



mercado
libre

ESG Report

A summary of our ESG strategy and
KPIs evolution for investors



ESG

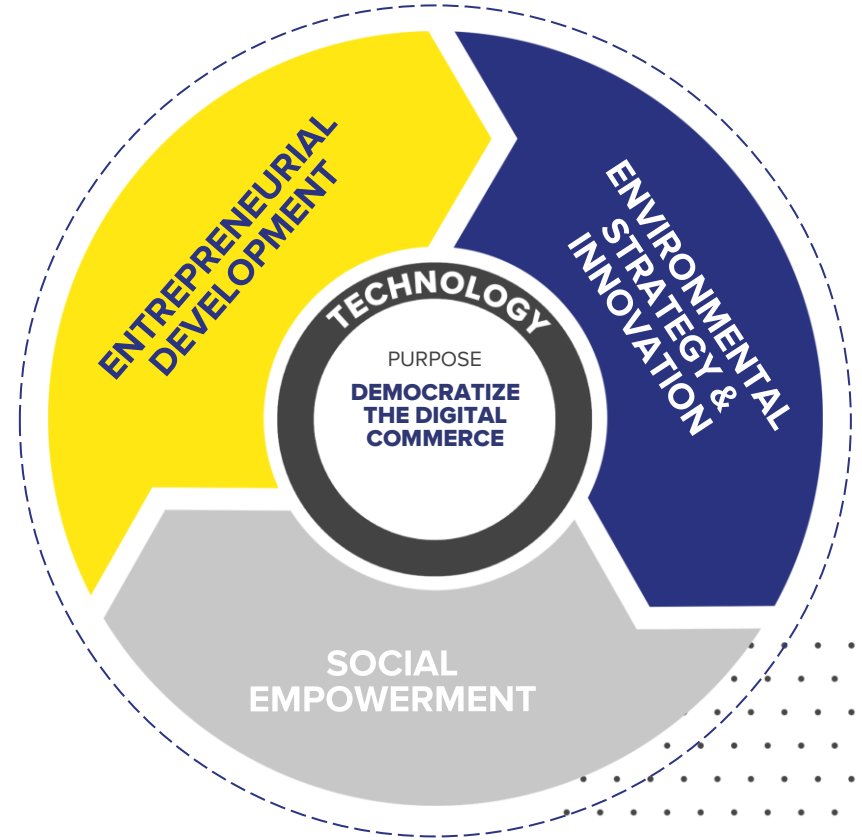
Our strategy

Our company was born with a purpose: to democratize commerce and financial services by deploying technology to level the playing field between large companies, small businesses and entrepreneurial individuals.

Our fast pace of growth enables us foster and enhance all of the positive socioeconomic impacts of our business, driving commercial and financial inclusion, and contributing to the prosperity of our communities.

It also requires us to be increasingly efficient and innovative to reduce the environmental impact throughout the value chain. We seek to promote change in the three pillars of our sustainability strategy: Entrepreneurial Ecosystem, Community and Planet.

We focus on the best we can do today to continue to grow responsibly. It is a path of continuous, collective improvement, and with many challenges ahead in such a dynamic and exponential industry. But our focus remains clear: **the time to act is now.**



ESG

Our strategy



Democratize commerce and money in Latin America

Environmental

Our environmental strategy is based on:

- Greenhouse Gas Emissions (Scopes 1, 2 and 3)
- Sustainable Packaging & Materials
- Energy efficiency and Renewable Energy transition
- Sustainable mobility
- Regeneration of biomes through our Regenera America program

Social

People:

- Workforce and HR practices

Entrepreneurs:

- SMEs and entrepreneurs business development
- Sustainable products category
- Financial Inclusion

Community:

- Education and digital inclusion
- Platform for digital donation to NGOs

Governance

Board of Directors and Corporate Governance:

- Corporate governance, Management and Board

Cybersecurity and data privacy

- Cybersecurity strategy and approach
- Privacy statement and certifications

Compliance and Policies:

- Commerce and Fintech Policies
- Other policies

ESG



In a year that combined a challenging scenario in Latin America with tougher competition, we have been able to continue to grow and achieve record results in our businesses. As we grow, we continue to “prioritize to impact”, without abandoning risk-taking, but with a strong focus on sustainable business development.

