This Impact Report has been prepared according to the Comprehensive option of the Global Reporting Initiative Standards. In addition, the materiality map of the Sustainability Accounting Standards Board (SASB) was used to report the relevant indicators for the E-commerce industry.

This document represents our ninth fiscal-year report. It describes the activities related to MercadoLibre, Inc’s sustainability management and includes the corporations over which it has control. The report includes the activities carried out between January 1 and December 31, 2020. During this period, the company has not undergone relevant organizational changes affecting comparability. The company established a frequency of annual submission of its impact reports and submitted its last report for the 2019 fiscal year.

Contact Point

Please, feel free to write to sustentabilidad@mercadolibre.com with any questions or feedback about our Impact Report.
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Letter from the President

The year 2020 marked a turning point on a global scale. Because of the pandemic, we lived moments of uncertainty that are still present, with unexpected changes and great challenges for everyone. In this context, we became an essential service and had to ensure many important contributions to people’s lives arrived through our services.

We assumed this unique and privileged position with great responsibility. We did this also with a focus on strengthening our purpose; democratizing commerce and financial services to transform the lives of millions of people in Latin America.

From the start, we focused on collaborating with communities throughout our entire ecosystem of products and services. We changed our historic logo to foster the elbow greeting and accompany the global change in habits. Bumping elbows became our platform for preventive actions, solidarity and responsible consumption. We credited 100% of the commissions for sales of essential products, monitored the prices of the essential items and deferred loan maturity dates. We also trained thousands of entrepreneurs about the different tools of Mercado Libre’s business ecosystem and allied with the Red Cross and Food Banks, financing their main campaigns to be close to those who need more help.

We were indispensable allies so that millions of SMEs could go on operating and obtaining incomes. During 2020, more than 719 million products were sold on our platform, representing sales of almost 21,000 million dollars. We continue to work for the democratization of payments and the inclusion of small and medium merchants in the financial system. 18.3 million new sellers joined our financial solution. More than 105 million payers completed 1915 million transactions, in a simple and safe way, making sure the economy continued moving and benefiting many families. Mercado Crédito continued to grow, exceeding 1170 million dollars in loans in Mexico, Brazil and Argentina.

Mercado Envios allowed us to be even closer and arrive faster; our promise of delivering packages in 24 hours was accomplished thanks to the constant expansion of our logistic capabilities. During 2020, we added a fleet of planes in Brazil and Mexico. We opened eight new storage and distribution centers in Mexico, Brazil, Chile and Colombia that represent more than 421,000 m2, generating more than 3500 new jobs, for many their first employment.

Today more than ever, we know that the world needs transformation. That is why we want to get better every day, taking into account the growth of our business and its environmental impact and social role.

As part of that process, we hastened the growth of our fleet of electric cars in Brazil, Mexico, Chile and Uruguay, making it one of the largest fleets of Latin America. We moved forward with our commitment to migrate our operations to renewable energies, thus adding another milestone: Melicidade, our largest corporate offices in São Paulo, Brazil, is 100% supplied by renewable energies.

We also supported organizations that promote training and job inclusion for young people and women in technology, reaching more than 6000 youngsters in the region.

Undoubtedly, it was an unprecedented year full of challenges, growth and expansion for Mercado Libre. A year in which we tested our capacity to adapt, be resilient and to be able to work as a team.

In this report, we share the progress of our commitments during this historic year, being aware that we are going to continue to take risks and bet on the future, along with a team of more than 15,000 people who choose to join our purpose throughout the region. After a very special year, I express my gratitude to everyone who makes it possible to bring #OrgulloMELI to all of Latin America.

Marcos Galperín
About Mercado Libre
Mercado Libre is the largest e-commerce and payment platform in Latin America. Born in 1999, we currently operate in 18 countries throughout the region, including Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Peru, Uruguay, Venezuela, Dominican Republic, Honduras, Nicaragua, El Salvador, Panama, Bolivia, Guatemala, and Paraguay.

Our innovative and reliable solutions ecosystem allows users to buy, pay and finance online. Through our main tools, Mercado Pago, Mercado Shops, Mercado Ads and Mercado Envios, we are able to democratize trade in products and services, promoting the entrepreneurial spirit and social mobility in the region.

“MELI” is the symbol that identifies the public offering of MercadoLibre, Inc in Nasdaq, the U.S. Stock Exchange. Since 2017, we have been part of the Nasdaq 100 index, which compiles the most important companies of the technological sector.
Being leaders of one of the most dynamic industries today was an opportunity and a great responsibility in 2020. The COVID-19 pandemic found us in the unique position of being able to continue our operation, and we became a key ally for entrepreneurs and small and medium enterprises (SMEs) during the compulsory preventive isolation.

E-commerce allowed people to access the products they needed without having to expose themselves during the lockdown stage. And so, it became an essential tool that allowed thousands of entrepreneurs and SMEs to continue generating revenue in this context. In addition, our contact-free payment solutions were the most appropriate to prevent and avoid the spread of the virus.

Our team's commitment and our entrepreneur DNA quickly turned this potential into the growth and expansion of our business units.

We know it was an extremely difficult year for most people. That's why, even at a distance, our concern was to be close to those who work at MELI and our communities. In March, we decided to show our commitment to Latin Americans and change our iconic handshake logo to the greeting suggested by prevention campaigns.

In each chapter of this report, we share detailed information on the actions taken in this context.

“Bumping elbows until the best comes" was a campaign emphasizing prevention, awareness and responsible consumption that became a platform of initiatives to support each of our stakeholders during the year.
We promote the Latin American entrepreneurial community with the most innovative set of integrated solutions in the region. With this ecosystem, we can achieve our purpose of democratizing commerce and payments, extending people’s ability to buy, sell, pay, ship, and finance online.

The leading e-commerce platform in Latin America, where buyers and sellers meet to conduct transactions on a wide range of goods and services.

In 2020, more than 719.3 million products were sold, we had 57.5 million new users on a platform that made 23 purchases per second.
ABOUT MERCADO LIBRE

Mercado Ads is Mercado Libre business unit dedicated to the development and commercialization of advertising solutions within the platform. It offers branding and performance solutions throughout the shopping journey, so that brands, agencies and sellers can reach millions of buyers who are discovering and buying every day. In addition, it provides exclusive data and insights into user behavior, allowing for more effective advertising campaigns.

52,596 monthly advertisers

The most complete financial solutions ecosystem for companies, entrepreneurs or individuals who wish to manage their money simply, comfortably and safely. It is available in Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Uruguay.

Its purpose is financial inclusion: democratizing money, promoting access to services that allow entrepreneurs and SMEs to grow and develop and, for States, to correct imbalances and promote the formalization of the economy.

