

SHEIN

MEMORANDUM

To: Sky Xu Yangtian, Private, CEO

From: The Media Team

Date: November 6, 2024

<https://www.sheingroup.com/>

Subject: Being the CCO: Briefing Report and Media Reaction #4

SUMMARY OF PRIOR RECOMMENDATION

We recommend building relationships with shareholders to keep the market better informed as SHEIN approaches a potential initial public offering. SHEIN must also continue to act philanthropically with organizations to build trust, but must maintain an open dialogue with the press.

REACTIONS TO OUR OUTREACH

- SHEIN's public forms are still silent about IPO debut potential.
- SHEIN's public forms also remain silent about increasing success in European markets, despite its potential to sway opinion on a London-based IPO.
- SHEIN role in the fashion space grows, with frequent strategic partnerships and collaborations to build trust and confidence in stakeholders and potential shareholders.

MEDIA REACTION

The Children's Place announces launch of storefront on SHEIN

- [PR Newswire](#) reports a new partnership between SHEIN and The Children's Place (Nasdaq: PLCE).
- The collaboration brings The Children's Place's apparel to SHEIN's website to be sold on SHEIN's platforms.
- Emphasis on delivering children's clothes to parents quickly and easily through SHEIN's rapid business and production model.

SHEIN launches the SHEIN X Coolman collection

- [SHEIN newsroom](#) reports new SHEIN X initiative partnership with animator and artist Danny Casale, better known as Coolman Coffeedan.
- Newsroom coverage reiterates that the collection will be manufactured via 'ultra small' batches and evaluated in real time to dictate restocking and production needs.

- The SHEIN X initiative allows for independent designers and artists to work with SHEIN to produce apparel with their designs, offering access to supply chain resources, profit-sharing, ownership of designs and exposure.
- SHEIN notes that the company has invested a total of \$105 million until 2028.

ANALYSIS OF RECENT COVERAGE

- [Financial Times Article](#): The House of Commons and a cross-party group of members of parliament in London are finalizing plans of inquiry into SHEIN's employee rights in the workplace ahead of the London IPO. Members including Labour MP Liam Byrne are seeking to speak to the leaders of various fast-fashion organizations, including SHEIN, as the government's employee rights bill is nearing its report stage in parliament. This inquiry will see if the new legislation protects employee rights with both UK organizations and organizations that work in the UK. "But Labour frontbenchers have sounded positive about the prospect of a UK Shein IPO and have had meetings with Tang."
- ["Say No to SHEIN"](#) Campaign: Ahead SHEIN's IPO in London, activists started a campaign urging the new Labour party in London to block the IPO due to its worker's rights abuses, negative environmental impact, and tax avoidance. The campaign also urges that listing SHEIN will not come with all of the prospective financial advancements it seems to due to its internal and external issues.
- [Reuter's Article](#): Sales by Shein's Ireland-registered entity Infinite Styles Ecommerce Co grew 68% in 2023, according to annual results published on Monday.
 - Sales of Shein's Europe entity hit 7.684 billion euros in 2023
 - Profit after tax more than doubles to 99.5 million euros
 - Fast-fashion retailer plans to go public with London IPO

IMPACT

- While the "Say No to SHEIN" campaign draws negative attention towards the company and can hurt its potential of landing its IPO in London, the support of the Labour Party as it switches gears on legislation provides a positive outlook for us. The impact of the inquiry from the members of parliament depends on the outcome of the inquiry. Additionally, our growth in sales provides a positive financial aspect that will better our chances of landing the IPO, so long as our human rights, environmental impact, and tax avoidance allegations are proved incorrect. This is why it is crucial that we proceed with our previous recommended actions.

RECOMMENDED PUBLIC ACTIONS

- As the CEO, it is imperative that the company has a strong-presenting leader that speaks to the masses. We suggest appointing the executive chair, Donald Tang, to act as the "face" of SHEIN, where he can continue to address the media and cultivate a familiar

face for consumers to correlate with the brand. Considering your need to keep an extremely low profile, we highly suggest having a “stand-in” to act as the spokesperson who directly engages with shareholders and employees alike.

- In addition to this, maintaining an overall transparent public communication strategy is key to an important step we must take as a brand. By regularly updating our investors and the public at large on what business strategies and ethical initiatives we intend to roll out, we can strengthen the once-disconnected relationship we have with the general public.

MORE RECOMMENDED MANAGEMENT ACTIONS

- Continuing to strengthen company CSR is crucial to the success of SHEIN. By launching a labeled campaign “SHEIN X”, we show support for the collaboration of small, independent designers, rather than relying on mass-produced fashion. In order to prioritize CSR within this endeavor, we suggest highly publicizing this campaign through advertising and influencer marketing.