturing phase, characterised by massive subcontracting, significant pressure on costs and deadlines, and precarious working conditions. Frequently observed abuses include forced or concealed labour, child labour, excessive working hours, inadequate health and safety conditions, and limited access to remedies and means of expression for workers in case of violations of their rights. In China, where a substantial part of SHEIN's production is located, these risks are exacerbated by the legal and institutional framework<sup>36</sup>.

<sup>35</sup> OECD (2018), *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264290587-en>.

<sup>36</sup> China has not ratified several core ILO conventions (see paragraph 1).

NON-OFFICIAL TRANSLATION

♦ NCP's Analysis:

**SHEIN states that it has put in place mechanisms to supervise and monitor the practices of its Tier 1 and Tier 2 suppliers** (see 5.3 on Due Diligence), in particular with regard to human rights and labour law. This concerns the commitment of suppliers to comply with SHEIN's Supplier Code of Conduct and the use of audits, which can be carried out by external auditors, and are provided for in the Supplier Responsibility Policy and Standards. The [SHEIN Supplier's Undertakings of Code of Conduct](#) (SCoC) refers to certain ILO conventions and the Universal Declaration of Human Rights. The [Supplier Responsibility Standards](#) (SRS) in their August 2023 version also set out human and labour rights expectations (including the prohibition of child labour, forced labour, the use of apprentices). As explained above, the Group's audit policy distinguishes between two types of non-compliance: violations involving immediate breach of contract (ITVs), which include cases of forced labour and child labour, and violations involving immediate remediation (IRVs), such as non-payment of the minimum wage.

**However, the analysis of these arrangements reveals several structural limitations and a lack of clarity with regard to the expectations set by the OECD Guidelines. The NCP takes the example of several points in the Code of Conduct<sup>37</sup> and the Supplier Responsibility Standards (SHEIN SRS, version of August 2023)<sup>38</sup> which illustrate structural shortcomings in SHEIN's corporate policy on the protection of human rights and workers' rights:**

**1. On child labour**, the Code of Conduct (SCoC) expressly provides that employees of SHEIN suppliers must be over 16 years of age. Child labour is also an 'ITV' violation in audits, which implies an immediate breach of contract if a case of child labour is identified at a site during an audit. In addition, the Supplier Responsibility Standards (SRS) specifies that suppliers must not use child labour as defined in the ILO Conventions (i.e. 15 years), or at least the legal minimum required by domestic law (16 years in China), in line with the highest criterion. For the monitoring of the compliance regarding these criteria, the results made public by SHEIN in its Sustainability Report indicate that 2 cases of child labour were identified during audits in 2023. The report does not include data on the number of underage workers or on how to monitor the age of workers.

Regarding the fight against child labour, the NCP notes that SHEIN states in its 2023 report that SRS audits detected two cases of child labour in the supply chain. The report highlights that in accordance with SHEIN's responsible sourcing policy these suppliers were given 30 days to remedy these deficiencies. The report indicates that the remediation and prevention measures consisted of i) termination of child labour contracts, payment of wages due, medical checks and support for return to parents as needed and ii) on the other hand, to ensure that its suppliers strengthen their verification systems during recruitment, by monitoring and maintaining records of workers' identity documents<sup>39</sup>. As some of the audits are carried out remotely for the new suppliers (see above), it is likely that the overall risk of child labour may not be addressed.

**2. The use of student, trainee and apprentice workers** (section 1.2.3 of the SRS) is also addressed in the SHEIN standards. The SRS document stresses the need to protect trainee and apprentice workers "in accordance with local law". SHEIN reiterates that its sourcing policy provides for the voluntary engagement of workers and lists forms of work that are unacceptable and that constitute forced labor (prison labor, forced labor, payment of fees, confiscation of workers' identity documents, etc.) - see Articles 1.1 of the Responsibility Standards and Article 2 of the Code of Conduct. However, the NCP notes that the mere mention of compliance with local law is not a sufficient guarantee to incentivise suppliers to take measures that go beyond the framework of Chinese domestic law, but which, conversely and in the present case, may mask the tolerance of certain forms of forced labour of workers or detainees, for example in reference to risk of forced labour of Uyghur workers. However, this

<sup>37</sup> SHEIN Supplier's Undertakings of Code of Conduct - [Supplier Code of Conduct - SHEIN Group](#)

<sup>38</sup> SHEIN Supplier Responsibility Standards, August 2023 - [Supplier Responsibility Standards - SHEIN Group](#)

<sup>39</sup> SHEIN Sustainability and Social Impact report 2023 page 22

NON-OFFICIAL TRANSLATION

risk is not identified by SHEIN. As it stands, the effective prevention of forced labour cannot reasonably be established.

