4th PROGRESS REPORT ON THE IMPLEMENTATION OF THE PRODUCT SAFETY PLEDGE

Introduction

In June 2018, four online marketplaces (AliExpress, Amazon, eBay and Rakuten France), signed the Product Safety Pledge[1]. In January 2020, two other companies (Allegro and CDiscount) have also signed the initiative. The conclusion of the Pledge was facilitated by the European Commission with the objective of increasing the safety of products sold online by third-party sellers through online marketplaces. This initiative, which is the first of its kind in the product safety area, sets out specific voluntary actions in 12 different areas by online marketplaces that go beyond what is already established in EU legislation.

As part of the Pledge, signatory online marketplaces have committed to report to the European Commission every six months on the actions taken to implement the Product Safety Pledge, with the inclusion of key performance indicators.

This fourth progress report covers the period from 1 June 2020 to 30 November 2020[2].

The information included in this document was reported by the six signatory marketplaces. A third party combined their inputs.

Quantitative Report: Key Performance Indicators (KPIs) on the removal of listings of dangerous products

As explained in the third progress report[3], some divergences became apparent in the way that signatories calculated the number of notifications and the corresponding KPIs. Therefore, from this period, signatories have committed to provide absolute numbers as detailed below. That will allow easier monitoring and comparability for future reports.

KPI 1:

- 87,51% of identified product listings removed within two working days, based on governmental notices provided to the established single contact points.
  - Total number of governmental notices received: 2,033
  - Number of identified listings following a governmental notice, including the one notified and similar ones: 14,018
  - Number of identified listings (as defined above) removed within 2 working days following a governmental notice: 12,267

KPI 2:

- 98.83% of identified product listings removed within two working days found through the monitoring of public recall websites, such as the EU Safety Gate.

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[1] https://ec.europa.eu/info/sites/info/files/voluntary_commitment_document_4signatures3-web.pdf
[2] Three other companies, Wish, eMAG and bol.com, have also recently signed the Pledge. As the adhesion of those companies took place in the middle of the reporting period, this report does not contain information from them.
[3] https://ec.europa.eu/info/sites/info/files/3rd_progress_report_product_safety_pledge.pdf

- o Number of detected alerts that link to a live listing available to customers on a marketplace taken from Safety Gate/RAPEX or other EU government databases of products available to EU customer: 1,760
- o Number of identified listings following an alert on Safety Gate/RAPEX or other databases: 71,107
- o Number of identified listings removed within 2 working days following an alert on Safety Gate/RAPEX or other databases: 70,273

<u>Qualitative Report on the actions taken on the 12 points contained in the Pledge</u>

During the monitoring period, the following progress and new actions were reported by the signatories:

- New signatories reporting for the first time on their progress implementing the Product Safety Pledge have set up internal processes to comply with the commitments, including providing a single contact point for EU Member States authorities for the notifications on dangerous products and setting up a notice and take-down procedure for dangerous products.
- Some signatories have carried out a number of information and training activities. One company has published information for their sellers about compliance to EU requirements and translated it into several languages. Others have created a dedicated webpage with product safety information, including links to relevant official pages, while others have provided to their sellers templates to reach out consumers in case of product recalls. Finally, another marketplace has published new help pages, available in 10 different languages, for sellers concerning new requirements under EU Regulation 2019/1020.
- Some companies have started cooperation in the context of the EU-funded SPEAC project (Safe non-food consumer products in the EU and China). The project aims to further strengthen the cooperation and dialogue with Chinese authorities in the Product Safety and Consumer Protection policy area and to raise awareness among economic operators in China and EU importers about EU product safety requirements that they need to meet to sell on the EU market (with the aim of reducing the presence of unsafe products)
- One company has enhanced its cooperation with authorities regarding product recalls, reaching sellers and providing channels for authorities to directly contact affected customers.
- Regarding the use of new technologies for product safety purposes, one company has set up a detection tool to improve the identification of similar products based on Safety Gate/RAPEX alerts, through the detection tool based on pictures published on the Safety Gate website and a keyword system.

No further progress has been reported in the remaining areas. In particular, online marketplaces seem to have not taken further specific steps, beyond the advances previously implemented and reported, concerning:

- Cooperation with market surveillance authorities. In this respect, it seems that market surveillance authorities have not made specific requests for the identification of the supply chain of dangerous products. However, traceability problems remain as a challenge for the control of dangerous products.

- Treatment of customer notices. All companies have notification forms for customers to submit complaints regarding products. However, these forms remain generic and not user-friendly for customers, referring to "restricted or prohibited goods" and just giving the possibility to give further details of the problem in an open box. The forms do not include "dangerous products" as one of the default option.
- Actions related to the reappearance of dangerous products as well as repeat offenders.
- The use of new technologies and innovation to improve the detection of unsafe products.