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1. Introduction

Founded in 1994, Amazon started as an online retailer for books. In 2001, Amazon opened its store to third-party selling partners (“**Sellers**”). Today, Amazon operates the Amazon stores where customers can find a wide range of products including books, clothes, electronic equipment, car accessories, kitchen and home appliances, toys and many more products on different country-specific online interfaces. Amazon serves its customer-centric mission by striving to provide to customers the best combination of selection, price, and customer experience to make sure customers are satisfied with their shopping experience, including their purchase.

The Amazon EU Store is run as a single store that makes products from Sellers available for purchase (“**Amazon Marketplace**”) as well as Amazon's own retail offers. It is operated by **ASE**. Amazon's own retail activities (“**Amazon Retail**”) are conducted by Amazon EU S.à.r.l. and Amazon Europe Core S.à.r.l. acts as technical service provider operating the websites, tools, and data infrastructures. ASE provides Amazon Marketplace services to Sellers enabling them to offer products for sale in the Amazon EU Store. ASE generates revenues by charging commissions on the transactions it facilitates. Amazon Marketplace connects Sellers and end customers, who shop in the Amazon EU Store.

The Amazon EU Store is local and physical in nature. It is operated through distinct digital storefronts with top-level domain names in Germany, France, Italy, Spain, the Netherlands, Poland, Belgium and Sweden (each a “**Storefront**”). Amazon also operates a European network of more than 70 fulfilment centres to store physical products in warehouse spaces and get them to customers via a physical logistics operation (the “**European Fulfilment Network**” or “**EFN**”). EFN fulfils all Amazon Retail shipments. Sellers have the option to outsource to Amazon the service to fulfil customer orders through the Fulfilled by Amazon service (“**FBA**”), through which they can send their products to the Amazon EFN so that when a customer makes a purchase, Amazon fulfilment specialists can pick, pack, and ship the order.

Customers who visit a Storefront have a number of options to find products in the Amazon catalogue, for example by browsing the Amazon EU Store and product categories, entering a shopping query, or clicking on paid advertising. Both Amazon Retail and Sellers can create listings in the Amazon catalogue. The “product detail page”, which is the name we give to the common detail page for each unique listing, is populated by Amazon as store owner with information from various sources, which could include Amazon Retail, brand owners, and Sellers. Once a new product listing is created in the Amazon catalogue, Sellers can simply add offers for that product so that customers can easily find and compare offers. All offers are presented on a product detail page in a consistent and unified way for customers with a view to facilitating their shopping journey. Amazon has found that it is key to provide customers with a single standardised source for product information, reviews, and competing offers in the store, so that they can easily compare all offers for a product and make a purchase. The logic of our single store is reflected in the single product detail page.

Users can clearly identify the Sellers of each product listed in the Amazon EU Store. Customers, regulators and other users can find information about the Seller of each product on the product detail page. On this page, users can click to view detailed information about the Seller, including the Seller's name, address, and trade register information that is provided through the Seller verification process (described in more detail in Section 3.1 below). Users are able to contact Sellers directly through our “Ask a question” functionality on the seller profile page.

As a retail store, the risks and abuse vectors applicable to the Amazon EU Store are the same that would apply to any other online or offline store, particularly those that offer third-party consumer products for sale.¹ Amazon has a long history of implementing risk prevention and mitigation measures according to retail industry best practices, and has often gone further.

Amazon operates in an intensely competitive and highly fragmented retail landscape with a plethora of retail channels available to consumers and Sellers. It is essential to Amazon's success to maintain customers', Sellers', and brands' trust over the long term, and to ensure a high-quality customer experience. Amazon

¹ This is consistent with Article 34 of the DSA, which provides that the “*risk assessment shall be specific to their services and proportionate to the systemic risks.*” Similarly, Recital 20 to the draft delegated regulation on the performance of independent audits confirms that “*online platforms that allow the conclusions of distance contracts between consumers will have different inherent risks than video-sharing platforms or search engines.*”

depends on accurate information to sell physical goods and is incentivized to ensure information appearing in the Amazon EU Store enables customers to make educated purchasing decisions and that those purchases meet their expectations. Without accurate and trustworthy information about the products for sale in the Amazon EU Store, customers will not trust Amazon, leading to negative comments and perceptions, and as a result, to declining sales as customers will shop elsewhere and Sellers will choose to sell elsewhere. Therefore, risks that could potentially arise and negatively impact customers' and Sellers' experiences and expectations are constantly identified, assessed, and managed in the ordinary course of the Amazon EU Store's business, not just in the context of this Risk Assessment. In addition, due to the novel obligations imposed on Amazon by Article 34 of the DSA, Amazon has made an in-depth re-assessment of its existing risk assessment and mitigation controls to take sufficient account of the specific requirements of the DSA's systemic Risk Categories.

As will be reflected in the analysis of the Systemic Risk Categories we set out below, Amazon's overall strategy to protecting the Amazon EU Store from risk of all forms of abuse centres on four strategic areas.

- 1. Robust proactive controls.** Our robust proactive controls use advanced machine learning techniques and automation to continuously monitor all aspects of the Amazon EU Store for fraudulent, infringing, inauthentic, non-compliant or unsafe products. From the moment a Seller attempts to register, our advanced technology continually scans for potential fraud and abuse, and continues to do so as future changes are submitted. We use the data and learnings gathered from these technologies to innovate and improve our proactive controls.
- 2. Powerful tools to protect the Amazon EU Store.** The Amazon EU Store is designed and functions to support Sellers offering authentic, safe products. We provide powerful tools enabling Sellers to understand and comply with applicable product compliance requirements. In addition, we offer industry leading tools to enable brands to manage and protect their brand and intellectual property rights, on and off Amazon.
- 3. Holding bad actors accountable.** When Amazon identifies abuse or misuse of the Amazon EU Store, we act quickly to protect customers, brands and Sellers, through for example removing infringing, inauthentic or unsafe products, blocking bad actors' accounts, and referring bad actors to law enforcement to mitigate risks across the supply chain. In addition, we pursue civil suits, and work with law enforcement on joint enforcement and seizures across the globe. This deters and prevents bad actors from selling infringing, inauthentic or unsafe products on the Amazon EU Store (and indeed from other retailers' stores).
- 4. External engagement and education.** To complement the measures above, Amazon actively engages with customers, Sellers, brand owners, authorities, and other stakeholders through public-private collaborations. Through these engagements, we detect emerging risk signals, collaborate to adopt best practices across the supply chain, and test and iterate on our risk mitigation measures with impacted groups. We also invest significantly to educate Sellers on their rights and obligations under our policies and applicable law.

These four strategic areas frame the reasonable, proportionate, and effective measures Amazon has implemented to mitigate negative effects of the Systemic Risk Categories for users of the Amazon EU Store.

2. Risk Assessment mechanisms and methodology

2.1 Amazon's mechanisms for risk assessment

In addition to deploying best practices for the retail industry, as part of our customer-centric culture Amazon encourages employees to (i) identify risks and conduct root cause analysis, (ii) establish and monitor closed-loop mechanisms to manage risks, and (iii) incrementally improve and implement proportionate and effective risk mitigation measures that reflect stakeholder input. We describe the impact of these strategies further in the context of specific aspects of the Risk Assessment set forth in Sections 3 through 6 of this Risk Assessment.

At Amazon, risk assessment starts by identifying, anticipating, or resolving "customer" pain points, including potential risks, as an inherent part of designing the Amazon EU Store. Our "customers" include customers purchasing products on the Amazon EU Store, Sellers, and brands. The best example is reflected in the

“working backwards process”, a core part of our culture that encourages operating teams to work backwards from the customer’s perspective. This process starts with listening to our array of stakeholders, and anticipating and resolving customer “pain points”, including potential risks relevant to the Systemic Risk Categories, as an inherent part of designing the Amazon EU Store service. Further, in managing the Amazon EU Store, our teams deploy closed-loop mechanisms. These mechanisms require that teams continually inspect the results of business decisions, which enables focused improvement through iteration. When we identify defects or something goes wrong, teams may undertake a “correction of error” process, which drives identification and rectification of upstream root-causes.

These strategies reflect Amazon’s unrelenting focus on the customer. It also reflects the changing nature of risk. Amazon understands that risks relevant to the Amazon EU Store are constantly evolving as new issues emerge in the supply chain, bad actors find new ways to evade our controls, and as technology becomes more sophisticated. Therefore, our risk assessment techniques and risk mitigation controls will also evolve.

2.2 Risk Assessment methodology

This Risk Assessment was conducted by undertaking a diligent review of available information identifying, analysing and assessing actual and foreseeable risks related to the Systemic Risk Categories in the Amazon EU Store, as well as the status of current measures implemented to manage those risks. Amazon has identified internal operations teams that manage processes and controls which are responsive to the Systemic Risk Categories and the requirements of Article 34 of the DSA, including the factors identified in Article 34(2). Preparation of the content in this Risk Assessment involved detailed consultations with operations teams and leaders of these operations teams.