What you can't miss

- We have launched our 2022 Impact Report, a deep dive on our social and environmental impact and sustainability initiatives
- You can also now access our 2022 Sustainable bond report
- We continue to work on our Science based targets after signing our commitment letter to SBTi in 2022
- 45% growth in electric vehicle fleet, reaching 797 EVs and over 200 charging stations
- 132 trucks using biogas and natural gas that generate a 15% reduction in emissions per order shipped with them
- Regenera America has expanded with four new projects during 2022, in Brazil and México
- Our workforce has surpassed 39 thousand people, with stable satisfaction and engagement levels across different areas, and maintaining an equal pay company status

ESG



Intrinsic Impact

The first layer we consider when evaluating our impact and ESG strategy are the impacts intrinsically generated by our business model and our mission.



Intrinsic Impact

Entrepreneurial ecosystem



As the leading commerce platform in Latin America, our growth has an intrinsically positive impact on entrepreneurs and SMBs. According to the CEPAL, the small and medium-sized companies representing 99% of organizations from Latin America generate more than 60% of formal productive employment.

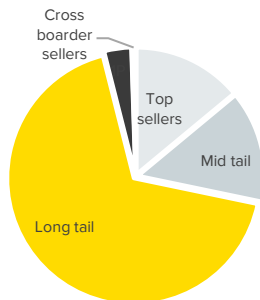
We use our scale to foster the development of the entrepreneurial ecosystem of the region, specifically in segments that due to geographic distances or digital gaps, have less capacity to access digital commerce and digital means of payments. We also leverage on our scale to promote our sustainable products category and Biomes campaign.

GROSS MERCHANDISE VOLUME (GMV)

In billions of dollars



GMV PER SELLER TYPE



9.07 million
sellers

27,000+
jobs created
by the growth of logistics
in the region

70% of GMV
From SMBs

SMBs sold
20% more
than in 2021

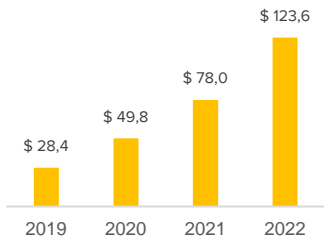
Intrinsic Impact

Financial Inclusion

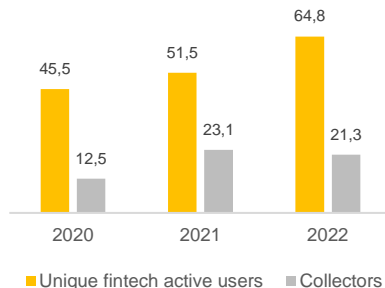
According to data from the World Bank, in Latin America only 55% of the population have access to a bank account. Mercado Pago has assumed the commitment to promote financial inclusion by providing financial technology solutions for the segments of the population that have been historically underserved. This creates conditions to empower the largest number of people to assume full control of their financial lives.

We provide payment processing, acquiring services, working capital loans and much more to our merchant and seller base, which includes micro businesses, SMBs and large stores, online and offline. Our consumers can access user friendly solutions for managing their finances online, with a complete digital account, savings and investments, insurance and personal loans, among others.

TOTAL PAYMENT VOLUME (TPV)



UNIQUE FINTECH ACTIVE USERS AND COLLECTORS



686.000 sellers

Received their first loan from Mercado Pago in 2022

70% use less cash and said this improved their financial health

+21 million users investing

Over \$10 billion

Loans originated to users and sellers

45,9% of loans To female entrepreneurs

45% had access to a credit card or loan for the first time

01.

