

Briefing

Why SHEIN is problematic: The human rights implications of its UK float



The ultra-fast fashion brand SHEIN is set to become the standard for e-retail fast fashion, as it prepares to float on the London Stock Exchange. This briefing covers why SHEIN becoming a publicly traded company is a tipping point for the direction of fast fashion and how this is highly problematic for people and the planet.

Why is SHEIN problematic in terms of human and worker rights?

SHEIN's success is premised on making fashion faster and more disposable in nature. With 6000 new styles a day, and TikTok hauls as its main marketing strategy, SHEIN is a company driven by over-consumption. This can only be bad for people and planet.

SHEIN was named the world's largest apparel retailer in 2023, overtaking Zara for the first time, according to GlobalData

But this isn't just 'Zara but faster'. The business model behind SHEIN is something new. It is an ultra-fast fashion model that is revolutionising fashion supply chains for the worse. It is deeply rooted in unfair purchasing practices with the added red flag of AI control. It cuts out vital layers of accountability and throws all liability back on the unnamed and untraceable suppliers. But there's more.

Worker rights in SHEIN's supply chains are hidden and concerning. Public Eye published research in March this year that found workers making SHEIN clothes on 75-hour weeks. Cotton from Xinjiang linked to Uyghur Forced Labour has been linked to their supply chain. SHEIN places all the responsibility for this back on suppliers, distancing itself from monitoring and human rights responsibility. Meanwhile its opaque supplier network and dispersed company structure make holding anyone to account near impossible.



How is SHEIN different from other fast fashion companies?

SHEIN may seem like one big fashion company to its customers, but it is in fact a website and a group of shell companies, finance companies and conglomerates based in different countries around the world. One [law suit in the USA](#) called SHEIN "a Byzantine shell game of a corporate structure".

SHEIN made \$32 billion in revenue in 2023. It was valued at \$66 billion in 2023. It has an estimated 88.8 million active shoppers globally.

SHEIN mostly sees itself as a tech company, marketing clothing, rather than a company producing goods. Its app gathers and analyses customer data and uses that knowledge to make new designs, often via AI. With its responsive sourcing base, it can make and ship designs within as little as three days.

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SHEIN is able to place small batch orders of 100 items or fewer, producing many styles, then work out through sales and social media monitoring which items to upscale. Suppliers receive orders on their phones and make and ship them directly, in a scrappy but very responsive system. If styles are a success, SHEIN can ramp up production.

SHEIN is more nimble than Zara or Boohoo, who reportedly are ordering more like 300 – 500 units of each style. And unlike Zara or Boohoo, SHEIN is vertically integrated. This means suppliers do the warehousing of clothes and the shipping of the items to the customer. This makes a massive saving for SHEIN on logistics and storage in retail countries, making clothes once again cheaper.

Liability on the supplier, profits for SHEIN

SHEIN's outsourcing model means smaller orders placed more frequently with supplier factories, but also less predictability of work and more fierce competition between factories driving down prices. This will inevitably result in worse conditions for workers, as it leads to cost cutting on wages, and more boom and bust in supplier factories, with all the liability being held at the bottom of supply chains, while SHEIN extracts all the profit.

75-hour weeks, forced labour reported

Reports of exploitation in SHEIN suppliers have resulted in a thread of exposés around alleged forced labour, Uyghur-produced cotton, dangerous chemicals and a cavalier approach to design appropriation.

SHEIN does not publish a supplier list, and works with an opaque supplier network of small scale producers, providing no information on sourcing or working conditions.

The Swiss NGO Public Eye traced SHEIN products in 2021, and found workers in Guangzhou China doing 12 hours days with one day off a month. They went back in 2023 to check if SHEIN's statements about investment in ethics, standards and auditing had changed anything, and found the same – that workers said they were doing 75-hour weeks, with no breaks, 6 or 7 days a week. Workers were earning a liveable wage, but only over incredibly long shifts on piece-rates.

One worker said: “I work every day from 8 in the morning to 10.30 at night and take one day off each month. I can't afford any more days off because it costs too much.”

Due to the opacity of SHEIN's supply chain, and their lack of sustainability process, rumours of Uyghur forced labour being used to make SHEIN clothes have circulated for many years. Laboratory tests recently ordered by Bloomberg found that some of Shein's cotton was sourced from the Uyghur Region. It is unclear if Chinese suppliers are sufficiently monitored to ensure forced labour is not used in other parts of their supplier base.



Image: Public Eye

Overconsumption and environmental harm

Shein's business model relies heavily on overconsumption. This means more, cheap low-quality clothing being sold successively year on year. SHEIN is promoting throw away fashion, which is going to landfill or being shipped to Global South regions, as part of waste colonialism.

According to Stand.Earth, SHEIN emits more pollution than the entire country of Paraguay.

Polyester and other fossil fuel fabrics play a huge part of SHEIN's product. Most SHEIN clothes are made from synthetic fabrics that release microplastics into the oceans. The production of polyester textiles emits billions of kilos of greenhouse gasses each year. Environmental advocacy group Stand.earth made a calculation of SHEIN's carbon emissions and found that the company had increased emissions by more than 50% in 2023, and now emits more as a whole than the country of Paraguay.

Defining the price of clothing

Consumers' understanding of the value of clothing is already incredibly skewed by downward price pressure from fashion brands, promoting aggressively low wage policies in global south production countries. With SHEIN dominating the market this will only increase, as their model cuts out costs for design and logistics, and creates a new level of ultra-fast fashion price points.

SHEIN clothes have an average price tag of between £6.50 and £25

In the long run, aggressively cheap prices undermine progress for fashion as a whole, as consumers become complacent about the real value of craft and skill involved in the making of clothes, and expect all fashion brands to match the kind of price point offered by SHEIN.



Tax, what tax?

Much of SHEIN's business passes under the tax radar, meaning they save huge sums and fail to support the economies they operate in. For example, in the US, SHEIN has managed to circumvent paying both export and import taxes on its products. As packages are shipped from a supplier to a consumer, and are largely worth less than \$800 they remain duty free. China has also waived export taxes for direct-to-consumer companies since 2018. Similar arrangements exist in some European countries.

SHEIN and the city of London

At a time when governments around the world are acknowledging that more needs to be done to regulate supply chains and companies, the city of London is acting as an outlier, welcoming SHEIN with open arms despite ethical and environmental consequences. While SHEIN is by no means the only brand to be embroiled in controversy around cheap labour, exploitation and environmental damage of fashion, the model that this company promotes needs to be curtailed rather than rewarded. The city's approach to SHEIN needs to be based on tough questions, transparency requirements, and human rights due diligence, not impunity and free money. The UK is once again ready to be an outlier for all the wrong reasons.

The direction for fashion e-retail needs to change

Industry sources say the SHEIN float will wipe out e-retail competitors such as ASOS and Boohoo, leading to a dominance in the market for SHEIN's approach to sourcing. SHEIN's dominance is set to become the benchmark for a new model of fast fashion company – faster, more data driven, more detached from its supply base, opaque, producing throw away fashion. This is bad news for people working in fashion supply chains around the world, and for an industry that desperately needs to adapt its reliance on synthetic fabrics, and work towards clothing consumption within planetary boundaries.



Labour Behind the Label campaigns for garment workers' rights worldwide. We support garment workers' efforts to improve their working conditions and change the fashion industry for the better. We raise awareness, provide information and promote international solidarity between workers and consumers. We represent the Clean Clothes Campaign in the UK.

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