zalando

Risk Report
Digital Services Act 2026

In line with Art. 34, 35, Recitals 79-90 DSA

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1 Introduction

The Digital Services Act (DSA) is a piece of European Union legislation[1] which aims to regulate online intermediaries and online platforms such as marketplaces, social networks, content-sharing platforms, app stores or accommodation platforms, among many others. Its main goal is to prevent illegal and harmful activities and the spread of disinformation online, thereby creating a more trustworthy online environment. All online intermediaries falling in the scope of the DSA and offering their services in the EU, whether they are established in the EU or outside, have to comply with these rules. The DSA also establishes a category of "Very Large Online Platform" (VLOP) and “Very Large Online Search Engines” (VLOSE), which are subject to additional rules, including the obligation to conduct specific DSA-related risk assessments. Zalando was designated by the European Commission as a Very Large Online Platform on 25 April 2023.

Zalando operates a hybrid business model focusing on fashion and lifestyle products which comprises a retail business complemented by a partner business. In its retail business, Zalando offers its own content and products. Therefore, this segment of Zalando's operations does not fall under the DSA regulation. Zalando's partner business involves facilitating the highly curated sale of products provided by selected third-party partners. This includes making available product information, such as images and descriptions, which are partly provided by these partners. Due to our partner business, the European Commission views Zalando as subject to the requirements of the DSA. Zalando has challenged the EU Commission's formal designation decision, with the appeal currently pending before the Court of Justice of the European Union (Case C-724/25 P). We continue to contest the VLOP classification, among other reasons, because our partner business operates as a closed, highly curated ecosystem where partners cannot publish content directly to our customers. Because Zalando retains full control over the product presentation and actively decides which pre-reviewed content goes live, the service does not host information “at the request” of a user, meaning it does not qualify as a hosting service or online platform under the DSA. Due to this strict curation, our risk exposure to the systemic risks typically associated with VLOPs, specifically open (very large) online marketplaces, is inherently minimized.

To comply with Art. 34 of the DSA (Risk Assessment), Zalando identifies, analyses and assesses any systemic risks in the European Union stemming from the design or functioning of its service and its related systems, including algorithmic systems, or from the use made of its services. Such an assessment needs to be conducted both on an annual basis and before deploying new functionalities likely to have a critical impact on the risks mentioned below. Therefore, this 2026 assessment addresses potential DSA-relevant risks arising from or influenced by the services offered as part of Zalando’s business model, to ensure compliance with the DSA and to mitigate potential harms to consumers. The period considered in this assessment is August 2025 to July 2026.

[1]The Digital Services Act: Regulation (EU) 2022/2065 of the European Parliament and of the Council L of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC.

2 Approach

To comply with the DSA requirements relevant to VLOPs under Art. 34 and 35 of the DSA, Zalando has to diligently identify, analyse and assess any systemic risks in the European Union arising from the design or functioning of its service.

2.1 DSA legal requirements for conducting Annual Risk Assessments

Article 34 of the DSA specifically states that "*VLOPs shall diligently identify, analyse and assess any systemic risks in the Union stemming from the design or functioning of their service and its related systems, including algorithmic systems, or from the use made of their services. They shall carry out the risk assessments [...] at least* ***once every year*** *thereafter* [...]. *This risk assessment shall be* ***specific to their services*** *and proportionate to the systemic risks, taking into consideration their severity and probability."*

The DSA includes in its scope numerous VLOPs or VLOSEs with various business models and different risk profiles, and consequently does not further specify any method for identifying or assessing risks or for preparing corresponding risk assessment reports.

The risk assessment shall cover the four systemic risk categories defined by the DSA and shall consider in particular whether and how the risk factors defined by the DSA affect any of the systemic risks.

The systemic risk categories defined by the DSA which need to be assessed by Zalando, as a result of its designation as a VLOP, are:

> *"[...]*
>
> *a. The dissemination of illegal content through the service;*
>
> *b. Any actual or foreseeable negative effects for the exercise of fundamental rights, in particular the fundamental rights to human dignity enshrined in Article 1 of the Charter, to respect for private and family life enshrined in Article 7 of the Charter, to the protection of personal data enshrined in Article 8 of the Charter, to freedom of expression and information, including the freedom and pluralism of the media, enshrined in Article 11 of the Charter, to non-discrimination enshrined in Article 21 of the Charter, to respect for the rights of the child enshrined in Article 24 of the Charter and to a high-level of consumer protection enshrined in Article 38 of the Charter;*
>
> *c. Any actual foreseeable negative effect on civic discourse and electoral processes, and public security;*
>
> *d. Any actual or foreseeable negative effect in relation to gender-based violence, the protection of public health and minors and serious negative consequences to the person's physical and mental well-being."*

The risk assessment shall cover the four systemic risk categories listed above and shall consider, in particular, whether and how those systemic risks are affected by the below mentioned risk factors defined by the DSA.

> *"[...]*

a. *the design of their recommender systems and any other relevant algorithmic system;*

b. *their content moderation systems;*

c. *the applicable terms and conditions and their enforcement;*

d. *systems for selecting and presenting advertisements;*

e. *data related practices of the provider;*

f. *intentional manipulation of the service".*

To comply with Art. 34 DSA, Zalando has created the following annual risk assessment. This assessment focuses on identifying the systemic risks related to the design, functionalities and services related to its partner business model. The mitigation measures in place to reduce the respective risks are outlined to explain the risk assessment.

2.2 Risk Assessment Methodology

The DSA risk assessment at Zalando is conducted using a consistent and continuously improving methodology, with annual re-assessments. This cyclical review is in adherence to the requirements of Art. 34 DSA and aims to adequately reflect and address any significant changes in Zalando's dynamic business operations and the broader digital landscape.

The results of the comprehensive risk assessment conducted by Zalando are systematically presented in this report, structured to provide a clear and detailed understanding of our systemic risk profile and mitigation strategies. Each chapter contributes with a distinct yet interconnected layer to the overall risk evaluation:

a. In chapter 3, the specific characteristics and risks of Zalando's partner business model, with a focus on curated Zalando's curated third-party content, are addressed to provide a holistic overview of its position within the digital landscape, particularly in relation to other VLOPs. This foundational understanding of Zalando's specific operational realities and complexities is crucial for contextualising the subsequent risk identification and assessment.

b. In chapter 4, the aggregated assessment for the systemic risk categories as well as the single risks contained therein are mapped out to showcase whether a systemic risk category applies to Zalando and if so, understand the applicability and risk level of the category. For each single risk as well as for the overall systemic risk category, the assessed probability of occurrence, potential impact, and overall risk level are displayed. This approach allows for both a high-level overview of our overall risk exposure per category and a precise understanding of the underlying individual risk drivers and their specific characteristics.

c. In chapter 5, the relevance of the risk factors specified by the DSA is assessed to understand if and how they potentially influence the systemic risk categories, particularly when considered within the context of third-party content on Zalando.

d. In chapter 6, the mitigation measures put in place by Zalando and their effectiveness in preventing or reducing the applicable risks are highlighted to

support the assessment considerations. As a residual risk assessment is performed in this report, the existing mitigation measures are described in detail to showcase on how well the identified risks are currently mitigated.

The risk assessment chapters outlined above ensure a systematic, transparent and thorough risk evaluation and documentation of Zalando's platform services. This comprehensive approach reflects Zalando's commitment to regulatory compliance and proactive risk management. It integrates both qualitative and quantitative data points to provide a thorough understanding of potential threats and their implications. The following steps constitute the key pillars for the data collection and analysis:

a. **Stakeholder interviews:** a foundational element of our assessment involves collaborative discussions with experts from the relevant business units to understand the processes and measures in place to prevent or reduce any risks related to the DSA systemic risk categories.

b. **Notice & Action data:** data from reported cases by notifiers through the "Notice & Action mechanism" that led to imposed restrictions is analysed. This data serves as a direct indicator of actual incidents requiring interventions by Zalando that reflect the residual risks' probability of occurrence and the effectiveness of our mitigation strategies.

c. **Preliminary risk assessments:** internal risk assessments conducted prior to the deployment of each new functionality introduced on the Zalando platform that is likely to have a critical impact on the systemic risks identified pursuant to Art. 34 DSA are considered. These preliminary risk assessments aim to detect emerging risks early on and may indicate the need to integrate new mitigation measures upon functionality deployment, minimising the likelihood of new functionalities inadvertently contributing to systemic risks.

d. **Risk Register:** this document gathers all individual risks that could potentially influence or contribute to the four systemic risk categories. It serves as a data repository to show the risks and their individual evaluations. The risk register also maps each risk to a specific systemic risk category and a risk factor (where applicable) and forms the basis for the formal aggregated assessment of each systemic risk category.

Throughout this process, all identified risks undergo a rigorous assessment based on their probability of occurrence and their potential impact, with due consideration given to all currently implemented mitigation measures, such as internal guidelines, processes, and technological safeguards.

a. **Probability of occurrence:** considers the number of Notice & Action cases reported leading to imposed restrictions, incidents or the number of people affected by a certain risk. When developing the probability scale, a conservative approach[2] was applied based on expert judgement, numbers generated through the "Notice & Action mechanism" or numbers provided by relevant departments. The assessed probability is translated into a standardised five-level scale: Very Low, Low, Medium, High, and Very High.

[2] In case more than 1 per mille of our items/content would be affected, the probability would already be assessed as medium.

b. **Impact:** the residual impact of each risk, after all relevant mitigation measures have been considered, is assessed in a qualitative manner accounting for the potential physical or psychological impact on customers as well as the reversibility of the caused negative effect. Expert judgement and the findings from the preliminary risk assessments were used to determine this qualitative assessment, ensuring a holistic understanding of the potential consequences. The impact is also assessed using a five-level scale: Very Low, Low, Medium, High, and Very High.

c. **Risk level:** the risk level for each individual risk is then derived directly from the combined assessment results of its probability of occurrence and impact. This systematic combination results in five distinct risk classes: Very Low, Low, Medium, High, and Very High.

