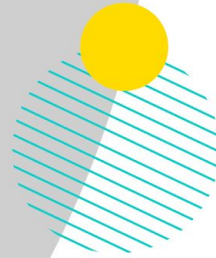




mercado
libre

ESG Report

A summary of our ESG strategy and
KPIs evolution for investors



ESG

Our strategy

Mercado Libre was created with the purpose of **democratizing commerce and financial services in Latin America**. We are driven by the mission to **multiply opportunities** and **reduce geographic and socioeconomic gaps**, with the conviction that **the best is yet to come**.

We believe that today is the day to collaborate on building a brighter future by assuming our role and seizing the opportunity to tackle social and environmental challenges throughout Latin America.



ESG

Our strategy



Democratize commerce and financial services in Latin America

Environmental

Our environmental strategy is based on:

- GHG Carbon Footprint Accounting and Management (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
- Digital donation across Latam

Governance

Users:

- Cybersecurity and data privacy
- Commerce and Fintech Policies

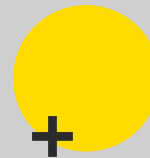
Board of Directors and Corporate Governance:

- Corporate governance, Management and Board

What you can't miss

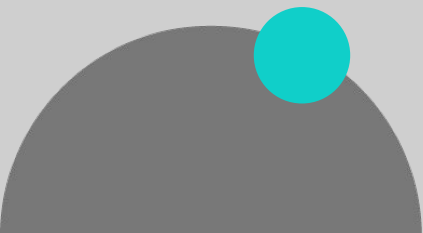
- Our [2023 Impact Report](#), a deep dive on our social and environmental impact and sustainability initiatives
- We have launched the third report on our Sustainability Bond initiatives: [2023 Sustainability bond report](#)
- The second edition of [Impact that Matters](#), our socioeconomic impact study done in partnership with Euromonitor
- Regenera America has expanded with new projects and expansion of existing ones
- Our workforce has surpassed 50 thousand people, with growing satisfaction and engagement levels across different areas
- We continue to improve diversity indexes, as we believe a diverse workforce is core to continue to serve well our consumers, users and sellers

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

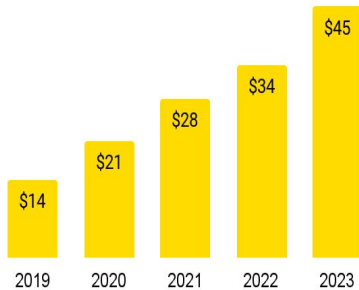


As the leading commerce platform in Latin America, we see our impact not only in GMV growth, but also in the positive impact our growth has, especially for entrepreneurs and SMBs. According to [CEPAL](#), the small and medium companies representing 99% of organizations from Latin America and generate more than 60% of formal productive employment.

We use our scale to leverage the development of the entrepreneurial ecosystem of the region, specifically in segments that due to geographic distances or digital gaps, gender or racial, 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



~70%
of GMV from SMEs

75%
of the SMEs selling on our platform are family businesses

+1,800,000
families have Mercado Libre as main income source
900.000 in 2021

40%
generate more than half their income through the platform

+574.000
SMEs offer their products on the platform

1 in every 5
Is headed by a woman

Intrinsic Impact

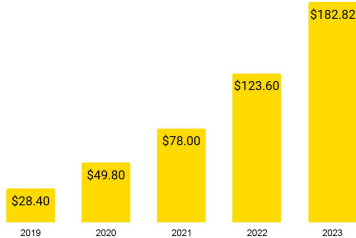
Financial Inclusion

According to data from the World Bank, in Latin America only 55% of the population have access to a bank account. As leaders of the fintech sector in the region, in Mercado Pago we assume the commitment to promote financial inclusion, providing end-to-end financial technology solutions for the segments of the population that have been historically underserved, creating conditions to empower the largest number of people to assume full control of their financial lives.

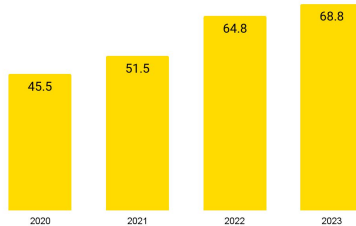
We provide payment processing, acquiring services, working capital loans and much more to our merchant and seller base, which includes micro businesses, SMBs and large stores, online and offline. Our consumers can access user friendly solutions for managing their finances online, with a complete digital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

TOTAL PAYMENT VOLUME (TPV)

In billions of dollars



UNIQUE FINTECH ACTIVE USERS



50% first access

to a card or credit offer for the first time

+30 million

users investing

9.7 million

Insurance policies issued

Over \$13.6 billion

Loans originated to users and sellers

+45 million

Loans granted to entrepreneurs and SMEs

01.

