Temu Transparency Report

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1.   Introduction

At Whaleco Technology Limited ("**Whaleco**")[1], we empower consumers to live a better life by connecting them to traders providing high-quality products at affordable prices. We launched Temu to EU consumers in April 2023 and have always prioritised product safety and consumer protection on the platform.

On 31 May 2024, the European Commission designated Temu as a Very Large Online Platform. This Report is prepared and published in compliance with Temu's obligations under Articles 15, 24 and 42 of the EU's Digital Services Act ("**DSA**"). We take our DSA obligations seriously and are pleased to report on the measures we employ to keep our platform safe.

Our transparency report ("**Report**") is made up of two parts: this qualitative report, which provides an overview of our content moderation efforts at Temu, and our quantitative report, which sets out the relevant data required by the DSA. Our quantitative report is available to view here.

This Report covers the Temu mobile app and www.temu.com website as available in various EU Member States, otherwise known as "Temu".

This Report covers our efforts and resources dedicated to moderating content on Temu from 17 February 2024 to 31 October 2024.

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[1] References to "**we**" or "**our**" are to Whaleco Technology Limited, an Irish company and the provider of Temu in the EU.

2.   Reliable and secure online marketplace

We prioritise creating a reliable, safe and trustworthy environment for our users and are committed to ensuring that the content, products, and interactions on our platform are safe, legitimate, and align with our high standards. To achieve this, we have invested significant resources in content moderation. We employ a comprehensive content moderation strategy that integrates advanced automated systems, proactive measures, and human oversight. Our approach is based on a clear set of policies designed to maintain a safe shopping environment, while also adhering to evolving legal requirements. These policies work to safeguard users from illegal or harmful content and to foster a positive experience for all.

Clear and Transparent Policies

At Temu, our content moderation practices are governed by a set of clear, transparent, and comprehensive policies designed to ensure the safety of our platform. These policies are the foundation of our efforts to maintain a secure marketplace that both consumers and traders can trust. Our rules cover all aspects of platform activity, including what is permissible for product listings, trader conduct, and the content shared by users. In particular, we prohibit the sale of illegal or harmful products, including counterfeit goods and items that infringe intellectual property rights.

We also set strict product safety guidelines to ensure compliance with relevant regulations, taking into account regional and international standards for consumer protection. Temu's policies are regularly reviewed and updated to reflect changes in local and global legal frameworks, evolving industry standards, and emerging risks. In addition, these policies are made easily accessible and provide clear explanations of what is permitted on the platform and the consequences of violating these rules. This level of transparency allows users to fully understand their rights and responsibilities, ensuring that everyone can navigate the platform with confidence.

Preventative Measures to Minimize Risks

Temu's content moderation framework starts with proactive steps aimed at preventing risks before they appear on the platform. We implement thorough trader verification processes to ensure that every trader meets our strict compliance standards. Before traders are allowed to list products, they must provide verifiable business information such as registration documents and contact details. This information undergoes reviews to confirm its authenticity.

Alongside trader verification, we continuously refine our product listing procedures to reflect current industry standards. This helps prevent inaccurate product information and ensures that content presented to our users is trustworthy. We also rely on feedback from consumers, traders, and other stakeholders to identify potential risks and continually enhance our moderation measures.

Automated Tools and Manual Review

While preventative measures are key, Temu also utilises continuous automated systems to address emerging risks in real-time. Our platform uses advanced algorithms to detect potential violations, such as the listing of counterfeit or illegal products, and automatically flags suspicious content for further review by our moderation team.

Our content moderation efforts are further strengthened by a dedicated, multilingual team of human moderators who oversee activity on the platform. With teams stationed across different regions, we ensure that content is reviewed for compliance with local laws, cultural sensitivities, and regulatory requirements. These moderators work in tandem with our automated tools to assess flagged content and take appropriate actions swiftly.

Enforcing Accountability and Protecting Users

Temu takes a firm stand in holding traders accountable for policy violations. If any products or content violate our guidelines, we take immediate action. This may include removing listings, suspending accounts, or permanently banning traders if necessary. We are committed to protecting both consumers and legitimate traders by swiftly addressing issues.

Our approach to enforcement is proactive and data-driven. We continuously monitor trends and identify recurring issues to refine our processes and prevent future violations. For example, if a specific category of products is consistently problematic, we update our policies and take steps to mitigate the risk of similar violations moving forward.

Transparency and Continuous Improvement

Transparency is a core value at Temu. We believe it is essential for our users to have insight into our content moderation practices. We regularly update our policies to reflect changes in legal requirements, new industry trends, and emerging risks.