Probability	Very High	Low	Medium	High	High	Very High
	High	Low	Medium	Medium	High	High
	Medium	Low	Low	Medium	Medium	High
	Low	Very Low	Low	Low	Medium	Medium
	Very Low	Very Low	Very Low	Low	Low	Low
Risk Level		Very Low	Low	Medium	High	Very High
		Impact				

Table 1: Overview of the risk assessment methodology

The overall assessment of each of the four systemic DSA risk categories, as well as the specific DSA risk factors, is determined by the aggregated **risk level** of all single risks evaluated within that particular risk category or attributed to that specific risk factor and follows the same logic depicted in Table 1. In cases where no risks were identified for a specific systemic risk category or risk factor, the category or factor will be classified as not being applicable to Zalando.

The **risk level aggregation** provides a clear and transparent **overview of Zalando's overall systemic risk exposure under the DSA,** ensuring a clear and actionable basis for risk-based decision making and for determining further mitigation efforts.

The cut-off date for the considerations and data included in this annual DSA risk assessment is set to July 31, 2026. Any events or developments occurring after this date have not been factored into this assessment and will only be considered in the next annual risk assessment.

3 Characteristics of Zalando's partner business

This section is intended to provide a holistic assessment of the inherent risks under the DSA scope that Zalando's partner business may carry. As a leading European platform

for fashion and lifestyle, **Zalando has historically operated a purely transaction-based model.** This model is fundamentally built around its curated partner and retail business. To complement product discovery and assist customer purchasing decisions, it incorporates ancillary services - such as product reviews and live shopping streams detailed below. Thus, Zalando's business model **poses very low systemic risks to consumers when compared to other online platforms falling under the DSA**.

Our previous annual risk reports, submitted under Articles 34, 35 DSA, consistently demonstrated that our partner business model and the mitigation measures in place limit Zalando's risk exposure to potential systemic risks under the DSA to a very low level. These reports underscore our commitment in contributing to a safe and trustworthy digital environment for consumers while ensuring regulatory compliance.

In order to effectively address any of the DSA systemic risks, it is crucial to first detail the characteristics of Zalando's partner business model.

a. **Zalando's online shop**: What is Zalando? What is the core purpose and design of Zalando's platform? Could users be dependent on the services provided by Zalando? Are there other online shops catering to the same needs?

Zalando offers and distributes fashion and lifestyle articles and content through its localised websites and apps. The company operates a **hybrid business model that encompasses both a retail and a partner business.** The partner business, where brands sell their products as contractual sellers to customers via Zalando, represents 32.1% of Zalando Gross Merchandise Value (GMV)[3]. Through partner business, Zalando curates and makes available the partners' information about products (product pictures and descriptions) for items to be sold on the platform.

The partner business offers a **highly curated product assortment** featuring registered partners, comprising legitimate brand owners, retailers, and well-established offline stores, who - big or small - play a significant role in the competitive market environment of fashion and lifestyle. There are numerous other online platforms and Zalando therefore operates in a highly competitive environment. This leads to a dynamic market and provides consumers and partners with multiple options for fashion discovery and online shopping.

b. **Sales from private persons vs. companies:** Are private persons able to offer or sell products directly to other users via Zalando's online platform? Are the offered products supplied by credible partners?

Zalando does not provide an online platform for private persons to sell their products. Only **legitimate fashion and lifestyle partners**, in the form of registered companies or professionals, may engage in offering products on Zalando (i.e. corresponding product descriptions and product pictures). Each partner is subject to a **due diligence process** and goes through an extensive onboarding process containing KYC (Know Your [Business] Customer) checks. Partners have to agree to a comprehensive **partner contract and associated policies, annexes and guidelines**, such as our "Platform Rules", our quality assurance manual and product, content & brand

[3] As per our FY 2025 annual report, https://corporate.zalando.com/en/annual-report-2025.

guidelines, which specify the marketability standards and legal requirements for the products offered by partners and determine mandatory requirements for each product category in order to ensure quality, safety and authenticity of products. Conformity with the contractually agreed requirements - particularly those related to safety, intellectual property, and sustainability - is monitored by several subject-matter expert teams, each focusing on specific aspects within their respective areas of responsibility.

c. **Access restriction for content:** Can content on Zalando's online shop be uploaded directly by third-parties (e.g. users, partners) unmoderated?

In many instances, partners use Zalando's own product descriptions and images when offering products on Zalando. In these cases, the **product presentation and content associated with partner products** is **owned and managed by Zalando**. For content originating from Zalando's partners, specifically product descriptions and product pictures, an onboarding process is in place. This means that all content provided by Zalando's partners is checked and reviewed before going live on Zalando to ensure its correctness and appropriateness.

For product-related customer input, Zalando offers Ratings & Reviews (R&R) designed for customer feedback. This functionality is limited to product characteristics and experiences as a mere ancillary service to the sale of fashion and lifestyle articles. Zalando's comprehensive content moderation process is applied to all such reviews before publication.

Additionally, Zalando offered profiles and boards features, limited to existing, curated and pre-approved Zalando product catalog items, which inherently minimises the risk of unmoderated user-sourced content going live. Any free-text inputs are covered by moderation controls prior to publication. While these features were available during the reporting period, the ability for users to generate a profile and share a publicly visible board on Zalando will be officially sunsetted by the end of the year.

The Zalando Livestreaming Program offers video broadcasts to showcase products and trends across fashion and lifestyle categories. All products highlighted are available for purchase on the platform, and thus in scope of the onboarding process. To manage the real-time user engagement securely, a moderation framework is in place to instantly check user comments and usernames.

Zalando has a dedicated Trust & Safety (T&S) team to manage content moderation. The team's primary responsibility is designing comprehensive policies and guidelines (e.g., community guidelines) and overseeing their application through moderation workflows for platform integrity. The T&S team manages Zalando's own-initiative content moderation, the Notice and Action mechanism, and transparency reporting. Centralizing these proactive (own-initiative) and reactive (Notice and Action) moderation practices and compliance obligations ensures strict regulatory adherence while streamlining operations through closed feedback loops.

The **Notice & Action reporting mechanism** is available to all DSA-relevant content formats. Therefore, whether from partners or users, **content on Zalando's online shop is subject to a controlled and moderated process, preventing the dissemination of inappropriate, illegal or harmful content by third-parties.**

d. **Influence on people and their behaviour**: To what extent are the content and design of Zalando's services likely to influence users' behaviour and inner beliefs?

Zalando is an ecommerce platform focused on providing fashion and lifestyle related style advice, inspiration and shoppable items. The content and algorithmic systems on our platform are designed to inspire users, simplify their shopping journey, and provide a relevant range of content and product options. The scope is, therefore, primarily commercial in nature, focused on helping users find products that align with their personal style and preferences and not intended to influence users' inner beliefs or behaviour. Zalando does not provide a forum for public discussions outside the fashion scope. As mentioned above, we have established a thorough moderation process for any user-sourced content available on Zalando. The content will be rejected if it qualifies as "illegal content" in the meaning of the DSA, including violations against Zalando's community guidelines.

e. **Origin of content and products**: Have the content or products on Zalando's online shop been sourced within the European Union?

Zalando partners' products and content can be sourced from within the European Union as well as from other geographies. Regardless of the origin, the same principles apply uniformly to all types of products and content. As previously mentioned, **each partner undergoes a thorough due diligence process and an extensive onboarding process containing comprehensive KYC** (Know Your [Business] Customer) checks and is obliged to only offer products complying with product quality and safety standards in line with European Union regulation. The same holds true for products sold directly by Zalando. As for third-party content on the platform, its **geographic origin does not alter the application of our comprehensive curation and content moderation process designed to ensure relevant, safe, trustworthy and compliant content.**

f. **Risk associated with sold products**: Does Zalando facilitate or promote through third-party content the sale of high-risk products (e.g. pharmaceutical products or other highly regulated products)?

At Zalando, we are committed to offering only original products, ensuring that our product quality and safety requirements are uniformly applied across our entire assortment, whether through our retail business or partner business. This commitment guarantees that Zalando customers can find and purchase genuine and safe fashion and lifestyle articles from legitimate partners. As a result, **Zalando does not promote or allow any content incentivising the sale of products with increased consumer risks. Additionally, Zalando specifically does not offer through its retail or partner business any product categories with increased consumer risks, like pharmaceuticals and other highly-regulated products.**

Our rigorous standards ensure that the general risk level associated with consumer products on our platform is not elevated by the inclusion of partner-sourced items and third-party content. This approach provides our customers with the assurance that all products, regardless of their source, meet our high standards of quality and safety.

As part of our quality control processes, already established before the DSA, Zalando ensures that if any information is received about potentially unsafe or dangerous products, the case is investigated, which may include requesting further information related to product safety from the partner or sending the partner product for testing in laboratories. Depending on the nature of the content, a product recall is initiated.

In addition, we have implemented a dedicated framework for partner oversight that provides systematic identification and continuous monitoring of potentially non-compliant partners. The framework includes clear protocols for follow-up verification, corrective action plans, and enforcement measures, up to full platform offboarding for partners with repeated quality and safety concerns. Lastly, Zalando has a robust mechanism to identify partners and users that continuously provide illegal content. Under defined and differentiated criteria those partners and users are then subject to suspension or termination of the provision of the service.

g. **Protection of minors**: Are Zalando's platform services available to minors? Can they engage with content or make purchases?

