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ATTORNEY GENERAL SKRMETTI SOUNDS ALARM ON SHEIN BUSINESS PRACTICES

Nashville - Tennessee Attorney General Jonathan Skrmetti and 15 other state attorneys general sounded the alarm on the China-founded, fast-fashion retailer SHEIN's business practices – which include reports of forced labor – and their potential Initial Public Offering (IPO) launch later this year.

In a letter sent Thursday to Securities and Exchange Commission Chair Gary Gensler, the attorneys general urge the SEC to require any foreign-owned company to certify via a truly independent process that it is compliant with Section 307 of the Tariff Act of 1930, which prohibits the import of any product manufactured wholly or in part by forced labor as a condition of being listed on a U.S. based securities exchange.

The attorneys general point out that SHEIN has been credibly accused of exploiting forced labor and violating the *Uyghur Forced Labor Prevention Act* (UFLPA). Testing done by Bloomberg News last year found significant scientific evidence that cotton produced in the Xinjiang Autonomous Region was present in clothing sold by the company.

"American exchanges should have a zero-tolerance policy for foreign companies that seek access to our markets but refuse to follow our laws, especially when the implicated laws are meant to prevent serious human rights abuses," the attorneys general wrote. "We believe in upholding the rule of law and protecting our economy. Lip service is not enough; in this case, the U.S. Securities and Exchange Commission must 'trust, but verify' that every such company is complying before it receives the privilege of being listed on an American securities exchange."

Attorneys general from Alaska, Arkansas, Georgia, Idaho, Iowa, Louisiana, Mississippi, Missouri, Nebraska, North Dakota, Oklahoma, South Carolina, Utah, and Virginia also signed onto the letter led by Montana Attorney General Austin Knudsen.

You can read the letter here.

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