

2023 Global Transparency Report

May 2024





eBay Connects People and Builds Communities to Create Economic Opportunity for All

Since its founding in 1995, eBay has created a global model of universal, inclusive entrepreneurship – transcending borders and bringing enthusiasts together around billions of items in a trusted experience. Sellers and buyers are central to everything we do, and we're committed to both the safety of our users and the integrity of the items on our marketplace.

Within our platform, all users must adhere to all applicable laws and regulations, our <u>User Agreement</u> and <u>User Privacy Notice</u>. As part of this governance, eBay has developed policies to prevent the sale of <u>Prohibited and Restricted Items</u> and <u>Counterfeit Goods</u>. We've also implemented policies to address <u>Intellectual Property</u> infringement and <u>International Trading</u> issues. In addition, eBay's <u>Privacy Principles</u> guide our employees in providing users with an experience that is safe, secure, and trustworthy. These policies are designed to protect consumers and provide clarity to sellers about what can and cannot be sold on our platform (and under what conditions).

For every item that comes onto our platform, we run thousands of proprietary risk-based evaluations. As a result, **99.2%** of prohibited item violations were blocked before ever appearing on eBay in 2023. And we're committed to continually improving on behalf of our customers. We're continuously investing in and enhancing our marketplace through improved policies, tools, and partnerships – using innovation to propel our efforts – as shown in eBay's 2023 Global Transparency Report.*

eBay "By the Numbers" as of Q4 2023



132 million global buyers



Approximately **2 billion** live items on the platform at any given time



Sellers and buyers in more than **190 markets** worldwide



99.2% of prohibited item violations were blocked before ever appearing on eBay

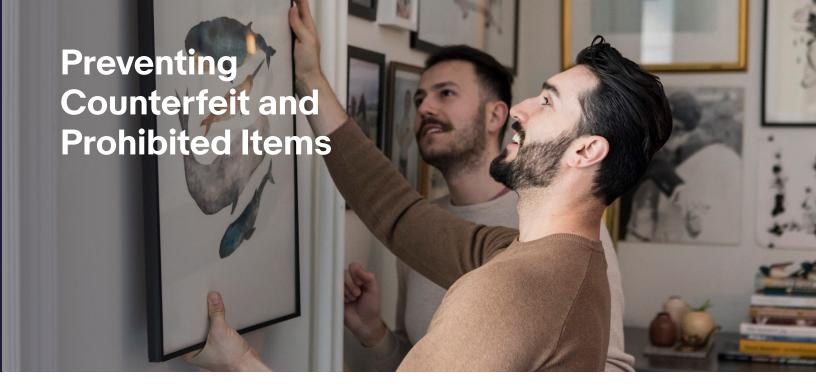


The eBay community is built on trust, and our team is deeply committed to driving safety and transparency across the marketplace for our customers around the world.



Jamie lannone
 President & CEO





eBay is committed to ensuring all items on our marketplace are authentic – through a multi-pronged approach of artificial intelligence (Al) supported technology, highly trained eBay investigators, and buyer-protection programs. In 2023, eBay proactively removed approximately 3.2 million potentially counterfeit and prohibited items.

Central to keeping eBay a safe and trusted marketplace is its partnership with approximately 70,000 active intellectual property (IP) rights owners registered through eBay's <u>Verified Rights Owner (VeRO) Program</u>. The VeRO Program was launched in 1998 and enables IP rights owners to report to eBay potentially counterfeit items or otherwise IP-infringing listings. eBay promptly removes listings reported by rights owners as IP infringing, notifies the seller, and reviews the seller account for possible enforcement action.



Authenticity Guarantee

These efforts are augmented by eBay's Authenticity Guarantee program, where professionally trained authenticators physically inspect and verify all eligible items in the collectible sneakers, luxury watches, luxury handbags, fine jewelry, and trading cards categories before shipping them to the buyer. Launched in September 2020, the program also offers seller protections, such as intermediated returns. In 2023, eBay added streetwear in the U.S. to the program, and plans to further expand to additional product categories and opportunities for fashion buyers.



Technology and People Working Together

At eBay, we have committed heavily to AI and image detection technology to help keep our marketplace safe. Our algorithms evaluate items during the listing creation process to identify prohibited items. These algorithms flag listings for review by eBay investigators, or in some cases, automatically block the item from being published entirely. If an item is determined to violate eBay policy, it is blocked or removed and the seller is notified with an explanation as to why. eBay also has developed robust measures to stop bad actors and deter repeat policy violations, with penalties up to, and including, permanent suspension.