Environment



Environment

Our Strategy

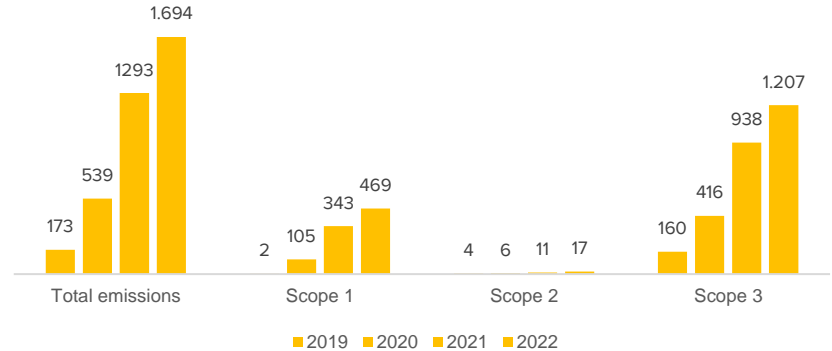
Our environmental strategy is based on a continuous improvement process that supports MELI's sustainable growth. A central part of it is measuring our carbon footprint, allowing us to identify and implement reduction actions with agility, accompanying business development.

We have been measuring our footprint since 2016 and we have achieved real-time impact monitoring that allows us to anticipate and act to reduce emissions.

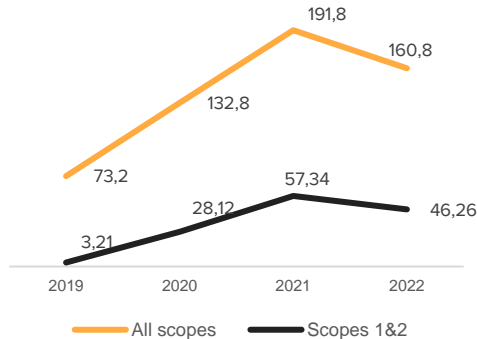
The exercise covers our operations and value chain (scope 1, 2, and 3). We follow the measurement guidelines of the Greenhouse Gas Protocol (GHG) standard.

Mercado Libre went through a period of rapid growth during the last 4 years, multiplying the positive impact on the socioeconomic development of the region, but also challenging us in relation to the environmental impact of our operations. As a result, we have seen growth in our carbon footprint, but a decrease in carbon intensity.

GHG Emissions: tn CO2e (thousands)



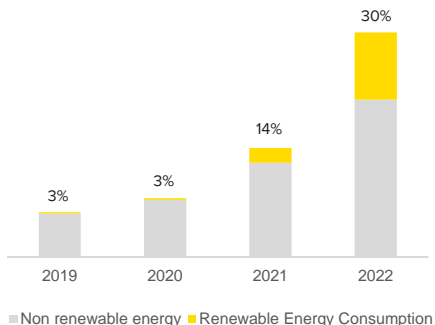
Carbon Intensity (tons CO2e/revenue in millions)



After the internalization of our logistics network, we have gained more control over our emissions, while we also developed reduction initiatives in all scopes, including scope 3 that is highly material to us, that is why **we consider all three scopes when measuring our carbon intensity**. Since standard measures sometimes consider only scopes 1 and 2, that information is also disclosed.

Environment

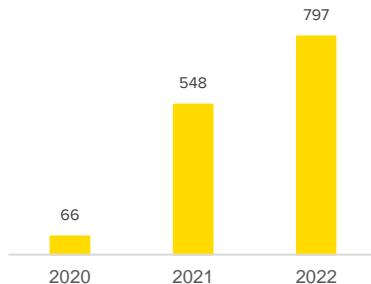
ENERGY AND RENEWABLE ENERGY



Our renewable energy strategy is based on the development of off-site renewable power-purchase agreements, although in some cases we added on-site generation based on solar panel systems. We focus on four different renewable energy sources: solar, wind, small hydro, and biomass.