Specifically, the teams operating Amazon’s search functionality and other recommender systems have been consulted to assess how the design of these recommender systems influence the Systemic Risk Categories. Teams responsible for mitigation of fraud and abuse in the Amazon EU Store, including specialist teams relating to intellectual property infringement, product safety and compliance, moderation of customer reviews, and anti-money laundering compliance, contributed to assess how content moderation systems in place across the Amazon EU Store influence the Systemic Risk Categories. Teams carrying out the enforcement of terms and conditions in the Amazon EU Store, including those enforcing policies applicable to customers and Sellers, provided input on how relevant policies and enforcement practices influence the Systemic Risk Categories. Amazon Ads, the team managing the placement of advertisements in the Amazon EU Store, shared information to assess the influence of Amazon’s systems for selecting and presenting advertisements on the Systemic Risk Categories. To understand the impact of data related practices on the Systemic Risk Categories, we considered input from the team implementing data privacy systems as well as the current data collection and sharing practices of operational teams in the Amazon EU Store. We consulted internal teams with subject matter expertise in global content moderation laws and human rights impact assessments to inform our consideration of factors that may influence the Systemic Risk Categories.

To identify and assess potential emerging risks relevant to the Systemic Risk Categories, we also audited the mechanisms through which we collect external input, including observations from listening to customer and Seller feedback, signals obtained from the content of notices and takedowns, consultations with brands, collaborations with authorities, and information from other relevant stakeholders.

In the following sections, we address each of the Systemic Risk Categories under Article 34 of the DSA. The

Systemic Risk Categories covered under Article 34 of the DSA includes the risks of disseminating illegal content (the “**Illegal Content Risk**”), negative effects on the exercise of fundamental rights protected by the Charter of Fundamental Rights of the European Union (the “**Fundamental Rights Risk**”), negative effects on civic discourse, electoral processes and public security (the “**Democratic Process Risk**”), and negative effects on the protection of public health and minors, serious negative consequences to a person’s physical and mental well- being, and gender-based violence (the “**Public Health Risk**”).

3. Assessment of Illegal Content Risk

In this section we assess the risk the Amazon EU Store is abused or misused to sell illegal products, having regard to Recital 80 to the DSA which specifically includes within the Illegal Content Risk the potential risk of

“the sale of products or services prohibited by Union or national law, including dangerous or counterfeit products.”²

Amazon’s terms and conditions with all Sellers strictly prohibit the offer of any infringing, inauthentic, non-compliant and unsafe products, and each Seller agrees to these terms and conditions when registering to sell in the Amazon EU Store. When Sellers violate these policies, they may be subject to removal of the listing or listing content, and in more severe cases to suspension of selling account privileges. Section 4.3 provides additional information regarding the enforcement of our terms and conditions for Sellers, which contributes to Amazon’s strategy to managing the Illegal Content Risk. For ease we refer in this Risk Assessment to the applicable terms, policies and guidelines for one of our Storefronts; however substantially similar policies and guidelines apply to all of our Storefronts.

Illegal Content Risk is neither specific to nor increased for large online retailers. In fact, the risk of the sale of counterfeit or other illegal products may be more prevalent in smaller stores, as they generally have less resources to ensure compliance. In contrast, larger stores have greater incentives to develop and deploy measures against dangerous or illegal goods, faced with more media attention which may lead to more negative publicity and a bigger impact on reputation and customer and seller trust compared to smaller stores. Larger stores also have more resources to develop more know-how and more effective tools to fight trade in illegal goods. In fact, in 2022 Amazon globally invested more than \$1.2 billion and employed over 15,000 people — including machine learning scientists, software developers, and expert investigators — dedicated to protecting customers, brands, Sellers, and our store from counterfeit, fraud, and other forms of abuse.

In addition, to the extent there are industry-level risks that exist in the retail sector, the sector has been regulated for many years with a view to mitigating these risks, both through government and self-regulation, including in relation to online sales (e.g., pursuant to the Unfair Commercial Practices Directive,³ the Unfair Contract Terms Directive,⁴ the Consumer Rights Directive,⁵ the Price Indications Directive⁶ (all recently amended by the Omnibus Directive),⁷ the Market Surveillance Regulation,⁸ the E-Commerce Directive⁹ and voluntary codes of conduct such as the EU Product Safety Pledge (described further below)). Further, to the extent that certain products are illegal or contain harmful information (e.g., books or DVDs), the content is only “spread” to the customers who purchase those products, which is essentially the same for physical retail (book) stores. Therefore, the assumption that the sale of illegal goods on VLOPs could create “systemic risks” is incorrect.

We know that the sale of illegal products in the Amazon EU Store can negatively impact a customer’s experience, just like in any other retail business. Therefore, Amazon regularly identifies aspects of the use or misuse of the Amazon EU Store that could influence the risk that illegal content is offered at every step of operating the Amazon EU Store, from the time a Seller attempts to register a selling account through creation of product listings through Amazon shipping a Seller’s product to a customer. As reflected by our strategy and the assessment below, Amazon’s focus is on proactively detecting and remediating the causes of the Illegal Content Risk. In 2022, Amazon’s automated technology scanned over 8 billion daily attempted changes to product detail pages for signs of potential abuse. 99% of blocked or removed listings on the Amazon EU Store were taken down before a brand or authority ever had to find and report them. These listings were suspected of being fraudulent, infringing, counterfeit, non-compliant, or at risk of other forms of abuse.

The sections below describe how the design and function of the Amazon EU Store, and the potential misuse of the Amazon EU Store to offer illegal products, contribute to the Illegal Content Risk.

² For completeness, Recital 80 to the DSA also mentions that Illegal Content Risk could arise from the sale of “*illegally-traded animals*”. This is not applicable, as the Amazon EU Store does not sell pets. Additionally, while the Amazon EU Store in principle does not pose systemic risks related to “*dissemination of child sexual abuse material or illegal hate speech*”, because such risks are associated with social media and content sharing services, measures capable of addressing any such (non-systemic) risks in the Amazon EU Store are discussed in Section 4.2 below.

³ Directive 2005/29/EC

⁴ Directive 93/13/EEC

⁵ Directive 2011/83/EU

⁶ Directive 98/6/EC

⁷ Directive 2019/2161

⁸ Regulation 2019/1020

⁹ Directive 2000/31/EC

3.1 Seller verification

We make it straightforward for entrepreneurs to set up a selling account, but very difficult for bad actors who may misuse the Amazon EU Store to do so.

Amazon has built industry-leading tools to verify potential Sellers' identities by using a combination of advanced technology and expert human review. Our risk-based algorithmic models and processes for verifying potential Sellers are the first line of defence for our robust proactive controls. Sellers who intend to open a selling account with Amazon must also enter into the Amazon Payments – Selling on Amazon User Agreement with Amazon Payments Europe S.C.A. (“APE”), and open an account with APE in order to receive payments for online purchases made through the Amazon EU Store, and to transfer funds received for online purchases to a bank account. APE is an Amazon entity incorporated in Luxembourg and licensed as an electronic money institution regulated by the *Commission de Surveillance du Secteur Financier*. In this respect, APE is subject to strict anti-money laundering obligations, which include verification of the identities and backgrounds of all of its clients. Prospective Sellers are required to provide documents such as government issued national ID, tax information, business license, phone number, physical address, bank account number, bank routing number, and chargeable credit card. Our proprietary systems analyse hundreds of unique data points to detect and mitigate potential risk, including relationship to previously identified bad actors. In addition, Amazon has measures in place designed to ensure compliance with all applicable import, re-import, sanctions, anti-boycott, export, and re-export control laws.

In 2021, Amazon reinforced its Seller verification mechanisms with the introduction of an in-person verification program. This program requires all prospective Sellers to have one-on-one conversations with an Amazon employee to verify the Seller's identity and documentation. Amazon's investigators are trained to verify the authenticity of registration documents and identify common signs of bad-actor behaviour, so they can flag high-risk potential Sellers. This process is further enhanced through the verification of the Seller's physical location and payment instruments. Our diligent Seller and product vetting coupled with our efforts to hold bad actors accountable are deterring bad actors from even attempting to enter our store. The number of bad actor attempts to create new selling accounts across all Amazon stores decreased from 6 million attempts in 2020 to 2.5 million attempts in 2021, to 800,000 in 2022. Continuing to innovate, in 2023, Amazon launched a pilot project allowing Sellers to choose verification using facial recognition and liveness detection technology to conduct identity verification.

3.2 Brand protection

Amazon has zero tolerance for counterfeiting and piracy in the Amazon EU Store and is committed to bringing the number of counterfeits down to zero. Counterfeiting remains a persistent threat around the world. In 2021, the Organization for Economic Cooperation and Development (OECD)¹⁰ estimated that pirated and counterfeit products make up 2.5% of world trade — that's \$464 billion a year — equal to the gross domestic product of Belgium. So, while the prevalence of counterfeits in the Amazon EU Store may be rare, this issue persists through the retail industry and across the globe. The risk of abuse of internet platforms for the sale of counterfeit goods is also identified in public-private partnerships like the Memorandum of understanding on the sale of counterfeit goods on the internet¹¹ (the “**MOU on Counterfeit**”), to which Amazon was a founding signatory since 2011. Similar memorandums of understanding with the German Anti-Counterfeiting Association, the Italian Anti-Counterfeiting Association and the Italian Government in the context of geographical indications acknowledge the risk of counterfeits in e-commerce.