At the same time, eBay's community also helps us keep the platform safe through the Report Item functionality that empowers any registered eBay user to report items that may violate our policies. Last year, the eBay community reported 1.1 million items for removal through this functionality. When reports from rights owners are added, the total number of thirdparty reports was 2.7 million in 2023. Overall, we proactively suspended more than 27,000 accounts for IP violations and for listing prohibited and restricted items.

Last year, our algorithms that are focused on product safety issues such as safety alerts and recalls blocked 32.6 million violations. We blocked or removed 500,000 violations for prohibited wildlife items such as ivory - nearly a 43% yearover-year increase in the same period. We attribute the increased year-over-year impact, in part, to investments in new technologies, employee training, and more effective detection.

eBay also continues to strengthen the robust combination of people, policies, and tools already well in place. eBay's feedback system, powered by verified purchases only, is a cornerstone of the trusted buying experience on our marketplace. eBay's Money Back Guarantee, applicable to most items purchased on eBay, helps protect buyers when an item is not received, or the item they receive is different from what was described in the item listing, and they are unable to resolve the dispute with the seller. Our user product reviews help prospective buyers learn more about items before purchasing.

87

violations were blocked by our filtering algorithms for Intellectual Property issues.

293 Our filtering algorithms blocked another prohibited and restricted item violations.





eBay's Criminal and Regulatory Investigations Team (CRI)¹ works to protect eBay's communities from criminal activities and prohibited items, conducting investigations into possible misuse of the platform and proactively referring cases to law enforcement for prosecution. Through its Partnering with Retailers Offensively Against Crime and Theft (PROACT) program, eBay collaborates with Retail Loss Prevention departments in North America and the U.K. seeking assistance with investigations related to Organized Retail Crime (ORC). PROACT participants work with eBay collaboratively to share information and conduct investigations. In addition, eBay's law enforcement portal allows law enforcement officers to submit investigation-related requests to eBay quickly and securely.

eBay works directly with regulators around the world to stay on top of new trends, keep our policies and technology tools up to date, and ensure timely removal of any prohibited items. These partnerships are decades-long in some cases, enhanced through eBay's Regulatory Portal, which was launched in 2021, allowing participating authorities to flag and take down listings outside of the existing consumerreporting function on the site. The portal also allows government agencies to contact sellers and buyers to convey important consumer safety information.

We continue to take a leadership role in fighting online wildlife trafficking. As a founding member of the Coalition to End Wildlife Trafficking Online, we educate consumers and policymakers about the threats of illegal wildlife trafficking. eBay has revamped prohibited content policies for wildlife, trained enforcement teams to better identify endangered species products on the platform, enhanced automation for products like elephant ivory, educated users about the issue and how they can help, and shared learnings with industry peers to amplify impact across online platforms.

22,890

number of subpoenas, warrants, and other forms of requests for user records from law enforcement agencies across the globe

26,354

number of eBay records produced for law enforcement

247

agencies registered with eBay's Regulatory Portal as of 2023

24,562

listings were removed following notifications through the portal



eBay has voluntarily committed to additional measures ensuring the safety of products through a range of signatory efforts.

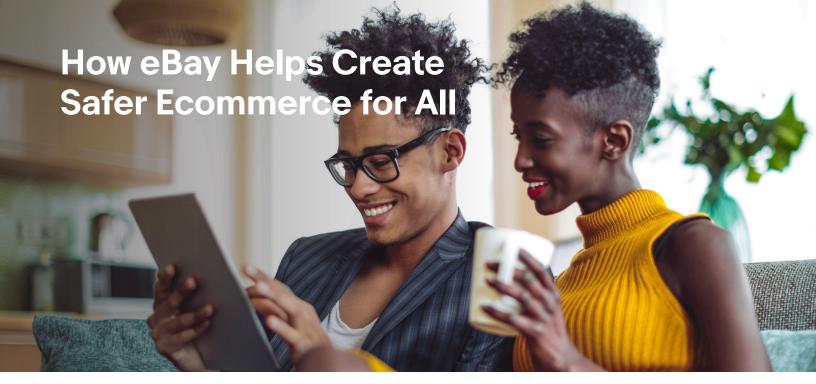
Since 2011, eBay has been a signatory of the European Memorandum of Understanding (MoU) on the sale of counterfeit goods that brings together online platforms and rights owners to actively collaborate in creating a safe online environment for consumers.

