

TRANSPARENCY REPORT

January - June 2023



MORE INFORMATION MEANS MORE TRUST

A new Transparency Report is now available for all users, authorities, and NGOs: this document reflects our progress in terms of good practices on protection of rights and responsible use of technology.

In the reported period, January-June 2023, we focused on increasing efficiency to provide our ecosystem with new and better tools based on technology and AI. The achievements of these last few months are the result of the joint effort of our members, who consistently work towards improving the experience of our millions of users throughout the region. H1 2023 figures and data on the following topics can be found below:

This report provides data from January - June 2023 based on our four main sections:

01 REQUESTS FOR USER INFORMATION

02 CONTENT MODERATION

03 INTELLECTUAL PROPERTY RIGHTS

04 PRIVACY

HIGHLIGHTS



INFORMATION

97%

of requests were responded to with the information required.



MODERATION

98%

of moderations were proactively made by our Fraud Prevention teams.



BPP

0.11%

of Mercado Libre listings have been reported based on Intellectual Property Rights.




PRIVACY


82%


of Privacy Rights were exercised automatically.

01

REQUESTS FOR USER INFORMATION

 We receive and process different law enforcement orders along the region.

 We cooperate with those authorities in charge of protecting the legality and security of the digital ecosystem

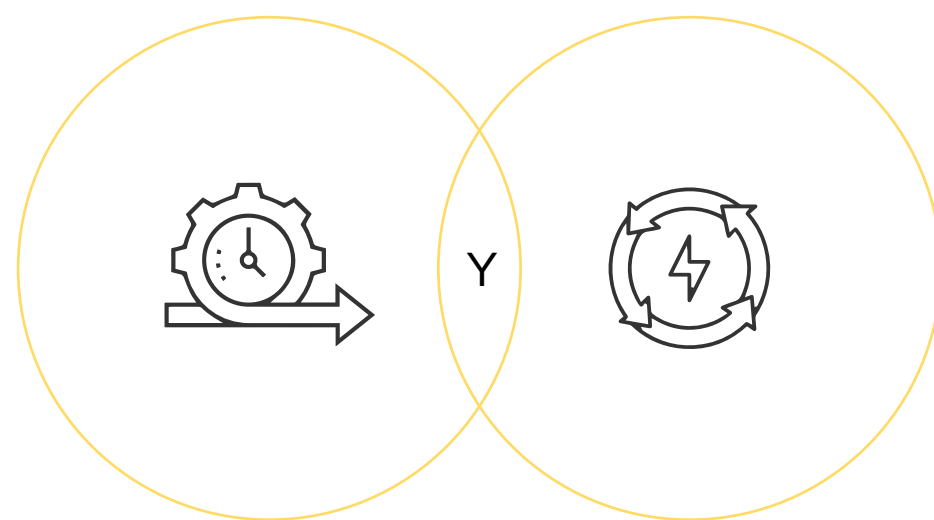
 We guarantee the rights of everyone involved

WE RESPOND

Judicial and administrative authorities may order us to produce user registration or transactional data from our users.

LEGALITY AND SECURITY

We strive to achieve these two key goals to increase the development of technology in Latin America. We respond to requests from authorities with:



AGILITY

EFFICIENCY



39,299

USER INFORMATION REQUESTS:
Received during the reporting period



38,170
REQUESTS RESPONDED TO
with the information required



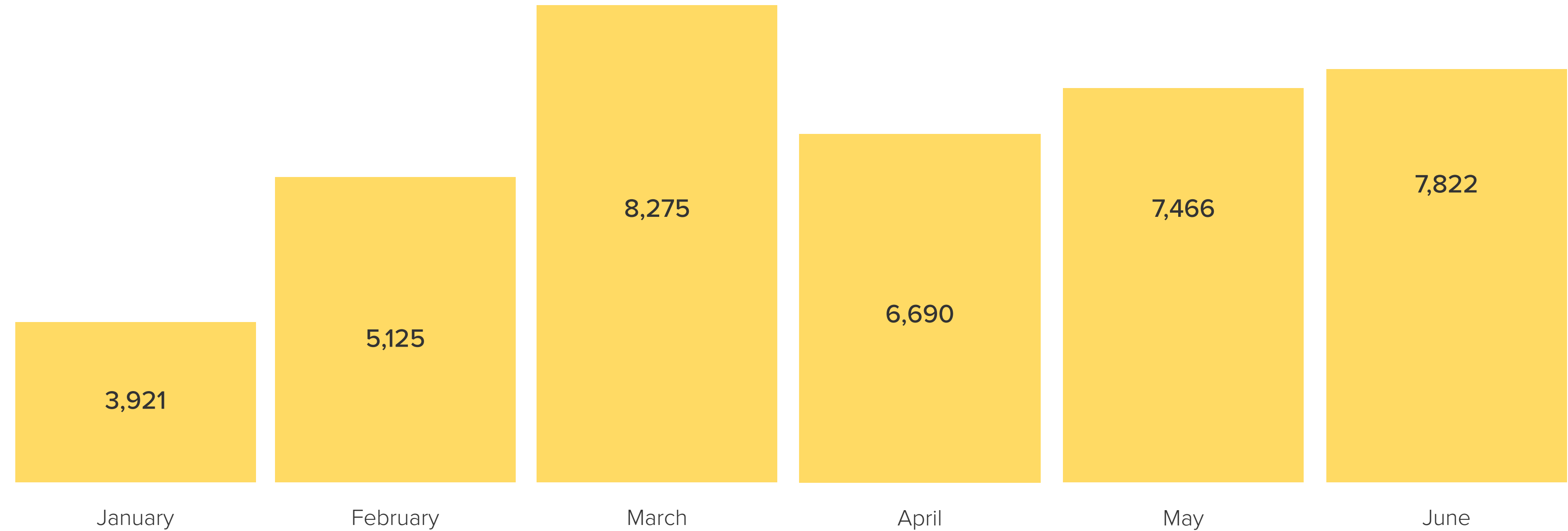
1,129
REQUESTS RESPONDED TO
without disclosing information

More than
97%
of the requests fulfilled with
the information required

3%
accounts for requests
responded to without
disclosing information



NUMBER OF REQUESTS FOR USER INFORMATION PER MONTH



WE INSPIRE CONFIDENCE IN DIGITAL ENVIRONMENTS

We develop technologies that allow:



Maximum cooperation with public authorities working to prevent crimes and prosecute criminals

We provide secure and enhanced services:



We cooperate with judicial and administrative investigations with the goal of protecting the rights of citizens

We promote digital communication with everyone who is involved:



We comply quickly and efficiently with all requirements of judicial notices



Efficient communication channels that save authorities valuable time



We have processes in place to accurately comply with the orders received from authorities

02

SECURITY AND QUALITY ARE KEY



We penalize contents that breach our Terms of Use



We strive to provide the best user experience on our platforms



We protect our ecosystem with the help of technology

FOCUS ON USER EXPERIENCE



We prohibit listings of products and services that are contrary to our Terms and Conditions.



We penalize listings that have a negative impact on user experience.



We prevent improper practices by taking into account information that is reported by users who click on the Report button

614,130,053

LISTINGS

Created or modified in the reporting period

4,547,635

LISTINGS

that infringe our Terms and Conditions were detected and moderated

77,216

LISTINGS REPORTED

by users by clicking on the Report button

AN INTELLIGENT AND INTERACTIVE TOOL

Only **0.74%**

of listings were removed for infringing our Terms and Conditions

POLICY ENFORCEMENT

Mandatory compliance for all users. Based on breach type and repeated occurrences, applicable penalties may be as follows:



Elimination of the listing



Account suspension or cancellation



Reporting to authorities

A SAFE AND ROBUST ECOSYSTEM

98.33%

of eliminated contents are detected by our teams and systems

Less than 2%

are reported by users or authorities

140,212




LISTINGS PER HOUR

are created or modified on Mercado Libre





Our systems constantly improve the way they monitor and proactively moderate the growing level of activity in our ecosystem.