The Mercado Pago digital account allows an ever-greater number of people to fulfill their financial needs in an app. In addition to sending and receiving payments, making immediate transfers and accessing loans in a single place, more than 15 million people have already chosen the platform to invest and generate balance yields.

+117 million users throughout the region already have a Mercado Pago digital account

Online store creation platform that allows users to set up, manage, advertise and sell their products on their own website. This service can be integrated with any and all of the resources and tools in the ecosystem. It is available in Argentina, Brazil, Chile, Colombia, and Mexico.

22,000 active shops
Mercado Envios is our logistics solution. Delivery is central to the shopping experience on our virtual platform. Therefore, we are constantly developing new processes and technological tools to fulfill the promise of correct, on time delivery.

Mercado Envios is available in Argentina, Brazil, Chile, Colombia, Mexico, and Uruguay. We offer profitable integration with competitive prices, with logistics services and third-party shipping suppliers for sellers on our platform, as well as dispatch and storage services.

We have distribution centers in Argentina, Brazil, Mexico, Chile, and Colombia which allow us to deliver products in less than 48 hours. One of the greatest challenges ahead is the development of our own logistics network with different carriers.

In 2020, we opened eight new distribution centers throughout Latin America, with more than 420,000 square meters of infrastructure.

### New distribution centers

**Brazil**
- 5 logistics centers:
  - 2 in Cajamar (São Paulo),
  - 1 in Guarulhos (São Paulo),
  - 1 in Governador Celso Ramos (Santa Catarina),
  - 1 in Extrema (Minas Gerais)
- 340,000 m²

**Mexico**
- 1 logistics center in Jalisco
- 60,000 m²

**Chile**
- 1 logistics center in the Municipality of Pudahuel, Santiago de Chile
- 9,000 m²

**Colombia**
- 1 logistics center in Bogota
- 12,000 m²

---

**Our own fleet of aircraft in Mexico and Brazil**

We have a fleet of eight planes from different airlines, which work exclusively for Mercado Libre, to reach more destinations, faster. The purpose of this initiative is to reduce product delivery times to remote areas and to increase the 24-hour delivery capacity of products located in our storage and distribution centers.

---

### 649.2 million shipments sent

+111.5% vs 2019
Mercado Libre in numbers

- 132.5 million users
- 15,546 collaborators
- 719.3 million products sold
- We’re among the 10 most viewed websites worldwide
- 79.19 billions market cap (Data as of February, 26th 2021)
- 4 billions profit
Our participation in the industry

Entities we were part of during 2020, as members and with a leading role.

Argentina
- Argencon
- Cámara Argentina de Comercio Electrónico, CACE
- Cámara Argentina de Comercio y Servicios, CAC
- Cámara Argentina de Internet, CATABASE
- Cámara Argentina de la Industria del Software, CESSI
- Cámara Fintech
- Unión Industrial Argentina, UIA

Brazil
- ALAI BR (Asociación Latinoamericana de Internet)
- Associação Brasileira de Comércio Eletrônico (ABComm)
- Associação Brasileira de Automação para o Comércio (AFRAC)
- Associação Brasileira de Crédito Digital (ABCD)
- Associação Brasileira de Internet (ABRANET)
- Associação Brasileira de Logística (ABRALOG)
- Associação Brasileira de Propriedade Intelectual (ABPI)
- Associação Brasileira de Relações Empresa Cliente (ABRAREC)
- Associação Brasileira Online to Offline (ABO2O)
- Câmara Brasileira de Comércio Eletrônico (Câmara-e.net)
- Centre for Information Policy Leadership (CIPL)
- Comércio Exterior (CEB)
- Federación del Comercio de São Paulo (FecomércioSP)
- Interactive Advertising Bureau (IAB Brasil)
- Zetta

Chile
- Asociación FinteChile
- Asociación Latinoamericana de Internet (ALAI)
- Cámara Nacional de Comercio (CNC)
- Sociedad de Fomento Fabril (SOFOFA)

Colombia
- Cámara Colombiana de Comercio Electrónico (CCCE)
- Cámara Colombiana de Informática y Telecomunicaciones (CCIT)
- Colombia Fintech

Mexico
- Asociación de agregadores de medios de pago (ASAMEP)
- Asociación de Internet México (AIMX)
- Asociación Fintech (FTMX)
- Asociación Latinoamericana de Internet (ALAI)
- Asociación Mexicana de Ventas Online (AMVO)
- Cámara Internacional de Comercio (ICC)

Uruguay
- Cámara de Economía Digital del Uruguay (CEDU)
- Cámara Nacional de Comercio y Servicios (CNCS)

Peru
- Cámara de Comercio de Lima
Economic performance

We created a strong and reliable environment to promote the development of an ecommerce community in Latin America. The region, which has a population of more than 650 million people, has one of the fastest growing Internet penetration rates in the world.

Economic performance is essential to the sustainability of our business and to carry out our purpose of contributing to the socio-economic development of the region. That is why at Mercado Libre, we work on continued growth, increasing the level of our competitive advantages and strengthening our position as the e-commerce and payment platform of choice in each of the markets in which we operate. To do that, it is especially important to keep up our leadership by making the most of the growing base of potential users offered by the constant expansion of the Internet in the region.

The economic performance goals are achieved through organic growth, taking our solutions to more countries and entering new segments, extending transactional business lines and also through possible strategic acquisitions.

Mercado Libre Fund

Mercado Libre Fund is Mercado Libre’s investment fund, created in 2013. We invest in technological companies in Latin America which promote the digital ecosystem and contribute to democratizing commerce and capital access, taking advantage of technology.

We support companies at an early stage and through their growth, and help entrepreneurs to scale their business, adding value as a strategic partner, and encouraging synergy with Mercado Libre.

mercadolibre.com/fund

ECONOMIC VALUE GENERATED AND DISTRIBUTED (IN MILLIONS OF DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>Generated Economic Value</th>
<th>Distributed Economic Value</th>
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<tbody>
<tr>
<td>Sales</td>
<td>3973.5</td>
<td>4323.3</td>
</tr>
<tr>
<td>Financial revenue</td>
<td>102.8</td>
<td></td>
</tr>
<tr>
<td>Sale of assets</td>
<td>-</td>
<td>2581.9</td>
</tr>
</tbody>
</table>

Operating costs: 3138.5, Salaries and benefits: 664.8, Payments to providers: 106.7, Payments to government as taxes: 413, Retained Economic Value: -247.