In line with the risk-based assessment framework outlined in the European Commission's Guidelines on the Protection of Minors (Art. 28 DSA), **platforms offering general consumer goods without adult-only inventory or content, and which do not showcase manipulative design of online interfaces present a "low risk" profile.**

Zalando does not target minors, promote or encourage the consumption of products that endanger a minor's physical or mental well-being in any way or stimulate behavioural addictions. Furthermore, Zalando collaborates exclusively with legitimate partners who have been vetted before onboarding to ensure they adhere to its ethics, conduct and standards. We oblige all partners to apply and adhere to the same strict standards that Zalando applies for content disclosed on the platform and products offered through its own retail services.

Comprehensive proactive and reactive measurements are defined by a central corporate product compliance team and are executed by expert product safety specialists. These measures ensure that Zalando does not promote or sell products that endanger a minor's health or mental well-being. Any reference to such products or activities on the platform will be considered a violation of the moderation principles and will not be permitted and such content will thus be removed.

Zalando's platform services are designed for fashion and lifestyle inspiration and shopping, inherently limiting the risk of potential unintended negative impacts stemming from the design interface that could be perceived as addictive or manipulative.

Zalando's ancillary services offered to users do not encourage compulsive usage patterns or content bias. Those are designed to improve the user's shopping experience and not to foster compulsive usage and prolonged screentime. Zalando does not offer infinite scroll mechanics, gamification, countdown features, tools for viral content distribution or algorithmic amplification.

To mitigate any remaining risks, responsible design practices are implemented to prevent manipulative engagement patterns and ensure that interactions serve to enable informed customer decisions. In addition, Zalando incorporates content

moderation mechanisms to detect and prevent dissemination of harmful, misleading or inappropriate content.

4 DSA Systemic Risk Categories

As mentioned in the introduction, the DSA establishes a legal framework to address the challenges posed by the digital economy and to ensure a safe and accountable online environment for consumers. As a designated VLOP, Zalando is required to perform annual risk assessments pursuant to Art. 34 DSA and to **identify, analyse and assess as well as mitigate systemic risks associated with its services**. According to the analysis performed, some of the risk categories specified by the DSA do not fit Zalando's business activities, as outlined in the following subsections.

Considering the current mitigation measures influencing the residual risk level of Zalando's business model, **the aggregated risk level of all applicable risk categories was assessed as very low.**

4.1 The dissemination of illegal content through the service

The DSA is designed to ensure a safe and trustworthy online environment by preventing illegal and harmful activities and the spread of disinformation online. In this context, services offered by Zalando's online platform could pose the risk of disseminating illegal content through either products themselves, their presentation or advertising. Recital 80 of the DSA lists examples of categories which can pose a risk associated with the dissemination of illegal content. Zalando has reviewed each of these examples to assess its applicability:

a. *Dissemination of child sexual abuse material* - **This subcategory is not applicable to Zalando's partner business model.** All functionalities and services available on the Zalando platform are designed to feature fashion and lifestyle related content - inherently limiting the risk of widespread dissemination of child sexual abuse material (CSAM). Specifically, since the CSAM definition is limited to visual media (images and videos) only and customer capabilities on Zalando are restricted to text input and the curation of visual media that is already available on the platform, customer content poses no direct CSAM risk. The visual media uploads for article onboarding and marketing activities remain exclusively restricted to vetted partners, which carries only a theoretical possibility of misuse. Zalando's comprehensive content moderation process is applied to all such content. The moderation process follows standardised guidelines to detect and prevent the dissemination of inappropriate material, including child abuse content. To ensure platform safety when working and displaying children for the marketing of products, Zalando has created a dedicated internal policy with mandatory guidelines and legal standards for safely, fairly, and responsibly featuring children under the age of 18 across platform content and marketing activities. In addition, the existing content report mechanisms after publication, e.g. the Notice & Action mechanism, provide an extra layer of safety, allowing for further risk minimisation after content is live. Furthermore, Zalando collaborates exclusively with third-parties and partners - in the fashion and lifestyle sectors - who adhere to and comply with our company's

values, code of conduct, ethics, and standards, which strictly prohibit the dissemination of child abuse material. Even after onboarding, all partners are subject to continuous monitoring to proactively identify potential non-compliant partners and enforce strict sanctions, up to and including permanent termination. As a result, the measures mentioned above effectively mitigate the potential risks and are further supported by zero Notice & Action ("N&A") cases related to the dissemination of child sexual abuse material. Therefore, this risk category is deemed not applicable

b. *Illegal hate speech or other types of misuse of their services for criminal offences* - This example of dissemination of illegal content **may apply to Zalando's partner business model.** While all functionalities and services available on the Zalando platform are designed to feature fashion and lifestyle related content - inherently limiting the risk of widespread dissemination of illegal hate speech or other criminal offenses - Zalando allows very limited free-text content generated by customers as well as free-text content, pictures and videos from partners for article onboarding and marketing activities, which carries a slight possibility of misuse. To proactively address this, Zalando has established a comprehensive content moderation process. This process follows standardised guidelines to detect and prevent the dissemination of inappropriate content, including hate speech and other types of criminal offences. Zalando has also established rigorous KYC and onboarding processes for all partner products, ensuring compliance with Zalando's code of conduct and principles to meet product and content standards before being available on Zalando's platform for sale. Even after onboarding, all partners are subject to continuous monitoring to proactively identify potential non-compliant partners and enforce strict sanctions, up to and including permanent termination. This combination of rigorous pre-publication partner vetting, comprehensive own-initiative content moderation, and ongoing monitoring ensures that the vast majority of non-compliant content is blocked before going live. However, Zalando recognises that in some instances consumer perception of content may diverge from our internal considerations. Such cases can be reported via the Notice & Action mechanism. The consistently low number of relevant cases submitted via the Notice & Action mechanism available on Zalando's website and app, confirms that the likelihood of Zalando spreading illegal or inappropriate content related to hate speech is low.

    i. *The content insults, harasses or discriminates against people or groups* - low residual risk level (low probability and low impact);

    ii. *The content features political extremism, like banned symbols or organisations* - very low residual risk level (very low probability and low impact);

    iii. *The content objectifies / exploits people or groups, or is pornographic* - low residual risk level (low probability and low impact).

c. *Conduct of illegal activities, such as the sale of products or services prohibited by Union or national law, including dangerous or counterfeit products, or illegally-traded animals* - **This subcategory may apply to Zalando's partner business model.** Zalando operates a retail business complemented by a partner business facilitating transactions between numerous partners and consumers across diverse European markets. This broad scope inherently introduces the risk of illicit products or services attempting to enter the platform. To mitigate this, Zalando has developed mitigation measures to prevent the sale of prohibited,

illegal or counterfeit products. Every partner needs to undergo a strict onboarding process and sign a contract that requires their formal acceptance of Zalando's standards for product quality and safety, including the animal welfare policy, quality assurance manual and other standards that partners must adhere to.

The Notice & Action cases submitted in relation to the subcategory confirmed that the risk of conducting illegal activities is very low.

i. *Violations of animal welfare* - very low residual risk level (very low probability and low impact).

Apart from the examples listed in Recital 80 of the DSA, we have identified additional risks which do not fit the risk subcategories and associated examples mentioned by the DSA but have been identified by the relevant risk owners and incorporated into the assessment. These risks include, but are not limited to, intellectual property right (IP) violations and inaccurate or incomplete product information related to the products offered on the Zalando platform. Due to their nature, those risks fit best into the overall DSA risk category "dissemination of illegal content" and will therefore be displayed below. By identifying and evaluating these risks, we aim to mitigate any adverse effects on our users and maintain the integrity and trustworthiness of our platform.

i. *Misleading use of protected designation of origin or geographical indication* - very low residual risk level (very low probability and low impact);
ii. *The name and/or description of the item contains terms that violate third-party trademark rights* - low residual risk level (low probability and low impact);
iii. *The photos or illustrations violate an individual´s rights, like artists or models* - very low residual risk level (very low probability and low impact);
iv. *The item violates third-party rights, like design rights or copyrights* - low risk level (low probability and low impact).

Users can report any of the above concerns on Zalando's product page, triggering our internal DSA Notice & Action process that will include a review, and appropriate actions by expert teams to deactivate the product or content if deemed necessary. If Zalando receives any information about a potentially dangerous product, Zalando deactivates the concerned product, investigates the case and, depending on the outcome, initiates a recall.

Moreover, Zalando has a strong compliance framework in place containing a set of measures to avoid illegal services/products from being displayed on the platform. On the product quality and safety side, there are strict requirements, checks and corresponding measures in place to ensure that all products meet safety and quality standards. Brand partners that use Zalando's platform go through an onboarding process where they undergo a KYC check and accept to meet the requirements of various Zalando's policies and guidelines.

After partners are successfully onboarded, Zalando implements continuous monitoring to score their practices using a so-called "worst offender framework". This process proactively identifies non-compliant partners and aims at further minimising the negative activities from partners on the platform.

Zalando's commitment to these principles ensures that we not only adhere to regulatory requirements but also uphold the highest standards of safety and reliability for our users. As such, Zalando will continue to monitor and address any emerging risks in a proactive and systematic manner.

Considering the current mitigation measures to determine the residual risk level for the subcategories applicable to Zalando, **the aggregated risk level of this category was assessed as very low. The average probability is assessed as very low while the impacts for the risk category are assessed as low**.

4.2 Negative effects for the exercise of fundamental rights

A second category concerns the actual or foreseeable impact of the service on the exercise of fundamental rights, as protected by the Charter of Fundamental Rights of the European Union, including but not limited to human dignity, freedom of expression and of information, including media freedom and pluralism, the right to a private life, data protection, the right to non-discrimination, the rights of the child and consumer protection.