The Amazon EU Store is designed to enable businesses to more efficiently obtain and protect intellectual property rights, which helps brands protect their intellectual property in every store, everywhere, not just on Amazon. The proactive controls described in Section 3.2.1 found more than 99% of blocked or removed listings before a brand ever had to find and report it. Further, in 2022, through continued improvements in our tools

¹⁰ OECD/EUIPO (2021), Global Trade in Fakes: A Worrying Threat, Illicit Trade, OECD Publishing, Paris, <https://doi.org/10.1787/74c81154-en>

¹¹ The MOU on Counterfeit states that: “Even if the vast majority of e-commerce that takes place on the major internet platforms is legitimate, internet platforms can also be abused by some who seek to distribute counterfeit goods. The sale of counterfeit goods over the internet is damaging and harmful to all legitimate stakeholders including internet platforms, intellectual property rights owners and, most importantly, consumers.” https://single-market-economy.ec.europa.eu/industry/strategy/intellectual-property/enforcement-intellectual-property-rights/memorandum-understanding-sale-counterfeit-goods-internet_en

to support brand protection, brands reported fewer infringing products in the Amazon EU Store. The number of valid notices of infringement submitted by brands in Brand Registry (described at Section 3.2.2(i) below) has decreased every year since 2020, despite the number of participating brands and the size of the Amazon EU Store catalogue increasing. For example, the number of valid notices of infringement submitted by all brands in 2022 decreased by more than 35% from 2021. Similarly, we have seen a decrease in counterfeits identified by brands participating in the latest MOU on Counterfeit exercise. In fact, fewer than 0.01% of all products sold on Amazon received a counterfeit complaint from customers. Additionally, in 2022, Amazon identified, seized, and appropriately disposed of more than 6 million counterfeit items, removing them from the supply chain entirely. Amazon's investments in the strategic pillars described above contribute to effectively mitigate the risk that infringing products are offered in the Amazon EU Store.

3.2.1 Robust proactive controls. We continuously monitor the Amazon EU Store for potentially infringing content and inauthentic products. To develop the proactive controls which identify and remove potentially infringing content, we use the data provided by brands through Amazon's Brand Registry, a free service launched in 2017 that gives brands the ability to manage and protect their intellectual property rights, regardless of whether they sell in the Amazon EU Store. Brand Registry allows brand owners with a registered trademark to provide data about their brand, products, and intellectual property. Amazon uses this data to implement predictive protections using advanced machine learning that prevent listings suspected of being infringing. The data and learnings from implementing these proactive controls are also used to improve our seller verification. As an example of establishing a closed-loop mechanism to assess and manage risk, when we receive a valid notice of infringement or a customer complaint, our machine learning algorithms use this information to learn, improving our proactive detections and scaling protections for brands. When the tools detect a possible issue, the listing may be blocked from publication, removed, or required to undergo a further detailed review by expert investigators to confirm whether it is infringing. If content is confirmed to be infringing, Amazon removes it from the Amazon EU Store.

3.2.2 Powerful tools to support brand protection. Amazon offers a number of services through the Amazon EU Store to support brands in securing and protecting their intellectual property rights.

- (i) *Brand Registry.* In addition to facilitating the proactive controls described above, Brand Registry provides brands with a "Report a Violation" tool that allows brands to search for and accurately report potentially infringing products using image and text search technology. The report on the functioning of the MOU on Counterfeit recognizes that these notification tools are "*indispensable measures in the fights against the sale of counterfeit goods.*" Brands also receive more control over the photos, videos, text, and other information on product detail pages associated with their brand, so they can ensure their product information is accurate and help customers make confident, informed purchasing decisions.
- (ii) *Amazon IP Accelerator.* Amazon's IP Accelerator¹² service connects businesses in Europe with a curated network of trusted IP law firms, which provide high-quality trademark registration services in 11 languages at competitive rates. These businesses can also register for Brand Registry, even with a pending trademark, allowing them to utilize and benefit from Amazon's tools to protect their brand.
- (iii) *Project Zero.* Amazon also offers Project Zero,¹³ a self-service counterfeit removal tool empowering brands to act as trusted flaggers and remove counterfeit products themselves from the Amazon EU Store. If Amazon's solutions somehow miss a counterfeit product, eligible brands have the power to directly remove a counterfeit product from the Amazon EU Store in near real-time without the need to contact Amazon. Brands can qualify for Project Zero regardless of their selling relationship with Amazon if they have submitted reports of potential infringements through Brand Registry with an acceptance rate of at least 90% over the previous six months.

¹² <https://brandservices.amazon.com.be/ipaccelerator>

¹³ <https://brandservices.amazon.com.be/projectzero>

Today, more than 22,000 trusted brands are in Project Zero and the number keeps growing as Amazon enrolls new brands.

- (iv) *Transparency*. Over 33,000 brands now use Transparency, Amazon’s product serialization service that prevents counterfeits from reaching customers by using codes to uniquely identify individual units of enrolled products. These codes can be scanned throughout the supply chain and by customers to verify authenticity, regardless of where the products were purchased (*i.e.*, on Amazon or elsewhere). In total, Transparency protects more than 900 million product units across the supply chain. In 2022, we launched a Transparency badge that is placed on product detail pages within the Amazon EU Store when the product is enrolled in Transparency. When a customer shops in the Amazon EU Store, the Transparency badge highlights that each item has a unique code applied by the brand that we verify before shipping. This badge is part of Amazon’s mission to proactively prevent counterfeiting and allow customers to shop with confidence.

3.2.3 Holding bad actors accountable. Amazon takes and strongly supports a collaborative approach to improving the fight against counterfeits, and uses the data and insights obtained to protect the Amazon EU Store and hold bad actors accountable across the globe. When we find a counterfeit, we go beyond the Amazon EU Store. We go upstream to identify the warehouses and distribution network involved in the counterfeit production so we can prevent the counterfeit products from re-entering the supply chain.

- (i) *Enforcement of terms and conditions*. If our tools identify potentially infringing content, the listing may be blocked from publication, removed, or required to undergo a detailed review by expert investigators. If an issue with the listing or product is confirmed, Amazon protects customers and brands by blocking the listing from publication, removing the problematic content or listing, blocking accounts and/or referring bad actors to law enforcement.
- (ii) *Disrupting counterfeit networks across the globe*. Misusing the Amazon EU Store to offer an inauthentic product can also constitute a criminal offence. In order to increase litigation efforts and collaboration with law enforcement around the world, the Amazon Counterfeit Crime Unit (“CCU”) was established in 2020. Amazon’s CCU is made up of former law enforcement investigators and prosecutors, and data analysts. Amazon’s CCU pursues civil suits and works with law enforcement on joint enforcement and seizures across the globe, including taking action against bad actors, suppliers, logistics providers, social media influencers, fake invoice providers, and more. In partnership with brands and law enforcement, we have been able to hold more counterfeiters accountable—stopping them from abusing our and other retailers’ stores across the industry.

Amazon shared information with several Public Security Bureaus in China that helped law enforcement raid counterfeiting operations across multiple provinces, seizing more than 240,000 counterfeit items and dismantling three major counterfeiting networks. German law enforcement acted on intelligence from Amazon against nine suspected members of a German-based counterfeit printer ink and toner ring that attempted to deceive customers by selling fake toner cartridges that were marketed as genuine products. Amazon supported anti-counterfeiting activities undertaken by the Police Intellectual Property Crime Unit (**PIPCU**) of the City of London Police. Amazon’s CCU joined the British Phonographic Industry to provide detailed information to the City of London Police about a large-scale counterfeit CD operation. PIPCU’s actions, including raids at three different locations, led to the seizure of more than 32,000 counterfeit CDs.

3.2.4 External engagement and education. Amazon actively engages to collect external input on our brand protection tools, including through managed relationships with Sellers and brand owners. Amazon also invests to educate Sellers on opportunities to protect their intellectual property and ensure they offer authentic and non-infringing products, and protect customers with information on how to shop confidently and avoid counterfeit products.

- (i) *Engaging externally*. Amazon regularly consults with brand owners through managed relationships and organized forums. These external engagements help inform Amazon’s

understanding of the concerns of brand owners and their feedback based on use of Amazon’s brand protection tools. The learnings from these relationships allow Amazon to identify particular pain points and emerging risks, and cooperation with brands enables Amazon to refine existing controls. For example, to solve for bad actors identified as repeat infringers who pass through product authenticity reviews using falsified documentation (e.g., forged receipts or brand authorization letters), Amazon collaborated with brands to create an enhanced supply chain verification process. We learned that bad actors are savvy enough to create legitimate looking invoices complete with logos, real addresses, product names, and can even be made to look like it has been signed by an attorney matching the one named on record on a trademark certificate. The enhanced verification process identifies brand-specific indicators of inauthentic invoices and letters of authorization. [Confidential], applying the enhanced verification process led to a [Confidential] decrease in negative contacts concerning repeat offenders and a [Confidential] reduction in customers complaining of receiving counterfeit products associated with participating brands’ products.

- (ii) *Educating Sellers.* Amazon EU Store’s Intellectual Property Policy¹⁴ provides clear and practical information to Sellers about intellectual property rights and common intellectual property concerns that might arise when selling on Amazon, including regarding the enforcement of those rights.
- (iii) *Protecting and educating customers.* We make available materials that help raise customer awareness about counterfeit products to promote purchases of authentic products. On World Anti-Counterfeiting Day 2022, Amazon partnered with the European Federation of Pharmaceutical Industries Associations to raise awareness through a social media campaign. The campaign focused on developing industry best practices to remove counterfeit medicines sold online. We recognize the importance of educating young consumers about the risks of counterfeit goods. In 2022, we continued our partnership with the International Trademark Association’s (“**INTA**”) Unreal Campaign, a consumer awareness initiative that teaches young consumers about the value of intellectual property and the dangers of purchasing counterfeit products. Amazon team members across the globe engaged with INTA’s Unreal Campaign, reaching students with illustrative, relatable presentations through schools, youth-oriented events, and social media. Youth education programs like INTA’s are an important step in our collective effort to limit the reach of counterfeit goods.