MAIN CATEGORIES OF INFRINGING CONTENTS

We make decisions based on:

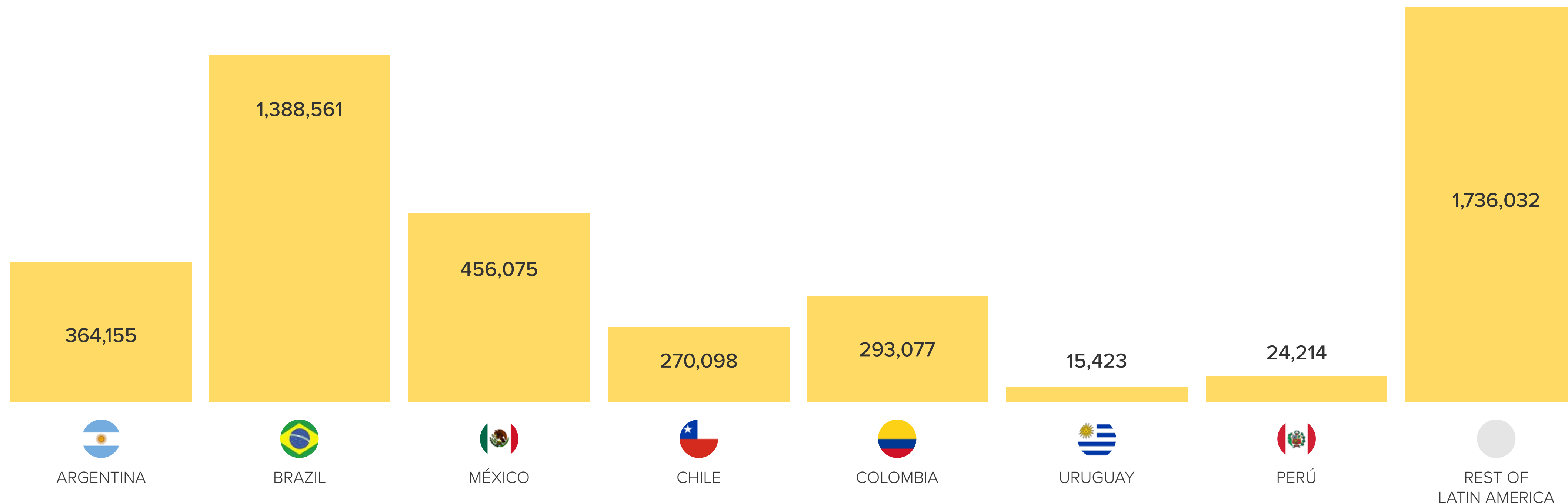
-  Cutting-edge technologies
-  AI-based tools
-  Machine learning models

To detect and remove listings of:

-  Prohibited goods and services: any goods or services that cannot be offered for sale in accordance with our policies or legal regulations
-  Goods and services that breach intellectual property rights
-  Counterfeited goods.
-  Personal data: listings that include contact information

	COLOMBIA	ARGENTINA	BRAZIL	CHILE	MEXICO	URUGUAY	PERÚ	RESTO
01	Counterfeit products	E-books	Counterfeit products	Counterfeit products	Counterfeit products	Account games	Counterfeit products	Counterfeit products
02	Misclassified adult products	Counterfeit products	Medicines	E-books	E-books	Item with no regulatory information	Software	E-books
03	E-books	Account games	Software	Software	Misclassified adult products	Counterfeit products	Event tickets	Software
04	Medical equipment	Vehicles spare part	Account games	Misclassified adult products	Medicines	Food and drinks	Account games	Non serious offer
05	Weapons	Event tickets	Unregistered product	Account games	Medical equipment	E-books	E-books	Account games
06	Account games	Unregistered product	Misclassified adult products	Medical equipment	Account games	Tobacco	Medicines	Medicines
07	Medicines	Items inciting violence or discrimination	Decoders	Decoders	Software	Medicines	Tabaco	Historic heritage
08	Recall	Software	Products reported by ANVISA	Flora and fauna	Alcoholic beverages	Software	Medical equipment	Others - Legislation
09	Items inciting violence or discrimination	Medicines	Personal documents	Medicines	Tobacco	Misleading advertising	Decoders	Medical equipment
10	Decoders	Tobacco	Medical equipment	Tobacco	Decoders	Flora and fauna	Others - Intellectual Property	Food legislation

NUMBER OF LISTINGS DETECTED IN BREACH OF OUR TERMS AND CONDITIONS (BY COUNTRY):



Less than a second

This is the time it takes for our systems to analyze over 5,000 variables to detect infringing listings.