**3. On working time and weekly rest** (points 1.5.1 and 1.5.2 of the SRS), the Supplier Responsibility Standards document states that working time must not exceed 60 hours per week, and that workers must be entitled to at least one day of rest out of seven days worked. However, those provisions are systematically accompanied by a clause making it possible to go beyond 60 hours per week and 1 day of rest per week in 'emergency or unusual situations', without those situations being defined or regulated. The absence of objective criteria or of a justification procedure for such derogations may give way to extensive interpretations by both suppliers and auditors, and entails the risk of excessive working conditions being trivialized. It is likely to aggravate the tension in the relationship between the buyer and the supplier. Excessive working time is an aggravating factor of social and health risks for workers. When asked by the NCP on this matter, SHEIN did not provide any additional elements of answers. The Sustainability Report does not include data on overtime and emergency work. The NCP notes that there is a real risk of non-compliance with the OECD Guidelines.

**4. In terms of pay conditions** (point 1.6.1 of the SRS), SHEIN states that it requires the payment of the minimum wage set by law in the region or country where the supplier is located - see Articles 1.6.1 of the Responsibility Standards and 6 of the Code of Conduct. SHEIN states also that it 'encourages' its suppliers to pay wages above the statutory minimum and to ensure a decent standard of living for workers. However, no information is provided on how this incentive is characterised, nor on the criteria used to define or calculate this salary allowing for a decent standard of living in the different regions and countries involved in SHEIN's supplies. SHEIN specifies that its Sustainability and Social Impact report indicates the rate of occurrence of non-compliance with the payment of the local minimum wage<sup>40</sup>, that is included in violations leading to an immediate remediation (IRV). However, this report does not specify whether the objective of paying wages above legal minimums and paying decent wages is subject to verification during audits, to monitoring, to an evaluation system or incentives or binding measures. Thus, the mere mention of an incentive for suppliers to pay workers decently is not sufficient to guarantee its practical implementation, in accordance with the OECD Guidelines.

**5. On freedom of association and workers' right to collective bargaining** (point 1.7.1 of the SRS), the SRS seems to limit SHEIN's expectations to compliance with applicable domestic law. The SRS merely recommends "open communication between management and employees", without mentioning mechanisms to ensure effective forms of social dialogue among SHEIN providers. This risk of non-compliance is not identified by SHEIN in its Sustainability and Social Impact Report and it is likely that these issues may not be taken into account in supplier audits in China, thus biasing the performance identified in the Sustainability Report. This approach is insufficient in light of the OECD Guidelines, which reiterate that companies should comply with international standards, including when they go beyond domestic law, to the greatest extent possible. The NCP also notes the lack of remediation and compensation measures undertaken by the Group on this issue. As it stands, the absence of evidence showing that trade union freedom has been effectively taken into account raises real questions about SHEIN's ability to guarantee respect for the collective rights of workers, and to mitigate the risks of infringement in its supply chain.

**As it stands**, the standards set out in the SHEIN documentation have ambiguous formulations that severely limit their effectiveness and operability against the standards set out in the OECD Guidelines. These doubts about the effectiveness of the implementation of the standards published by SHEIN are reinforced by the lack of visibility noticed by the NCP on the precise criteria and methods for audit's rating (see 3), which makes the supplier's assessment opaque to external parties. No information is available on the weighting of the assessment criteria or on the tolerance threshold for non-compliant practices, apart from the violations classified as ITV and IRV (see 5.2). **Risks of adverse impacts on**

<sup>40</sup> SHEIN 2023 Sustainability and Social Impact Report: IRV non-compliance regarding the payment of wages below the local minimum wage and late payment was found in 2.3% of audits in 2022 and in 0.5% of SRS audits in 2023 (source: box on page 21).