SUSTAINABLE MOBILITY

Electric Vehicles



Our investment in electric vehicles and charging infrastructure, which reached over 200 charging stations, is part of our Sustainable Bond investments. We currently have electric motorcycles, vans and small trucks as part of our delivery operation.

We have also invested in other sustainable fuel options, such as biogas and natural gas, currently with 132 trucks operating in Brazil and Chile. These trucks generate a 15% reduction in emissions per order.

SUSTAINABLE PACKAGING & MATERIALS

Packaging materials:

- **100%** recyclable, reusable or compostable;
- **100%** of cardboard is certified by the Forest Stewardship Council or produced entirely with recycled materials;
- Primary packaging shipping: shipping products in their own box, substituting our cardboard boxes by one tag. Already covers **10%** of our volume, reducing by 50% the space occupied by these items;

Materials circularity:

- Reverse logistics program: recovery of **97%** of returned products, including electronics and fashion products;
- Products that cannot be reused due to a problem are sent to the circular economy network;
- These initiatives allow an average of **300,000** products to be valued and reused per month.

Environment

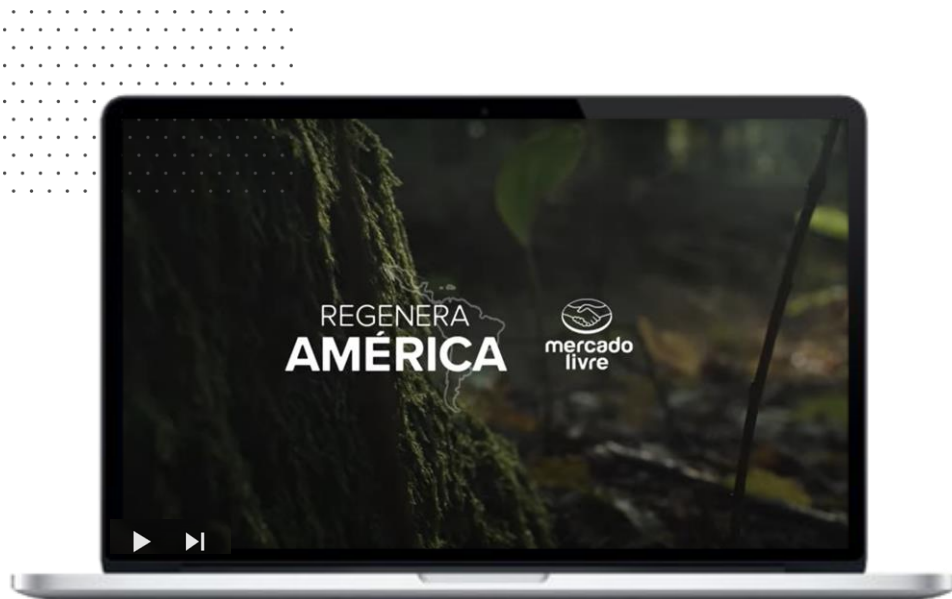
Regenera America

Regenera America is our ecosystem regeneration and conservation program focused on Latin America's iconic biomes, which account for 40% of the world's biodiversity.

That is why Mercado Libre decided to focus its efforts on conservation and restoration projects that help Latin America's biodiversity and its the surrounding communities.

For this initiative, we have partnered with climate tech startup Pachama in order to develop nature-based carbon projects that provide direct funding to local implementing organizations that have forest restoration capacity. Pachama leverages satellite imagery and AI to enable the generation of high integrity carbon offsets.

- 6.000 acres being restored
- Potential to capture 900.000 tons of CO₂ in the next 25 years
- 12.8 million dollars invested of 18 million already committed to the program
- 6 different projects financed in Brazil and México



02.

Social Impact



Social

Workforce

There are many qualities that make Mercado Libre a unique place to work. One of them is our team: almost 40,000 people who give the maximum every day and that vibrate a DNA that is characterized by taking risks, being in continuous beta and execute with excellence.