Additionally, we've established a DSA Help Page where users can access detailed information about our moderation policies and understand how we handle content moderation. By providing this level of transparency, we empower users to make informed decisions and trust that their experience on Temu is safe and secure.

Training and Awareness Programs

Our commitment to maintaining a safe marketplace is supported by continuous training and development for our content moderators. We ensure that all moderators stay up to date with legal standards, best practices in moderation, and the evolving landscape of e-commerce. We also collaborate with industry experts and third-party organisations to enhance our understanding and refine our systems.

Furthermore, we provide clear guidance to both our traders and users about their roles in maintaining a safe platform. Traders receive ongoing education on compliance requirements, including intellectual property rights and product safety standards. We also encourage users to report any suspicious content or issues, offering clear instructions on how they can flag problematic listings.

3.   Average monthly recipients

We have published a breakdown of our average monthly recipients for each EU Member State in our quantitative report.

This is calculated as an average over the period 1 April 2024 to 31 October 2024. For this period, there were a total of approximately 93.7 million average monthly active users on Temu in the EU.

Every 6 months, we publish information on the average monthly recipients on Temu in the EU (in compliance with Article 24(2) DSA). The latest publication was in October 2024 and can be found here.

Note that we have produced this calculation for the purposes of complying with our obligations under Article 42(3) DSA. This information may differ from user metrics reported in other contexts, and should not be relied on for other purposes.

We applied the same methodology used when calculating our total monthly active recipients number for the European Union, published in October 2024. We may continue to work on our processes for future reports, particularly in light of any future additional guidance from the European Commission as to the appropriate methodology.

4. Summary of own-initiative content moderation

We are deeply committed to ensuring users have a safe and positive experience on Temu. As such, we maintain a set of agreements and policies that make it clear the type of content that is (or is not) permitted and how we expect our traders and consumers to conduct themselves on Temu.

To ensure we effectively moderate content across Temu, we employ a variety of mechanisms, including both human review and automated systems. We have summarised below the content moderation that we have engaged in at our "own initiative" during the reporting period. This is where we detect potentially violative content on Temu via our own employees or automated detection systems and take appropriate enforcement action (as opposed to reacting to reports from users). Enforcement actions include, among others, termination or removal of product listings or consumer reviews and account suspension.

Trustworthy reviews	Trader onboarding and verification
We know how important reviews can be when shopping online, so we are committed to ensuring reviews on Temu are authentic, reliable, and free from inappropriate or illegal content. We proactively moderate consumer reviews prior to and post publication, using both automated tools and human moderators to detect and remove any illegal content or other content that breaks our rules.	We want to ensure that traders on our platform are trustworthy and reliable for our users. As such, we require traders to undergo thorough screening and identity verification prior to listing products on Temu.

Product safety and compliance	Brand Protection
Ensuring the safety and compliance of products on Temu is a top priority for us. We use automated systems to help detect prohibited or potentially violative products,	We are committed to protecting everyone's intellectual property rights and regularly carry out comprehensive platform scans to identify potentially infringing product listings (using

notify traders to submit any missing information about their products, and proactively screen product listings. We also supplement this with human review where appropriate.

both automated means and human review). We have also established an IP Database, which facilitate brands to partner with Temu for proactive brand protection.

Further detail on these efforts can be found in sections 5 (*Content moderation by automated means*) and 8 (*Human review*) below.

5.   Content moderation by automated means

Proactive detection of illegal content or content that is incompatible with our policies is extremely important. We leverage automated moderation technology to assist with identifying illegal content and other content that breaks Temu's rules. This enables us to enforce our policies at scale and take action against illegal or harmful content more quickly. A description of the different types of automated means we use for the purpose of content moderation is set out below.

We also recognise the vital role that human review plays in content moderation, specifically in circumstances where nuanced determinations and consideration of contextual factors are required. Therefore, the automated methods described below are commonly used as a precursor to review by a human moderator who can apply their in-depth training and exercise judgement. For more detail on human moderation on Temu, please see section 8 (Human review).

⭐ **Trustworthy reviews**

Our automated tools work by scanning and analysing reviews (both before and after publication) to detect any inappropriate terms and phrases (for example, if a review contains private information, inappropriate language or promotes illegal activities). Reviews will be removed or prevented from being published, if such content is detected.

🤲 **Trader onboarding and verification**

We also use algorithm-based screening tools to scrutinise information provided by traders as part of their onboarding process, including business registrations and identification documents. This verifies whether the information provided by traders matches the information on the trader's personal identification documents and company's business registration license. In conjunction with human review, this helps us to identify applicants who provide unreliable, incomplete or inaccurate information.