3.3 Product safety and compliance

As Amazon has always sought to be the earth’s most customer-centric company, we strive to ensure only safe and compliant products are offered in the Amazon EU Store. Amazon demonstrated its commitment to better product safety in Europe as a founding signatory to the 2018 EU Product Safety Pledge, and reconfirmed that commitment by signing the Product Safety Pledge + in 2023. Amazon recognizes that all retailers must remain vigilant on product safety, as evidenced by the 2,117 alerts of dangerous products notified to Safety Gate in 2022. All products offered in the Amazon EU Store must comply with applicable laws, including product safety and compliance requirements. Compliance with these laws starts with our Sellers, and the design and function of the Amazon EU Store contributes to their ability to offer a safe and compliant customer experience. Amazon’s investments in the four strategic pillars described above contribute to the ability to effectively mitigate the risk that unsafe or non-compliant products are offered in the Amazon EU Store.

3.3.1 Robust proactive controls. The Amazon EU Store’s content moderation systems aimed at product compliance include proactive listing controls that function through automated rules (“**Product Listing Rules**”) to identify and remove non-compliant products. [Confidential]. These models analyse data points

¹⁴ Amazon Intellectual Property Policy, <https://sellercentral.amazon.de/help/hub/reference/external/G201361070?locale=en-US>.

related to the products, brands, offers and Sellers, to detect activity that indicates certain product offers might violate Amazon's policies.

New information, including internal learnings and developments and external risk signals, is fed into our tools daily so they can learn and constantly get better at proactively identifying and blocking non-compliant products. [Confidential]. In 2022, Amazon proactively stopped over two hundred million products worldwide for safety or compliance reasons. Nearly all of those proactive suppressions occurred before a single item was sold. Specific applications of the Product Listing Rules in moderating content in the Amazon EU Store are described further below.

- (i) *Products that may not be sold in the Amazon EU Store.* Certain products, such as firearms, cigarettes, or illegal drugs, may not be sold in the Amazon EU Store either because they are illegal or violate our policies. Amazon implements Product Listing Rules that prevent any Seller from listing these products.
- (ii) *Products that may be sold in the Amazon EU Store if additional information is provided.* Certain products may be sold in the Amazon EU Store only under certain conditions. Amazon is able to identify these products based on internal and external risk signals. For example, Amazon became aware of incidents where small lithium battery powered personal transportation devices (also known as "hoverboards") or their batteries overheated, caught fire and even exploded.¹⁵ Similarly, safety concerns have been raised due to accidents involving small children using "fidget spinners".¹⁶ Therefore, Sellers of these products must show that their products meet the specific compliance and/or safety criteria that address the product-specific risks. To that end, Sellers must provide Amazon with the information necessary to confirm that the products are safe and comply with legal requirements, like EU Declarations of Conformity, proof of *Conformité Européene* (CE) markings, Global Food Safety Initiative certificates and evidence of notification to relevant authorities, or test reports from independent accredited laboratories illustrating compliance to harmonized European Standards.¹⁷ If Sellers do not provide this information, the listing is not allowed in the Amazon EU Store.
- (iii) *Products that may only be sold in the Amazon EU Store by qualified Sellers.* Certain products may only be sold by qualified Sellers. For these types of products, Amazon verifies whether the Seller has the necessary qualifications and authorizations, e.g., whether the Seller who wants to sell certain human medicines is a pharmacy and has a license to sell medicines online.¹⁸ For other products that require Seller licenses or restrictions and we have assessed that our systems do not support Seller compliance or they present a customer safety risk, such as prescription medicines or explosive precursors listed in Annex I of the Explosive Precursor Regulation,¹⁹ we prohibit these products through our policies and Product Listing Rules.

3.3.2 Powerful tools to support product safety. We make a suite of powerful tools available for Sellers to ensure their products are offered in accordance with applicable law.

- (i) *Manage Your Compliance.* The Amazon EU Store offers several tools and systems to empower and facilitate Sellers' compliance. Through an interface called "Manage Your Compliance", Sellers are

¹⁵ EASA Dangerous Goods, <https://www.easa.europa.eu/en/domains/passengers/dangerous-goods#personal-transportation-devices>

¹⁶ European Commission 2017 Results of the EU Rapid Alert System for dangerous non-food products, https://www.euractiv.com/wp-content/uploads/sites/2/2018/03/2017_Report_EU_Rapid_Alert_System_for_dangerous_non-food_products.pdf

¹⁷ See, for example, the relevant requirements for Personal Electronic Mobility (E-mobility) Devices, <https://sellercentral.amazon.com.be/help/hub/reference/external/G201978810?locale=en-US>, and Fidget Spinners, https://sellercentral.amazon.de/help/hub/reference/external/202155900?ref=efph_202155900_relt_4QUDFLRX8GBFPVV&locale=en-US

¹⁸ See, for example, the relevant requirements for Drug, Drug Paraphernalia and Dietary Supplements, <https://sellercentral.amazon.de/help/hub/reference/external/G201743990?locale=en-US>

¹⁹ Regulation (EU) 2019/1148

prompted to provide relevant product safety and compliance materials, including product compliance warnings and markings on product pages and high-quality 6-sided images of their products and packaging. Often and where available, we leverage APIs to public resources to help make compliance easy and reliable. For example, Sellers can display energy efficiency labelling by simply giving us their European Product Registry for Energy Labelling (EPREL) ID information.

- (ii) *Compliance solutions.* In addition, Amazon provides compliance solutions²⁰ to help Sellers meet and manage their compliance obligations, including extended producer responsibility²¹ and responsible person services.²² We also connect Sellers with third-party service providers to manage their compliance obligations by suggesting service providers for testing, labelling and other compliance needs, often at pre-negotiated discounted rates.²³
- (iii) *Dedicated point of contact.* Occasionally, Amazon is notified of a product listing that is unsafe or may violate applicable laws or Amazon's policies. Regulators can contact us directly via a dedicated alias to inform us of an unsafe or non-compliant product for takedown. When we receive a notice from an authority, we act quickly to protect customers, remove unsafe products from the Amazon EU Store, and investigate.
- (iv) *Product recalls.* Consistent with Article 31(3) of the DSA, we also monitor public recall notifications by checking Safety Gate twice daily and monitoring 43 recall sites for the EU.²⁴ For recalled products, we have built systems not only to remove and prevent future product listings but also to directly inform past customers (unlike most physical-store retailers) to ensure they stop using the product. We also provide customers reimbursement for these products. Amazon is also able to use this information to expand, refine, and improve its proactive Product Listing Rules.

3.3.3 Holding bad actors accountable. Amazon shares with law enforcement agencies across Europe potential suspicious customer transactions and their relevant data points, such as customer information in accordance with the Explosive Precursor Regulation.²⁵ For this purpose, Amazon has appropriate, reasonable and proportionate measures in place to control transactions and investing enormous efforts into identifying and reporting transactions that may be suspicious when combined with information that law enforcement may have. Amazon has classified several hundred thousand products for which transactions are monitored and complex combination purchases are flagged for potentially being suspicious. All of the results are reviewed by risk managers, to ensure correct reporting considering the impact an incorrect report might have on our customers and on the general public. Our efforts in working with the authorities and law enforcement agencies is underlined by the fact that we are actively participating in the EU Standing Committee on Precursors, the German "Arbeitskreis on Explosive Precursors" and are in close contact with the relevant national contact points. In light of this participation we have contributed to the Guidance Documents released by the Commission on the identification and reporting of suspicious precursors.

3.3.4 External engagement and education.

- (i) *External engagement.* As memorialized in the Product Safety Pledge, Amazon is committed to close cooperation with the Commission and other authorities. The Pledge has also served as the backdrop to a pilot project between consumer groups and the Pledge's signatories, meant to

²⁰ Amazon Compliance Solutions, https://sell.amazon.de/einhaltungs-losungen?ref=sdde_soa_cs_n

²¹ Amazon Compliance Solutions, Environmental Security, <https://sell.amazon.de/en/einhaltungs-losungen/umweltshicherheit>. These services help Sellers manage their extended producer responsibility (EPR) requirements (for example, registration of products, reporting of waste, payment of eco-contributions and take-back obligations) under applicable law.

²² Amazon Compliance Solutions, Product compliance, <https://sell.amazon.fr/en/solutions-conformite/produit>. These services are available to Sellers that are based outside the EU and use FBA and allow them to comply with the requirement under the Market Surveillance Regulation to appoint a Responsible Person based within the EU for CE-marked products.

²³ Amazon Service Provider Network, https://sellercentral.amazon.com/gspn?ref=xx_gspn_servs_hp#/search/EU/compliance?product_category=product_hardlines_electronics&localeS_election=en_US

²⁴ We monitor 90+ pages across these 43 recall sites.

²⁵ Regulation (EU) 2019/1148

facilitate the exchange of information and timely coordinated action for the takedown of unsafe products.