Environment



Environment

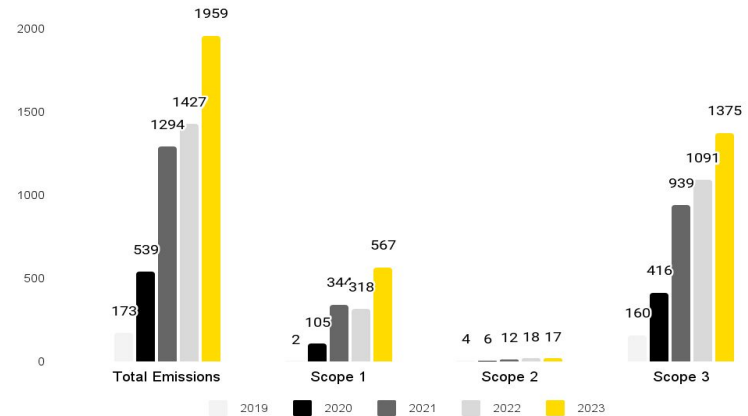
Our Strategy

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.

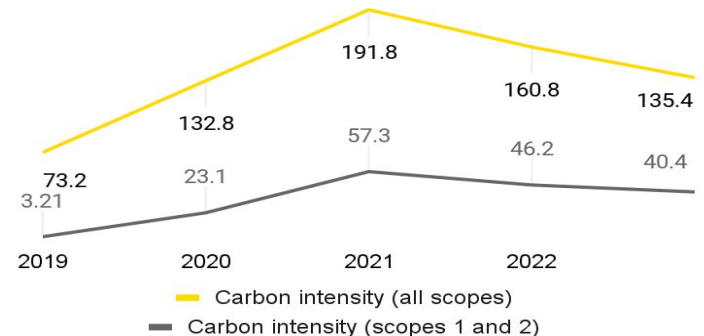
We have been measuring our footprint since 2016 and we have continue to improve impact monitoring that allows us to anticipate and act to reduce emissions. The exercise covers our operations and value chain (scope 1, 2, and 3). We follow the measurement guidelines of the Greenhouse Gas Protocol (GHG) standard.

Mercado Libre went through a period of rapid growth during the last 5 years, multiplying the positive impact on the socioeconomic development of the region, but also the challenging us in relation to the environmental impact of our operation. As a result, we have seen growth in our carbon footprint, but a decrease in carbon intensity.

GHG Emissions: tn CO2e (thousands)

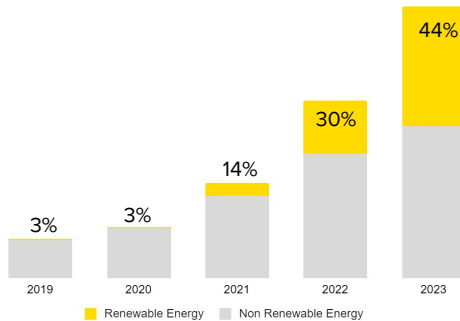


Carbon Intensity (kgs CO2e/revenue)



Environment

ENERGY AND RENEWABLE ENERGY

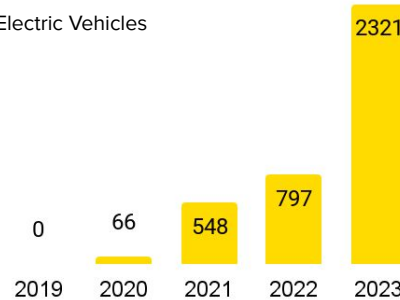


Our aim is to shift 100% of our DC operations to clean energy sources by 2035.

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, as biogas and natural gas, currently with 132 trucks operating in Brazil and Chile. These trucks generate a 15% reduction in emissions compared to diesel equivalents.

SUSTAINABLE PACKAGING & MATERIALS

Packaging materials:

- 100% of recyclable, reusable or compostable;
- 100% cardboard is certified by the Forest Stewardship Council or produced entirely with recycled materials;
- 88% waste recovery rate

Waste recovery of returned items:

- 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.

14,587

hectares in restoration
and conservation

>1.1 M tCO₂e

to be captured in 30
years

23.7 M

dollars invested

3 M tCO₂e

avoided in 30 years



02.

Social Impact




Social

Workforce

There are many qualities that make Mercado Libre a unique place to work. One of them is our team: more than 50,000 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.

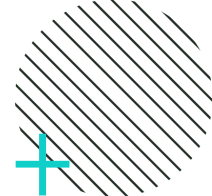
We form diverse teams in which each person can display all their abilities and express themselves. It is that look that drives us to improve because it allows us to understand the expectations of the people who use our solutions and create intuitive and reliable products that enhance your experience.