📋 **Product safety and compliance**

Prior to being posted on Temu, all product listings are screened by algorithm-based tools to detect violative products. The algorithmic screening process leverages advanced text, image, and video recognition algorithms to capture product data including product descriptions, product images, labelling information, qualification documents submitted, etc., and compares such data against the

pre-set requirements and standards for each product category and identifies potential risks associated with prohibited (both legally and hazardous) or non-compliant products. If the system is not able to precisely identify whether a product is violative, the case will be referred for human review. A product listing will be rejected if it is identified as violative.

We also deploy automated tools to conduct reviews of product listings that are live on Temu, using text/image/video recognition algorithms to locate data that indicates potentially prohibited or non-compliant products. This system also detects suspicious images submitted by traders that may be an attempt to bypass these systems, and forwards these for human review.

A cross-check mechanism based on automated algorithms is also used to identify and take action against products that are similar or identical to those that have already been flagged as prohibited or non-compliant.

We have also implemented a mechanism that blocks any non-compliant keywords from being entered into the search bar by users on Temu. Upon the input of such a term or keyword into the search bar, no recommended keywords in the search drop-down will be displayed, and if a user makes a search using such a keyword, no search results will be displayed.

Brand protection

To mitigate against the risk of IP infringement, we use advanced technologies to conduct regular, comprehensive scans of the Temu platform. The system uses algorithms to automatically identify products (by detecting the presence of text, logos and images that are identical or significantly similar to IP rights within our database) with a high likelihood of infringement. For example, when analysing text, the system uses matching technology to cross match words. This proactive identification of potentially infringing products is supported by our IP content moderators, and enables them to take appropriate action (including delisting).

6.   Indicators of accuracy and possible rate of error of automated means

In our quantitative report, we disclose data on the accuracy of our automated moderation system and possible rates of error. The accuracy rate is determined by subtracting the error rate from 1. The error rate itself is calculated by dividing the number of successful appeals against decisions made by the automated system by the total number of decisions made by the automated system. This approach helps us to measure how often our initial automated decisions are upheld and how often they are overturned upon review by our human moderators.

7.   Safeguards applied to the use of automated means

At Temu, we are committed to ensuring our automated content moderation methods are reliable and effective. We employ a number of different methods to ensure our tools generate accurate moderation decisions and are continuously improving.

Prior to implementation of an algorithm or model used to assist with content moderation, we test the capability of the model to detect and identify potentially violative products. The automated means will only be integrated into our content moderation system when its accuracy is stabilised.

Once the automated measure is live, we continue to assess and optimise its performance by monitoring its daily operational data to identify any abnormalities. Where there are irregularities in the data, the automated system is analysed to identify the reasons and make improvement. We also conduct regular checks on the automated measures used (such as evaluations of the algorithmic screenings used for product listing controls, conducted by specialised staff), to examine and assess the accuracy of its automated content moderation decisions.

We receive reports on a daily basis containing information on content moderation decisions made by automated means. If a decision is found to be incorrect or resulting from an algorithmic error, the decision will be corrected by a human reviewer and the model will be adjusted accordingly. Where an algorithm cannot reach a conclusive decision, it will automatically send the product to a manual-based inspection. We continue to input many instances of data generated from cases both verified by our moderators and rejected by our moderators to improve the capabilities of our automated measures.

For more complex cases that require contextual information, we ensure these are escalated for human review. This ensures that content moderation decisions in these cases are not made solely via automated processes.

8. Human review

This section provides further detail on the manual review undertaken as part of our content moderation efforts on Temu. For detail on automated measures used, please see section 5 (Content moderation by automated means).

Trustworthy reviews

Where the automated system flags content as potentially problematic, it then undergoes a secondary review by our human moderators.

We also take action on reviews flagged by users using the "Report" function next to individual reviews. Once a report is submitted, it is manually reviewed by our content moderation team, and appropriate action is taken. This could include removal of the review from public display if it is found to illegal content or violate Temu policies. We also operate an appeals process for consumers whose reviews have been restricted.

Trader onboarding and verification

After the use of automated means to screen and validate traders prior to listing products on Temu, all applications for trader registration undergo human review. The reviewers cross-check certain information provided by traders against third-party platforms to help verify the reliability and completeness of the information.

Product safety and compliance

If the automated technology explained in section 5 above cannot determine whether (i) a product is prohibited, and/or (ii) certain requirements are satisfied, the product listing will be referred for manual review. Our human moderators will reject the proposed product listing if it is identified as a prohibited or non-compliant product.

Once product listings are published, we employ automated tools and a dedicated team of human content moderators to conduct screening of product listings to detect and remove listings that are illegal or in violation of Temu's policies.