- (ii) *Seller education.* Amazon recognizes that most Sellers share Amazon’s mission to protect consumers, contributing to Amazon’s goal to provide the world’s largest selection of safe and authentic products, but Sellers may unknowingly list a non-compliant or prohibited product because they are unaware of an applicable legal requirement or Amazon policy. When we identify and remove a non-compliant or unsafe product offer, we inform the Seller of the violation and provide additional information about Amazon’s policies and compliance resources to help them be compliant on their own in the future.

3.4 Trustworthy customer reviews

Amazon introduced customer reviews in 1995 with the purpose of providing authentic customer insights about products and services offered in its store and enabling customers to make better informed purchasing decisions. In 2022, 125 million customers contributed nearly 1.5 billion reviews and ratings to our global stores, providing Amazon shoppers with transparent insights into the products they were considering. Having authentic and trustworthy reviews is essential for the reputation and credibility of the Amazon EU Store²⁶, while inauthentic or misleading reviews harm customers’ trust²⁷ and lead to erosion of the Amazon brand and lower sales over time.

Our goal is to ensure that every review in the Amazon EU Store is trustworthy and reflects customers’ actual experiences. For that reason, Amazon welcomes authentic reviews — whether positive or negative — but strictly prohibits²⁸ fake reviews that intentionally mislead customers by providing information that is not impartial, authentic, or intended for that product or service. Amazon encourages the pluralism of opinions that benefit our customers and only moderates customer reviews content if the review would either violate Amazon’s policies or applicable laws.

Consistent with its strategy to protect customers from all forms of abuse, Amazon has implemented effective countermeasures to prevent misleading customer reviews from appearing in the Amazon EU Store. As a result of continued investments, Amazon proactively blocked over 200 million suspected fake reviews from our global stores in 2022.

3.4.1 Robust proactive controls. Proactive controls to detect and remove fake and incentivized reviews include machine learning models that analyse millions of reviews each week using thousands of data points to detect risk. In addition, expert investigators use sophisticated fraud-detection tools to analyse and prevent fake reviews from ever appearing in the Amazon EU Store. Amazon’s fraud-detection tools are designed to identify fake and incentivized reviews, which occur in different forms that have evolved over time. [Confidential].

3.4.2 Powerful tools to support trustworthy reviews. The review ranking algorithm that allows customers to read “Top reviews” considers signals from Amazon’s fraud-detection tools based on the authenticity of a review. When the signal is strong (*i.e.*, we strongly suspect that the review is inauthentic), we suppress the review completely, so it is not displayed in the Amazon EU Store. When the signal is moderate (*i.e.*, we suspect it may be inauthentic but still need to gather additional data points), the reviews are down-ranked to the bottom of the list until we can verify their authenticity. Customers can also report abusive customer reviews directly to us through the “Report Abuse” tool available next to each review. We screen every complaint we receive using machine learning models, expert investigators, and content moderation processes, and take corresponding actions against

²⁶ Creating a Trustworthy Reviews experience, <https://www.aboutamazon.com/news/how-amazon-works/creating-a-trustworthy-reviews-experience>

²⁷ European Parliament 2015 briefing, Online consumer reviews: The case of misleading or fake reviews, <https://www.eesc.europa.eu/sites/default/files/resources/docs/online-consumer-reviews---the-case-of-misleading-or-fake-reviews.pdf>

²⁸ Customer Reviews, https://www.amazon.de/-/en/gp/help/customer/display.html?ref=hp_left_v4_sib&nodeId=G3UA5WC555UUKB5G

inauthentic reviews. We also use learnings to enhance our machine learning models and moderation processes.

3.4.3 Holding bad actors accountable. As our countermeasures have become more effective, the tactics of bad actors have also evolved in an attempt to try to evade detection. Most recently an illicit industry has developed with fake reviews brokers looking to profit by offering, procuring, selling, or hosting public and private groups on third party sites where fake reviews are exchanged for compensation. These brokers approach consumers directly through websites, social media channels, and encrypted messaging services, soliciting them to write fake reviews in exchange for money, free products, or other incentives.

For several years now, Amazon has been pursuing legal actions against fake reviews brokers to combat the root cause of the fake reviews risks in the retail industry. Amazon has won dozens of injunctions, particularly in Europe, resulting in several paid-review companies being shut down and halting their activity. In 2022, Amazon took legal action against over 90 bad actors around the world who facilitated fake reviews, and sued more than 10,000 Facebook group administrators that attempted to put fake reviews in our stores in exchange for money or free products. In 2023, Amazon has already filed multiple litigations across Europe, including in Germany, Spain, the UK, Poland, Austria and France. By way of example, following a parallel legal action in Germany, the UK, and the US, the fake review sites *100 Rabatt*, *Nice Rebate* and *Nice Discount* were shut down. Also within Europe, we are working with leading consumer protection organizations to identify and pursue legal challenges against the worst offenders. Our legal actions globally are driving positive results as we have shut down some of the largest global brokers, including Matronex and Climbazon. By taking such action, Amazon targets the source of the problem.

Because fake review brokers use third-party services like social media and encrypted third-party messaging services to facilitate their illicit schemes. Amazon investigates and regularly reports abusive groups, deceptive influencers, and other bad actors to these third parties. In 2022, Amazon reported more than 23,000 social media groups, with over 46 million members and followers, that facilitated fake reviews on social media sites.

3.4.4 External engagement and education. Amazon will continue to hold bad actors accountable to protect our customers and Sellers. However, these fake review brokers are a global problem, impacting customer reviews across multiple industry sectors. The private sector, consumer groups, and governments need to work together to stop the root cause of the problem (*i.e.*, fake reviews brokers) and send a clear message that this illicit activity must stop. In 2023, Amazon launched a Fake Reviews Blueprint encouraging private and public sector partnerships to stop fake reviews. The Fake Reviews Blueprint promotes (a) greater information sharing about known bad actors, including information on bad actors' tactics and techniques, who they are targeting, the services they provide, and how they operate; (b) clearer enforcement authority and greater funding to hold bad actors accountable; (c) and better controls for services that facilitate fake review solicitation.

While our efforts with third-party services have resulted in better and faster responses to our takedown requests from some services providers, all sites that could be used to facilitate this illicit activity should have robust notice and takedown processes that are effective and fast. In order to truly disrupt fake review networks and address the problem at scale, we want to work with these companies to help improve their detection methods and ensure they have better controls to detect these networks and shut them down proactively. We also believe that together, we can do more to educate customers about fake review solicitation and to ensure robust enforcement policies for fake review brokers.

3.5 Advertising and recommender systems in the Amazon EU Store

Amazon's overall strategy in protecting the Amazon EU Store from all forms of abuse centres seeks to prevent illegal, inauthentic, and infringing products from being listed in the Amazon EU Store in the first place. The risk of infringing, inauthentic, non-compliant, and unsafe products being amplified to a large number of users of the Amazon EU Store via advertisements or the design of recommender systems is low because of our efforts

to prevent those products from being sold in the Amazon EU Store at all. Further, the design of advertising and recommender systems in the Amazon EU Store contributes to mitigate the potential amplification of risks impacting the Systemic Risk Categories.

The DSA stresses the “systemic” nature of the risks due to potential amplification of illegal and harmful content through online platforms. Online marketplaces do not amplify this information like purely digital players that function as de facto “public spaces” in the online world. The purpose of customer’s visit to the Amazon EU Store is to consider a purchase, not consume scrollable content. Consequently, to the extent that certain goods contain political information, or information with relevance to democratic process (e.g., books or DVDs), such content is only “spread” to the customers who purchase such products. This is essentially the same risk for physical retail stores and cannot be described as a risk that is systemic in nature. The advertising and recommender systems in the Amazon EU Store do not contribute to that risk.

3.5.1 Advertising in the Amazon EU Store.

Recital 79 to the DSA explains that a particular source of societal concerns contributing to the Systemic Risk Categories often stems from “advertising-driven business models” of online platforms. Amazon’s advertising business is not its primary or main source of revenue nor a monetization tool for a “free” service. Instead, advertisements on Amazon help customers discover products as part of their mission to purchase consumer goods and services. Advertising helps Sellers to take new and otherwise unknown brands and products and have them be discovered by customers, as well as Sellers of known and trusted brands. Our revenues are not driven by advertising across the internet and linking customers to third-party services and websites. These elements make Amazon’s advertising in the Amazon EU Store very different from advertisements on search engines or social networking services.

Advertising in the Amazon EU Store is instead an inherent part of the shopping experience in the Amazon EU Store, just as in other online or physical retail stores where retailers position products so that customers can easily find and buy them, for instance at the front of an aisle or as part of online shopping results. Amazon offers different types of placements which are clearly identifiable to customers as advertisements, using the label “Sponsored”. The majority of advertising in the Amazon EU Store appears in “Sponsored Products”²⁹ and “Sponsored Brands”³⁰ placements. These typically respond to the context in search queries entered by customers or the product detail pages the customer is viewing. Customers that click on these advertisements will then be linked to product details pages or brand storefronts for the advertised products sold in the Amazon EU Store. These placements help Sellers draw customer attention to offers that best fit what the customer is looking for.

Amazon Ads invests heavily in people and resources to protect customers, brands, advertisers, and the Amazon EU Store from fraud and other forms of abuse, including non-compliance with laws or our terms and conditions. Amazon Ads has advertising policies for the ads it publishes in the Amazon EU Store³¹ which address specific regulatory requirements for each Storefront and help to maintain customer and advertiser trust. For example, products that may infringe, encourage or enable the infringement of intellectual property or personal rights are prohibited as well as violent or offensive content. Advertisers agree to comply with Amazon advertising policies when registering to advertise in the Amazon EU Store.