Our contribution to socio-economic development

We are convinced that small and medium size companies play a leading role in economic recovery in the post COVID-19 age. Digital transformation has become a key factor in getting through the crisis, supporting collaborators and moving forward with a sustainable growth plan in the medium and long term. In this context, the ecosystem of Mercado Libre solutions positions itself as an essential ally to SMEs, who have found a partner to maintain their source of income in tough times through e-commerce and digital payments.

In 2020, we capitalized technology to generate new ideas and solutions, which drive commerce and multiply opportunities and quality jobs. The pandemic and the preventive social isolation accelerated the technological reconversion of SMEs and the cultural change of users in connection with Internet shopping. According to a study in 2020, it is estimated that in Argentina and Mexico, seven out of ten sales are online.

On the other hand, in Brazil, in a market analysis carried out with Locomotiva, 46% of sellers queried said they make all of their sales on the Internet.

Today, more than 11.6 million entrepreneurs and companies in the region sell their products and services through Mercado Libre. During the year, more than 4.9 million new SMEs and entrepreneurs joined. These data encourage us to keep working, because they show us that we are the economic pillar of many Latin American families and a great engine for the region's recovery.

From Mercado Pago, we contribute to socio-economic development on three levels: by supporting the financial inclusion of entrepreneurs and vulnerable sectors, putting technology at the service of the positive-social-impact generation and multiplying NGO fundraising. More information on these initiatives in the Community chapter.

Our distribution centers, located in satellite locations of the largest cities, were a great generator of indirect value in the communities, creating employment opportunities and service procurement, boosting the local economy. The Mercado Envios distribution network has projected growth which prioritizes federalization, and its locations are increasingly distributed in the territory and, at the same time, closer to our users.
Inclusion and financial education

All people have the right to fully participate in their country’s economy. Therefore, democratizing financial services ensures that everybody, regardless of their origin or economic status, can obtain accessible and safe products and services, taking control of their financial lives.

In Latin America, barely 50% of the population has a bank account. As leaders in the fintech industry in the region, our main objective is to boost the financial inclusion of a greater number of people in the countries in which we operate, through the use of virtual accounts and electronic payment methods, which allow them not only to digitalize their transfers but to access savings and loan instruments. This also allows people to stabilize or increase their incomes and to be more resilient to the ups and downs of the economy, improving their quality of life.

Financial education

Knowledge is the key tool that allows people to benefit from their finances. Therefore, we work in articulation with organizations focused on entrepreneur training and education.

Aware of our responsibility to promote financial education actions that support our users, we created a multidisciplinary committee in Brazil.

We developed actions with organizations that work with microentrepreneurs, designed educational content on the use of Mercado Pago and its products, implemented programs on the conscious use of financial services and trained small companies in entrepreneurship and financial management:

- We joined with accounting applications to facilitate the formalization of small businesses and increase their capacity to have an impact.

- We promoted live events and audiovisual content to support entrepreneurs and help them reinvent themselves and digitalize during the pandemic.

- We developed content with No Front, a group of people that works on financial inclusion of vulnerable communities using rap music as their best ally. To do that, we implemented a series of live music events and slam championships that link music with financial inclusion content.

- We joined with accounting applications to facilitate the formalization of small businesses and increase their capacity to have an impact.

- We launched Blog Conexión Mercado Pago, a special content site for our users, especially entrepreneurs.

- We continue to reach microentrepreneurs through content hosted on the Tamo Junto platform from the Alianza Emprendedora NGO.

- We joined with accounting applications to facilitate the formalization of small businesses and increase their capacity to have an impact.
In addition, in 2020 we continued our support to Sumatoria, the Argentine crowdfunding platform that links conscious investors with entrepreneurs and social enterprises that have a positive impact on society and the environment. We granted loans and financed 49 entrepreneurs from the local social economy.

We highlighted our work with Bondarea, an SMEs marketing management, administration and accounting software for microlending institutions (IMF) in Argentina. We worked together so that women taking microloans use Mercado Pago to receive and pay their loans. Thus, they will be financially included and be able to use all the services of the virtual wallet and the prepaid card. In 2020, 690 new Mercado Pago accounts were created, and we reached ten microlending institutions.

Knowledge is the key tool that allows people to benefit from their finances.

We also joined the Tech4Good alliance promoted by Mastercard along with leading tech companies to expedite financial inclusion in the region. Together with the Inter-American Development Bank and Common Cents Lab from Duke University, in 2021 we will conduct a research study on the financial resilience of women selling on the platform.

The main goal of this collaboration will be to identify behaviors promoting the financial resilience of SMEs, to subsequently design and implement a solution based on these results through our e-commerce platform and Mercado Pago.

Mercado Pago, inclusion engine

The purpose of the creation and growth of Mercado Pago is financial inclusion. Its mission is to innovate with simple, accessible and safe technological solutions, creating products that expand the financial services offered. In this way, people access more sophisticated instruments and make progress in terms of financial education and capacity.

Mercado Pago offers a digital wallet through which companies and users can pay taxes, services and even send each other money. Its goal is to generate sustainable and innovative business models for those markets where the fixed costs of the traditional banking system are not viable. At the same time, it aims to strengthen the entrepreneurs’ capacity, providing them with information of strategic value that allows them to manage their business efficiently and to grow.
Payments and collections

Mercado Pago is the largest digital wallet in the region, from which users can pay in physical stores with a QR code, Point, or use the prepaid card. With the use of QR codes, Mercado Pago seeks to massify digital payments accessible in a fast, safe and affordable way, improving the user experience. Half the stores using this solution are small businesses and 51% of payments are for less than USD 50.

Point is a physical point-of-sale solution to process credit and debit cards, which allows small dealers, SMEs and microentrepreneurs to accept this type of payment method and to offer the ease of installments. There is no cost to rent the device, and it proposes competitive transaction rates to assist entrepreneurs. In addition, it integrates with the Mercado Pago application and the prepaid card without requiring a bank account.

There is no issuance or maintenance fee for the Mercado Pago prepaid card, and it can be used in stores accepting Mastercard. The digital account balance is the monetary limit for which the card can be used as a payment method for digital and in-person spending, subscriptions and online shopping.

Savings and investment

Mercado Fondo allows users to invest and generate yields on their balance through a mutual fund managed and safeguarded by financial system companies. It offers a simple, inclusive, low-risk investment solution with the possibility of using the money at any time, because it is not a fixed term account. More than 15 million accounts were opened in the region.

Five years after its launch, Mercado Crédito had already granted more than 40 million loans for USD 2.3 billion, with which we helped 6 million buyers, entrepreneurs, SMEs and businesses from Argentina, Brazil and Mexico to buy supplies, invest in machinery, hire workforce and have working capital to boost their sales. As they are part of the Mercado Pago ecosystem, digital account and Point and QR users can access pre-qualified loans based on their behavior inside the platform.