While the DSA outlines various subcategories in this specific section, only a few are applicable to Zalando's partner business model, specifically, those risks related to **data protection and consumer protection**. Below, each subcategory as specified in Article 34 and Recital 81 DSA has been outlined, along with its applicability to Zalando's services and its risk assessment, if applicable.

a. *Human dignity* - **This subcategory is not applicable to Zalando's partner business model.** Zalando operates on principles of respect, fairness, equality, and inclusivity, which are firmly embedded in our code of ethics. All Zalando products and services are offered to all customers without favouring certain customer groups. Also, Zalando treats all customers with equal concern and respect.

b. *Freedom of expression and of information, including media freedom and pluralism* - **This subcategory is not applicable to Zalando's partner business model.** Zalando provides a dynamic space for fashion and lifestyle content, empowering users to engage and express themselves, offering a shopping experience that extends beyond mere purchases. Customers are free to explore (or not) the platform's services and functionalities as they wish.

c. *The right to a private life* - **This subcategory is not applicable to Zalando's partner business model.** None of Zalando's platform services, functionalities or third-party content will infringe on the right to a private life, more specifically to a change in civil status or to acquire a new identity, nor will it enable a state's security service to infringe on the privacy of consumers.

d. *Data protection* - **This subcategory may be applicable to Zalando's partner business model** as risks can potentially arise from improper handling, processing and filtering of personal data, potentially resulting in breaches of the GDPR, by Zalando itself, its service providers or its partners. Zalando handles customers' personal data, in some cases making use of third-party service providers for that purpose. In principle, both the controller (Zalando) and the processor (third-party service provider) can be held liable for damages due to a breach of the GDPR. At the same time, Zalando is not able to retain full direct

control over all data processing activities conducted by service providers on its behalf. For this reason, Zalando concludes a service contract with its service providers tailored to Zalando's needs to restrict the exchange and use of personal data. Additionally, the categories of personal data stored by Zalando carry a comparatively low risk.

While no formal notices were submitted through the N&A mechanism related to data practices, the following risks were identified by the respective risk owners and included in the assessment with low impact and low probability estimates.

i. *Non-compliant internal handling, processing and storage of personal data (not in accordance with GDPR and/or ePrivacy)* - Data Protection is a topic prioritised across Zalando with various measures in place to ensure compliance with all applicable regulations when handling personal data. Zalando has established data privacy and confidentiality principles that apply to Zalando and its affiliated companies and has established a privacy program to manage privacy risks - low residual risk level (low probability and low impact);

ii. *Unauthorised external access to personal data (not in accordance with GDPR and/or ePrivacy)* - As previously mentioned, protecting our customers' data is of high priority for Zalando. The company has identified the risk of unauthorised external access to personal data (e.g. through account takeovers) and continuously implements security protocols designed to mitigate such threats - low residual risk level (low probability and low impact);

iii. *Targeted advertising on online platforms by profiling customers based on special categories of personal data such as age, ethnicity, political views or sexual orientation* - The algorithmic systems used at Zalando for targeted advertising are not using special categories of personal data, such as political views, sexual orientation or affiliation with minority groups - very low residual risk level (very low probability and low impact).

e. *The right to non-discrimination* - **This subcategory is not applicable to Zalando's partner business model.** Zalando's business model is built upon principles of equality and inclusivity embedded in the company culture and ethics. All services, functionalities, products, and content are offered to all customers without discrimination of certain customer groups based on protected characteristics (e.g. age, gender, nationality, socioeconomic status). If any content reflects personal biases and prejudices with discriminatory content, the moderation practices will identify that content and Zalando will remove it on the online platform. The moderation principles are based on clear guidelines and policies that promote fair, inclusive and unbiased content. The core principles of non-discrimination are reinforced by the publicly accessible Zalando community guidelines, which explicitly prohibit any form of discrimination, hate speech, or negative stereotyping across all platform content.

f. *The rights of the child, especially with regards to the design of online interfaces which intentionally or unintentionally exploit the weaknesses and inexperience of minors or which may cause addictive behaviour* - **This subcategory is not applicable to Zalando's partner business model.** Zalando operates as a platform designed for fashion-related inspiration and expression. The offered features on the platform serve the purpose of helping customers curate personal

style and plan purchases. Zalando does not target minors nor offer capabilities for infinite scrolling, social validation, viral content distribution, gamification, echo chambers, and algorithmic amplification contributing to compulsive usage patterns or emotional distress.

To mitigate adverse risks, responsible design practices are implemented to avoid manipulative engagement patterns and ensure that interactions serve to enable informed customer decisions. All the services and functionalities are designed to comply with applicable regulations and foster consumer transparency and control. The functionalities and its design practices are ultimately intended to enhance the shopping experience by allowing users to explore fashion inspiration and self-expression to help them make more informed style decisions. In addition, Zalando incorporates content moderation mechanisms to detect and prevent dissemination of harmful, misleading or inappropriate content.

As a result, the measures mentioned above effectively mitigate the potential risks and are further supported by zero N&A cases related to rights of the child. Therefore, this risk category is deemed not applicable.

g. *The right of consumer protection* - **This subcategory may apply to Zalando's partner business model** since partners are offering their products through the Zalando platform. Zalando strives to maintain the highest standards of transparency, designing its platform interface to inform customers of partner identities throughout the browsing and checkout process. During the whole shopping journey the source as well as all product details and information deemed relevant for each item and the overall shopping experience are clearly displayed to customers. While partners may partially provide relevant product information, Zalando curates the overall experience to maintain a seamless shopping journey. This includes ensuring all price-related information, including discounts, is displayed clearly and accurately. To ensure consistent standards, Zalando holds its partners contractually responsible for and checks compliance with consumer protection legislation. Moreover, Zalando's customer-facing terms & conditions apply to all purchases of Zalando customers on the website and app regardless of whether the purchased items are offered by Zalando or partners. This ensures a reliable and consistent customer experience, since the actual purchase, delivery and warranty conditions are the same across the assortment, ensuring that customers have the same rights and conditions and turn to Zalando Customer Care service, regardless of who they buy from on the Zalando website.

   The consolidated number of Notice & Action cases submitted in relation to each subcategory below confirmed that the risk related to consumer protection is very low.

   i. *The item's description is wrong or misleading* - low residual risk level (low probability and low impact);

   ii. *The content is wrong or misleading* - low residual risk level (low probability and low impact);

   iii. *Important safety or warning information is missing* - very low residual risk level (very low probability and low impact);

   iv. *The seller's information is wrong or incomplete* - very low residual risk level (very low probability and very low impact);

v. *The item is not labelled correctly* - very low residual risk level (very low probability and very low impact);

vi. *The item's description contains false information or claims about sustainability-related attributes* - very low residual risk level (very low probability and very low impact);

vii. *Missing language requirements* - very low residual risk level (very low probability and low impact);

viii. *Non-compliance with pricing regulations* - low residual risk level (low probability and low impact);

ix. *Hidden advertisement* - very low residual risk level (very low probability and low impact).

Considering the current mitigation measures to determine the residual risk level for the subcategories applicable to Zalando, **the aggregated risk level of this category was assessed as very low. The average probability is assessed as very low while the impacts for the risk category are assessed as low**.

4.3 Negative effect on civic discourse and electoral processes, and public security

This category explores the impact of Zalando's business activities on the political and public security landscape. As stated in the DSA, VLOPs or VLOSEs should not undermine trust in institutions, exacerbate social divisions, and compromise the safety and stability of societies.

a. *Democratic Processes* - Manipulation of public opinion **is not applicable to Zalando's partner business model.** The core design and purpose of the Zalando platform's services and functionalities are centered on fashion and lifestyle related content, rather than facilitating political debate or news dissemination. The currently offered content generation capabilities do not provide mechanisms for widespread dissemination of public opinion on societal issues or political campaigning. Zalando allows very limited free-text content generated by customers as well as free-text content, pictures and videos from partners for article onboarding and marketing activities, which carries only a theoretical possibility of misuse. All submitted content undergoes a mandatory review and moderation process. This approach ensures that any misuse for manipulation of public opinion on political matters would be addressed through the moderation process. Moreover, Zalando collaborates exclusively with legitimate partners who adhere to its ethics, conduct and standards. The publicly accessible Zalando community guidelines explicitly prohibit any form of political content across the platform.

   As a result, the measures mentioned above effectively mitigate the potential risks and are further supported by zero N&A cases related to democratic processes. Therefore, this risk category is deemed not applicable.

b. *Civic discourse* - Polarisation and misinformation spread leading to fragmented civic discourse **do not apply to Zalando's partner business model.** The core design and purpose of the Zalando platform's services and functionalities are centered on fashion and lifestyle related content. Zalando does not offer tools or forums for general public discussion, political debate or other activities associated with civic discourse. Zalando allows very limited free-text content generated by

customers as well as free-text content, pictures and videos from partners for article onboarding and marketing activities, which carries only a theoretical possibility of misuse. Zalando's comprehensive content moderation process is applied to all such content. This approach ensures that any misuse for dissemination of disinformation or engagement in societal issues would be addressed through the moderation process. Moreover, Zalando collaborates exclusively with legitimate partners who adhere to its ethics, conduct and standards. The publicly accessible Zalando community guidelines explicitly prohibit any form of political content across the platform.