To support these advertising policies, Amazon deploys a number of additional measures including: (i) automated moderation mechanisms that apply on all visible elements of an ad (including advertiser-supplied images, product listing titles and images, and product descriptions), (ii) human review, and (iii) blocking specific types of products where we have determined no advertising should be allowed. To complement these measures, we also regularly audit live ads to identify any potentially non-compliant ads and apply the learnings to this as feedback to continually improve our automated moderation tools as well as our training and processes for human reviewers. Amazon also proactively

²⁹ Sponsored Products, https://advertising.amazon.com/en-gb/solutions/products/sponsored-products?ref=a20m_us_hnav_smb_p_sp_t1

³⁰ Sponsored Brands, https://advertising.amazon.com/en-gb/solutions/products/sponsored-brands?ref=a20m_us_hnav_smb_p_sb_t1

³¹ Amazon Ads Guidelines and Acceptance Policies, <https://advertising.amazon.com/en-gb/resources/ad-policy/creative-acceptance>

detects and takes action against advertisers that breach our advertising policies. We have dedicated teams that investigate bad actors and enforce policy violations by advertisers.

These existing protections and measures (in addition to those implemented for Seller listings described in Sections 3.2 and 3.3) ensure that the advertisements displayed in the Amazon EU Store meet a high standard and quality, and contribute to mitigate the Illegal Content Risk.

3.5.2 Recommender systems in the Amazon EU Store. Amazon offers hundreds of millions of products across dozens of categories to its European customers, ranging from high-end electronics, to everyday essentials, to fashion apparel. Like all retailers – whether online or in physical stores – we need to organize the Amazon EU Store to help customers navigate what would otherwise be an overwhelming selection of products. We use recommender systems as one way of accomplishing that goal. We seek to ensure that customers can easily understand why they are seeing the product recommendations that we show to them, whether they are on an Amazon EU Store’s homepage, searching for a specific product, or studying the particulars of an item on the product detail page.

Our recommender systems organize product offerings and product information in the Amazon EU Store in a way designed to help customers shop for their next pair of socks or laptop computer. They do not prioritize news articles, public health information, political opinion pieces, or spread the type of “coordinated disinformation campaigns”.³² Similarly, the goal of these recommender systems is to help customers find relevant products and complete a purchase, not to “stimulate behavioural addictions”³³ harmful to well-being.

Amazon's shopping and discovery experience features the items that it considers customers will want to view, based on real-time information about the specific customer, their past engagement (*e.g.* Clicks, add-to-carts, purchases), their specific search query, or product attributes (availability, handling time, etc.), amongst other factors. The success of Amazon's shopping and discovery function is measured by surfacing products that customers intend and expect to find, and it is therefore critical to Amazon that customers shopping in the Amazon EU Store find high quality and safe products that match their intent.

One of the features used by customers to find products in our Amazon EU Store is the search functionality, which is accessible at the top of nearly every page on our website and in our mobile app. Based on the entered search terms, we show customers a set of “featured” results that we think best match what the customer is looking for. Featured results consider aggregate customer actions (*e.g.*, how often an item was purchased), how well the information provided about the product (*e.g.*, title and description) matches the search query, and other factors like product availability and shipping costs when displaying search results.

The search functionality has built-in tools that can take corrective actions on a variety of search experiences that risk customer trust. For instance, if customers submit queries showing intent for infringing products (*e.g.* Searching for [Confidential] or [Confidential] on Amazon.de) Amazon blocks the visibility of auto-complete suggestions in the search bar where customers type their search queries and returns a search results page with no results. These tools are also used to remove ads and merchandising from search results pages (*e.g.*, when a customer uses the specific query [Confidential] or [Confidential]). Similarly, for certain cases where there is a potential safety or customer trust risk on certain products being recommended to a customer while shopping on the Amazon EU Store, Amazon will block the recommendation. For example, if a customer is viewing a product offer for a product containing an explosive precursor, other products containing explosive precursors will not be recommended by Amazon’s systems.

The measures applicable to recommender systems in the Amazon EU Store (in addition to those implemented for Seller listings described in Sections 3.2 and 3.3) contribute to mitigate the Illegal Content Risk.

³² Recital 83 to the DSA

³³ Recital 83 to the DSA

3.6 A-to-z guarantee and return policy

In addition to the measures and protections in place to protect customers from inauthentic and unsafe products, under Amazon's A-to-z guarantee customers can get a full refund for any item they purchase, regardless if the purchase is made from Amazon Retail or from a Seller. If we identify that a customer purchased a counterfeit or recalled product, Amazon proactively contacts the customer, informs them that they purchased a counterfeit product, and fully refunds their purchase – without the need for the customer to take any action. Amazon further ensures consumer protection through a 30-day return policy for most products, which extends the 14-day statutory right of withdrawal. The A-to-z guarantee and the Amazon EU Store return policy contribute to mitigating the severity of the Illegal Content Risk, providing a remedy in the rare event a customer purchases an inauthentic or unsafe product.

4. Assessment of Fundamental Rights Risk

Article 34 of the DSA requires assessment of actual or foreseeable negative effects for the exercise of certain fundamental rights, in particular human dignity (Article 1 of the Charter of Fundamental Rights of the European Union (the “**Charter**”)), respect for private and family life (Article 7 of the Charter), protection of personal data (Article 8 of the Charter), freedom of expression and information, including the freedom and pluralism of the media (Article 11 of the Charter), non-discrimination (Article 21 of the Charter), respect for the rights of the child (Article 24 of the Charter) and a high level of consumer protection (Article 38 of the Charter). For the purposes of this Risk Assessment, we have focused on analysing any actual or foreseeable effects on the right to consumer protection which might be affected by the design, functioning and use of the Amazon EU Store. For completeness, we also assessed other relevant rights referred to in the Charter, such as freedom of expression, rights to property, human dignity, non-discrimination, and privacy.

As a retailer operating a store selling consumer goods, the risks and potential negative effects to fundamental rights relevant to the Amazon EU Store are different from other business models subject to Chapter III, Section 5, of the DSA. To the extent any such risks exist on the Amazon EU Store, they are no different to or greater than risks present on any online retail business. In particular, the information available in the Amazon EU Store is commercial in nature and relates exclusively to the products available in the Amazon EU Store for sale to adults, limiting any potential impact on the fundamental rights enshrined in the Charter and identified in Article 34. Amazon has analysed actual or foreseeable negative effects for the exercise of fundamental rights in this context, and has identified no actual or foreseeable negative effects for the exercise of certain of these enumerated rights. For example, Amazon is not a platform for exchange of content about private and family life, nor is it foreseeable that a service facilitating the sale of products would be used or misused in a manner negatively influencing the right to private and family life. Neither has Amazon observed actual negative effects on the right to private and family life stemming from the use or misuse of the Amazon EU Store.

Below we set out an assessment of potential negative effects for the exercise of certain fundamental rights in the context of the Amazon EU Store, and discuss how Amazon manages competing impacts to fundamental rights when assessing risks and appropriate mitigation measures.

4.1 Consumer protection

Amazon strives to be the worlds' most customer-centric company. As described in this Risk Assessment, our investments and industry leading controls protect customers from unsafe and infringing products, fraud, abuse, and offensive content. Ensuring consumers are adequately protected when they shop in the Amazon EU Store is critical to Amazon's success. Due to our robust measures and protections, only rare occurrences remain when a customer's experience is negatively impacted by fraud or abuse. And in these cases, customers are protected by our A-to-z guarantee and return policy. The Amazon EU Store is designed and functions to deliver a high level of consumer protection.

4.2 Offensive and controversial products

Amazon's goal is to provide a great shopping experience by offering its customers the biggest selection of authentic and safe products on Earth at competitive prices with convenient delivery. Amazon strives to provide customers a space where they can find and discover anything they might want to buy online, even if Amazon does not agree with the message conveyed by some of the products or the personal views of the Seller. We

strongly support freedom of expression, while protecting customers against potential abuse and negative effects to their human dignity and right to non-discrimination. This is the basis for our offensive and controversial product policies. In 2022, Amazon removed over 4.3 million products for violating the controversial product guidelines. The vast majority of these products were identified, reviewed, and removed proactively by our automated tools, often before they are seen by a customer. We ensure controls supporting consumer protection and potentially impacting freedom of expression and other fundamental rights are implemented fairly and proportionately consistent with our strategic aims.

4.2.1 Proactive controls. Amazon prohibits the sale of products³⁴ and books³⁵ that (i) promote, incite, or glorify hatred, violence, racial, sexual, or religious discrimination or promote organizations with such views; (ii) contain pornography, glorify rape or paedophilia or promote the abuse or sexual exploitation of children; or (iii) graphically portray violence or victims of violence, and advocates terrorism; among other material deemed inappropriate or offensive. Just like any other retailer or bookseller who decides what to offer in its store, Amazon carefully considers the types of content that can be made available in the Amazon EU Store.

To enforce our offensive and controversial product policies, in 2022, we leveraged machine learning and automation to filter listing submissions that we suspected of potential policy violation, and then our content moderation teams manually review these suspect listings. In 2022, we manually reviewed more than 37,000 listing changes each day to ensure compliance with our policies. The realm of potentially offensive products and books is nuanced and diverse, and Amazon reviews thousands of products every day against Amazon policies. Amazon periodically reviews and updates these policies to ensure there is a proportionate balance between offering a wide product selection to customers, and protecting the freedom of expression of manufacturers and copyright owners, based on experience, current events, and other relevant developments, and in consultation with internal and external resources.