Loans

We developed our own patented credit risk models, with unique data that differentiates our rating system with that of the traditional financial institutions. In addition, we can significantly reduce the bad debt risk as the business of creditor users flows through Mercado Pago.
Our value chain

We multiplied the impact throughout the value chain, from the entrepreneurs of the ecosystem to our suppliers.

97% of our suppliers are local

- **Mercado Libre and Mercado Pago merchants**
- **Mercado Libre and Mercado Pago buyers**
- **Mercado Envios strategic logistics partners**
- **Virtual infrastructure services**
  - Cloud Services and software.
- **Physical infrastructure services**
  - Energy, water, maintenance, cleaning, offices, etc.
- **Sales and administration services**
  - Marketing, HR consulting, Advertising, Accounting services and auditing.
Sustainable purchases

We know that the purchasing capacity of a company like ours has the potential to boost the local economy. This especially includes entrepreneurs working with a purpose of environmental and/or social impact. These include SMEs, small businesses, microenterprises, B Corporations, cooperatives, and NGOs, which produce goods and services to solve poverty, unemployment and labor exclusion situations, among other issues.

In 2019, we implemented a sustainable purchase policy that grants certain preferential benefits to suppliers included in the category, over traditional suppliers. For example, on equal terms and quality, we recommend selecting a sustainable supplier with a tolerance of up to 10% with respect to the most affordable price; the recommended payment term for these suppliers shall be 30 days after the invoice date; and they are invited to participate in training to help them improve their businesses.

In 2020, we continued working with the commitment of measuring and managing sustainability in our value chain. To do that, we conducted bootcamps with regional suppliers to collaborate on the promotion of their social and environmental impacts.

During this year we invited 85 supplier companies to join an Impact Bootcamp, an interactive and digital experience which proposed a journey through the main areas of a company’s economic, social and environmental impact. From the participants, we selected a group of 22 SMEs and companies from our value chain in Argentina, Brazil and Mexico to measure the impact of their businesses with the B Lab tool and to identify improvement opportunities for their sustainability.
Sustainability strategy
Sustainability Manifesto

The purpose of transformation guides us. And we know the world needs transformation. Through innovation and technology, we seek to boost a new economy where generating economic value creates social and environmental impact at the same time.

We are moved by the energy of new ideas and of those entrepreneurs thinking of everyone. We promote diversity and inclusion with the development of communities at the core of our strategy, accelerating the transformation towards an economy that is in harmony with society and the planet.

We know it is a great challenge. And we are convinced that the time to act is now, for the best is yet to come.
The Entrepreneurial Effect

At Mercado Libre, we believe that sustainability is a way of doing things that permeates all areas of the business. The innovative spirit has always defined us. We have the drive to transform. Our values are born from the inspiration created in us by entrepreneurs, who we promote and who are part of our team.

The entrepreneurial effect is our strategy to promote development of the entrepreneurial ecosystem in the region. At its heart is the purpose for which Mercado Libre was born: democratizing commerce, money and payments, equalizing opportunities among large companies and small entrepreneurs, by reducing geographical and economic gaps.

The strategy is set in motion by strengthening the entrepreneurial ecosystem with our tools and solutions, while boosting more sustainable businesses and triple impact projects, with emphasis on digital marketing and inclusion. We also contribute to the communities in places where we have a presence, through initiatives that strengthen social organizations and through the development of education and technology programs that help young people access jobs, entrepreneurship and more inclusive futures.

We accept the challenge of growing while respecting the environment. Therefore, the strategy is also activated by an awareness of the environmental impact of our operations. The growth of our platform forces us to be increasingly efficient in energy consumption, to move towards ever cleaner mobility and to innovate strategies to mitigate the impact throughout the value chain.

We are entrepreneurs who know that sustainability is a continuous road to improvement, with solutions from multiple viewpoints: it is not just about what we do, but how we do it. That is the Entrepreneurial Effect.
We maintain a fluid and transparent relationship with all the people and organizations that are our stakeholders, to get to know their expectations and concerns and translate them into information of strategic value for the management of our business.

We conduct an internal process to identify and select stakeholders based on interaction and business impact criteria. The following table summarizes the dialog mechanisms with each of them.

### Stakeholders

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Dialog mechanism</th>
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</thead>
</table>
| **Ecosystem of entrepreneurs and platform users** | - Customer service area  
- Marketing surveys  
- Training and breakfasts run by the Commercial and Sustainability area |
| **Collaborators**                    | - Mailings  
- Internal communication platform (Facebook at Work)  
- Talks with the CEO  
- Close of quarter communications  
- Q&A with directors  
- Environment surveys and feedback |
| **Suppliers**                        | - Virtual meetings and mailings                                                  |
| **NGOs and civil society organizations** | - Mercado Libre Solidario Program                                                |
| **Management and Direction**         | - Audit Committee and Board meetings                                           |
| **Thought and opinion leaders**      | - Meetings and information sent periodically  
- Quarterly results report         |
| **Government**                       | - Meetings with the Governmental Relationships and Sustainability area          |
| **Shareholders**                     | - Meetings with the Investor Relations and Sustainability area                   |
Materiality analysis

Every year, we perform a materiality exercise to learn the stakeholders’ view of the most relevant topics for sustainability management, as well as those topics about which they want more information. The exercise is conducted based on the recommendations of Global Reporting Initiative standards, taking as a basis the definition of materiality established by the Sustainability Accounting Standards Board (SASB) indicators for the E-Commerce industry.

In 2020, we reviewed topics from the previous period, and we decided to replace the title “financial inclusion” with “financial education and inclusion”, in order to more precisely define the management scope of this topic. With the same criterion, we also changed the title “Environmental Footprint” to “Environmental Footprint Reduction”.

Next, the topics were prioritized internally and validated with the stakeholders through an online survey that was answered by 87,099 people, growing 336% over the previous period. The difference in the sizes of each sample will not affect the general result. This was considered in the analysis.

The survey contained open-ended questions about key topics and concerns stakeholders think should be included, in addition to the topics the company prioritizes. Most of the answers could be framed in some of the material issues listed, such as mitigating shipping emissions and packaging (Environmental Footprint Reduction), complaint management and user claims (Buyer and Seller Behavior), withheld payments and security on purchases (User Trust and Security) and the recognition and training of employees (Attract Human Capital and Talent).

+87,000 representatives of our stakeholders participated in the materiality analysis

+336% vs 2019
Material issues and contribution to Sustainable Development Goals

The following list presents the material issues prioritized by MELI and validated with the stakeholders, which were used as a basis for the preparation of this report. Based on these issues, we also report our contribution toward reaching the goals set by the United Nations Sustainable Development Goals.