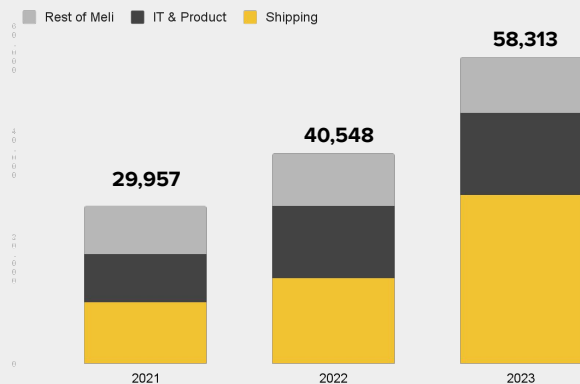
DIVERSITY 2023			
Market	Mercado Libre	MELI vs Mercado	2023 vs 2022 Meli
Women All MELI	44%	+6	+3%
Women Sr Managers and up	28%	+5	+1%
People with disabilities All MELI	1,8%	-0,3	0%
Ethnicities All Brazil	48%	+8	+6%
Ethnicities Sr Managers & up Brazil	12%	+7	+0,6%

Social

Workforce

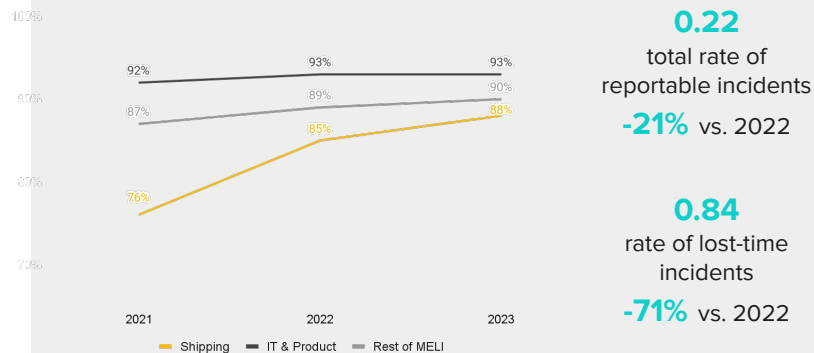


OUR TEAM



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 put focus on the evolution of both axes 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



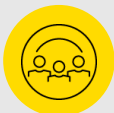
We measure and analyze our culture and engagement, with the power of technology. We frequently listen to the voice of collaborators and candidates through pulses, and we make valuable information and insights available so that each leader can enhance the effectiveness and experience of their teams and 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.

Social

Communities

+350.000
dollars donated
through donation
button in 2023

33.2 million
dollars donated
through Mercado
Libre Solidário
in 2023, vs
20 million in 2022

Sustainable products section: +67 thousand sellers, 10.4M products available, +5.8 million buyers.

Biomás campaign: +34,000 producers from iconic latin biomes benefited, +47.600 local producers benefited

Conectadas: 929 young girls aged 14-18 years trained in technology under the Conectadas program across Latin America.

Mercado Libre Solidário: 33,2 million dollars donated through our ecosystem to over 3,000 organizations

Financial education and business development programs (Emprende Pro Mujer for Hispanics + Agora Vai in Brazil):
3,000 micro & small female entrepreneurs reached

[More information about our programs here.](#)



03.

Governance



Governance

Corporate governance

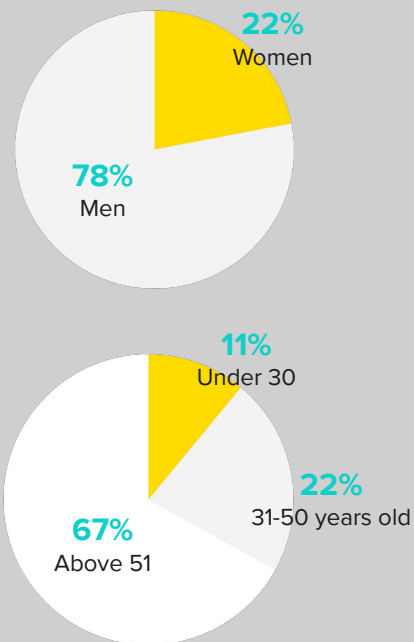
Our Board of Directors acts autonomously. The Nominating and Corporate Governance Committee recommends director candidates for nomination to our board. Nominees are then elected at the Shareholders' Meeting.

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](#)**.

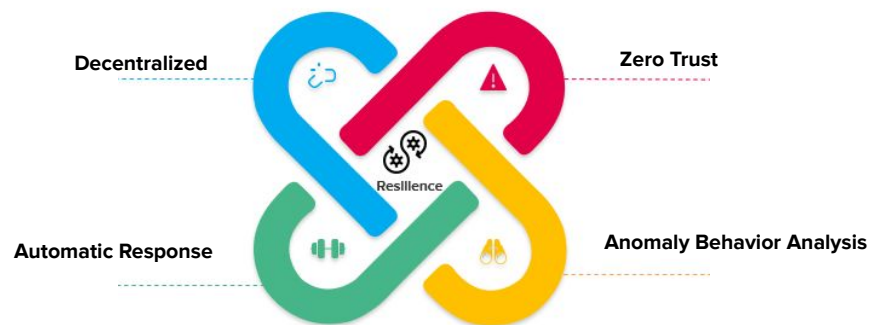
Our board



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:



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.

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

+300

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

0

cases of non-compliance identified by regional and international bodies



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

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.

98.33%

of deleted contents are
detected by our teams and
systems

Only 0.74%

of listings were removed for
infringing our Terms and
Conditions

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