



# Digital Services Act

## Audit Implementation Report



2025

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## Introduction

### 1. Executive Summary

Whaleco Technology Limited (“Whaleco”, “WTL” or “We”), incorporated in Ireland, has been operating Temu (the “audited service”), an online marketplace, in the European Union (“EU”) since April 2023. Through the [www.temu.com](http://www.temu.com) website and the Temu-branded mobile application (collectively, “Temu”), Whaleco connects EU consumers with third-party sellers within and beyond the EU, enabling Temu’s users to sell and purchase a diverse selection of affordable, quality products. Whaleco places the highest priority on ensuring a reliable, safe and trustworthy environment for EU consumers. In line with the Charter of Fundamental Rights of the EU, Whaleco continuously refines its policies and practices to safeguard consumer confidence, both in individual purchases and their interactions with Temu.

### 2. Background to the Digital Services Act Audit and the Audit Implementation Report

The objective of the Digital Services Act (“DSA”) is to “give better protection to users and to fundamental rights online, establish a powerful transparency and accountability framework for online platforms and provide a single, uniform framework across the EU.”

Article 33 of the DSA grants the European Commission (the “Commission” or “EC”) the power to designate platforms or search engines that have more than 45 million recipients per month in the EU as Very Large Online Platforms (“VLOPs”) or Very Large Online Search Engines (“VLOSEs”). Pursuant to Article 37(1), each VLOP or VLOSE must undergo an independent audit, at its own expense, to assess its compliance with applicable obligations as set out in Chapter III of the DSA. On 20 October 2023, the Commission adopted a Delegated Regulation supplementing Regulation (EU) 2022/2065 of the European Parliament and of the Council, by laying down rules on the performance of audits for very large online platforms and very large online search engines (the “Delegated Regulation”). This instrument provides specific rules and guidance for conducting audit under the DSA. The Delegated Regulation instructed auditors to provide opinions for each audited obligation, which can be “positive”, “positive with comments”, or “negative”. Article 37(4)(h) DSA provides that for opinions that are “positive with comments” or “negative”, auditors should issue operational recommendations, as well as recommended timeframes for implementing those recommendations, where applicable.

On 31 May 2024, the Commission designated Temu as a VLOP under Article 33 of the DSA. Ernst & Young S.A. (“EY” or the “Auditor”) was appointed by Whaleco to conduct the DSA independent

audit for Temu. The audit period ran from 3 October 2024 through 30 June 2025. EY completed its independent audit report on 30 September 2025 (the “Audit Report”).

This report is the audit implementation report adopted by Whaleco, in compliance with Article 37(6) of the DSA. The purpose of this report is to set out any measures necessary to address the operational recommendations that our independent auditor made on conclusions about Whaleco’s DSA obligations that are not “positive”. If Whaleco has decided not to implement an operational recommendation, the justification for that decision is included in this report along with any alternative measures we have taken to address the underlying concern. Whaleco has followed the requirements and guidance in relation to the format and content of this audit implementation report as set out in the Annex II of the Delegated Regulation.

As outlined in Section B, Whaleco is committed to constructively engaging with EY’s recommendations. We have completed the implementation of operational recommendations set out in this report. Where necessary, we will continue to enhance our remediation measures and implementation roadmap to ensure DSA compliance, taking into account any guidance or best practices issued by the Commission.

Compliance with a comprehensive framework like the DSA is not a static exercise. Whaleco anticipates the continued refinement of its internal benchmarks, governance controls and operational procedures, in line with the evolving legal and regulatory landscape that shapes Temu’s services in the EU. Whaleco’s foremost priority remains to maintain a platform that is safe, transparent and accountable, while continuing to deliver value and quality services to users across the EU.