### Materiality Matrix

<table>
<thead>
<tr>
<th>Impact on stakeholders’ groups evaluations and decisions</th>
<th>Importance of economic, environmental and social impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>2</td>
<td>10</td>
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<td>3</td>
<td>9</td>
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<td>4</td>
<td>8</td>
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<td>5</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

### Material issue and coverage

<table>
<thead>
<tr>
<th>Material issue</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>User trust and security</td>
<td>External</td>
</tr>
<tr>
<td>Buyer and seller behavior</td>
<td>External</td>
</tr>
<tr>
<td>Diversity and equal opportunities</td>
<td>Internal and external</td>
</tr>
<tr>
<td>Entrepreneurship boost</td>
<td>External</td>
</tr>
<tr>
<td>Ethics and transparency</td>
<td>Internal and external</td>
</tr>
<tr>
<td>Contribution to socio-economic development</td>
<td>External</td>
</tr>
<tr>
<td>Digital education and inclusion</td>
<td>External</td>
</tr>
<tr>
<td>Reduction of the carbon footprint</td>
<td>Internal and external</td>
</tr>
<tr>
<td>Human capital and talent attraction</td>
<td>Internal and external</td>
</tr>
<tr>
<td>Economic performance and positioning</td>
<td>Internal and external</td>
</tr>
<tr>
<td>Inclusion and financial</td>
<td>External</td>
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</table>
Ethics and transparency
Corporate governance structure

Good corporate governance practices are deeply related to our values. Mercado Libre’s corporate governance is structured in a Board of Directors and an executive team or Governing Board. The Board of Directors acts independently of management. It is made up of eight members, six of which are independent. Its members are proposed by the Nominating and Corporate Governance Committee and then approved by the Meeting of Shareholders.

Members who are not collaborators receive annual compensation (defined by the Compensation Committee), which may be in the form of annual withholding, an annual share subsidy, an allocation of equity options or a fee for attending any Board meeting.

Its duties include:
- Establishing behavioral principles expected by all members of the organization, at all levels.
- Supervising business management and acting as trustee for the shareholders.
- Reviewing and approving the financial goals, operative plans, and activities, staying informed about the company’s business, and supervising the control and reporting procedures.
- Oversight and control of the identification and assessment of risks and the efficacy of risk management processes.

The Chief Financial Officer (CFO) is responsible for economic, environmental and social issues at an executive level. Four times a year, the heads of each business unit present the economic results, the social context of the operations and the progress of the business strategy to the Board of Directors.

For more information on Corporate Governance, the professional profiles of the Board and the executive team, as well as the Committees, can be consulted on the Investors Relationships site, developed in compliance with the requirements of the Securities and Exchange Commission (SEC).

See https://investor.mercadolibre.com
Corporate Governance Committees

**Audit Committee**

The Audit Committee supervises accounting and financial information processes, the proper functioning of internal control, and compliance with the laws and regulations of each country. It is also responsible for evaluating and managing financial risks effectively.

The Committee periodically consults with an independent external auditor to assess control of the financial information, along with the completeness and accuracy of Mercado Libre’s financial statements. This is done without the intervention of the company’s management. The committee reviews and discusses the integrity of the company’s internal control systems with management and the auditors.

The committee must inform the Board of Directors about any relevant matter impacting the financial situation, assess related risks and planned actions to manage them.

**Compensation Committee**

The Compensation Committee offers recommendations to the Board of Directors regarding the strategy and the compensation and benefits programs applicable to members of the Board of Directors, executives and collaborators. The Committee develops and maintains a compensation policy for senior executives, directly related to payment levels, corporate performance and shareholder performance.

The Committee also monitors the results of the policy to ensure competitive payment levels, create adequate incentives to improve shareholder value, reward good performance and account for the returns available to shareholders.

**Nominating and Corporate Governance Committee**

This committee recommends qualified personnel to form part of the Board of Directors, taking into account skills, competencies, experience, reputation, integrity, independence and potential conflicts of interest. It identifies candidates for the board taking into consideration the recommendations of shareholders, other Mercado Libre members and collaborators. It also evaluates nominations based on the merits of each member.

This committee periodically reviews the Code of Conduct and Ethics, and adapts its policies, which define the values and purpose of our company. It also oversees compliance with obligations related to the organization’s governance.

<table>
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<tr>
<th>Director</th>
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<th>Audit Committee</th>
<th>Compensation Committee</th>
<th>Nominating and Governance Committee</th>
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<tr>
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<td>President</td>
<td>Member</td>
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<tr>
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<td></td>
</tr>
<tr>
<td>Alejandro Nicolás Aguzin</td>
<td></td>
<td></td>
<td></td>
<td>Member</td>
</tr>
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</table>
How we conduct ourselves

We conduct ourselves with integrity and transparency and we expect all those who are part of our team to carry out their functions according to the highest ethical and behavioral standards. Likewise, we expect our suppliers, customers and commercial partners to follow these standards. In all of our relationships, we strive to prioritize the values of honesty, equity, respect and integrity.

The Code of Ethics sets forth the standards, values and conduct expected. All those who choose to work at Mercado Libre must commit to behaving in accordance with these guidelines. Therefore, they are required to sign a document upon starting in the company. This document is published on the Investor Relationships website and its content is distributed periodically and in specific training sessions. In August, we promoted a campaign to encourage active collaborators to read and renew their signatures to the Code of Ethics.

The Code formalizes our commitment to comply with laws and regulations, best practices related to management of internal information, the company’s assets and digital media. It also includes a series of policies that promote the good conduct of the people working at Mercado Libre and of those who are part of the value chain, such as the Diversity and Inclusion Policy; Anti-corruption Policy; Donations, Events and Sponsorship Policy; and the Policy on Travel Expenses and Entertainment. Each was drafted by areas specialized in the subject matter.

Conflict of interest prevention

The Code of Ethics sets forth a series of mechanisms that seek to prevent conflicts of interest for those who choose to work at Mercado Libre, as well as for the entire value chain. Among other things, it establishes that in the case of a real, potential or apparent conflict of interest, the “inform and abstain” principle shall be applied.

This supplements other policies contained in the Code of Ethics, including the Gifts and Company Courtesies Policy; the Corporate Opportunities, Privileged Information and Competence Policy; the Equity Trading with Privileged Information Policy; and the Policy on External Work Activities and Competitive Businesses; the Anti-corruption Policy and the Anti-corruption guide; the Corporate Donation, Events and Sponsorships Policy; the Prevention of Money Laundering and Financing of Terrorism Policy; and the Travel and Entertainment Policy.