NON-OFFICIAL TRANSLATION

human rights and working conditions are not clearly identified, so that SHEIN's responsible sourcing policy is not tailored to the risks, their prevention, mitigation and remediation, but remains mainly focused on the business expectations of the SHEIN business model's on-demand fashion. Furthermore, it is not possible to determine to what extent serious violations of human and labour rights under international standards, like the ILO or OECD Guidelines, such as forced labour, sexual harassment and excessive working hours, actually affect a supplier's final rating in the audits.

→ It follows from the information provided by SHEIN on the management of its supply chain that the Group does not comply with several recommendations from Chapters IV on human rights and V on employment and industrial relations.

## 5.5. About Environmental Risks covered in the Chapter VI

### ◆ Reminder of the Guidelines :

Article 1 of Chapter VI encourages enterprises to “*Establish and maintain a system of environmental management appropriate to the enterprise associated with the operations, products and services of the enterprise over their full life cycle, including by carrying out risk-based due diligence, as described in Chapter II, for adverse environmental impacts, including through:*

*a) identifying and assessing adverse environmental impacts associated with an enterprise's operations, products or services, including through collection and evaluation of adequate and timely information regarding the adverse impacts associated with their operations, products and services and where activities may have significant adverse environmental impacts, preparing an appropriate environmental impact assessment;*

*b) establishing and implementing measurable objectives, targets and strategies for addressing adverse environmental impacts associated with their operations, products and services and for improving environmental performance. Targets should be science-based, consistent with relevant national policies and international commitments, goals, and informed by best practice; (...).”*

### ◆ NCP's Analysis:

**1. The SHEIN Group integrates environmental elements into its sustainability policy and supply chain documents.** The *Supplier Responsibility Standards* (SRS) cover several topics such as energy management, greenhouse gas emission reduction, recycling, pollution prevention, and biodiversity protection. In addition, the Code of Conduct for suppliers, signed contractually, lays down in point 10 a general obligation to ‘minimise the environmental impact’ of the activities carried out. The 2023 Sustainability and Social Impact Report provides an overview of SHEIN's decarbonization strategy, the use of ‘responsible’ materials and the protection of biodiversity. The Group also issued a statement on animal welfare.

In addition, SHEIN has communicated several environmental commitments, including a target of a 25% reduction in its greenhouse gas emissions (scopes 1, 2 and 3) by 2030, taking 2023 as a benchmark. These carbon emission reduction commitments were made by SHEIN as part of the Science Based Transport Initiative<sup>41</sup>. SHEIN specifies that the details of the verification of its zero-carbon strategy and its medium to long-term reduction targets were shared with SBTi in May 2025. At the same time, the Group announces a target to increase the integration of recycled polyester, which accounted for 8% of the fibers used in 2023, to 31% by 2030. The Company also highlights the installation of solar panels at 31 production sites of its suppliers, as well as a nearshoring import strategy through the opening of a production center in Turkey to serve the European market more directly. SHEIN also states that it is sourcing from Brazil to supply the Latin American market. Finally, SHEIN recently extended to France

<sup>41</sup> [Our Impact - SHEIN Group](#) & [Target dashboard - Science Based Targets Initiative](#)

NON-OFFICIAL TRANSLATION

and the United Kingdom the access to platform to market its products among its customers, with the intention, according to the Company, to extend the life of marketed articles.