Millions of people

Trust our ecosystem. Our specialized Fraud Prevention team is in charge of protecting user experiences



We provide more

We continue to develop innovative tools to better control and protect service quality.

AUTOMATIC DETECTION

Our highly effective systems automatically and proactively detect infringing listings.

98.63%
infringing listings correctly
detected

1.37%
returned to the
platform infringing



03

PROTECTING INTELLECTUAL PROPERTY



We provide agile, safe, and free-of-charge tools to enforce intellectual property rights







We remove infringing listings and penalize repeat offenders



We protect the authenticity, integrity, and quality of products offered on our platform

BRAND PROTECTION PROGRAM (BPP): OUR SOLUTION FOR INTELLECTUAL PROPERTY ENFORCEMENT

One **PROGRAM**, many **GOALS**:

-  To cooperate with Intellectual Property Rights owners
-  To build trust among the community of users of the ecosystem
-  To promote a virtuous circle that benefits all parties
-  To create a safe and reliable space for transactions guaranteeing the best buyer experience

Learn more at: mercadolibre.com.ar/brandprotection

63,368

rights enrolled in the BPP





10,577

BPP members

0.11%

of Mercado Libre listings have been reported based on Intellectual Property infringements

What solutions does it provide?

-  Intellectual Property Rights owners can report infringing listings in all of the 18 countries where we operate from a single account.
-  Complete portfolio protection (trademarks, patents and utility models, copyrights, industrial models or designs, and related rights).
-  Tool available for free in spanish, Portuguese and English
-  Real-time searches, single or bulk reporting, case management in one place.

699,858

listings reported by BPP members

169,214

counter notices filed by sellers.

JOINING FORCES WITH INTELLECTUAL PROPERTY RIGHTS OWNERS

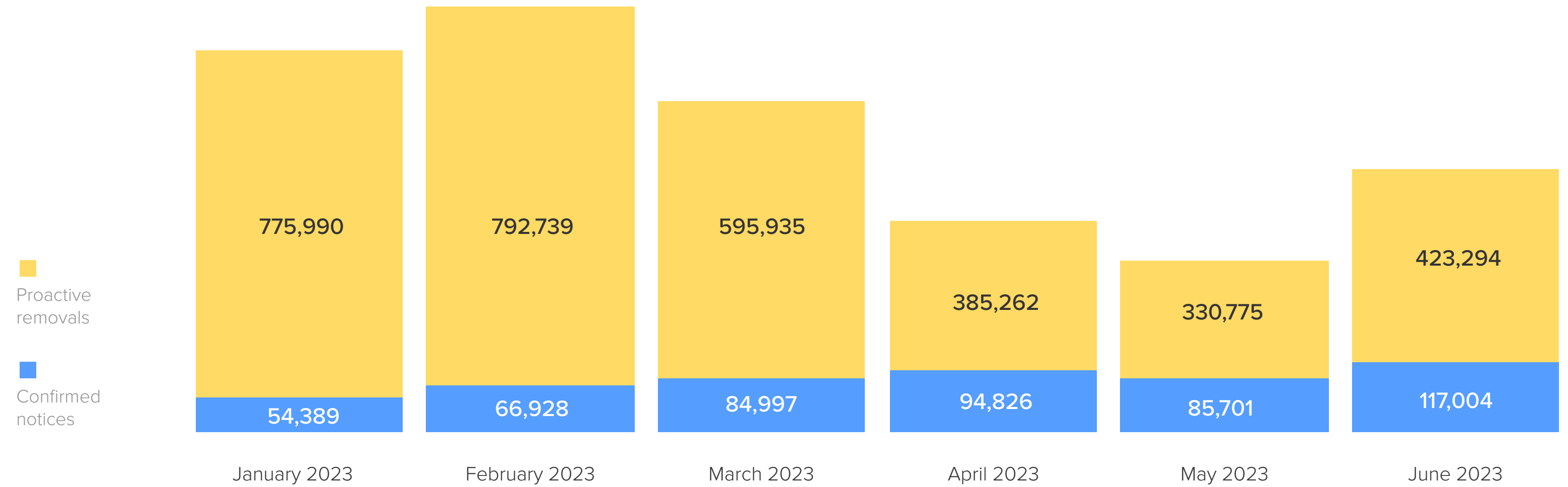
How?