## Section A: General Information

1. Audited provider: Whaleco Technology Limited
2. Address of the audited provider: 25 St. Stephen's Green, Dublin 2, Ireland
3. Audit report on which this implementation report is based
  - a. Date of adoption of the audit report: 30 September 2025
  - b. Reference to the audit report (for example an URL): Independent Audit on Temu for the Period of 3 October 2024 to 30 June 2025
4. Information on the underlying audit and the involved parties (refer to sections A and B of the audit report of reference)
  - a. Auditing Party: Ernst & Young S.A.
  - b. Audited Provider: Whaleco Technology Limited
  - c. Scope of the Audit: Please refer to the Scope section and Appendix 1 of the Assurance Report of Independent Auditor
  - d. Audit Period Covered: 3 October 2024 to 30 June 2025
  - e. Point of contact of the audited provider: [CONFIDENTIAL], Head of the DSA Compliance Function
5. Does the audit implementation report refer to an audit report on compliance with all the obligations and commitments pursuant to Article 37(1) of Regulation (EU) 2022/2065 applicable to the audited provider?

Yes, except for the specific sub-articles identified by the Management as not applicable in the Audit Report and those for which the Auditor ultimately concluded it was unable to form an opinion, for the reasons set out in the Audit Report.
6. Where applicable, references to other audit reports resulting from audits pursuant to Article 37 of Regulation (EU) 2022/2065 that the audited provider is or will be subject to concerning the audited period

N/A

## Section B: Follow-up to the operational recommendations concerning audited obligations set out in Chapter III of Regulation (EU) 2022/2065

### B.1 Recommendation 1 – Article 14.1

**Outcome:** Negative

**Auditor Recommendation:** The audited service should make the Temu Seller EU Services Agreement publicly available, and include information on procedures, measures and tools used for the content moderation, including algorithmic decision-making and human review in the Temu Seller EU Services Agreement.

#### 1. Measures to implement the operational recommendation

##### 1.1. Planned measure(s)

- a. Description of the measure(s) (indicate the objective(s), any milestones, revision steps and, where applicable, performance indicators): Not applicable. No residual measures are planned, as implementation has already been completed.
- b. Timing for implementation: Not applicable. Implementation has already been completed.

##### 1.2. Measures taken since the end of the period on which the audit report is based

- a. Description of the measure(s): Whaleco accepts the recommendation and has taken steps to make the Temu Seller EU Services Agreement publicly available. The agreement has been updated to include information on the procedures, measures, and tools used for content moderation, including those involving algorithmic decision-making and human review.
- b. Time when the measure(s) were implemented or are planned to be implemented:
  - (1) On 1 September 2025, Whaleco launched a Transparency Center on Temu's EU sites to enhance transparency under the DSA. The Temu Seller EU Services Agreement has been published therein and is publicly accessible.
  - (2) On 15 October 2025, the updated Temu Seller EU Services Agreement, incorporating information on procedures, measures and tools used for the content moderation, including algorithmic decision-making and human review, was published with notifications to EU traders.
- c. Result (include references to external resources, for example links to websites, as applicable): Temu's Transparency Center is accessible at

<https://www temu.com/transparency-center.html>. A link to the Temu Seller EU Services Agreement can be found under the “Policies” module.

- d. Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable:
- (1) Since 15 September 2025, the recommendation from EY has been adopted and the Temu Seller EU Services Agreement has been publicly available to the recipients of service in the EU via Temu’s Transparency Center. Both the Temu Seller EU Services Agreement and its summary can be easily accessed from the landing page within three clicks.
  - (2) The updated Temu Seller EU Services Agreement was published on 15 October 2025 and took effect on 29 October 2025. The updated agreement has set out information on procedures, measures and tools used for the content moderation, including algorithmic decision-making and human review, which can be found on section 25 of the agreement.

**1.3. Where applicable, description of any measure(s) to adjust benchmarks for compliance and internal controls:** Not applicable

## B.2 Recommendation 2 – Article 14.6

**Outcome:** Negative.

**Auditor Recommendation:** The audited service should clearly specify on its online interface the Member States in which Temu allows local seller onboarding, and ensure that the Temu Seller EU Services Agreement is made available in the Member States’ official languages during the onboarding process.