As a result, the measures mentioned above effectively mitigate the potential risks and are further supported by zero N&A cases related to civic discourse. Therefore, this risk category is deemed not applicable.

c. *Electoral Processes* - Influence on voting decisions **is not applicable to Zalando's partner business model.** The core design and purpose of the Zalando platform's services and functionalities are centered on fashion and lifestyle related content. Zalando does not offer any mechanisms or tools for political promotion, voter mobilisation, dissemination of election-related information, or engagement in broader electoral processes. Zalando allows very limited free-text content generated by customers as well as free-text content, pictures and videos from partners for article onboarding and marketing activities, which carries only a theoretical possibility of misuse. All submitted content undergoes a mandatory review and moderation process. This approach ensures that any misuse for dissemination of disinformation or political campaigning would be addressed through the moderation process. Moreover, Zalando collaborates exclusively with legitimate partners who adhere to its ethics, conduct and standards. The publicly accessible Zalando community guidelines explicitly prohibit any form of election-related content across the platform.

   As a result, the measures mentioned above effectively mitigate the potential risks and are further supported by zero N&A cases related to electoral processes. Therefore, this risk category is deemed not applicable.

d. *Public Security* - Endangering public security and safety **is not applicable to Zalando's partner business model.** The core design and purpose of the Zalando platform's services and functionalities are centered on fashion and lifestyle related content. Zalando does not offer tools or forums that could facilitate the incitement of violence, the organisation of criminal activities, or the widespread dissemination of content posing a threat to public safety. Zalando allows very limited free-text content generated by customers as well as free-text content, pictures and videos from partners for article onboarding and marketing activities, which carries only a theoretical possibility of misuse. All submitted content undergoes a mandatory review and moderation process. This approach ensures that any misuse for dissemination of illegal or harmful content would be addressed through the moderation process. Moreover, Zalando collaborates exclusively with legitimate partners who adhere to its ethics, conduct and standards. The publicly accessible Zalando community guidelines explicitly prohibit any form of extremist content across the platform.

   As a result, the measures mentioned above effectively mitigate the potential risks and are further supported by zero N&A cases related to public security. Therefore, this risk category is deemed not applicable.

Based on the considerations described above, **the overall risk category is not applicable to Zalando.**

4.4 Negative effect in relation to gender-based violence, the protection of public health and minors and serious negative consequences to a person's physical and mental well-being

A fourth category of risks stems from concerns related to the design, functioning or use, including through manipulation, of VLOPs potentially causing an actual or foreseeable negative effect on the protection of public health, and serious negative consequences to a person's or minor's physical and mental well-being, or on gender-based violence.

According to Article 34 and Recital 83 DSA, such risks may also stem from coordinated disinformation campaigns related to public health, or from online interface design that may stimulate behavioural addictions among recipients of the service.

Each of the negative effects outlined by the DSA in this category have been reviewed to assess whether or not they apply to Zalando and in which form.

a. *Public Health* - **This subcategory is not applicable to Zalando's partner business model.** Zalando does not promote or encourage the consumption of fashion and lifestyle products that endanger public health or stimulate behavioural addictions. Zalando collaborates exclusively with legitimate partners who adhere to its ethics, conduct and standards. Specifically, there are stringent product quality and safety requirements that partners must follow. Measures such as the quality assurance manual and the restricted substances list are outlined in Chapter 6. If Zalando receives any information about potentially unsafe or dangerous products, the case is investigated, which may include requesting further information related to product safety from the partner or sending the partner product for testing in laboratories. Depending on the nature of the content, a product recall is initiated. Furthermore, the currently offered content generation capabilities (e.g. R&R and livestreams comments) do not facilitate mechanisms or forums for widespread dissemination of health-related information, medical advice, or content that could impact public health. The core purpose is focused on fashion and lifestyle inspiration, making these functionalities inherently unsuitable for any contribution - positively or negatively - to public health. Any attempt to spread health-related content through the limited free-text fields, pictures or videos will be detected and prevented in the moderation process. In addition, the Notice & Action mechanism can be seen to add an additional layer of protection for the public health as it enables customers to raise safety concerns in connection with products offered on the Zalando website (in addition to customer care channels). This measure safeguards public health and ensures that all shared content adheres to Zalando's standards of promoting safe and healthy consumer choices.

   As a result, the measures mentioned above effectively mitigate the potential risks and are further supported by zero N&A cases related to public health. Therefore, this risk category is deemed not applicable.

b. *Minor's physical and mental well-being* - **This subcategory may be applicable to Zalando's partner business model.** Zalando is committed to protecting individuals' and in particular minors' physical and mental well-being. We oblige all

partners to apply and adhere to the same strict standards that Zalando applies for content disclosed on the platform and products offered through its own retail services.

Comprehensive proactive and reactive measurements are defined by a central corporate product compliance team and are executed by expert product safety specialists. These measures ensure that Zalando does not promote or sell products that endanger a person's or minor's health or mental well-being. Any reference to such products or activities on the platform will be considered a violation of the moderation principles and will not be permitted and such content will thus be removed. Zalando does not target its offers to minors. Furthermore, Zalando is curating the content provided by its partners and employs content moderation mechanisms to detect and prevent dissemination of harmful, misleading or inappropriate content, stemming from product presentations, product reviews or marketing activities.

Beyond content and product compliance, Zalando actively mitigates platform risks arising from online interface designs for all users, which naturally extends to minors. As an e-commerce platform focused on fashion and commercial transactions, our system inherently avoids mechanics that stimulate addiction or prolonged screen time, such as infinite scrolling, public feedback loops, viral sharing, echo chambers or content bias. To ensure browsing remains intentional and serves to enable informed customer decisions, Zalando embeds responsible design practices across all touchpoints, actively prohibiting deceptive or manipulative design patterns. Combined with default privacy protections for users that naturally extend to minors, these integrated safeguards ensure users can enjoy personalised fashion-related inspiration and self-expression within a transparent and safe environment.

The Notice & Action cases submitted in relation to the subcategory confirmed that the risk of spreading content that may impact minors' physical and mental well-being is very low.

i. *The content suggests or promotes physical or mental violence* - very low residual risk level (very low probability and low impact).

c. *Person's physical and mental well-being* - **This subcategory may be applicable to Zalando's partner business model.** Zalando is committed to protecting individuals' physical and mental well-being. We oblige all partners to apply and adhere to the same strict standards that Zalando applies for content disclosed on the platform and products offered through its own retail services. Comprehensive proactive and reactive measurements are defined by a central corporate product compliance team and executed by expert product safety specialists. These measures ensure that Zalando does not promote or sell products that endanger a person's health or mental well-being. Any reference to such products or activities on the platform and specifically in the reviews will be considered a violation of the moderation principles and will not be permitted. Furthermore, Zalando employs content moderation mechanisms to detect and prevent dissemination of harmful, misleading or inappropriate content, stemming from product presentations, product reviews or marketing activities. Zalando is committed to maintaining a safe, transparent, and compliant environment, ensuring that users can enjoy fashion-related inspiration without compromising their well-being.

Beyond content and product compliance, Zalando actively mitigates potential risks arising from online interface designs. As an e-commerce platform focused on fashion and commercial transactions rather than engagement-driven media, our system inherently avoids mechanics that stimulate addiction or prolonged screen time, such as infinite scrolling, public feedback loops, viral sharing, echo chambers or content bias. To ensure browsing remains intentional and serves to enable informed customer decisions, Zalando embeds responsible design practices across all touchpoints, actively prohibiting deceptive or manipulative design patterns. Combined with default privacy protections, these integrated safeguards ensure users can use personalised fashion-related inspiration and self-expression within a transparent and safe environment.

The Notice & Action cases submitted in relation to the subcategory confirmed that the risk of spreading content that may impact individuals' physical and mental well-being is very low.

i. *The content suggests or promotes physical or mental violence* - very low residual risk level (very low probability and low impact).

d. *Gender-based Violence* - **This subcategory is not applicable to Zalando's partner business model.** Zalando is committed to promoting a diverse and inclusive culture based on equality where any form of violence or discrimination is strictly prohibited. The moderation process defined by Zalando ensures that any content, be it products, visual content, marketing activities or R&R, promoting stereotypical gender roles perpetuating harmful gender norms and gender-based discrimination and potentially causing gender-based violence will be rejected and not be displayed on Zalando.[4] Moreover, Zalando collaborates exclusively with legitimate partners who adhere to its ethics, conduct and standards. The publicly accessible Zalando community guidelines explicitly prohibit any form of gender-based violence content across the platform.

   As a result, the measures mentioned above effectively mitigate the potential risks and are further supported by zero N&A cases related to gender-based violence. Therefore, this risk category is deemed not applicable.

Considering the current mitigation measures to determine the residual risk level for the subcategory "negative effects on a person's physical or mental well-being" applicable to Zalando and based on the characteristics of DSA Notices & Actions submitted to Zalando or potential safety cases examined, the **aggregated risk level of this category was assessed as very low. The average probability is assessed as very low while the impacts for the risk category are assessed as low**.

4.5 Conclusion

The existing mitigation measures, along with the nature of the content available on Zalando, contribute to a residual risk level that is **very low**. The heatmap below illustrates Zalando's position on the very low scale for both probability and impact of the three applicable DSA systemic risks.

[4] On the contrary, Zalando promotes (body) empowerment and personal confidence, through fashion and beauty. For example, Zalando Visionary Award 2024: https://corporate.zalando.com/en/fashion/sinead-odwyer-sets-bar-inclusive-design-zalando-visionary-award-2024-win

More details on the mitigation measures can be found in chapter 6.