**2. The NCP notes the lack of a structured mapping of environmental risks generated by SHEIN's activity and its supply** in its public documents. SHEIN explains that its environmental policy covers the risks it considers the highest and specifies that the greenhouse gas emissions inventory revealed that SHEIN's carbon footprint is mainly due to emissions generated by its Scope 4 (transport and distribution) and by Scope 1 (purchase of goods and services) of its Scope 3. Therefore, its priority decarbonization actions are focused on emissions from these two categories. The NCP notes, however, that apart from some data on greenhouse gas emissions, the lack of environmental information and data prevents the identification of environmental risks outside greenhouse gas emissions and of high-impact activities arising from (i) SHEIN's direct activities (storage, delivery, marketing, etc.) as well as (ii) its supplies of raw materials (plastic, cardboard, polyester, cotton, viscose, etc.), (iii) their processing (dyeing, sealing), (iv) the manufacture of its products and (v) the end of life of the products. In the absence of risk identification, SHEIN does not propose remediation measures tailored to the real and potential impacts of the sector, in particular those identified by the OECD. As it stands, SHEIN's approach is mainly based on an overall quantification of greenhouse gas emissions, without a detailed risk mapping. The NCP also notes the very low mention of international environmental standards in SHEIN's documentation. The policy framework presented on its website therefore does not seem to be adapted to the real risks.

**3. In terms of decarbonization, the NCP notes that SHEIN's greenhouse gas emissions almost doubled between 2022 and 2023, which seems largely decorrelated with the decarbonization trajectory announced by the Group, which remains based on 2023 data.** SHEIN also highlighted its new policy of nearshoring import, with the opening of a production center in Turkey. However, in 2024, a very small share of SHEIN's global production would come from Turkey. Data on supplies from Brazil are non-existent. Finally, the actions put forward, such as the partial use of recycled polyester in manufacturing, or the installation of solar panels on suppliers' plants, **remain marginal in terms of production volume and associated international logistics flows.**

**4. Besides; the NCP notes the publication of the detailed assessment report of SHEIN's decarbonization trajectory, which was carried out by ParisGOODFashion** based on the Accelerate Climate Transition methodology<sup>42</sup>. This assessment shows that SHEIN receives a rating of 3.2E- and that, according to *ParisGOODFashion*, i) "the business model is incompatible with low-carbon requirements," which generates increased volumes and mass production, ii) "very limited environmental ambitions" particularly with regard to materials, products, and end-of-life, and iii) "a lack of transparency and management tools" (unofficial translation). **These findings are consistent with the NCP's analysis.**

→ As it stands, SHEIN's environmental initiatives are not appropriate to prevent, mitigate and remedy environmental risks related to its activities, products and services. Thus, beyond SHEIN's decarbonization commitments, the lack of detailed environmental risk mapping, covering all the company's activities, products and services and its supply, the lack of measurable targets aligned with scientific climate requirements and doubts about the effectiveness of SHEIN's initiatives in terms of its global environmental impacts, SHEIN does not meet the expectations of Chapter VI of the Guidelines. SHEIN does not comply with Chapter VI on the Environment of OECD Guidelines.

<sup>42</sup> [PGF Rapport EvaluationACT SHEIN vDEF 280525.pptx](#)



## 5.6. About Consumers Interests provided for in Chapter VIII

### ◆ Reminder of the Guidelines:

According to Chapter VIII of the Guidelines, companies should:

*"1. Ensure that the goods and services they provide meet all agreed or legally required standards for consumer health and safety, including those pertaining to health warnings and safety information, and do not pose an unreasonable risk to the health or safety of consumers in foreseeable use or foreseeable improper use or misuse. (Article 12, Chapter VIII)"*

*2. Provide accurate, verifiable and clear information that is sufficient to enable consumers to make informed decisions, including information on the prices and, where appropriate, content, safe use, environmental attributes, maintenance, storage, disposal of goods and services, and relevant ecommerce disclosures (...). (Article 2, Chapter VIII)*

*7. Co-operate fully with public authorities to prevent and combat abusive or deceptive marketing practices (including misleading advertising, and commercial fraud) and to diminish or prevent serious threats to public health and safety or to the environment deriving from the consumption, use or disposal of their goods and services". (Article 7, Chapter VIII)'.*

### ◆ NCP's Analysis:

The issue of respecting consumer interests was discussed during the proceedings. Claims about the health hazards of SHEIN's products to consumers are regularly highlighted by certain stakeholders. In addition to the investigations referred to in the referral, the NCP was informed of an investigation by the French Directorate-General for Competition, Consumer Affairs and Fraud Prevention (DGCCRF) concerning SHEIN. This investigation was not published (see below).

