# ebay

Digital Services Act Transparency Report

17 February 2024 –31 December 2024

#### Introduction

Since its founding in 1995, eBay has created a global model of universal, inclusive entrepreneurship – transcending borders and bringing enthusiasts together 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.

This transparency report is compiled in accordance with Regulation (EU) 2022/2065 (the "Digital Services Act" or "DSA") covering the period from 17 February 2024 to 31 December 2024. It provides an overview of our content moderation activities, including the use of automated tools, as required of providers of intermediary services under Article 15 and providers of online platforms under 24(1) of the DSA. This qualitative report is supplemented by a quantitative report containing the required metrics, available at <a href="https://www.ebayinc.com/company/digital-services-act/">https://www.ebayinc.com/company/digital-services-act/</a>.

The applicability of this report is limited to the specified time frame and covers only eBay's EU marketplaces. Links are to the English language eBay.ie marketplace as an example only. Each of eBay's EU marketplaces (where a national marketplace exists) is governed by its own local language user agreement and policies, consistent with the eBay.ie examples.

#### Summary of content moderation engaged in at eBay's own initiative

Within eBay's platform, all users must adhere to all applicable laws and regulations, eBay's <u>User Agreement</u> and <u>User Privacy Notice</u>. As part of this governance, eBay has developed policies to prevent the upload of illegal content and the sale of illegal goods by third parties, including <u>Prohibited Items</u> and <u>Counterfeit Goods</u>. These policies are an integral part of the User Agreement and are designed to protect consumers and provide clarity to sellers about what can and cannot be sold on eBay's platform (and under what conditions). eBay also has policies that govern the related content that its users may provide, for example our <u>Feedback Policy</u> or <u>Member-to-Member contact policy</u>.

eBay enforces these policies using various procedures and tools to identify, review and moderate content. This may include human review, automated review, or a combination of human and automated review, depending on the individual case.

If an item or content is determined to violate eBay policy, it is blocked or removed, and the user 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 account suspensions.

## Meaningful and comprehensible information regarding content moderation engaged in at eBay's own initiative

#### eBay's use of technology for the purpose of content moderation

eBay uses software and artificial intelligence (AI) where appropriate to identify harmful behaviour and problematic items, or to assist the eBay investigators in making a decision. In this context, eBay uses filtering algorithms and image detection software to evaluate the item being sold and the content being published.

For instance, eBay algorithms may evaluate items during the listing process to identify those that could be unsafe, counterfeit or otherwise prohibited under eBay's policies. These algorithms can in some cases automatically remove or block an item from being published, typically along with a message to the seller about eBay's policy or can flag an item for review by an eBay investigator. If the flagged item is determined to be in violation of eBay's policy, it is removed, and eBay will, within the scope of its statutory obligations, provide the seller with an explanation of why the item was removed.

eBay also cooperates with brands, rights owners, and regulatory authorities to update and continually enhance these systems. These collaborative partnerships are essential to obtaining the information eBay needs to better detect infringing or prohibited items.

Thousands of proprietary risk-based evaluations are run for items that come onto eBay's platform. eBay is committed to continually improving on behalf of its customers by investing in and enhancing its marketplace through improved policies, tools, and partnerships. At the same time, eBay's community and other external reporters also help to keep the platform safe through the <u>reporting</u> functionality, that empowers them to report items or content that may violate eBay's policies.

#### Preventing Counterfeit and Prohibited Items

eBay is committed to ensuring all items on its marketplace are authentic – through a multipronged approach of Al-supported technology, highly trained eBay investigators, and buyerprotection programs.

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.

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.

#### Law Enforcement and Regulators

eBay's <u>Criminal and Regulatory Investigations Team</u> (CRI) 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. In addition, eBay's <u>Law Enforcement Portal</u> allows law enforcement officers to submit investigation-related customer data requests to eBay quickly and securely.

eBay works directly with regulators around the world to stay on top of new trends, keep its policies and technology tools up to date, and ensure timely removal of any prohibited items. These partnerships are decades-long in some cases and enhanced through eBay's Regulatory Portal, which was launched in 2021 and allows participating authorities to flag and take down listings outside of the existing consumer reporting function on the site. The

Regulatory Portal also allows government agencies to contact sellers and buyers to convey important consumer safety information.

