



Transparency Reporting on Content Moderation

According to Art. 15, 24, 42 Digital Services Act



About Zalando	3
Content Moderation at Zalando	3
Proactive Content Moderation	3
Reporting Content and Reactive Content Moderation	4
Location of Reporting Mechanism	4
Types of Violations Reportable	4
Expert-Lead Review and Compliance Oversight	5
How to read the report	5
Summary and Reporting Period	6
Appendix: Transparency Report October 2023	6

Transparency Reporting on Content Moderation

We are pleased to present to you our Digital Services Act Transparency Report, as mandated by the European Union's Digital Services Act (DSA).

At Zalando, we are committed to creating a safe, transparent, and trustworthy online environment for all our users. This report is a significant step in our ongoing efforts to meet the DSA's requirements and contribute to the broader goals of safeguarding the digital landscape.

The Digital Services Act, a new piece of legislation at the European Union level, seeks to address the challenges of illegal content, intransparent advertising, and disinformation within the online ecosystem. Under the DSA, online platform providers are obligated to enhance content moderation practices and transparency.

About Zalando

Zalando (<https://corporate.zalando.com>) is a leading European E-Commerce destination for fashion and lifestyle. Founded in Berlin in 2008, we bring head-to-toe fashion to more than 50 million active customers in 25 markets, offering clothing, footwear, accessories, and beauty. The assortment of international brands ranges from world famous names to local labels. Zalando offers a one-stop fashion experience for inspiration, innovation, interaction and shopping. As Europe's most fashionable tech company, we work hard to find digital solutions for every aspect of the fashion journey: for our customers, partners and every valuable player in the Zalando story. Our vision is to be the Starting Point for Fashion with a net-positive impact for people and the planet.

Zalando operates a retail business (Zalando Wholesale) and a partner business (Partner Program and Connected Retail).

Content Moderation at Zalando

The Digital Services Act defines "content moderation" as any activities that are aimed, in particular, at detecting, identifying and addressing illegal content or information incompatible with terms and conditions, provided by third parties (e.g. Zalando partners selling on our online shop). It is therefore to be understood as a reactive measure post publication of any content.

Proactive Content Moderation

At Zalando, we prioritize the delivery of safe, responsible, and compliant content to our users from the outset. We have clear and comprehensive rules and guidelines (concerning, e.g. product safety and intellectual property) that any third party who wishes to sell products on Zalando has to agree and adhere to. Our content review and approval practices are designed to maintain a high standard

of quality and integrity in all the products and information we distribute. We take this responsibility seriously and have developed a robust content review and approval framework that primarily revolves around proactive and comprehensive review prior to publication based on aforementioned rules and guidelines.

Content is only uploaded by us directly after the comprehensive manual and automatic review process has been conducted and compliance with these rules and guidelines has been approved. By this, we ensure that our content adheres to legal, ethical, and community guidelines. In the light of this proactive approach Zalando's (post-publication) content moderation predominantly concerns reviews upon notice (e.g., by customers or partners). In addition, some products offered by third party sellers are ordered by respective experts teams (such as Product Quality and Safety Team) in order to check physical compliance of the product with applicable law (such as labelling). In case of identified irregularities products are being deactivated.

Reporting Content and Reactive Content Moderation

In accordance with the DSA, we have implemented a robust reporting mechanism. This mechanism allows users and stakeholders to report content that they believe may violate European law, the laws of individual member states, or the standards that we have set for ourselves and our partner business.

Location of Reporting Mechanism

Our reporting mechanism is strategically placed in the vicinity of relevant content on our product pages. We believe in making it as easy as possible for our users to bring to our attention any concerns they may have about the content they encounter on our platform.

Types of Violations Reportable

We have undertaken a thorough review of the content on our website to identify potential violations of statutory law and our own internal standards.

Consequently, we have decided to allow for the reporting of various types of potential violations. These include, but are not limited to:

- **IP Infringements:** Any content that infringes upon intellectual property rights, such as copyright or trademark violations, can be reported through our mechanism.
- **Wrong or Incomplete Product Information:** Reporting inaccuracies or omissions in product descriptions and information is essential for maintaining transparency and trust.
- **Product Safety Concerns:** We encourage users to report any content that raises concerns about the safety of products offered on our platform.
- **Environmental Concerns:** Reporting content that may be in violation of environmental standards or policies aligns with our commitment to sustainability and responsible business practices.
- **Inappropriate Content:** This category includes content that may be offensive, discriminatory, promote violence, or extremism. We are

committed to creating a safe and inclusive digital environment for all users, and your reports help us achieve this goal.