On 3 July 2025, the Ministry of the Economy, Finance, and Industrial and Digital Sovereignty announced that "An investigation by the Directorate-General for Competition, Consumer Affairs, and Fraud Control (DGCCRF) revealed that Infinite Style E-commerce LTD (ISEL)<sup>43</sup>, responsible for sales of SHEIN brand products, had engaged in misleading commercial practices toward consumers regarding the reality of the price reductions granted and the scope of commitments regarding environmental claims" and that "With the agreement of the Paris Public Prosecutor, and following a settlement procedure, a fine of €40 million was proposed to ISEL for misleading commercial practices, which it accepted. The DGCCRF remains vigilant regarding changes in the practices observed following these investigations"<sup>44</sup> (non-official translation) - see 5.1.

The NCP also notes that the European Commission has launched a proceeding to request information to SHEIN on this matter (see below).

**1. As regards health and safety,** SHEIN has published two documents: the list of substances prohibited to its suppliers<sup>45</sup> and the list of substances restricted by SHEIN<sup>46</sup>. SHEIN claimed to have doubled its checks, with 2 million tests allegedly carried out between 2023 and 2024. However, the results of the controls on these standards are not available.

<sup>43</sup> The company Infinite Style E-commerce LTD is seated in Dublin, Ireland.

<sup>44</sup> [Fast fashion : SHEIN sanctionné d'une amende de 40 millions d'euros à la suite d'une enquête de la DGCCRF](#)

<sup>45</sup> Manufacturing Restricted Substances List – MRSL <https://www.SHEINGroup.com/wp-content/uploads/2024/04/Manufacturing-Restricted-Substances-List%EF%BC%88MRSL%EF%BC%89.pdf>

<sup>46</sup> SHEIN RSL – Restricted Substances List [SHEIN-RSL-RESTRICTED-SUBSTANCES-LIST-B3.pdf](#)



NON-OFFICIAL TRANSLATION

The information provided by SHEIN to the NCP does not respond to the allegations of the referral on this issue.

**2. As regards consumer information,** SHEIN's information policy for its customers appears to be limited. It appears that the information provided at the time of the online purchase about the origin of products and their social and environmental impact is difficult to access. The provision of product traceability data is mandatory under French law according to Article 13 of Law No 2020-105 of 10 February 2020 on the fight against waste and the circular economy (the so-called AGECL Law), which includes transparency requirements on traceability, the presence of dangerous substances or reparability.

These data are presented on SHEIN website but in an unintuitive way, and in many cases, they are incomplete. This presentation does not allow, in practice, a clear identification of products geographical origin or their manufacturing conditions, contrary to the objective of transparency expected by the OECD Guidelines.

→ At this stage, SHEIN does not comply with Chapter VIII on consumer interests. Moreover, the DGCCRF noted misleading commercial practices towards consumers from a Group's entity that markets its products, particularly in France. The DGCCRF proposed a fine of 40 million euros, which that Company accepted. Besides, the European Commission launched recently a proceeding requesting information to SHEIN in relation with the DSA, which is ongoing. SHEIN publicly indicated its willingness to engage with public authorities in this context. The NCP will take note of the progress of the European Commission's investigation.

## 6. Recommendations of the French NCP in the present case

The NCP acknowledges that since the referral was received, **efforts** have been made by SHEIN to **formalise** a sustainability policy and communicate its initial results. SHEIN acknowledged that it had recently embarked on the sustainability path and that there was still a long way to go. However, the analysis carried out by the NCP shows that SHEIN does not comply with several recommendations of the OECD Guidelines. To facilitate the implementation of the Guidelines in the future, the NCP makes the following recommendations to the SHEIN Group:

### RECOMMENDATION 1: RESPONSIBLE BUSINESS CONDUCT

*In the preamble, the NCP emphasises that Responsible Business Conduct promoted by the OECD consist for the multinational enterprise to contribute to economic, environmental and social progress with a view to achieving sustainable development and to exercise its due diligence in preventing, ceasing, mitigating and remedying adverse impacts arising from all its activities and those of its business relationships throughout the supply chain (suppliers, subcontractors, service providers, interlocutors of public administrations, etc.) which may affect society, human rights, workers, consumers and the environment. SHEIN's business model of 'on-demand fashion' produced in opaque conditions and based on constant advertising on social networks and the media leads to consumption that generates significant societal and environmental pressures and risks from the extraction and processing of raw materials, to products manufacturing and the distribution and to the end of life of products.*