We also take action against product listings that are reported by users via the "Report this item" button available on the item page for each product listing. This allows users to specify the category of report (from six potential options including "item or content is offensive", "prohibited or restricted products" and "issues other than those listed above"), and provide additional detail as free text. All reports lodged by users via this button are directly assigned to human content moderators; automated means are not used.

We use a combination of automated and manual measures to detect and sanction repeat violations of product compliance by traders. A range of sanctions are imposed, such as a warning or removal of non-compliant products or removal of all products from the store.

If a store or trader receives a certain number of penalties, it is subject to stricter oversight and potentially more severe penalties, which could include a suspension on listing new products. Stores subject to stricter oversight are reviewed more frequently by our Trust & Safety team. Such reviews include examining product documentation and trader activity to assess the risk of further violations and to determine whether additional action is required. We also engage directly with traders with multiple violations, requiring them to take corrective action and educating them on compliance to prevent further infractions.

Brand protection

After automated systems detect potential IP infringements, our moderators analyse product listings including descriptions, images and videos. The moderators form part of a multi-lingual team of experts with extensive IP experience and undergo regular training (see section 9 (Qualifications of content moderators and training provided)).

We also take action against product listings that are reported by rightsholders and users via our IP Infringement Portal or the "Report this item" function, which includes an option for reporting a "counterfeit item". If the rightsholder has engaged with us previously, we will seek its direct input on whether it considers the product to be infringing. If it does, we take appropriate action, which includes delisting the relevant products and / or restricting or closing the stores of infringing traders.

Our IP team also maintains and regularly updates the IP Database. The database includes the following categories of rights: (i) IP rights from companies that have partnered with Temu for proactive brand protection, (ii) IP rights identified as highly susceptible to infringement based on our proactive monitoring, (iii) IP rights asserted as infringed upon through legal actions or provisional measures, and (iv) IP rights reported via the IP Infringement Portal or successful "Report this item" complaints.

We use automated means to detect traders who repeatedly infringe IP rights on Temu. After a warning notice has been sent to a repeat infringer, they will be issued with a formal written warning and be provided with educational resources aimed at minimising unintentional infringements. If traders have received a warning, or if repeated infringement complaints are lodged by rightsholders, our team of IP experts conduct a thorough review of a trader's historical infringement records. Where there are confirmed instances of repeated infringement, human moderators will apply appropriate sanctions.

9.   Qualifications of content moderators and training provided

Human reviewers play a pivotal role in the moderation of content on Temu, with their ability to provide a more nuanced approach when compared with automated methods.

We ensure that all human content moderators undergo adequate training as part of their onboarding process. This consists of an initial 10-day classroom training course, followed by two weeks of practice. Only when reviewers meet the required standards for accuracy and review volume can they begin moderating content on Temu.

Beyond the initial onboarding, we provide targeted training sessions to reviewers every one to two weeks to improve certain areas of moderation. We also provide one-to-one training with individual moderators, where appropriate.

Our training is delivered by team leaders either via remote video sessions or in-person and often includes interactive elements to encourage our moderators to engage with the topics. We also make reading materials available for moderators to refer back to, which include moderation guidelines, case studies, standard operating procedures and training slide decks.

We ensure that human content moderators receive specific training based on their specialised subject matter for review, to ensure optimal protection of Temu's users. For example, our dedicated expert IP team receives regular training focused on ensuring a solid understanding of relevant IP risks to enable the reports of users and rightsholders to be reviewed and actioned appropriately. This includes training on the criteria for determining whether infringement of IP rights has occurred (including building skills in the application of legal standards to assess visual, conceptual and phonetic similarities to identify infringement). Our product content moderators are also provided with specialised training on topics such as religion and mature content.

In addition, we ensure that members of the content moderation team learn from each other to improve the handling of reports submitted. For example, the IP content moderation team conducts periodic training sessions in which moderators share their experiences in addressing recent cases.

All content moderators have relevant experience. For example, all full time employees are required to have at least a bachelor's degree. We also actively recruit IP professionals and senior experts with relevant experience in fields including IP law, data science, information technology to our IP team.

We employ content moderators with proficient language skills across all of our content moderation teams. We strategically deploy multilingual professionals in our corresponding country and regional sites. These professionals are fluent in the local languages, including but not limited to English, French, German, Italian, and Spanish, ensuring comprehensive coverage of the EU linguistic landscape. For further detail on the linguistic expertise of our human moderators, please see the quantitative report.

10.   Support provided to content moderators

We appreciate that content moderation to ensure online safety can be a demanding task, given that this can require human moderators to review and evaluate

potentially objectionable material. Therefore, we have established a mentorship programme to ensure that members of our content moderation team are provided with the support they need to effectively carry out their roles. We also offer a free psychological counselling service that employees are encouraged to take advantage of.