By implementing this reporting mechanism, we aim to engage our community of users in our efforts to maintain high standards for the content hosted on our platform. We believe that transparency, user engagement, and open communication are key to addressing potential violations and making continuous improvements.

Expert-Lead Review and Compliance Oversight

Once we receive a notification it will be assigned to and reviewed by members of our expert teams. If the content is found to violate local laws or our Zalando standards, then the content is removed from our websites. To provide strategic oversight, Zalando has established a Compliance Oversight Steering Committee, led by our Director of Compliance.

How to read the report

To help you understand the report, we have compiled the most relevant terminology:

- **Orders** are any requests for information or to act against illegal content issued by an authority of a Member State of the European Union. This section of the report informs about the number of orders we have received and how we have managed them.
- **Notices** are any reports submitted by customer, Trusted Flaggers or any other stakeholder with the intent to notify us about potentially illegal content that third parties have disseminated on our platform. This section provides an overview of the number of notices we have received and how we have managed them.
- **Trusted Flaggers** are individuals or organizations that have been awarded the status of a Trusted Flagger by the Digital Service Coordinator at the place of their establishment. They have proven their expertise for detecting illegal content and are known for their diligence and objectivity. As of the publication of this report, no individual or organization has been known to have been awarded this status.
- The **Internal Complaints Handling** is a means to request the review of a decision that we have previously made following a notice. This section provides an overview of how often our initial decisions were challenged and the extent to which we have upheld or reversed the decisions.
- **Out-of-court settlement** is another means to have our decisions independently reviewed and disputes settled by out of court settlement bodies.
- **Suspensions** can be imposed either on content providers for repeatedly providing manifestly illegal content or on anyone submitting manifestly unfounded notices or complaints. Suspension may involve the temporary

inability to upload new content or sell on our website, or the suspension of processing notices or complaints.

- **Content Moderators** refers to our experts who review notices, complaints and orders and take decisions based on the statutory requirements and our own standards.

Summary and Reporting Period

Since the DSA came into effect on 25th August 2023, we have received 414 notices, which are reports from users notifying content from our Partners, only two of which led to the removal of content from our platform. During the same period, no orders from Member State Authorities were received.

This report was published on October 25, 2023 and covers the period from the DSA coming into force on August 25, 2023, until and including September 30, 2023. The next report will be released by the end of April 2024. This periodic reporting will provide you with regular updates on our efforts to maintain compliance and improve our content moderation and transparency practices.

This report represents Zalando's dedication to complying with the DSA's requirements and, more importantly, to maintaining a safe and responsible digital environment for all our users. We remain committed to ensuring that our platform remains a trusted space where information is accurate and user experiences are positive.

Appendix: Transparency Report October 2023

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Report Identification

Name of the service provider	Zalando SE
Name of the platform	Zalando
Date of Report	25th October 2023
Number of average monthly recipients of the platform service (April - September 2023)	26,823 million
Number of average monthly recipients retail service and platform service (April - September 2023)	74,510 million

Information on Orders

Number of Orders received	
Total Number	0
Breakdown by Member State Authority	N/A
Breakdown by type of illegal content	N/A
Median time to inform of receipt	NA
Median time to give effect	N/A

Information on Notices

Number of Notices received															
Number of Notices	Total Number	Submitted by Trusted Flaggers													
	414	0													
Breakdown by type of illegal content	Animal Welfare	Data protection & Privacy	Illegal or Harmful Speech	Intellectual Property Infringements	Negative Effects on Civic Discourse or Elections	Non-consensual Behaviour	Pornography or sexualized Content	Protection of Minors	Risk for Public Security	Scams and/or Fraud	Self-harm	Scope of Platform Service	Unsafe and/or Illegal Products	Violence	Other
	0	0	5	14	0	0	5	0	3	0	0	0	5	1	381
Action taken pursuant to the notice	Visibility Restriction							Monetary Restriction			Provision of the service		Account Restriction		
	Removed	Disabled	Demoted	Age restricted	interaction restricted	labelled	other	suspended	terminated	other	suspended	terminated	suspended	terminated	
	2	0	0	0	0	0	0	0	0	0	0	0	0	0	
Number of action taken based on law	0														
Number of action taken based on T&C	2														
Number of notices processed by automated means	0														
Median time to take action	10 days														

Information on Own-Initiative Content Moderation

Description

The Digital Services Act defines "content moderation" as any activities that are aimed, in particular, at detecting, identifying and addressing illegal content or information incompatible with terms and conditions, provided by third parties (e.g., the sellers on our online shop). It is therefore to be understood as a reactive measure post publication of any content.