### 1. Measures to implement the operational recommendation

#### 1.1. Planned measure(s)

- a. Description of the measure(s) (indicate the objective(s), any milestones, revision steps and, where applicable, performance indicators): Not applicable. No residual measures are planned, as implementation has already been completed.
- b. Timing for implementation: Not applicable. Implementation has been completed.

## 1.2. Measures taken since the end of the period on which the audit report is based

- a. Description of the measure(s):
  - (1) EY identified that the Temu Seller EU Services Agreement was not available in Romanian, even through local seller onboarding had been launched in that country during the audit period. In respect of this specific finding, on 10 October 2025, Temu published its Seller EU Services Agreement in Romanian, the official EU language that was previously missing from the platform.
  - (2) In the seller onboarding interface of the Seller Center (<https://seller-eu.temu.com/>), users can view the list of countries where Temu currently allows local seller registration by using the “switch country” function. Temu has reviewed all countries where local seller onboarding has been enabled in the EU to ensure that at least one official language is available to local sellers at the time of onboarding.
- b. Time when the measure(s) were implemented or are planned to be implemented: 15 October 2025.
- c. Result (include references to external resources, for example links to websites, as applicable): As of the date of this report, local seller onboarding has been enabled in 25 out of 27 EU Member States. The Temu Seller EU Services Agreement is available in at least one official language of each Member State where local seller onboarding has been launched.
- d. Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable: By translating the Temu Seller EU Services Agreement into Romanian and other EU official languages for Member States where local seller onboarding was launched after 30 June 2025, Temu has ensured that its terms and conditions are published in the official languages of all EU Member States where Temu services are offered, thereby achieving full compliance with Article 14(6) of the DSA.

## 1.3. Where applicable, description of any measure(s) to adjust benchmarks for compliance and internal controls: Not applicable.

### B.3 Recommendation 3 – Article 18.1

**Outcome:** Positive with Comments

**Auditor Recommendation:** The audited service should consistently adhere to its internal procedures, particularly in situations where a suspicion that a criminal offence involving a threat to the life or safety of a person or persons has taken place, is taking place or is likely to take place. The audited service needs to ensure that the procedure is always followed and that all required steps are properly documented.

## 1. Measures to implement the operational recommendation

### 1.1. Planned measure(s)

- a. Description of the measure(s) (indicate the objective(s), any milestones, revision steps and, where applicable, performance indicators): Not applicable. No residual measures are planned, as implementation has already been completed.
- b. Timing for implementation: Not applicable. Implementation has been completed.

### 1.2. Measures taken since the end of the period on which the audit report is based

- a. Description of the measure(s): Temu accepts the recommendation and has taken steps to enhance the documentation of assessments conducted by the immediate supervisor of relevant operations when there is a suspicion that a criminal offence involving a threat to the life or safety of a person or persons has taken place, is taking place, or is likely to take place on Temu. The improvements include storing in the system all suspected cases identified by [CONFIDENTIAL], along with the corresponding assessments and rationales for decisions by [CONFIDENTIAL] on whether to report the cases, to enhance traceability and accountability.
- b. Time when the measure(s) were implemented or are planned to be implemented: 16 October 2025.
- c. Result (include references to external resources, for example links to websites, as applicable): In accordance with its Standard Operating Procedures, Temu documents the assessment of each suspected case, from initial identification by [CONFIDENTIAL] to the review and assessments by [CONFIDENTIAL] upon escalation.
- d. Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable: The updated process ensures compliance with the obligations under Article 18(1) of the DSA. Temu will report all in-scope cases of suspected criminal offences involving a threat to the

life or safety of individuals in accordance with its established Standard Operating Procedures.

**1.3. Where applicable, description of any measure(s) to adjust benchmarks for compliance and internal controls:** Not applicable.

#### **B.4 Recommendation 4 – Article 23.4**

**Outcome:** Negative

**Auditor Recommendation:** The audited service should provide examples of the facts and circumstances considered when assessing whether certain behavior of trader constitutes misuse as well as the corresponding duration of any suspension resulting from such misuse in a clear and detailed manner in the Temu Seller EU Services Agreement.

