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Members of Parliament Warn Against Weakening UK Listing Rules Amid Shein Human Rights Concerns

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– Categories: *Human Rights*



A cross-party group of Members of Parliament (MPs) is urging the UK government and financial regulators to uphold strict listing standards, warning against allowing fast-fashion giant Shein to float on the London Stock Exchange without full scrutiny over its human rights record.

Concerns are mounting in Westminster as MPs call on the Financial Conduct Authority (FCA) and London Stock Exchange (LSE) not to weaken the UK's listing rules to accommodate a potential Initial Public Offering (IPO) by Shein. The Singapore-headquartered fast-fashion retailer, originally founded in China, has faced longstanding allegations of labour abuses, including forced labour linked to suppliers in the Xinjiang region.

Liam Byrne, Chair of the Commons Business and Trade Committee, has led calls for greater transparency. He argues that lowering the bar for Shein's listing would not only tarnish the UK's international reputation but also risk the integrity of its financial markets. The concern is that relaxing standards for a company accused of ethical failings would send the wrong message at a time when confidence in London's markets needs to be rebuilt.

Shein has made efforts to clean up its image, conducting millions of supply chain audits, yet serious questions remain. Reports in recent years have uncovered the use of underage workers and exploitative labour conditions within its network of suppliers. Despite Shein's rebuttals, MPs, including Caroline Russell, have said these actions do not go far enough and that credible third-party verification is needed before a public listing can be approved.

At a time when the UK IPO market is at a 30-year low, there is pressure to make London more attractive to global firms. However, from a centre-right viewpoint, economic growth cannot come at the cost of ethical compromise. Market credibility depends on upholding rigorous standards, particularly when issues of human rights are at stake. Watering

down these rules for short-term gain risks long-term reputational damage.

MPs have written to the FCA demanding firm reassurances that Shein, and any similar firm, would be subject to thorough due diligence and would need to demonstrate verifiable compliance with UK standards on labour and corporate responsibility. The letter urges regulators not to allow companies with questionable practices to bypass scrutiny in the name of market competitiveness.

The Shein case is now seen as a litmus test for the UK's stance on ethical capitalism. Whether the government prioritises values or opts for financial expediency will speak volumes about the direction of Britain's post-Brexit regulatory future.