NON-OFFICIAL TRANSLATION

→ **The NCP therefore recommends that SHEIN modernise its business model and its corporate policy by incorporating:**

- i) The recommendations and proposals of the **French NCP in its 'Rana Plaza Report'** on Responsible Business Conduct in Global Textile and Clothing Supply Chains of 2 December 2013<sup>47</sup> - [French](#), [English](#), as set out **here below**;
- ii) **The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct**, version of 8 June 2023 - [French](#), [English](#), [Chinese](#)<sup>49</sup>
- iii) **The OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector**, OECD 2018 - [French](#), [English](#), [Chinese](#);
- iv) **OECD Handbook on Due Diligence to Promote Decent Incomes and Wages in Agricultural, Garment and Footwear Supply Chains**, 2024
- v) **OECD tools on responsible supply chains in the clothing and footwear sector**, including the e-learning module and the [Due Diligence Checker](#), available on the [OECD website](#).<sup>50</sup>

**RECOMMENDATION 2: CONCEPTS AND PRINCIPLES FOR OBEYING DOMESTIC LAW**

In accordance with Chapter I of the Guidelines on Concepts and Principles, the NCP recommends that SHEIN promote a "beyond the law" approach in the countries of manufacturing and marketing of its products and regarding the products end-of-life. This approach should be urgently integrated into the assessment of the social and environmental conditions of production of its products rather than structuring its supplier's compliance policy on strict compliance with domestic law in particular where domestic law contradicts the Guidelines (Recommendation I.2). The NCP also recommends that SHEIN ensure compliance with the regulations applicable in the European Union concerning the regulation of platforms under the European Digital Services Act<sup>51</sup> and the sale of illegal or counterfeit products and the toxicity of products under the REACH Regulation<sup>52</sup>. The NCP encourages SHEIN to prepare putting into practice the voluntary display of environmental cost<sup>53</sup> on its garment and footwear products that is planned in France. The NCP notes that this mechanism still needs to be validated by the State Council (Conseil d'Etat) and that it will enter into force just before or after summer 2025. The NCP notes that regulatory work is ongoing in France and the European Union on the taxation of small parcels and on fast-fashion / ultra-fast fashion, which could eventually concern SHEIN.

**RECOMMENDATION 3: DUE DILIGENCE OF THE ENTERPRISE**

In line with Chapter II on General Policies of the Guidelines, the NCP recommends that SHEIN prioritise a more ambitious approach to sustainability so that it is commensurate with the societal and environmental risks generated by its activities, products and services and by its business relationships. The NCP recommends that SHEIN **"carry out risk-based due diligence"**, for example by incorporating it into its risk management systems, to identify, prevent and mitigate actual and potential adverse

<sup>47</sup> For more information: [Rana Plaza Report: Responsible business conduct in global textile-clothing supply chains by the French NCP and Report \(EN\)](#)

<sup>48</sup> See Brochure on the recommendations of the French NCP: [French](#)

<sup>49</sup> [MNE Guidelines - Organisation for Economic Co-operation and Development](#)

<sup>50</sup> [Guidelines for MNEs - Organisation for Economic Co-operation and Development](#)

<sup>51</sup> Digital Services Act - survey launched by the European Commission on 31 October 2024 - [Le Monde](#)

<sup>52</sup> Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC.

<sup>53</sup> The environmental cost reflects all the impacts generated throughout the life cycle of a garment, from the production of its material to its end of life, through dyeing and making. It covers the carbon impact, but also the consumption of water, plant protection products, fossil resources and microfibre emissions. The methodology is based on the PEF (Product Environmental Footprint) method developed by the European Commission. It complements it on certain aspects in order to cover all environmental issues: microfibre emissions, garment exports outside Europe, durability of clothing. Source: [here](#)

NON-OFFICIAL TRANSLATION

impacts” and “account for how SHEIN addressed them (Recommendation I.11), **avoid causing or contribute to**, adverse impacts on matters covered by the Guidelines, through its own activities, and address such impacts when they occur, including through proving for or co-operating in the remediation of adverse impacts” (Recommendation I.12), seek to **prevent or mitigate** an adverse impact where it has not contributed to that impact, when the impact is nevertheless directly linked to its operations, products or services by a business relationship (Recommendation I.13) and, in addition to **addressing** adverse impacts in matters covered by the Guidelines, **encourage** where practicable, entities with which SHEIN has a business relationship to apply principles of responsible conduct compatible with the Guidelines (Recommendation I.14).