- 01 We use AI-based tools
- 02 Platform protection is more efficient with these tools
- 03 Our systems learn from BPP members' notices
- 04 Our systems proactively detect and remove listings that infringe Intellectual Property Rights included in the BPP

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MELI is one of the best platforms to work with in Latin America. The team is open and cooperative, and always helpful and hands-on to work with us and our clients' issues. It is not often a marketplace will work with us like that and we really appreciate it.

└ Chloe Lee, Senior Global Relationship Manager



3,303,995

PROACTIVE REMOVALS

ACCOUNT FOR:

87%

of contents removed based on Intellectual Property infringements

mercado
libre

04

PRIVACY



We protect user data



We respect confidentiality and security



We provide detailed information about use of personal data

YOUR RIGHTS ARE OUR PRIORITY

Managing user data responsibly is our most important consideration.

01



CLARITY

- Explanation of data collected.
- Explanation of data collected purposes
- Explanation of instances in which information is shared.

02



EMPATHY

- Better services
- Customized solutions.
- New tools for each need

03



RESPONSIBILITY

- In-company mandatory data protection program.
- Cooperation with authorities to comply with the legislation of the different Latin American countries.
- Channels available for users to exercise their ARCO rights.

1,003,307

Total number of privacy rights exercised during the period



COMMITTED TO OUR USERS

With our Privacy Hub, the process to exercise some of user's rights is automated



User-friendly interface that encourages data owners to exercise their rights.



With this great development, more requests can be processed.



Users receive promptly answers.



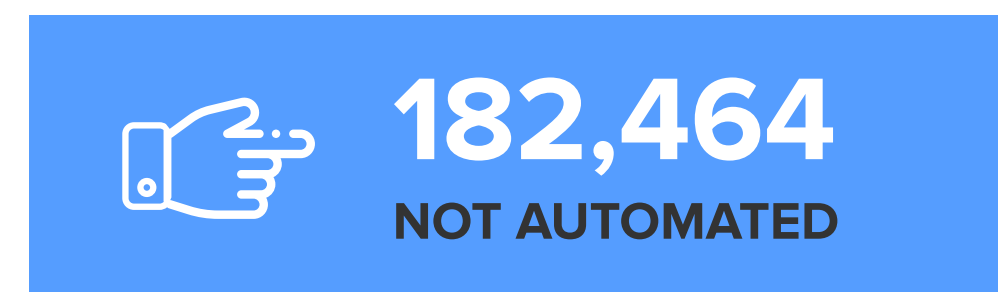
1,003,307

TOTAL CASES

During this period, the automated process accounted for:



OF TOTAL CASES



ACCESS

47,059

CANCELLATION

783,119

RECTIFICATION

173,129

OBJECTION

Users can exercise this right through control panels available in their account, which allow them to grant or withdraw authorization for the use of their data at any time.

IMPACT FOR THE FUTURE

Taking on new challenges is in our DNA, we stay up-to-date to answer the needs of the community. In a world that changes and transforms at lightning speed, we choose to be more efficient, optimize our dynamics, increase team productivity, and add new technologies to continue being pioneers in the market.

We are committed to the millions of users who use our services throughout the region and we take care of the trust that they place on us day after day. One of our goals is to create value to our users. To that, we focus on providing our millions of users with the best experience by developing impactful technological solutions, and transforming realities throughout the region.

In 2023, we celebrate our 24-year anniversary and we are proud of all that we have achieved, with transparency, respecting rights and causing positive changes for society. The best is yet to come. We want to keep evolving towards new practices that favor the personal development of each individual and their own projects, and that promote good coexistence, as well as healthy competition.

See you next time!



**mercado
libre**

If you have any questions on our Transparency Report, please contact:

transparencia@mercadolibre.com