

SPECIFIC INSTANCE

" Shein "

February 27, 2025

Interim statement from the French National Contact Point

The French National Contact Point (NCP) for the implementation of the OECD Guidelines for Multinational Enterprises was referred on 20 June 2023 by two French MPs, Mr Potier and Mr Vallaud, to a specific instance concerning the activities in France of the multinational company Shein (an integrated global marketplace offering a range of fashion and lifestyle products) headquartered in Singapore. The referral raises several questions about the implementation of the Guidelines by Shein in the manufacturing, supply chain and transport of the products it markets in France.

Article 31 of the Rules of Procedure provides that " the NCP shall endeavour to examine the issues raised as expeditiously as possible, and if possible within 12 months of receipt of the request relating to a specific instance, provided, however, that this period may be extended if circumstances so require (...) ". Article 36 of the NCP Rules of Procedure provides that " the NCP reserves the right to communicate during the examination of the procedure, subject to confidentiality obligations".

The NCP has decided to issue an interim statement to report on the progress of the procedure. It will publish its final decision at the end of the procedure.

1. Procedure followed by the PCN according to its internal regulations

The procedure for referral to the NCP is confidential.

1.1. Summary of the initial assessment phase of the referral

The PCN acknowledged receipt of the referral on June 21, 2023 and decided to accept it on July 20, 2023.

The French NCP adopted an initial assessment statement on 18 October 2023 ¹, announcing the acceptance of the specific instance. The initial assessment phase then ended.

1.2. Actions taken at the stage of the procedure in the good offices phase

The press release of October 18, 2023 states that "in accordance with its rules of procedure, the NCP has decided to offer its good offices to the parties. It hopes that its offer of dialogue will be accepted and that it will thus be able to contribute to the resolution of the issues raised by the referral."

The NCP began its good offices with separate hearings of the parties in October 2023.

In its press release of October 18, 2023, the NCP specified that " the NCP may seek the opinion of competent authorities, including in particular the ILO, the OECD or French players in the textile, clothing and leather sectors."

Article 27 of the NCP's Rules of Procedure provides that "if the issues raised warrant further consideration, the NCP shall offer its good offices to assist the parties involved in resolving them. In the course of its good offices and the examination of the specific instance, the NCP shall consult with those parties and, depending on the

¹ SHEIN Specific instance in France.pdf

[cases under consideration], the NCP (...) shall seek the advice of competent authorities and/or representatives of the business community, organizations representing workers, other non-governmental organizations and experts."

In this context, the NCP heard on February 27, 2024, as experts, representatives of the fashion and luxury sector, Mr. Rivoallan, President of the French Federation of Women's Ready-to-Wear, and Ms. Gérardin, General Delegate of the Strategic Contract for the Fashion and Luxury Sector.

At the request of the NCP, Shein forwarded elements of a response to the NCP, without agreeing to forward them to the complainants. After a thorough review of the referral, the NCP engaged in discussions with the complainants and Shein to agree on and organize a mediation meeting. An agreement was reached to hold this meeting on February 17, 2025. With this in mind, the complainants signed a confidentiality agreement on February 29, 2024. Ms. Faure, as an expert for Mr. Potier and Mr. Vallaud, assisted the complainants and also signed a confidentiality agreement on February 10, 2025.

The mediation meeting took place in the presence of the complainants and Shein on February 17, 2025 at the Ministry of Economy and Finance.

2. Coordination of PCNs

The secretariat of the French NCP regularly informs the Belgian NCP, which has received a comparable specific instance, of the progress of the procedure.

3. Intermediate conclusion

The NCP thanks the parties for their participation in the proceedings. It welcomes the dialogue and mediation meeting between SHEIN Group and the complainants. It considers that this dialogue, which resulted directly from its good offices, constituted an important step in the proceedings.

The NCP's Rules of Procedure provide that " the NCP shall endeavour to consider the issues raised as expeditiously as possible, and if possible within 12 months of receipt of the request relating to a specific instance, provided, however, that this period may be extended if circumstances so require, for example, if the issue is raised in a country that has not adhered to the Guidelines or in the case of parallel proceedings" (art. 31). At its meeting of 27 February 2025, The PCN has decided to move to the conclusion phase of the procedure to prepare its final decision.

At its meeting on 27 February 2025, the NCP also adopted the draft interim statement. The NCP informed the parties of these decisions.

The draft interim statement was subject to consultations with the complainants and Shein in order to gather their observations. The Belgian NCP was kept informed of these discussions.

The NCP is continuing its work in this specific instance. It is entering the phase of concluding the referral. It will continue its discussions with the parties and coordination with the Belgian NCP. In accordance with its rules of procedure and the Procedural Guidelines established by the OECD, it will publish a press release or report at the end of the procedure, in which it will address the substance of the points submitted to it.

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