#### RECOMMENDATION 4: HUMAN RIGHTS AND DECENT WORK

In accordance with the Guidelines, the NCP recommends that SHEIN implement all the recommendations of Chapter IV on Human Rights and Chapter V on Employment and Industrial Relations, as well as the recommendations of the French NCP Report of 2 December 2023 following the Rana Plaza set out in the Annex here below. The NCP recommends that SHEIN strengthen its policies and tools to ensure effective respect for human rights and decent working conditions in its own activities and its supplies worldwide, with a specific focus on sector's systemic risks identified by the OECD<sup>54</sup>: working hours (which is an aggravating factor of risks in the sector), child and young adult labour, forced labour, sexual harassment, health and safety at work, freedom of association of workers, collective bargaining and pay. The NCP encourages SHEIN to review its purchasing practices and relationships with its suppliers to prevent, cease, mitigate and remedy these risks (see the French NCP Report<sup>55</sup>) and to ensure the payment of decent income and wages as advised by the OECD<sup>56</sup>. The NCP also encourages SHEIN to engage in constructive dialogue with workers' representative organisations, for example with international industry trade unions, in order to address the lack of social dialogue in many of the factories that manufacture its products and produce raw materials in China. Finally, it calls on SHEIN to take inspiration from health and safety standards in the textile and garment industry set out in the International Agreement ([Home-International Accord](#))<sup>57</sup>.

#### RECOMMENDATION 5: ENVIRONMENT

The NCP recommends that SHEIN implement all the recommendations of Chapter VI of the Guidelines on the Environment. The NCP recommends that SHEIN substantially enrich its environmental policy, and “establish and maintain a system of environmental management appropriate to the enterprise associated with its operations, products or services over their full life cycle, including by carrying out risk-based due diligence (Recommendation VI.1abcde), “continually seek to improve environmental performance, at the level of the enterprise and, where appropriate, entities with which SHEIN have a business relationship (Recommendation VI.5abc) and maintain contingency plans for preventing, mitigating and controlling serious environmental and health damage resulting from its activities, including accidents and emergencies; and mechanism for immediate reporting to competent authorities (recommendation VI.4).

#### RECOMMENDATION 6: DISCLOSURE

The NCP recommends that SHEIN enrich its public communication. The NCP recommends that it disclose **financial information** on (i) its financial and operating results, (ii) its objectives and sustainability-related information, (iii) its capital structure, group structure and control arrangements, (iv) its significant holdings, including beneficial owners, and details of voting rights, (v) information on the composition of its boards of directors and their members, (vi) foreseeable risk factors and (vii)

<sup>54</sup> See Sectoral Risk Modules of the OECD Due Diligence Guidance for Responsible Supply Chains in the Clothing and Footwear Sector, OECD 2018.

<sup>55</sup> Rana Plaza report from the French NCP: Responsible business conduct in global textile-clothing supply chains, 2 December 2013<sup>55</sup> - [French](#), [English](#).

<sup>56</sup> [OECD Handbook on Living Income and Living Wage Due Diligence](#)

<sup>57</sup> [Home - International Accord – Working with brands, factories, and workers for a safer textile and garment industry](#)

### NON-OFFICIAL TRANSLATION

corporate governance structures and policies (recommendation III.2). The NCP also recommends that it expand its reporting on **responsible business conduct**, in particular as part of its responsibility to implement due diligence by publishing **non-financial information** on (i) the measures adopted to integrate RBC into the management and supervisory bodies of the Group's companies, (ii) the areas identified by the company as having significant impacts or presenting significant risks, the negative impacts or risks identified, prioritised and assessed, as well as the criteria for prioritisation, (iii) internal audit, risk management and law enforcement arrangements, (iv) relations with workers and other stakeholders and any additional information in line with the recommendations on disclosure of information on responsible business conduct, as set out in Chapters IV and VI (Recommendation III.3).