4.2.2 Mechanisms to moderate offensive and controversial products. Amazon has a dedicated team responsible for developing and updating our policies and refining and maintaining the proactive controls that continuously monitor the Amazon EU Store. This team considers input from customers and consults resources issued by civil rights and anti-hate organizations to inform updates to applicable guidelines. For example, Amazon created a policy to prohibit products with [Confidential].

As a company, we embrace the fundamental human rights of freedom of expression and information. As a bookseller, we have chosen to offer a very broad range of viewpoints, including books that may conflict with our values and corporate positions. For example, we generally [Confidential]. Customers and other members of the public can report content that may violate our guidelines by using the “Report an Issue” feature at the bottom of a book’s detail page on Amazon, and they also can reach out to Customer Service. We promptly investigate any book when a concern is raised.

4.2.3 Holding bad actors accountable. If we determine a product violates our policies, we remove it immediately and may take action on the Seller account involved, including suspending or banning an account or withholding payments.

4.2.4 Preventing amplification. We prohibit certain content from appearing on the Amazon EU Store landing page in order to prevent content that could be controversial or offensive to some customers

³⁴ Offensive and Controversial Materials, <https://sellercentral.amazon.de/help/hub/reference/external/GQKVFBUXQJ4FR2G9?locale=en-US>

³⁵ Content Guidelines for Books, https://www.amazon.nl/gp/help/customer/display.html/?nodeId=GJUAA7A28KBJE2YV&language=en_GB

from being amplified. This includes adult products (such as sexual wellness, family planning products), tobacco/hemp-related products, toy guns, and scatological themed products. Similarly, our global advertising policy, which applies to all advertising placements on the Amazon EU Store, prohibits certain content from all ads to comply with laws and prevent potentially controversial or offensive content from being amplified to customers. This includes, for example vulgar or obscene language or language containing profanity (including obscured profanity, graphic or suggestive language or double entendres) and content that encourages, glamorizes or depicts excessive consumption of drugs or alcohol.³⁶ Using automation, Amazon prevents Sellers from purchasing ads including prohibited, offensive, vulgar, and hateful language. To ensure that certain sensitive categories of products are not surfaced by ads, Amazon also prohibits advertising products in a number of categories, including weapons permitted to be sold in the Amazon EU Store, tobacco and tobacco-related products.

4.3 Fair and objective moderation of content in the Amazon EU Store

Amazon aims to efficiently, objectively, and fairly moderate content in the Amazon EU Store. Thus, Amazon's focus is to strike the right balance between the severity of the policy violation and corresponding enforcement action, minimise mistakes (in both over and under enforcement), and monitor accuracy to avoid negatively affecting expression by legitimate Sellers and customers. Further, Amazon is bound by the Platform-to-business regulation ("**P2B Regulation**"), which similarly aims to create a fair, transparent, and predictable business environment for traders on online platforms.³⁷ As the DSA does not in principle identify any risks to the rights of traders that are not already addressed by the P2B Regulation, there is no reason to think that the protection afforded under the P2B Regulation would not be sufficient for traders using Amazon's service.

4.3.1 Proportionate proactive controls. Prior to implementing new proactive controls (e.g. a machine learning model that identifies use of a trademarked term on the product listing page and removes it as potentially infringing content), Amazon's content moderation teams test the precision of the control. Amazon does not implement controls that would disproportionately and inaccurately impact non-infringing listings or safe and compliant products.

4.3.2 Transparent content moderation tools. In February 2023, Amazon launched Account Health Rating ("**AHR**"),³⁸ a new feature to enhance transparency. AHR responds to a few key pieces of feedback from Sellers. First, rather than a list of policy violations that could lead to suspension of their account, Sellers have asked to understand exactly where they stand overall and which policy was violated. The new AHR is a data-driven and holistic metric that contains a numerical score (0 to 1000) and computes factors for account suspension based on accumulated policy violations.³⁹

Second, if there are any outstanding policy violations negatively impacting the AHR, a Seller will be able to see the level of severity for each violation, ensuring that they can prioritize the most important issues first.

Third, Sellers have asked for more help in adhering to our policies, so when a Seller's account is at-risk, dedicated account health specialists will proactively call, email, and send notifications to the Seller to discuss and support the Seller in getting their account back on track.

4.3.3 Fair enforcement and redress. Recital 81 to the DSA identifies the potential for "submission of abusive notices or other methods for silencing speech or hampering competition" to negatively affect expression. Amazon seeks to mitigate the potential for this kind of abuse to negatively impact Sellers. For example, some rights owners pursue overenforcement of their protected intellectual property

³⁶ Prohibited Content, https://advertising.amazon.com/en-gb/resources/ad-policy/creative-acceptance/prohibited-content?ref=a20m_us_spcs_cap6_spcs_cap5

³⁷ As described in Recital 52 to the P2B Regulation, the P2B Regulation "seeks to ensure full respect for the right to an effective remedy and to a fair trial as laid down in Article 47 of the Charter of Fundamental Rights of the European Union and promote the application of the freedom to conduct a business as laid down in Article 16 of the Charter."

³⁸ Account Health Rating Program Policy, <https://sellercentral.amazon.de/help/hub/reference/external/G200205250?locale=en-US>

³⁹ AHR includes Amazon Anti-Counterfeiting policy, <https://sellercentral.amazon.de/gp/help/external/G201165970?locale=en-US>; Amazon Brand Name policy, <https://sellercentral.amazon.de/gp/help/external/2N3GKE5SGSHWYRZ?locale=en-US>; Amazon Intellectual Property policy, <https://sellercentral.amazon.de/gp/help/external/G201361070?locale=en-US>; Customer Product Reviews Policies, <https://sellercentral.amazon.de/help/hub/reference/external/GYRKB5RU3F55TURN?locale=en-US>; and Category, product, and content Restrictions, <https://sellercentral.amazon.de/gp/help/external/G201743940?locale=en-US>.

rights against fair use or submit abusive notices to harm competitors. Amazon’s expert investigators are armed with intellectual property information provided through Brand Registry and robust training to objectively evaluate infringement claims, and do not enforce against non-infringing content.

When we remove a listing or suspend a Seller’s account due to a policy violation, we provide clear and actionable communications describing the policy violation that led to the enforcement action. Sellers can remediate the policy violation and appeal the enforcement, or dispute the enforcement and ask Amazon to re-examine the decision. If Sellers remain dissatisfied with an Amazon decision after reaching out to our support teams, they can seek resolution for most disputes through an independent mediation process, facilitated by the Centre for Effective Dispute Resolution. These redress mechanisms enhance Amazon’s ability to appropriately protect Sellers’ interests and expression. We also have organized teams dedicated to ensuring that we hear and address Seller pain points. For example, the Small & Medium Business Empowerment team is constantly seeking feedback from small and medium businesses to improve the Seller experience.⁴⁰

4.3.4 Educating Sellers. To help Sellers offer only permitted products and deliver on a great customer experience, Amazon helps adhere to our policies through education. Seller content in the Amazon EU Store is provided in at least ten languages, including in the languages of each Storefront as well as in Chinese and Korean. Amazon’s Seller News team also notifies Sellers of policy, tool, and program updates and changes regularly to help Sellers stay ahead of these changes and improve overall selling experience.

4.4 Maintaining customer trust through privacy

As described above, it is fundamental for Amazon to provide a safe and trustworthy user experience for Amazon EU Store users, including by maintaining the privacy of users’ personal information. Amazon is also bound by the General Data Protection Regulation (“**GDPR**”), which protects the privacy rights enshrined in the Charter, as well as other privacy legislation, and strives to deliver compliant solutions to the Amazon EU Store users. As the DSA does not in principle identify any risks to the right to the protection of personal data that are not already addressed by the GDPR, at least when it comes to a business model akin the Amazon EU Store or other online retail stores, there is no reason to think that the protection afforded under the GDPR would not be sufficient for those recipients of Amazon’s service. Amazon understands that customers care how their information is collected, used, and shared to deliver Amazon experiences. Amazon’s approach to enhancing privacy begins with three key priorities: transparency, customer control, and security.

4.4.1 Transparency. We strive to make it easy and intuitive for customers to learn more about how Amazon collects, uses, and shares their data. The Amazon EU Store Privacy Notice describes in simple language how Amazon and its affiliates collect, use, and share personal data to improve the customer’s experience shopping in the Amazon EU Store. Customers can also request a copy of the data that Amazon collects across our various products and services by submitting a data request.

4.4.2 Customer control. In addition to transparency, we know that customers want a choice in how their personal data is used and make it easy for customers to control privacy options. In fact, Amazon was one of the very first retailers to allow customers to view their browsing and purchase history from “Your Account” and manage which items could be used for product recommendations. Amazon customers also have control over the types of ads they see. Amazon’s advertising services are designed to protect user privacy, and we only use information that does not directly identify customers to serve ads for products and services we think may be of interest. Customers always have a choice in whether you receive interest-based advertisements, and can adjust their preferences by visiting the Advertising Preferences page.