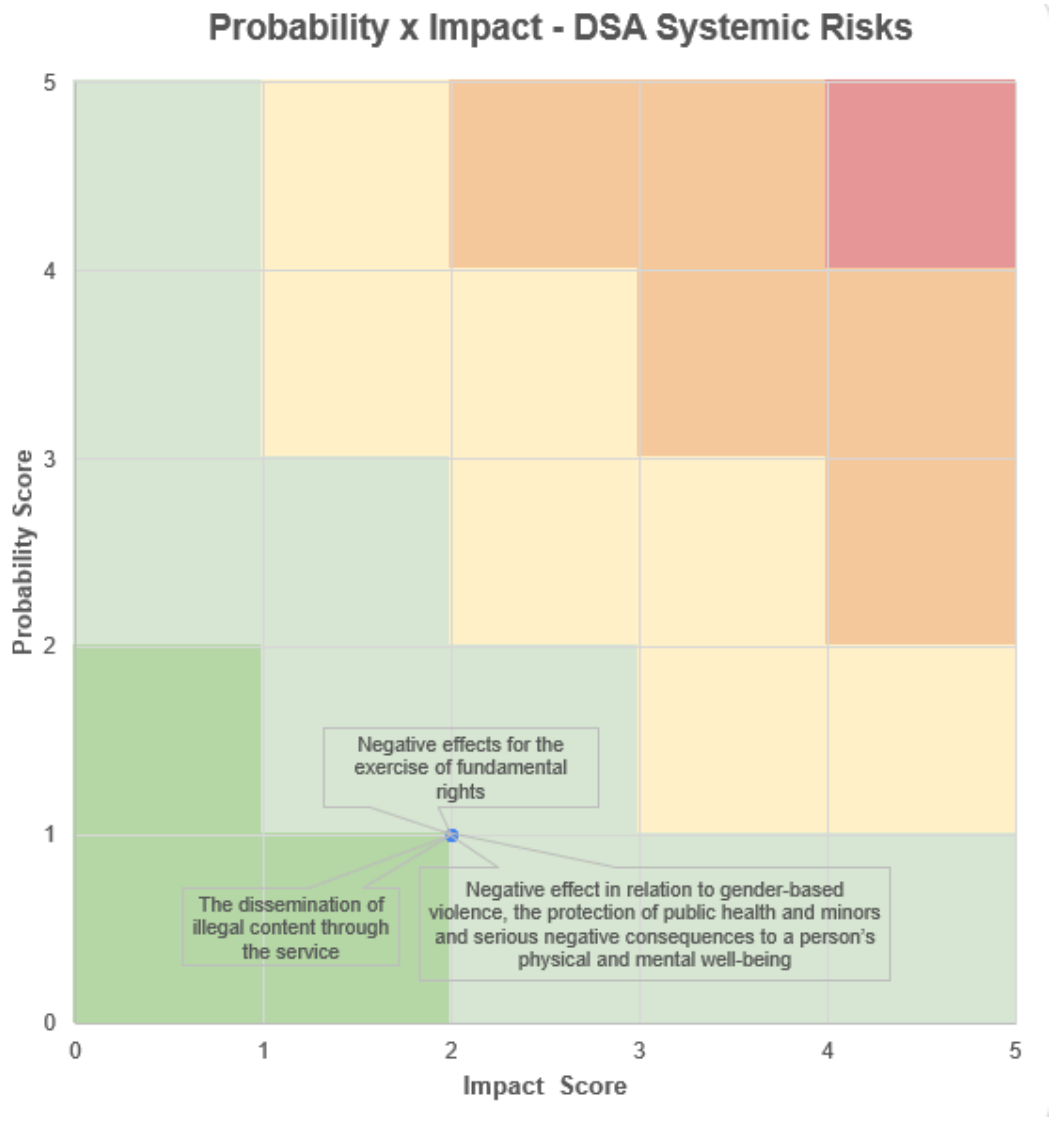


Figure 1: Risk level heatmap for DSA systemic risk categories

The following table highlights the applicability of each DSA risk subcategory and provides a comprehensive overview of Zalando's evaluation of the corresponding residual risk level in cases deemed to be potentially applicable.

Category	Subcategory	Applicability	Risk Level
4.1 The dissemination of illegal content through the service	*a. Dissemination of child sexual abuse material*	No	**Very Low**
	b. Illegal hate speech or other types of misuse of their services for criminal offences	Yes	

Category	Subcategory	Applicability	Risk Level
	c. Conduct of illegal activities, such as the sale of products or services prohibited by Union or national law, including dangerous or counterfeit products, or illegally-traded animals	Yes	
4.2 Negative effects for the exercise of fundamental rights	*a. Human dignity*	No	**Very Low**
	b. Freedom of expression and of information, including media freedom and pluralism	No	
	c. The right to private life	No	
	d. Data protection	Yes	
	e. The right to non-discrimination	No	
	f. The rights of the child, especially with regards to the design of online interfaces which intentionally or unintentionally exploit the weaknesses and inexperience of minors or which may cause addictive behaviour	No	
	g. The right of consumer protection	Yes	
4.3 Negative effects on democratic processes, civic discourse and electoral processes, as well as public security	*a. Democratic Processes*	No	**N/A**
	b. Civic discourse	No	
	c. Electoral Processes	No	
	d. Public Security	No	
4.4 Negative effect on the protection of public health, minors and serious negative consequences to a person's physical and mental well-being, or on gender-based violence	*a. Public Health*	No	**Very Low**
	b. Minor's physical and mental well-being	Yes	
	c. Person's physical and mental well-being	Yes	
	d. Gender-based Violence	No	

Table 2: Summary of the DSA systemic risk categories assessment

5 Risk Factors specified by the DSA

Having assessed the **potential systemic risk categories as defined in the DSA,** we now turn to the DSA-specific risk factors. The DSA mandates that designated VLOPs consider in their risk assessments whether and how the following factors influence any of the systemic risks referred to in chapter 4:

a. *"the design of their recommender systems and any other relevant algorithmic system;*

b. *their content moderation systems;*

c. *the applicable terms and conditions and their enforcement;*

d. *systems for selecting and presenting advertisements;*

e. *data related practices of the provider;*

f. *influence by intentional manipulation of the service".*

By thoroughly evaluating these risk factors and their potential influence on the systemic risk categories, we aim to ensure that our platform operates responsibly and ensures a safe and accountable online environment. The assessment in the following subsections shows that **no potential significant negative implications stem from the risk factors specified by the DSA.**

5.1 Recommender systems

Recommender systems are defined in the DSA as algorithms suggesting, ranking and prioritising or otherwise curating information. To prevent such information bias, the DSA requires that customers should be able to understand how recommender systems impact which information and how the information is displayed to them.

Zalando's business model focuses on offering fashion and related lifestyle articles, through a retail business and a partner business with legitimate brands or businesses, partly incorporating moderated third-party generated content. The platform's algorithms are exclusively developed, managed, and owned by Zalando. No third parties have direct access to control or influence our algorithm systems. These algorithms are designed to enhance user experience without the intent to disseminate or amplify misleading or deceptive content, including disinformation. Furthermore, robust monitoring and moderation practices ensure adherence to strict guidelines. This proactive approach maintains user safety and minimises potential risks.

On Zalando's platform, the **risk of influencing customers negatively through the use of recommender systems is very low.** Zalando does not attempt to shape political or societal views, nor to influence personal preferences or consumer habits beyond the realms of fashion and lifestyle. Instead, the use of personalised information is mainly aimed at making the customer experience more attractive and relevant through providing recommendations in line with previous searches or purchases on Zalando's website and app that are inherently limited to clothing, beauty products or specific fashion styles. In line with the DSA, these algorithms contain the required internal controls to actively avoid deceptive content, maintaining a safe and highly controlled commercial environment.

All the services and functionalities are designed to align with applicable regulations and foster consumer transparency, control, and consent. To ensure this, transparency in our ranking criteria is crucial and is fully aligned with DSA requirements. Additionally, detailed information on how recommendation engines operate and use customer data is made publicly available to all customers via the **Zalando Privacy Notice.** Moreover, customers are provided with mechanisms to opt out of personalised recommendations, giving them greater control over their user experience. Therefore, these measures **contribute to a very low residual risk of negative effects stemming from recommender systems**.

5.2 Content moderation systems

Content moderation for article onboarding and marketing activities from our partners is an important component for Zalando to effectively manage and control the content provided by those partners. As outlined in Chapter 3, **Zalando has implemented an extensive onboarding and content moderation process that encompasses all content**

available from partners to customers. The onboarding and content moderation process is aimed at ensuring compliance with the partner contract and associated content guidelines including annexes. Consequently, the onboarding processes applied to the partner business significantly reduce or eliminate systemic risks outlined by the DSA, such as the conduct of illegal activities that include selling dangerous or counterfeit products. Beyond the initial onboarding, partners are monitored through the worst offender framework that scores their practices to identify non-compliant or malicious behaviour that can result in sanctions or termination.

All content generation capabilities undergo a moderation process before becoming visible to customers. Initial screening is conducted using AI-driven automated tools, complemented by human moderation for cases requiring further review. Zalando has established a dedicated Trust & Safety team to manage content moderation. The team's primary responsibility is to design comprehensive policies and guidelines to ensure Zalando's standards of platform trust and safety are met.

All content once published may be reported by customers via the Notice & Action mechanism if still deemed inappropriate or harmful. These two distinct layers of moderation processes ensure that all content published on Zalando is appropriate content. By maintaining these stringent content moderation practices, Zalando not only adheres to regulatory requirements but also upholds the integrity and safety of its platform. Therefore, the **content moderation processes in place at Zalando result in a residual risk level that is very low.**

5.3 Applicable terms and conditions (T&Cs) and their enforcement

The customer-facing T&C apply to all purchases of Zalando customers on the website and app regardless of whether the purchased items are offered by Zalando or partners. This ensures a reliable and consistent customer experience, since the actual purchase, delivery and warranty conditions are the same across the assortment, ensuring that customers have the same rights and conditions regardless of who they buy from on the Zalando website. Since partners do not apply their own customer-facing T&C, the customers have the same high level of consumer protection regardless of the seller. The T&C are set up in accordance with the relevant applicable local law of the respective market website and are constantly reviewed by external legal advisors in order to reflect the applicable current law of the respective country.