In order to avoid and manage potential conflicts of interest of the highest governance body, those in decision-making roles must sign a Statement of Independence in which they report their related parties and any transactions the company conducted with them. This must also be completed by Board Members and Shareholders with more than 5% ownership. Any relevant information arising from these statements shall be duly reported to the SEC Reporting sector (area issuing reports to the Security and Exchange Commission), Internal Audit and Corporate Compliance to verify conformity to the applicable regulations and policies.
Corruption prevention

We operate in Latin American countries with a high level of perceived corruption and our administrative and commercial areas have contact with public officials from several countries. Our risk management process assesses corruption risk, among other matters, and the anti-corruption annual audits include an assessment of all Mercado Libre operations.

We are aligned with the United States Foreign Corrupt Practices Act (FCPA), the Brazilian Anti-Corruption Law, the Law on Criminal Liability of Legal Entities of Argentina and all the anti-corruption laws in every country in which we operate.

Our Anti-Corruption Policy, contained in the Code of Ethics, sets forth that no employee or member of Mercado Libre's value chain shall make or offer payments, money or valuable goods to any person, including public officials, companies or organizations, in any country, directly or through intermediaries, to unduly receive a benefit or preferential treatment. We also include anti-corruption clauses in the contracts with our main suppliers and those with higher risk operations, which require them to comply with our policies and applicable laws.

In order to ensure Policy compliance, we have the commitment and active involvement of the highest executive levels. In 2020, a group of approximately 400 people in leading roles in the company, selected based on a sensitivity analysis related to corruption risk inside our organization, received training.

ETHICS HOTLINE

We have an anonymous and confidential ethics hotline that is managed by an external supplier (West Corporation). There are different communication channels available which allow access from the different countries in which we operate, and which are also available for outside people who wish to report conduct by Mercado Libre's collaborators, as well as members of the value chain.

The reports are received and analyzed by the Corporate Compliance sector, specialized areas and the Ethics Committee, which evaluates and verifies the information, issues a report, and recommends measures to remedy the case or to control the irregularities.

MELI Ethics Hotline
The strategic risks faced by our business are related to the continuous growth of e-commerce and payments in Latin America, with the ability to expand and adapt our operations, upgrade the infrastructure and information technologies, as well as possible system interruptions. They are also related to Internet regulations and laws, the sale of regulated and prohibited items on our platform, the violation of intellectual property rights, the information and material disclosed on our platform and security and data breach violations. User fees and consumer trends are additional risks. You can access the full list on the 10k Form.

The Corporate Risk Committee is responsible to discuss and validate the impact levels and probability of occurrence of the threats identified, incorporate the changes proposed by the Management or Internal Audit, resolve consultations related to the risk responses and review the performance of the management process, taking corrective actions where applicable, leading an annual review of the risk map and assessing the performance of owners and the management process of each event in progress.

The GRC Risk Management tool, which allows the identification, analysis, response and proactive monitoring of potential threats throughout the business, is used for risk management.

We periodically evaluate the issues of ethical conduct and integrity. The Internal Audit team evaluates compliance with the applicable laws, as well as the provisions of the Sarbanes-Oxley Act (SOX), by those who choose to work at Mercado Libre. A report is issued based on each review, which is sent to those responsible for the process and to the Chief Financial Officer (CFO). We also have compliance review procedures of policies and provisions contained in our Code of Ethics.

We issue monthly reports which are sent to the Conduct Committee and quarterly reports directed to the Audit Committee on the findings detected in each review and relevant matters related to ethics and transparency.
User oriented
We connect millions of users who choose us every day to buy, sell, pay and finance their activities with our solutions in Latin America. We want to provide them with a superior experience on an agile, reliable platform aligned with the highest e-commerce standards.

We fulfill our commitment to our users through innovation and technology to position ourselves as the leading digital meeting point between buyers and sellers in the region.

HOW DO YOU USE OUR PLATFORM?

- **1.914 billion transactions**
- **97% associated to new products**
- **70.5% of sales come from mobile devices**
- **94.7 million mobile app downloads**
Close to our users during the pandemic

+57 million new users

0% interest charged for late payments in March in Mercado Crédito

We monitor prices to support responsible consumption

0% commissions for QR code payments in Mercado Pago in Argentina (March and April)

+71,000 products sold without sales commission from +16,000 users (March and April)

+15,000 suspicious listings were canceled

+42,000 listings paused due to excessive price increases in Argentina
Innovation, a technological value

Technology is the nucleus of our business; it drives the growth of our ecosystem and allows innovation, which is essential to our activity. It is the tool that innovation enables us to develop products and experience for which we are chosen. It allows us to achieve the required scale, combining innovation, quality and security.

More than 3400 IT team members work with a commitment to creativity and innovation. These values run through everything we do, from development to optimization of solutions.

The area has different divisions, with teams responsible for the different business units and others that provide cross-support to all products and sectors of the company, including Security, Fraud Prevention, Business Intelligence, Machine Learning, Infrastructure, and App Architecture. We have teams in Argentina, Brazil, Uruguay and Chile.

The main technologies for our products are developed in-house because we need unlimited and fast solutions. They are highly innovative products, which allow us to offer the highest standards of scalable services.
The confidence and security of those who choose us

Our vision of security is framed in our Security Policies, which protect all the flows and processes associated with the business data of the users who choose us. This vision permeates the entire business, starting with development, including a continuous and automated management process to control code quality in terms of vulnerability. In addition, we have automated protection systems against cybersecurity attacks, focused on the availability of data flows. These systems protect, alert and allow traceability when these types of events occur.

The area is made up of different verticals within each business unit, which provide each other with feedback to achieve a deeper and more complete vision.

Furthermore, it offers services to the entire organization in terms of access assurance, prevention and detection of malicious software, as well as security management of the entire infrastructure that supports Mercado Libre’s ecosystem.

Management focuses on ensuring IT security according to Zero Trust principles: automation and decentralization, automatic response and behavior analysis. This approach seeks to avoid any type of information leak, as well as preventing and detecting potential attacks. The IT Security staff defines its annual strategy, redefined quarterly, based on the approach of the United States National Institute of Standards and Technology (NIST) cybersecurity framework.

We measure our management based on key performance indicators (KPI) which are unified in risk management. This provides us with a general vision, to carry out an iterative strategy for continuous improvement strategy, guaranteeing the excellence of our work. At the same time, each of the area’s central goals has internal assessment metrics, which are analyzed continuously, not only at the management level but also technically, to take corrective actions as soon as possible. The teams assess their goals quarterly. Such assessment is presented annually to the Audit Area.