At Zalando, we prioritize the delivery of safe, responsible, and compliant content to our users from the outset. We have clear and comprehensive rules and guidelines (concerning, e.g. product safety and intellectual property) that any third party who wishes to sell products on Zalando has to agree and adhere to. Our content review and approval practices are designed to maintain a high standard of quality and integrity in all the products and information we distribute. We take this responsibility seriously and have developed a robust content review and approval framework that primarily revolves around proactive and comprehensive review prior to publication based on aforementioned rules and guidelines.

Content is only uploaded by us directly after the comprehensive manual and automatic review process has been conducted and compliance with these rules and guidelines has been approved. By this, we ensure that our content adheres to legal, ethical, and community guidelines. In the light of this proactive approach Zalando's (post-publication) content moderation predominantly concerns reviews upon notice (e.g., by customers or partners). In addition, some products offered by third party sellers are ordered by respective experts teams (such as Product Quality and Safety Team) in order to check physical compliance of the product with applicable law (such as labelling). In case of identified irregularities products are being deactivated.

Action taken pursuant own-initiative moderation	Visibility Restriction							Monetary Restriction			Provision of the service		Account Restriction		
	Removed	Disabled	Demoted	Age restricted	interaction restricted	labelled	other	suspended	terminated	other	suspended	terminated	suspended	terminated	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Number of action taken based on law	0														
Number of action taken based on T&C	0														

Appendix: Transparency Report October 2023

Numer of items moderated by automated means	0
Numer of items moderated by content moderators	0

Internal Complaints Handling / Out-of-court settlement

Number of complaints submitted through internal complaints handling system	8		
Basis for complaints	Procedural Complaints	Substantive Complaint in Illegality/ Incompatibility	Restriction not diligent/ objective/ proportionate
	0	8	0
Decisions taken pursuant to complaint	Decision upheld	Decision reversed	
	6	2	
Median time to take decision	24 days		
Number of complaints submitted to out-of-court dispute settlement bodies	0		

Suspensions Imposed on repeated offenders

Number of suspension enacted for the provision of manifestly illegal content	0
Number of suspension enacted for the provision of manifestly unfounded notices	0
Number of suspension enacted for the provision of manifestly unfounded complaints	0

Use of Automated Means for Content Moderation

Summary of the use made of automated means for the purpose of content moderation	Zalando does not rely on automated means for (post-publication) content moderation.
qualitative description of the automated means	N/A
specification of the precise purposes to apply automated means	N/A
safeguards applied to the use of automated means	N/A

Human Resources Dedicated to Content Moderation

Number of moderators employed	Total Number of Part-time Moderators	20										
	Full Time Equivalent	1,05										
Breakdown by Member State	AT	BE	CZ	DE	DK	EE	ES	FI	FR	HR	HU	
	0	2	0	6	0	0	1	0	3	0	0	
	IE	IT	LT	LU	LV	NL	PL	RO	SE	SI	SK	
	0	3	0	0	0	2	2	0	1	0	0	
Qualifications of Content Moderators	Diploma Business Administration, General Engineering, Diploma Textile & Surface Designer, Certified Product & Material Compliance Officer, Masters degree in Cultural Studies, Masters degree in Education, Master degree in Supply Chain & Operations Management, Master degree in Green Management and Sustainable Business, Bachelors of Science in Biology and Industrial Microbiology, Diploma Industrial Engineer, Bachelor's Degree Chemical Engineering, Bachelor of Science Retail Merchandising & Product Management, Bachelor of Science in Advertising, Master of Arts in Fashion Studies, Bachelor of Law, Master Environmental Toxicology, Master of Science in Business Economics, Fully qualified lawyer, specialised lawyer in IP Law, Masters in Political Science, Bachelor in Tourism											
Linguistic Expertise of Content Moderators	Catalan, Croatian, English, French, German, Italian, Lithuanian, Polish, Portuguese, Spanish, Swedish											
Training given to Content Moderators	Digital Services Act process training, Quality Management Training, Product compliance related trainings (e.g., for toys, footwear), Professional Certifications in Green Chemistry and Circular Design, Courses on Intellectual Property, Online IP Assets protection on Websites, Social media, Marketplaces trainings; Anti-Fraud trainings, Anti-counterfeit trainings, WIPO course - General course on Intellectual Property											
Support given to Content Moderators	Chemical and physical product testing at accredited external laboratories											