##### **1. Measures to implement the operational recommendation**

###### **1.1. Planned measure(s)**

- a. Description of the measure(s) (indicate the objective(s), any milestones, revision steps and, where applicable, performance indicators): Not applicable. No residual measures are planned, as implementation has already been completed.
- b. Timing for implementation: Not applicable. Implementation has been completed.

###### **1.2. Measures taken since the end of the period on which the audit report is based**

- a. Description of the measure(s): Whaleco has further clarified its policy in the Temu Seller EU Services Agreement by clearly and comprehensively outlining its approach toward EU sellers who repeatedly submit manifestly unfounded illegal content, notices or complaints. The updated provisions include illustrative examples of the facts and circumstances considered when assessing whether a seller has submitted such unfounded information, as well as details on the duration of any resulting suspension.
- b. Time when the measure(s) were implemented or are planned to be implemented: The update of the Temu Seller EU Services Agreement was published on 15 October 2025 with notifications to EU sellers.
- c. Result (include references to external resources, for example links to websites, as applicable): As of the date of this report, the policy regulating the misuse of Temu services

has been included in section 24 of the Temu Seller EU Services Agreement and is publicly available on Temu platform.

- d. Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable: By setting out and implementing a policy governing the misuse of Temu services, as referred to in Articles 23(1) and 23(2) of the DSA, within the Temu Seller EU Services Agreement, Whaleco has achieved full compliance with the requirements set out in Article 23(4) of the DSA.

**1.3. Where applicable, description of any measure(s) to adjust benchmarks for compliance and internal controls:** Not applicable.

## **B.5 Recommendation 5 – Article 41.6**

**Outcome:** Negative

**Auditor Recommendation:** The audited service should formally approve its Standard Operating Procedures prior to release. Furthermore, each strategy and policy should clearly indicate the version, identify the preparer and reviewer, and include the dates of approval and review by the Board of Directors.

### **1. Measures to implement the operational recommendation**

#### **1.1. Planned measure(s)**

- a. Description of the measure(s) (indicate the objective(s), any milestones, revision steps and, where applicable, performance indicators): Not applicable. No residual measures are planned, as implementation has already been completed.
- b. Timing for implementation: Not applicable. Implementation has been completed.

#### **1.2. Measures taken since the end of the period on which the audit report is based**

- a. Description of the measure(s):
  - (1) Whaleco accepts the recommendation. All the DSA related Standard Operating Procedures (“SOP”) were reviewed during the annual review process in July 2025 and subsequently approved by the Board of Directors of Whaleco in August 2025.

- (2) Each SOP clearly indicates the document version and identifies the preparer and reviewer. The dates of review and approval by the Board of Directors are documented in the board meeting minutes.
- b. Time when the measure(s) were implemented or are planned to be implemented: 29 August 2025
  - c. Result (include references to external resources, for example links to websites, as applicable): In line with its risk control framework, Whaleco has adopted an annual review mechanism for its DSA-related SOPs. Updates are made as necessary, and all reviewed SOPs are subsequently submitted to the team leads and the Board of Directors for formal approval, with the document version, preparer, reviewer, and approval dates clearly recorded.
  - d. Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable: The annual review and Board approval of all DSA-related SOPs ensures that each SOP is current, formally authorized and clearly documents the preparer, reviewer and approval dates. This process provides traceability and oversight, effectively implementing the auditor's recommendation and achieving full compliance.

**1.3. Where applicable, description of any measure(s) to adjust benchmarks for compliance and internal controls:** Not applicable.

**Section C (where applicable): Follow-up to the operational recommendations concerning audited commitments undertaken by the audited provider pursuant to the codes of conduct referred to in Articles 45 and 46 of Regulation (EU) 2022/2065 and the crisis protocols referred to Article 48 of Regulation (EU) 2022/2065**

This section is not applicable.

**Section D: Any other information the audited provider wishes to convey**

Not known for the first report.