We form diverse teams in which each person can display all their abilities and express yourself. It is that look that drives us to improve because it allows us to understand the expectations of the people who use our solutions and create intuitive and reliable products that enhance your experience.

#6

In Latam

#20

Globally

Great Place to Work 2021/2022

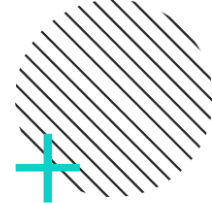


DIVERSITY 2 0 2 2

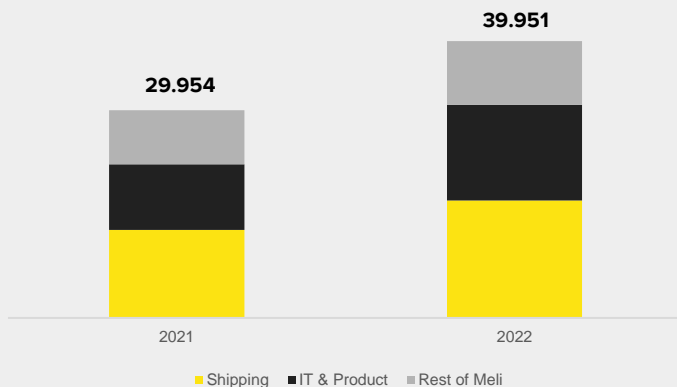
	Market	Mercado Libre	MELI vs Mercado
Women All MELI	35%	41%	+6
Women Sr Managers and up	23%	27%	+4
People with disabilities All MELI	2,2%	1,8%	-0,4
Ethnicities All Brazil	40%	44%	+4
Ethnicities Sr Managers & up Brazil	5%	10%	+5

Social

Workforce

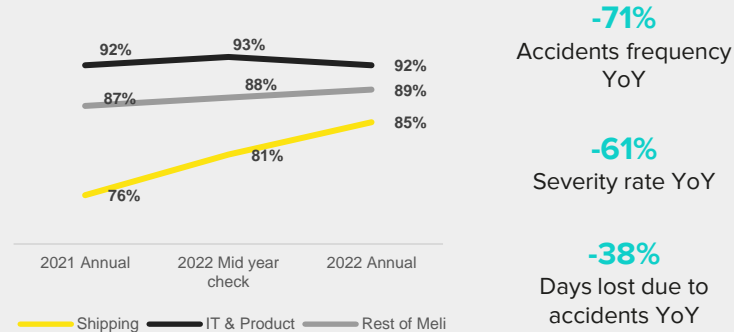


OUR TEAM



We rely on the leaders of MELI and on our employer brand to find, choose and recruit the best talent. In a new year of growth, in which we had the objective of incorporating more than 11,000 people in the region, we rely on our culture and the experience working at Mercado Libre to form and develop a world-class team that allow us to lead the industry in each one of the markets in which we operate.

ENGAGEMENT



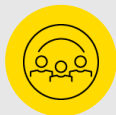
We measure and analyze our culture and engagement, with the power of technology. We frequently listen to the voice of our team and candidates through surveys, and we make valuable information and insights available so that each leader can enhance the effectiveness and experience of their teams and improve permanently. Thus, in matters of talent, engagement and leadership, we make decisions based on data incorporating the voice of the user (our collaborators and candidates), just as we do with our business.

Social

Communities



Socioeconomic Advancement and Empowerment through Education



Strengthening NGOs and Digital Donation Culture



Support for Social, Projects and Community

As Mercado Libre grows, we are committed to contribute to the progress and prosperity of our communities. Our ecosystem is the starting point of this commitment: we put technology to the advantage communities where we operate.

Our social projects focus on the development of SMBs with positive socio-environmental impact, and we support them reaching millions of consumers, democratizing access to products that generate benefits for the planet and people.