The partner-facing T&Cs applied to our partner business comprise a comprehensive set of contractual documents, such as the partner contract and the "Platform Rules", including the mandatory quality assurance manual and content guidelines. They are the baseline for the contractual relationship between Zalando and its partners and are agreed and shared with them as part of the onboarding process. Partners are required to explicitly accept them before any product onboarding can be initiated. These contractual documents contain details on sustainability, IP, product quality and safety, ranking algorithms and data access, but also business-related information like order processing and labelling of seasonal articles.

Zalando's T&Cs applied to partner business are designed to comply with all relevant legal and regulatory standards, ensuring that they are both fair and transparent, thus mitigating the risk of legal challenges or unclarity. Moreover, the enforcement of these terms and conditions is carried out consistently and transparently. Zalando has established clear processes and guidelines for enforcing its policies, which helps to maintain a trustworthy,

safe and accountable online environment for Zalando customers. This transparency and consistent enforcement build user trust and reduce the likelihood of disputes or controversies. Additionally, the terms and conditions are designed to protect both users and the platform from potential risks, including the dissemination of illegal content, IP violations, and other harmful activities. By clearly outlining acceptable cornerstones for collaboration and the consequences of violations, Zalando can effectively manage and mitigate these risks.

Conformity with the respective contractually agreed requirements, in particular with the safety, IP and sustainability requirements, is monitored by a dedicated team. Furthermore, regular reviews and updates of the T&C ensure that they remain relevant and effective in addressing emerging risks and regulatory changes.

To sum up, the carefully designed and consistently enforced terms and conditions, along with regular updates and transparent processes, ensure that Zalando minimises any potential risks to customers, its business and the integrity of the services offered. Therefore, Zalando's **T&Cs and their enforcement decrease and/ or avoid potential DSA systemic risks with no specific DSA systemic risk identified to be influenced by the T&C (not applicable)**.

5.4 Systems for selecting and presenting advertisements

All advertisements available on the Zalando platform are designed to feature fashion and lifestyle related content. By indicating the term "sponsored" and displaying the "i-information icon", Zalando highlights the nature of advertising content prominently and in direct proximity to the display of the advertisement itself. Upon engagement with the i-information icon, additional information on the selection and parameters for the advertisements are displayed to the customers. Additionally, Zalando is publishing an advertising repository allowing customers to obtain information about previous advertising content displayed on the website. These measures ensure a high degree of transparency and enable customers to easily differentiate between Zalando content and advertising content.

Zalando uses advanced algorithms to display personalised advertisement content to its customers. These algorithms are consistently applied across our website and app to all advertisement content, learning from customer behaviour to enhance the user experience. Zalando provides users with options to manage their advertisement preferences, including the ability to opt-out of personalised advertisements. This feature enhances transparency and trust, reducing the likelihood of user dissatisfaction or complaints related to advertising practices.

By prioritising user safety and satisfaction, Zalando maintains a positive reputation and strong user trust. Additionally, Zalando's commitment to ethical advertising practices, including the avoidance of misleading or deceptive ads, further reduces the risk of consumer harm or fundamental rights violations.

In summary, Zalando's sophisticated, compliant, and transparent systems for selecting and presenting advertisements, combined with user control options and rigorous vetting processes, ensure that the company effectively manages and mitigates any potential risks. As Zalando ensures the appropriateness of all content displayed on the platform with a negligible amount of reported Notice & Action cases related to advertisement

practices, **the selection and presentation of advertisements on Zalando's platforms results in a residual risk level that is very low**.

5.5 Data related practices

Zalando is the leading European technology platform for fashion and lifestyle. This entails a focused approach on offering a wide range of products, providing inspiration, style advice, and ensuring convenience through diverse payment options, fast delivery, and easy returns, all tailored to meet our customers' needs. Consequently, Zalando has established a robust organisational structure, procedures, and rules to ensure the privacy and trust of its customers. Zalando has formulated a customer promise and designed privacy principles, endorsed by the management board, which apply across the entire Zalando group. The dedicated functions responsible for safeguarding customer privacy actively collaborate with and support the teams at Zalando that develop products and services utilising customer data. These functions encompass privacy law, privacy governance support, privacy product enablement, as well as privacy technology solutions and security guidance and practices. Zalando also signed and committed to the code of the "Corporate Digital Responsibility (CDR) Initiative" established by the German government[5] which notably requires a proactive approach to ensuring ethical and responsible handling of data. Any (new) platform development or functionality is integrated into our existing privacy framework and thus approached with the same standards to data protection and user privacy protocols.

While no issues were formally submitted through the N&A reporting mechanism, data-related risks were identified by expert teams via alternative reporting channels. Given the extensive nature of data across our operations, it remains inherently exposed to risk and cannot be deemed non-applicable. Hence, **Zalando's data related practices are considered to have a low impact on DSA systemic risks.**

5.6 Influence by intentional manipulation of the service

Designated VLOPs must evaluate how the design and functionality of their services, along with the intentional and often coordinated manipulation and misuse, contribute to the four systemic risk categories defined in the DSA. These risks can stem from systemic violations of terms of service, such as the creation of fake accounts, the use of bots, or other deceptive practices. Automated manipulative mechanisms can lead to rapid and uncontrolled dissemination of illegal content or information that violates the platform's terms and conditions, contributing significantly to disinformation campaigns.

Zalando's services and functionalities are designed and implemented with robust processes to ensure platform integrity and to protect users from fraudulent activities such as bots and fake accounts creation.

Zalando's platform is focused on fashion and lifestyle products rather than facilitating broad social interactions or political discourse. This focus inherently limits the potential for malicious acts to manipulate the platform for harmful purposes. The content provided by Zalando's partners and users is subject to comprehensive curation and moderation processes. This ensures that any attempts to manipulate the service through fake reviews or misleading information are quickly identified and mitigated.

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[5] https://cdr-initiative.de/en/initiative

Zalando does not launch marketing activities that create the perception of pressure or an urgency to buy, such as manipulative or deceptive sales countdowns or manipulative marketing claims.

Zalando has a transparent and robust system for reporting and addressing suspicious activities. Users and partners are encouraged to report any irregularities, which are promptly investigated and addressed by dedicated teams. Therefore, Zalando's adherence to stringent data protection, privacy standards and transparent algorithmic systems **actually decrease and/ or avoid DSA systemic risks with no specific DSA risk identified to be influenced due to manipulation or dark patterns (not applicable).**

5.7 Conclusion

In summary, the combination of a focused platform scope, high curation, rigorous content moderation, advanced detection algorithms, transparent reporting mechanisms, and stringent data protection practices ensures that **no potential significant negative implications stem from the risk factors specified by the DSA. Thus, Zalando can be positioned as a VLOP with very low risk in influencing the systemic risk categories specified by the DSA.**

Four out of six risk factors were identified as minimally relevant to the services provided by Zalando: recommender systems, content moderation systems, advertising systems and data related practices. Based on the characteristics of the Notice & Action cases submitted to Zalando and due to the robust mitigation measures in place, Zalando maintains a position of very low risk in these combined areas, as illustrated in the heatmap below.

