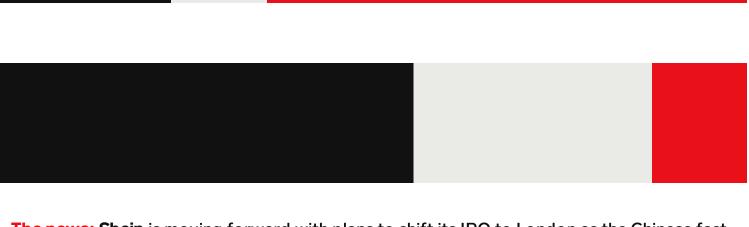
Shein's US charm offensive falls flat

Article



The news: Shein is moving forward with plans to shift its IPO to London as the Chinese fast-fashion giant struggles to win over US lawmakers and industry trade groups.

 The company could file to go public on the London Stock Exchange as early as this month, sources told Reuters.

How we got here: Shein's US IPO seems likely to be a casualty of simmering geopolitical tensions between China and the US, even as the company tries to downplay its ties with the former and head off scrutiny into its supply chain.





- Shein is increasing its efforts to ensure compliance with US forced labor laws, according to The Information. That includes growing both its in-house compliance team and its spending with supply chain vetting firms by 50% by 2026, as well as pushing US-based managers to report potential issues as they arise without fear of retribution.
- The company has also repeatedly sought to become a member of the National Retail Federation (NRF) to boost its standing in Washington—although the group has so far rebuffed its advances.

The difficult road ahead: While Shein's <u>appeal to shoppers</u> is unabated, that may not be enough to convince US lawmakers, who have shown that they are willing to take a hard line on companies with ties to China regardless of how popular those companies are with consumers.

• The difficult regulatory landscape is driving competitor **Temu** to <u>limit its reliance on the US</u>—a strategy that Shein may be forced to adopt should its charm offensive continue to fall on deaf ears.