We boost financial inclusion, enabling entrepreneurs and SMBs to receive digital means of payments, expanding their businesses. The growth of Mercado Pago's solutions allows that millions of people access financial tools for the first time, boosting its formalization and development of the regional economies.

We work to close the gender and socioeconomic gap, so that more women participate in the universe of technology and more youth access a first quality job.

We recognize the importance of NGOs for the construction of a fairer and more democratic society. They are our allies to boost each of these initiatives. We leverage the relationship by giving them our tools and reach to strengthen their digital capabilities and fundraising allowing them to escalate their impact.

+90.000

**businesses supported
in 2022, vs
55.000 in 2021**

+25.000

**people impacted
in 2022, vs
6.042 in 2021**

Social Communities



Socioeconomic Advancement and Empowerment through Education

Finance for the young:

- +4.400 young people trained
- 179 schools reached by 100 MELI volunteers

Financial education for female entrepreneurs:

- +6.500 entrepreneurs reached
- 87% say they improved financial skills
- 95% say they improved business management
- 84% incorporated digital sales tools

Certified Tech Developer:

- +6450 students
- +1.000 scholarships



Strengthening NGOs and Digital Donation Culture

We put our ecosystem at the service of strengthening social organizations, promoting their digital inclusion using fundraising and fund management tools, and connecting them with millions of people who want to collaborate.

- 900.000 dollars donated through donation button in 2022, vs 240.000 in 2021
- 26 million dollars donated through Mercado Libre Solidário in 2022, vs 19 million in 2021
- +3600 NGOs supported



Support for Social, Projects and Community

Sustainable products section:

- 68 thousand sellers and brands
- 7.3M products available,
- 5 million buyers
- We have also launched Gondola B, an exclusive space in the Sustainable Products section for products from certified B Corp enterprises.

Biomás campaign: +1.000 producers from iconic Latin biomes, +1.000 products available, +30.000 local producers benefited

03.

Governance



Governance

Corporate governance

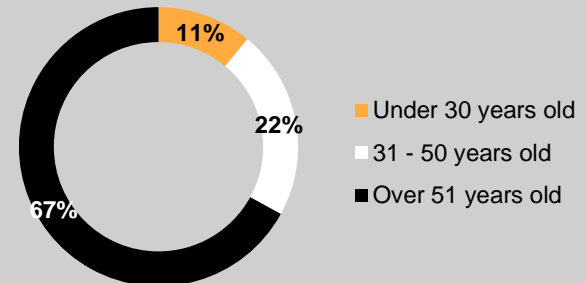
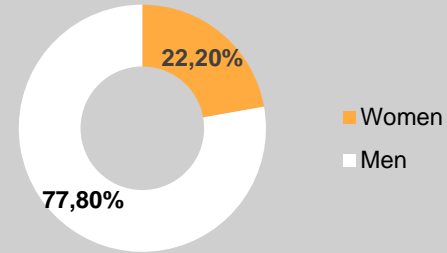
Our Board of Directors acts autonomously. The Nominating and Corporate Governance Committee recommends director candidates for nomination to our board. Nominees are then elected at the Shareholders' Meeting.

Our Executive Leadership Team serves at the discretion of our board. Four times a year they report to the board profit and loss statements, the social context of operations and business strategy developments. They also discuss the company's overall performance.

The Chief Financial Officer (CFO) is responsible for economic, environmental, and social issues at the management level.

To know more about [Corporate Governance Guidelines](#), [Committees](#) and [Risk Management](#), click on the links. For information on compensation of our Executive Officers, [go to our Proxy Statement](#).