### RECOMMENDATION 7: CONSUMER INTEREST

The NCP recommends that SHEIN strengthen its policy by integrating all the Recommendations of Chapter VIII on consumer interests. It recommends in particular « Ensure that the goods and services they provide meet all agreed or legally required standards for consumer health and safety, including those pertaining to health warnings and safety information, and do not pose an unreasonable risk to the health or safety of consumers in foreseeable use or foreseeable improper use or misuse » (Recommendation VIII.1), “Provide accurate, verifiable and clear information that is sufficient to enable consumers to make informed decisions, including information on the prices and, where appropriate, content, safe use, environmental attributes, maintenance, storage, disposal of goods and services, and relevant ecommerce disclosures » (Recommendation VIII.2), “Provide consumers with access to fair, easy to use, timely and effective non-judicial dispute resolution and redress mechanisms, without unnecessary cost or burden” (Recommendation VIII.3), “Not make representations or omissions, nor engage in any other practices that are deceptive, misleading, fraudulent unfair or that otherwise subvert consumer choice in ways that harm consumers or competition” (Recommendation VIII.4) and “Protect consumer privacy by ensuring that enterprise practices relating to the collection and use of consumer data are lawful, transparent and fair, enable consumer participation and choice and take all reasonable measures to ensure the security of personal data that they collect, store, process or disseminate” (Recommendation VIII.6).

**RECOMMENDATION 8:** The NCP recommends that SHEIN implement the French NCP recommendations in its Report on responsible supply chains in the textile-clothing sector. This is a set of ten recommendations and five proposals for multinational companies.

Indeed, in order to ensure compliance with the Guidelines, the French NCP proposes a set of measures which are to be regarded as necessary and sufficient, and a number of proposals based on best practices which may serve as examples. The NCP also addresses observations to public authorities in the third part of this Report.

### TEN RECOMMENDATIONS FOR MULTINATIONAL ENTERPRISES

To help enterprises to implement the Guidelines, the NCP makes the following 10 recommendations:

*Recommendation 1: Formalize ethical commitments and compliance with OECD and ILO international standards*

*Recommendation 2: Map the supply chain and identify risks*

*Recommendation 3: Implement risk management systems to prevent adverse impacts from arising*

*Recommendation 4: Control subcontracting in order to minimise risks*

*Recommendation 5: Promote sustainable and balanced business relationship between the customer and supplier*

*Recommendation 6: Tighten the social, environmental and safety aspects of audits*



**NON-OFFICIAL TRANSLATION**

*Recommendation 7: Consult local stakeholders and encourage dialogue*

*Recommendation 8: Ensure respect for workers' rights established by the ILO*

*Recommendation 9: Ensure that suppliers pay adequate wages to satisfy the basic needs of workers and their families*

*Recommendation 10: Participation with all stakeholders in compensation and reparation for damage where a direct link is established*

**FIVE PROPOSALS FOR MULTINATIONAL ENTERPRISES**

In addition to the raft of measures recommended above, the NCP makes a number of proposals that enterprises might apply in their business relations in the textile and clothing sector supply chain.

*Proposal 1: Engage in joint improvement and monitoring activities with suppliers*

*Proposal 2: Join in multi-stakeholder initiatives such as accession to an international framework agreement for the textile and clothing sector*

*Proposal 3: Publish reliable and comparable information on due diligence measures, including information on social and environmental risk management systems*

*Proposal 4: Train and assess buyers in the implications of ethical and sustainable supply*

*Proposal 5: Raise consumer awareness of the conditions in which textile products are manufactured*

## **7. Follow Up of the Specific Instance**

In accordance with its Bylaws, the NCP will monitor this Specific Instance. It invites the parties to provide it with follow-up information within 6 and 12 months.

The NCP remains at the disposal of the parties.

The results of the monitoring procedure may be made public.

\*\*\*

**With this Final Statement, the NCP closes the Specific Instance.**