We also have a Third-Party Risk Management process, which allows us to assess our critical suppliers in terms of security, identifying risks and informing the areas involved, to guarantee data security.

Our cybersecurity risk management program allows us to identify, analyze and monitor action plans to minimize exposure. The method focuses on threats and vulnerabilities associated with the processes and controls under the management of the IT Security Department and involve tackling information security based on three pillars: confidentiality, integrity and availability.

This risk management process responds to NIST 800-30 methodology (Risk Management Guidelines for Information Technology Systems).
Information privacy and confidentiality

Our users’ experience is based on trust, and its most sensitive point is the privacy of personal, financial and transactional information. An agile and innovative approach, supported by our IT efforts, allows us to guarantee the confidentiality, integrity and availability of such data.

The IT Security Area identifies the main vulnerabilities and guarantees data protection. It blocks cyberattacks, as well as service denial or social engineering techniques, such as phishing. The Incidents team conducts a process of continuous improvement, based on reviews of identified security events and by optimizing its response.

In 2020, we hired Cyber insurance for the first time, which involved an assessment of the maturity of our security level, and we received an excellent score.

Use and protection of information

In order to operate our platforms agilely and safely, we ask users to provide personal information. The primary purpose may be establishing a connection between the buyer and seller to conclude the agreed transaction; making electronic payments; managing the virtual wallet and granting credit, among others. It may also include secondary purposes, such as conducting internal studies to improve or develop new services, optimize commercial or promotional initiatives, send relevant information to the user, provide information to entities involved in dispute resolution, programs that protect intellectual property, and carry out fraud prevention actions and ensure legal compliance, such as anti-bribery or anti-money laundering laws. It is important to emphasize that MELI does not use personal information for commercial purposes.

The Privacy Policy clearly and expressly states the primary purposes of its use of information, related to the services provided by Mercado Libre. All users who enroll on our platforms are subject to these Policies, which are properly published and can be viewed on the home page of each local site.
Platform performance

1st Quarter
99.88%
162 events
153.2 minutes downtime

2nd Quarter
99.59%
309 events
531 minutes downtime

3rd Quarter
99.75%
375 events
337.33 minutes downtime

4th Quarter
99.84%
286 events
217.2 minutes downtime

99.76% platform uptime in 2020
Buyer and seller behavior

Each site on Mercado Libre has special procedures in place to prevent illegal transactions. In particular, we emphasize ethical behavior and the protection of individual rights.

Our moderation team is responsible for overseeing compliance. Its mission is to monitor the site and keep it safe, and provide fair treatment to the user community. Depending on the type of infraction committed or the number of times, the sanction may lead to the user’s expulsion from the platform and/or a complaint filed with the pertinent authorities.

Compliance with our Terms and Conditions and the Publications Policy is mandatory for anyone who uses our platform and they apply to all published articles in every category.

In Brazil, for instance, we have policies in place to prevent violence and discrimination, limiting the types of goods or services and permitted listings. There are also prohibitions related to products that may threaten the protection of cultural and historical heritage. All other countries have similar policies regarding prohibited items. Users can access them in the “help section” under the link “prohibited items”.

**Types of infractions to our Terms and Conditions that result in the removal of a listing:**

- **Prohibited article:** Items whose sale are prohibited by law, such as drugs; those with sales restrictions, such as medications and weapons; products expressly prohibited by Mercado Libre, such as sale of user accounts on the platform; and other agreements with authorities or restrictions analyzed by our Legal Affairs department.

- **Intellectual property:** Articles that infringe upon the rights of intellectual property holders.

- **Personal data:** Publications that include contact information.

- **Prohibited practices:** Publications that in any way infringe our Terms and Conditions.
Our team
The best place to work

We believe that the best way to achieve our purpose is by co-creating the best place to work in each country where we operate. 2020 will remain in our history as the year we consolidated as the best choice for employment in the region and were ranked among the Top 10 worldwide. We are immensely proud to have been noted in the Great Place to Work Ranking as the 8th best employer in the world, and the only Latin American company among the top 10, having jumped 5 positions since 2019.

In spite of the context, it was an unprecedented year full of challenges, growth and expansion, and we fostered the creation of valuable employment, making transformations through collaborative work and attracting the best talent. We challenged ourselves to build continuous innovation and commitment from a culture of enterprising DNA. In order to achieve this, we took honoring and multiplying our organizational culture to the highest level in our strategy, at all times and in all scenarios.

GREAT PLACE TO WORK RANKING 2020

#8
Globally
(+5 positions vs. 2019)

#4
in LATAM

#10
in Brazil
(+39 positions)

#28
for Women
Colombia

#3
for Women
Argentina

#3
for Women
Uruguay

#1
for Millennials
Argentina

#2
for Millennials
México

We are one of the 10 best places to work in the world and the region.
An enterprising team

15,546 people

+60% vs 2019

Our Team

Collaborators by country and gender

6103 women

9443 men

Age distribution

- Under 30: 57.7%
- Between 30 and 50: 42%
- Over 50: 0.3%
We co-create a unique experience

We care about the unique relationship with each employee who chooses us as a workplace. The People Team is made up of 269 people who operate with clear direction, strategy and premises so that the behaviors, symbols and systems inside MELI are consistent with its DNA and purpose. We base our strategy on a consistent, rooted and developing culture.

Being part of MELI is always a dynamic, evolving, collaborative, and inspirational experience, full of opportunities.

The value proposition My Experience MELI is designed to be attractive to the enterprising talent profile and related to our DNA. Thus, it appeals to each person undertaking each experience in a unique way. It has five major pillars:

- Flexible Work; Development and Learning; Communication and Collaboration; Recognition and Celebration; Wellbeing and Family.

In our value proposition, each experience requires that the employees living it takes an active entrepreneurship role in order to get the most out of it. Who makes them available is also important, so that the essence and format of each experience is consistent with MELI’s purpose, culture and identity.

We are no longer a 100% technology company; we also have a large physical logistics operation. This involved the adaptation of our value proposal to integrate new teams. We established a specific mission for the Mercado Envios business unit, which replicates our cultural principles in behaviors observable in the practices of these teams and in experiences that consider people’s background in this environment.

Get to know the MELI experience

MELI Purpose
Democratizing commerce and financial services to transform the lives of millions of people in Latin America

Cultural Principles
- We are entrepreneurs and risk takers
- We create value for our users
- We execute with excellence
- We compete to win as a team
- We are in beta
- We work hard and play hard

Leadership Principles
- Drive Sustainable Results
- Decide Sharply
- Embrace Disruption
- Succeed Through Talent
- Break down silos
- Lead by example

Way of Working
- Decision Making
- Effective meetings

Way of Working
- Decision Making
- Effective meetings

Purpose

Leadership Principles

Cultural Principles

Way of Working
Attracting the best talent

To add the best talent, all of our leaders play an active role in the interview process and seek to identify features of MELI DNA and learning agility.