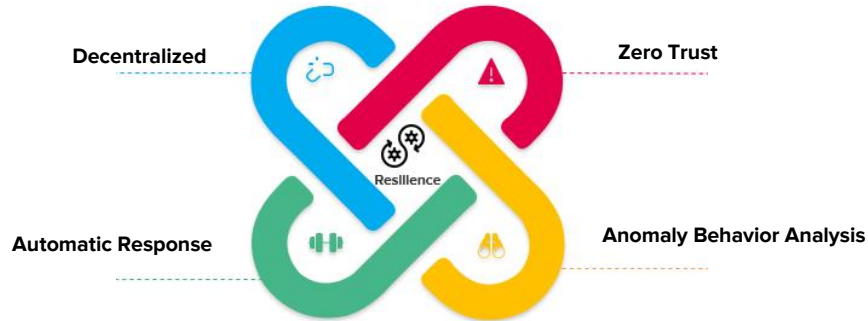
Our board



Governance

Cybersecurity & Data Privacy

Our **Cybersecurity** strategy is focused on guaranteeing the IT security of our platforms following the principles in order to avoid any type of data leakage, and to prevent and detect cyber attacks:



+300

Engineers **100%** dedicated to Cybersecurity, over 1 thousand involved in projects

26,844

Employees trained on Cybersecurity



The Information Security area is made up of verticals associated with each business unit and provides transversal services to ensure the prevention and detection of malicious software, as well as security management across the entire infrastructure that supports Mercado Libre's ecosystem.

Mercado Libre applies the NIST framework to all business units in order to mitigate cybersecurity risks.

[Learn more about our approach to Cyber Security here](#)

Governance

Cybersecurity & Data Privacy

At Mercado Libre we understand that **protection of personal data is an opportunity to generate value** for our users. By responsibly using personal information, we not only protect the privacy of those who entrusted us with their data, but also allow them to operate safely and confidently in our ecosystem.

For this, we have developed a strict data protection compliance program that applies to the entire company and is based on the highest regional standards in terms of privacy. This program focuses on ensuring the transparent use of personal data, the growth of the data protection culture, the implementation of risk-based compliance solutions and processes, the monitoring of the environment and the provision of channels for the exercise of the rights of our users in an agile and simple way.

Mercado Libre complies with regulations on Data Privacy as the LGPD in Brazil and aims proactively communicate any issues to regulators and users.

For nine years, we have been **PCI Compliant** (Payment Card Industry Data Security Standard), with PCI-DSS and PCI-PIN certifications.

[See full Transparency Report](#) and [Privacy statement](#)



we are transparent

We explain in a simple and clear way the uses we make of your information, how and why we process your data and with whom we can share it.



we create value

We process your data responsibly to provide personalized services. For example, we use your geographic location to offer services close to your location.



We work with quality

We strive to process quality, accurate and up-to-date information. For example, we save your information and update across all our platforms, your purchases arrive correctly and you save time on forms.



We protect your data

We protect your personal data with the highest standard of security. We do not trade your data.



We process data for a limited time

We keep your data only for the time necessary to facilitate the use of our products. After that, they are deleted or anonymized.

Governance

Compliance & Policies

01.

Commerce: We have rigorous listing policies that all users and sellers on the platform must comply with. We do not allow the sale of products prohibited by law or those that do not adhere to our Terms and Conditions.

95,15%

of deleted contents are detected by our teams and systems

Over 90.000

Sellers removed from our marketplace

Over 200.000

Sellers formalized and professionalized through Mercado Libre

02.

Fintech: Our Fintech counts on strict policies on prevention of money laundering, sanctions, fraud and corruption, with a dedicated compliance team. We monitor, engage and respond to authorities and laws in each country we operate our fintech in, training our teams to guarantee compliance. We proactively stimulate and participate in actions to prevent money laundering and terrorism financing in our platform, collaborating with authorities when necessary.

Useful links for deep diving:

- [Transparency Report](#)
- [Commerce Policies](#)
- [Fintech Policies](#)
- [Code of Conduct and Ethics](#)
- [Sustainable Purchasing Policy](#)
- [Brand Protection Program](#)





**mercado
libre**

**AS ALWAYS,
THE BEST IS YET TO COME**

If you want to discuss ESG initiatives, please reach out to our IR team at ir@mercadolibre.com