4.4.3 Security. Keeping customer data private also requires a focus on data security and Amazon designs all of our products, services, and systems with privacy and security in mind. We employ thousands of professionals whose sole mission is to ensure the integrity and security of customer data, including a

⁴⁰ Amazon European Small and Medium Enterprises Impact Report, <https://assets.aboutamazon.com/51/f6/01cca00a4447830799f028a0f0b4/amazon-sme-report-2022-eu.pdf>

world-class team of security experts monitoring our infrastructure 24/7 to protect our customers. We maintain physical, electronic, and procedural safeguards in connection with the collection, sharing, and storage of customer data, and our devices offer security features that protect against unauthorized access and loss of data. We also use proven encryption protocols and software to protect the security of personal data during transmission.

Amazon products and services also benefit from the underlying privacy and security capabilities of Amazon Web Services (“AWS”), one of the most secure cloud computing environments available today. AWS’ core infrastructure is designed to satisfy the security requirements for military, global banks, and other high-sensitivity organizations, and it includes sophisticated technical and physical measures to prevent unauthorized access.

In addition to our own internal security processes and procedures, we work to educate customers on how they can help keep their account information private with simple steps, such as creating strong, unique passwords and using multi-factor authentication.

5. Assessment of Democratic Process Risk

Article 34 of the DSA requires assessment of actual or foreseeable negative effects on the Democratic Process Risk. In this regard, the Democratic Process Risk relates almost exclusively to attention-based services designed for the dissemination of information and content such as social media and, to a lesser extent, search services. The recitals to the DSA do not mention transactional business models such as Amazon EU Store as a source of such concerns. Similarly, the Commission’s communication ‘Shaping Europe’s Digital Future’ from February 2020 raised concerns about the Democratic Process Risk stemming from public debate and political campaigning and advertising moving online. Risks associated with marketplaces or retailers were not identified in this context.

As discussed in Section 3.5 above, in view of Recital 79 to the DSA, Amazon finds that an important distinction critical to assessing relevant risks in this context is whether the business model consists of the dissemination of content and information financed mainly by displaying advertisements, or whether it consists of a transactional platform for the sale of goods financed through commission fees paid by Sellers.

The Amazon EU Store does not distribute content such as general speech or personal videos produced or shared by users and is not a venue for exchange of civic discourse, democratic processes or other electoral activity, or for dissemination of content that could impact public security. While the Amazon EU Store offers advertising, it relates almost exclusively to products being offered for sale. In contrast to attention-based, advertising-funded social media platforms, advertising on the Amazon EU Store is only ancillary to its main activity of online retail and functions to help customers discover, navigate, and compare offers, rather than simply being a means by which to monetize page views. Moreover, the Amazon EU Store does not host political advertising that could propagate messaging on issues such as politics or matters of concern to public security.

Therefore, by virtue of the nature of Amazon's business model, there is no foreseeable prospect of activities that could give rise to the Democratic Process Risk taking place in the Amazon EU Store. Neither has Amazon identified such as coordinated disinformation campaigns with potential negative effects on Democratic Process in the Amazon EU Store, as they simply do not occur on the Amazon EU Store.

6. Assessment of Public Health Risk

Article 34 of the DSA requires assessment of actual or foreseeable 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. Recital 79 to the DSA refers to Public Health Risks stemming from activities including “coordinated disinformation campaigns related to public health”. Drawing on the analysis set forth in Section 5 with respect to the Democratic Process Risk, the risk of a disinformation campaign leading to negative effects for the Public Health Risk is more relevant for a service where the business model consists of the dissemination of discourse and information relevant to health topics.

Similarly, the Amazon EU Store is unlikely to lead to serious negative consequences to a person's physical and mental well-being by, for example, deploying an online design to “stimulate behavioural addictions” of users. Just as with any store, the Amazon EU Store is designed to help customers find what they are looking for,

compare offers, and make an informed purchase decision. Amazon EU Store does not profit from customers spending time on the platform, but by purchasing goods they are interested in.

To the extent that negative effects to public health, or a person's physical and mental well-being could arise through the sale of products or services sold on Amazon, we address these risks as part of our assessment of Illegal Content Risk and our measures to ensure only safe and authentic products are sold on Amazon in Section 3; as well as in Section 4, which addresses the Fundamental Rights Risk, for example through the sale of controversial products.

While the Public Health Risk is more likely to materialize outside of the Amazon EU Store, Amazon implements measures to counter misinformation spread elsewhere. For example, during the COVID-19 pandemic, where customers may have been exposed to harms like disinformation outside of Amazon's stores, we took protective measures, such as displaying a banner referring to trustworthy or governmental websites when customers search for "COVID".⁴¹

Furthermore, during the COVID-19 pandemic, we collaborated with the Consumer Protection Network to fight rogue practices related to the COVID-19 public health crisis. We provided bi-monthly reports for over two years explaining the measures we were taking to protect our store from bad actors in relation to false and misleading advertising (such as products advertised to cure or prevent COVID 19), price gouging practices, and trends observed in our store. For example, in the beginning of COVID-19, we implemented tests and checks targeting claims on specific product types, such as facemasks, respirators, certain safety equipment and hand sanitizers. As the scope of the pandemic grew, we expanded our measures to search and prohibit the sale of all products that make any reference to COVID-19 or any other known name variation that could relate to a misleading claim.⁴²

Finally, as Amazon described in its response of May 26, 2023 to the Commission's inquiry regarding the protection of minors, while Amazon cares deeply about the protection of minors, the Amazon EU Store is not designed for or directed at minors, nor is Amazon aware of evidence suggesting that the Amazon EU Store is used by a measurable number of minors. The Amazon EU Store does not sell products or services for purchase by minors or target minors through marketing or advertising. Although the Amazon EU Store offers children's products (such as toys or children clothes), they are offered for purchased by adults. The Amazon EU Store is similarly unlikely to be accessed and used by minors under 18 due to the nature and content of the service, the way in which the service is accessed, and the measures Amazon has put in place. When customers set up an Amazon account they agree to terms that prohibit minors from making purchases on the Amazon EU Store without the involvement of a parent or guardian.⁴³ Additionally, customers must also have a valid debit or credit card linked to their account in order to purchase products or services on the Amazon EU Store.⁴⁴

By virtue of the nature of Amazon's business model and its robust controls, activities that could give rise to the risks described by the Public Health Risk are unlikely to take place in the Amazon EU Store, and have not been identified based on Amazon internal data and observations.

7. Conclusion

The Amazon EU Store is designed to serve customers by providing the best combination of selection, price, and customer experience to help customers discover and purchase physical goods, and ensure a customer's satisfaction with their purchase. Amazon believes that if customers have good experiences, they will return to Amazon for future purchases. Conversely, when customers' expectations are not met, they are unlikely to

⁴¹ A search for "COVID", displays the banner "COVID-19: Learn more about COVID-19 protection measures", shown for example at https://www.amazon.de/s?k=Covid&mk_de_DE=%C3%85M%C3%85%C5%BD%C3%95%C3%91&crd=13STS7P8ZGB5B&sprefix=co%2Caps%2C369&ref=nb_sb_noss_2.

⁴² European Commission: Actions of the Consumer Protection Cooperation Network (CPC) on rogue traders during the COVID-19 outbreak, https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/scams-related-covid-19_en

⁴³ Amazon EU Store's Conditions of Use and Sale, <https://www.amazon.de/hz/cs/help?nodeId=GLSBYFE9MGKKQXXM>. Amazon EU's Privacy Notice, https://www.amazon.de/gp/help/customer/display.html/ref=s9_acss_bw_cg_PR0518_md3_w?nodeId=201909010&pf_rd_m=A3P5ROKL5A1OLE&pf_rd_s=merchandised-search-2&pf_rd_r=46122KJYVNWBGK9CMKG&pf_rd_t=101&pf_rd_p=3713bd31-a173-4eda-b64e-d02c7396f114&pf_rd_i=14856936031, which is also brought to a customers' attention when they set up an Amazon account, contains the same prohibition.

⁴⁴ Having a credit or debit card linked to the account is one indicator that the account is likely owned by an adult, as financial institutions would require someone to be above legal age or acting under parental consent to enter into the agreements necessary to hold a credit or debit card.

return to Amazon and will shop at other retail stores instead. This direct economic feedback gives Amazon strong incentives to ensure the information presented in the Amazon EU Store is accurate and trustworthy and the products offered for sale comply with all applicable laws.

As described in this Risk Assessment, Amazon has deployed four strategic aims to effectively and proportionately mitigate potential negative effects on the Systemic Risk Categories stemming from the use or misuse of the Amazon EU Store service. To the extent risks arise in connection with the Amazon EU Store, Amazon considers that the mitigating measures described above are reasonable, proportionate and effective to address them, and protect the integrity of the Amazon EU Store, legitimate Sellers, and consumers.

In Section 2.1 of this Risk Assessment we introduced a number of Amazon's unique ways of working. Another one of these is our "Day 1" mentality. Day 1 is about being constantly curious, nimble, and experimental. It means being brave enough to fail if it means that by applying lessons learnt, we can better surprise and delight customers in the future. Consistent with that mentality we know that delivering for customers means continuously evaluating and adjusting our approach to effectively manage our business and that we must resist complacency. We know it is critical for us to adapt quickly to changing external risks and to the ever-evolving needs of our customers by innovating on their behalf. While we do not believe that Amazon's approach is the only one, we are proud of the progress that we have made in our risk controls and will continue to invest to protect the Amazon EU Store and customers from all forms of abuse and fraud.