In 2018, eBay committed to extra voluntary measures aimed at ensuring the safety of products sold through eBay by signing the EU Product Safety Pledge, which sets out specific voluntary actions that go beyond what is already established by EU legislation. Moreover, to improve the detection of unsafe products before they are sold to consumers, eBay proposed to the EU Commission in 2022 a Pilot Project on product safety. In this, signatory companies committed to react to notices from consumer organizations in two working days if enough information was provided to identify unsafe products. Then in March 2023, eBay signed an extended version of the EU Product Safety Pledge, called Product Safety Pledge +, followed by the Consumer Protection Pledge in November 2023, which adds digital consumer rights commitments to the PSP+. In June 2023, eBay signed the Japanese Product Safety Pledge and in September 2023, eBay signed the Canadian Product Safety Pledge. eBay is also a founding signatory for the Australian Product Safety Pledge helping Australian safety regulators and online marketplaces work together to identify product safety risks and trends as well as help keep consumers and businesses informed about safety.

Finally, at an international level, eBay and the Organisation for Economic Cooperation and Development (OECD) have been working collaboratively in the area of product safety for several years. This has notably resulted in the development of eBay's product safety guidelines, information sharing, and eBay's promotion of the OECD Global Recalls Portal. eBay has also supported the OECD international awareness campaign for the safety of toys sold online and has made valuable contributions to the development of several OECD product safety reports, including most recently "The role of online marketplaces in protecting and empowering consumers."







With sophisticated actors trying to leverage online platforms for illegal purposes, it's more important than ever that marketplaces stay vigilant. eBay is bringing our nearly three decades of experience to share best practices across the industry – and to help keep marketplaces open, safe, and trusted for our customers.

Through the programs, policies, and tools outlined above, our investments are making a difference.

One way we've been effectively realizing change has been through our partnerships with retailers and law enforcement to stop organized retail crime. Through eBay's <u>Criminal and Regulatory Investigations Team</u>, our PROACT program was recently highlighted for helping shut down a Philadelphia retail theft ring in partnership with CVS. As a recent <u>Bloomberg report</u> highlighted, our partnership, "helped prevent an estimated \$50 million from being stolen at CVS locations in 2023, a record decrease."

eBay also recognizes the importance of maintaining strong, collaborative relationships with rights owners, their representatives, and trade associations. Through our Verified Rights Owner (VeRO). Program, eBay encourages rights owners to provide feedback and to share their expertise to enhance eBay's capabilities to address bad actors. Strong partnerships with brands enable us to detect more potentially infringing products proactively, refine tools, and ultimately protect rights owners and consumers. The VeRO Program embodies eBay's commitment to provide a safe place to buy and sell that respects IP owners' rights.

In addition, our investments in cutting-edge technology help keep eBay users safe and set industry standards for best practices. Over the past year, these efforts have included eBay's acquisition of 3PM Shield, a provider of advanced Al-based marketplace compliance solutions, to prevent the sale of counterfeit items, unsafe products, and illegal goods. 3PM Shield enhances eBay's ability to address suspicious or harmful seller behavior and block potentially problematic items. And we made additional resourcing choices to assure internal oversight of our programs, including hiring eBay's first Chief Risk and Compliance Officer, Ryan Jones.

We're proud of these results, but we know we can keep doing more to strengthen our platform and invest in maintaining a transparent and safe marketplace for our customers.

eBay will continue to play a leadership role to help establish better practices, tools, and policies across the ecommerce landscape on behalf of our customers.

Legal Disclaimer: We are voluntarily providing this transparency report and are not obligated to update the statements in this report if new information becomes available. Data and corresponding statements made within this report are from the calendar year of 2023 from January 1, 2023, to December 31, 2023. We intend to provide future transparency reports, but the information presented in the future may be different in substance or presentation. This report is provided on an aggregate basis and reflects actions taken in line with eBay's policies or applicable law, based on information received from third parties, eBay's risk assessments or other signals. This is not intended as a report pursuant to the transparency report obligations set out in the Digital Services Act.





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