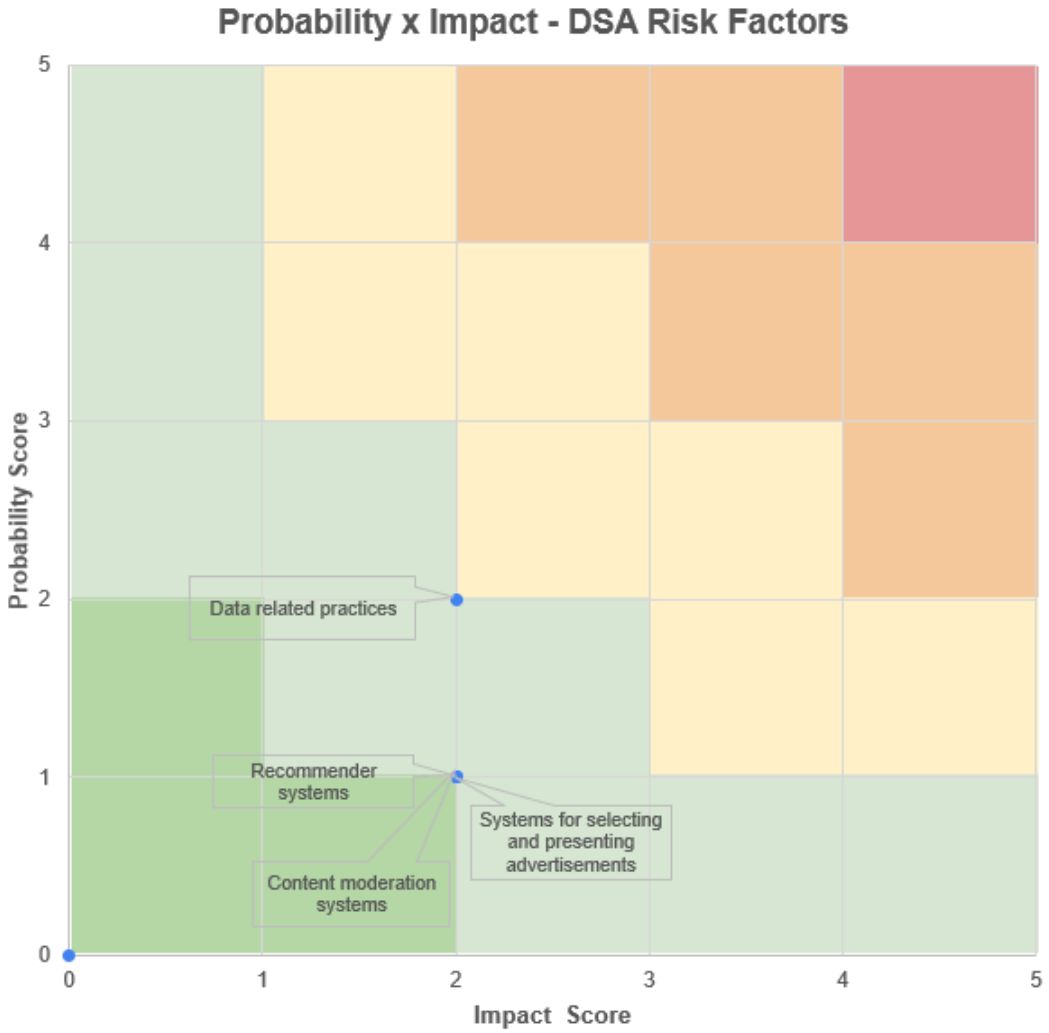


Image 2: Risk level heatmap for DSA risk factors

The following table provides a comprehensive overview of **Zalando's evaluation of how risk factors may influence DSA systemic risks**. It highlights the applicability of each risk factor and assesses the corresponding residual risk level for those deemed to have a negative influence on the DSA systemic risks.

DSA Risk Factor	Applicability	DSA systemic risks impacted	Risk Level
5.1 Recommender systems	Yes	DSA Art. 34 (81) (83) *4.2.g. The right of consumer protection;* *4.4.c. Person's physical and mental well-being.*	**Very Low**
5.2 Content moderation systems	Yes	DSA Art. 34 (80) *4.1.b. Illegal hate speech or other types of misuse of their services for criminal offences;* *4.1.c. Conduct of illegal activities, such as the sale of products or services prohibited by Union or national law, including dangerous or counterfeit products, or illegally-traded animals;* *4.2.g. The right of consumer protection.*	**Very Low**

5.3 Applicable terms and conditions (T&Cs) and their enforcement	No		**N/A**
5.4 Systems for selecting and presenting advertisements	Yes	**DSA Art. 34 (81)** *4.2.g. The right of consumer protection.*	**Very Low**
5.5 Data related practices	Yes	DSA Art. 34 (81) *4.2.d. Data protection.*	**Low**
5.6 Influence by intentional manipulation of the service	No		**N/A**

Table 3: Summary of the DSA risk factors assessment

6 Mitigation Measures

According to Article 35 DSA, VLOPs must implement reasonable, proportionate, and effective mitigation measures tailored to the specific systemic risks of their service(s), identified under Article 34 DSA, with particular attention to the impact on fundamental rights.

Already before implementation of the DSA, Zalando has proactively addressed and implemented relevant and required measures to ensure an adequate level of control and oversight when introducing new features or functionalities into its platform. During the design phase of any new feature, Zalando's legal team collaborates with relevant stakeholders and operational teams to ensure that all applicable regulations are followed and potential risks are thoroughly assessed and managed. In Zalando's interpretation of Art. 35 DSA, there is consequently **no need to implement further risk mitigation measures** at this point. We may consider introducing additional measures should we introduce new functionalities significantly altering the risk position of Zalando.

Zalando's commitment to fostering a safe and accountable digital environment for both customers and partners, grounded in the company's values and ethical standards, is crucial for ensuring business continuity, achieving success and building trust. In alignment with this commitment, every entity seeking collaboration with Zalando must undergo a thorough due diligence process before entering into a partner agreement. The following policies and guidelines constitute Zalando's most relevant mitigation measures incorporated into the onboarding process for collaboration with third parties and the development of new services or functionalities.

- **Sustainable Sourcing & Animal Welfare Policy -** defines minimum requirements for the use of specific fibers, materials and manufacturing methods for products sold through Zalando. In regards to animal welfare, it lists the principles to which business partners must adhere when supplying products made from animal-derived materials for sale through Zalando;
- **Zalando's Code of Ethics** - formalises Zalando's commitment to compliance with all applicable laws and regulations as well as with internal policies and standards of ethical behaviour;
- **Zalando's Code of Conduct** - provides binding principles to Zalando's business partners for a partnership with Zalando;
- **Zalando's Product, Content & Brand Guidelines** - defines what Zalando considers to be offensive, illegal or otherwise inappropriate products, content or

brands and acts as a reference point for employees of Zalando and business partners when making decisions regarding the type of content, products and brands that are permitted on Zalando;

- **Quality Assurance Manual** - outlines partners' product-related quality assurance obligations to comply with;
- **Private Labels Product Compliance Manual** - outlines the company's requirements on chemical, physical and labelling aspects for all Zalando goods;
- **Zalando Platform Rules** - determines the terms and conditions on which partner articles can be sold via the Zalando platform;
- **Manufacturing Restricted Substances list** - outlines product safety requirements, Zalando Chemical Policy and restricted substances;
- **Pretender Platform** - internal knowledge platform with guides, requirements and trainings for partner's articles onboarding;
- **Partner Onboarding with KYC Process** - Know Your Customer/Business Partner process with extensive checks in place to onboard partners;
- **Brand Assortment Proactive Review Procedures -** a systematic process to proactively monitor and audit product listings to ensure brand integrity, authenticity, and compliance across the platform;
- **Manual Keyword Restriction & IP Prevention Controls -** an internal operational workflow to identify, manage, and restrict specific trademark terms within platform content to proactively prevent intellectual property infringement claims;
- **License Verification Procedures -** a standardised protocol requiring partners to submit verifiable proof of authorisation or valid licensing during dispute assessments;
- **Worst Offender Framework Methodology** - framework to identify, monitor and address worst offending partners, incl. follow-up checks and sanctions;
- **Prevention of Misuse Policy** - outlines the circumstances and criteria when the provision of the service is suspended or terminated for both partners and user;
- **Zalando Privacy Program** - organisational directive that outlines how the Zalando Group protects the personal information of its customers, employees, and partners;
- **Zalando Privacy Notice** - policy available online that gives an overview of how Zalando processes customer data. It applies to all websites, apps and other benefits and services offered by Zalando;
- **Data Privacy and Confidentiality Principles** - provides guidance on how to handle customers' data;
- **Information Security Policy** - internal policy to ensure that:
    - Zalando's information systems are properly assessed for security risks;
    - Confidentiality, integrity, and availability of data and systems are maintained;
    - Staff are aware of their responsibilities, roles and accountability;
    - Standards and procedures to prevent, detect and resolve security breaches are in place.
- **Information Security tooling and measures to minimise the risk of customer account takeover:**
    - Bot protection tooling (continuously updated);
    - Usage of NoMoreLeaks (https://www.politie.nl/en/topics/no-more-leaks.html).
- **DSA Compliance Guide for Recommender Systems, Avoiding Deceptive Patterns & Advertising and Notice & Actions -** organisational directive to

provide guidance and ensure compliance with the regulations set forth by the DSA;

- **Moderation Guidelines for Ratings & Reviews -** provides a set of rules and examples of content that would make a review ineligible for publication;
- **Terms of Use for Ratings & Reviews -** provides the rules and guidelines to customers for writing a review;
- **Community Guidelines Enforcement: Moderation Guidelines -** provides a set of rules and examples of content that would make a product or review ineligible for publication;
- **Zalando Community Guidelines -** outlines guidelines to ensure a safe and inclusive space, encouraging high-quality, authentic content while banning harmful behaviour. It applies to all users and content creators, ensuring content aligns with the platform's values of safety, inclusivity, respect, and quality;
- **Product & Content Forum and Escalation Committee -** determines if a product or content is in violation of internal Product, Content and Brand Guidelines;
- **Policy for Working with Children and Child Models** - outlines the central policies of Zalando regarding working with children and child models for the "Kids" proposition;
- **Audience Targeting and Optimization Setup in Performance Marketing** - summarises the audience targeting and corresponding optimization and status quo in for Performance Marketing on third party platforms, defining our target audience as users over 18 years.
- **Notice & Action Mechanism -** functionality available on Zalando platform for users to report legal concerns related to the DSA, backed by specialised review processes to swiftly address and remove non-compliant items and content;
- **Trusted Flagger Processing Procedure -** dedicated operational workflow to ensure the prioritised and expedited processing of notices submitted by officially certified Trusted Flaggers pursuant to Art. 22 DSA;
- **Engagement with Out-of-Court Dispute Settlement Bodies -** dedicated workflow to manage and respond to ongoing cases, complemented by an evaluation mechanism designed to utilise future out-of-court decisions to systematically mitigate risks and adapt our moderation practices;
- **Brand Protection DSA Process -** process to review and take actions for all reported cases in the platform triggering a DSA notice;
- **Zalando's Grievance Mechanism -** mechanism available online for users to report serious matters of legal or ethical violations;
- **Zalando SE Data Catalogue for Vetted Researchers -** data catalogue designed to facilitate vetted researchers' access to Zalando platform data necessary for studying systemic risks in the EU;
- **Emergency Account Deactivation Protocol** - outlines an emergency procedure for fast-track manual account locking and deactivation in cases of critical violations, such as CSAM or immediate threats of violence.

Ultimately, the mitigation measures outlined above reflect Zalando's proactive approach in response to broader foreseeable risks and compliance obligations, including but not limited to the DSA. As the platform evolves, these **mitigation strategies continue to be applied, adapted and expanded, ensuring that risk considerations remain central to Zalando's business model.**

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