#### Product Safety

eBay has set up a global product safety strategy by signing the EU Product Safety Pledge + (now integrated into the new <u>Consumer Protection Pledge</u>), along with the Australian, Japanese and Canadian Pledges, which sets out specific voluntary commitments. On a global level, eBay and the Organisation for Economic Cooperation and Development (OECD) have been working collaboratively on product safety for several years. This has notably resulted in the further development of eBay's product safety guidelines, information sharing, and eBay's promotion of the OECD Global Recalls Portal. eBay has joined Business at OECD (BIAC) as Vice-Chair of the Consumer Policy Committee by taking the lead on consumer product safety principles.

eBay trains content moderators and investigators on emerging trends and provides them with industry-specific reference information to support them in making accurate decisions across the range of policy violations, as well as how to spot bad actor tactics. Moderators must be trained in a specific subject matter prior to being allowed to evaluate potential violations of policy or act on content or sellers and typically specialize in a specific area.

#### Qualitative description of the automated means

eBay has committed heavily to AI and image detection technology to help keep its marketplace safe. This ensures platform safety and integrity, while adhering to eBay's Responsible AI Principles, which set out the five guiding principles for eBay's responsible use and development of AI.

eBay's 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 listing from being published entirely.

Prior to implementing automated algorithms, each is tested and launched only after meeting eBay's high performance standards for accuracy.

### Qualitative description of indicators of accuracy and possible rate of error of automated means

eBay's quantitative report includes data on indicators of accuracy and possible rates of error of decisions taken by automated means, with the appeal rate being used to determine accuracy of decisions. Both appeals received from sellers, and errors proactively identified by eBay, are analysed to identify the cause. Remediation steps are implemented to reduce future error rates. The appeal rate includes appeals from users and reporters, and eBay's own actions in reversing decisions that were taken without receiving an appeal.

#### Specification of the precise purposes to apply automated means

As described above, eBay uses automated means to:

• identify prohibited, counterfeit or unsafe items, flagging listings for manual review or

- blocking the listing from publication;
- identify harmful behaviour in member-to-member messaging or when leaving feedback, flagging content for manual review or blocking content from publication; and
- assess the accuracy of third-party reports, flagging reports for manual review.

#### Safeguards applied to the use of automated means

eBay informs users whose listings have been actioned based on automated review, if and to the extent that eBay's and its users' legitimate interests do not preclude this.

As further stated in paragraphs 17, 18 and 19 of eBay's <u>User Agreement</u> and on the <u>appeals help page</u>, eBay allows users to submit appeals against certain decisions taken by eBay, including decisions taken by automated means. If users or reporters file an appeal, eBay will review it in a timely and diligent manner. If the appeal provides sufficient grounds that eBay's decision to take (or not take) an action was unjustified, eBay will reverse it without undue delay, to the extent technically and reasonably possible. Users and reporters can file appeals at any time within six months from the day eBay informs the user about the action (or non-action) in question.

The appeals rate is one of the inputs that eBay uses to evaluate the performance of its automated content moderation systems.

eBay also proactively monitors the effectiveness of its automated content moderation systems, and extensively tests new tools before launch to ensure the system's continued effectiveness in identifying and removing prohibited, unsafe, or harmful content.

eBay's <u>Responsible Al principles</u> also apply safeguards to the extent that the use of automated means involves the use of Al, as defined in <u>eBay's Responsible Al Policy</u>. In addition, eBay recently signed the <u>Al Pact</u> that signals eBay's commitment to developing an Al governance strategy, mapping high-risk Al systems, and promoting Al literacy and awareness among staff.

#### Conclusion

For more than 25 years, eBay has been committed to protecting the safety of its customers. eBay embraces the DSA as an opportunity to demonstrate and deepen this commitment, focusing on continuous improvement, innovation and technology development to strengthen the platform and maintain a transparent and safe marketplace. eBay will continue to play a leadership role to help establish better practices, tools, and policies across the ecommerce landscape on behalf of its customers.