MELI leaders are the change agents of their teams and projects, who accelerate and multiply the scope of our purpose to accompany the exponential growth of Mercado Libre in the region. In order to scale the cultural contribution to business challenges, we designed six Leadership Principles that we share and analyze with all the people leading the company. The objective is to practice them in their teams by their example.

Furthermore, we want those who experience applying for a position at Mercado Libre to have comprehensive information throughout the entire process and to know that we understand their stories.

To do this, we have an automated scheduling and interview follow-up system. We also measure immediate perception in all the stages of the process through surveys. Artificial intelligence serving people optimizes their experiences and allows us to compare profiles by abilities, hiding other information that may activate bias during the evaluation based on name, gender or age.
Welcoming the best talent in the region

Due to the growth of the business and our solutions ecosystem, new hires at MELI increased significantly. And the welcome to our organization also had to be transformed to remote mode. Thus, the OWNboarding digital experience was born.

**4475** new positions

**96** OWNboarding conferences

**96%** favorability in evaluations of the experience

**26** face-to-face modality (first quarter)

**70** virtual modality

OWNboarding MELI

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<td>51</td>
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Protagonists of their own development

We invite people to take part in a learning and constant development experience and we offer resources and opportunities to empower them and be the protagonists in each stage of this journey at MELI. Our talent management strategy has an integrative and disruptive approach that addresses performance and career development together. We have an annual, cyclical and continuous performance management process. 100% of people at MELI manages their own annual performance process, evolving in each cycle.

Thus, we generate continuous and focal development experiences at different times throughout the year. In 2020, we maintained the flow of Performance Management thanks to the agility of the phases, its digital nature, the possibility of adjusting business and development goals to keep them aligned to MELI’s strategic priorities. Besides, thanks to the constant engine that Continuous Feedback provides to this flow.

Within the process, there is an annual calibration phase: these are spaces where the leaders share people’s performance in group discussions to apply the same standards and make decisions fairly and based on merit. This guarantees that the assessments are by consensus, consistent, transparent and objective in all teams. To make the flow more agile and scalable, in 2020 we launched this dynamic in virtual format to calibrate the performance of the analysts’ positions.

During the pandemic, opportunities were actively created within the company to open more pathways for development and to make it easier to bring in the best talent for each function. Its flow was converted to remote mode, and more than 200 searches were closed during the year with internal candidates.

The Open Learning community in Workplace, with 1400 members in 2020, invites people in MELI to discover, connect, propose, share and expand valuable knowledge.
Development and learning programs

<table>
<thead>
<tr>
<th>Leader development</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>BeLeader for leaders</td>
<td>1150</td>
</tr>
<tr>
<td>Remote Work EXE Learning Circle</td>
<td>911</td>
</tr>
<tr>
<td>Diversity and Equal Treatment Learning Circle</td>
<td>144</td>
</tr>
<tr>
<td>Talent Development Learning Circle</td>
<td>520</td>
</tr>
<tr>
<td>Learning Circle Feedback</td>
<td>446</td>
</tr>
<tr>
<td>Engagement Learning Circle</td>
<td>226</td>
</tr>
<tr>
<td>Leadership Effectiveness Learning Circle</td>
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<tr>
<td>Leadership Effectiveness</td>
<td>189</td>
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<tr>
<td>Emotional Well-being</td>
<td>55</td>
</tr>
<tr>
<td>Coaching Engagement Leaders</td>
<td>12</td>
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</table>

<table>
<thead>
<tr>
<th>Learning</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Languages: 3 languages</td>
<td>900</td>
</tr>
<tr>
<td>IT Boarding</td>
<td>870</td>
</tr>
<tr>
<td>Problem Solving</td>
<td>120</td>
</tr>
<tr>
<td>Storytelling</td>
<td>160</td>
</tr>
</tbody>
</table>

BeLeader@MELI: We create new teams to win.

By the end of 2019 we launched a learning experience for new leaders which invites them to deeply understand the business, the value of the Mercado Libre ecosystem as a competitive advantage and to strengthen the systemic vision among the different business units.

We work on developing self-awareness as part of learning agility and in skills creation to multiply our DNA, executing the key leadership processes such as recruitment, engagement, performance and talent development with excellence.

826 participants in the general edition  288 in the Deliveries edition
A t Mercado Libre, we believe in people and the transformational power of technology. In order to continue evolving our value proposal and broaden it each year, we strengthen our ecosystem of technological solutions with innovative tools, integrated and specially designed to provide unique and memorable experiences.

Our teams stand out for their high level of efficiency, diversity and total commitment, associated with goals that must be measured efficiently. That is why we have a combination of technological solutions that enable us to analyze, monitor and predict behaviors in critical variables such as recruitment plan instances, level of commitment, and level of turnover of duties, among others.

This ecosystem of technological solutions is comprised of Workplace by Facebook, SuccessFactors and several BOTs (robot apheresis) or virtual assistants, among other tools, and these help us multiply and elevate the MELI Experience.

At Mercado Libre, we do not send mass e-mails. People are connected, informed and take part proactively. With Workplace, collaborators can connect with and access their content from any device, share groups, and stay up to date with the main news and launches.

In addition, we increased live transmissions in which the different leaders discuss the most relevant projects, connecting valuable conversations. For instance, more than 200 people took part in the new format of visits from the CEO via Workplace, which obtained 91% favorability.

BOTs or virtual assistants allows us to transform and scale through a network. We especially design them with functional adaptations to different types of assistance that allows us to answer questions, inform users or assign tasks.

In 2020, we launched Library, our resource library, with instructions to improve the experience of access to value information. We also presented a cycle of #DecisionMaking podcasts and videos, which were in charge of leaders.
Diversity and equal opportunity

In our task of democratizing e-commerce, multiplying perspectives, we innovate from diversity. Being inclusive makes us more disruptive. We inspire people to expand their abilities and express their feelings in a healthy and fair environment, where prior beliefs do not determine approval and curiosity allows us to appreciate differences. We want everyone to live the MELI experience in an inclusive environment that challenges and inspires people to feel comfortable and express their diversity. We make this message natural starting point with a communication strategy and employer branding based on real cases, told by their protagonists.

More than 15,500 individual, valuable and unique people improve and consolidate diversity at Mercado Libre.

We know that remote work boosts equity. In 2020 we adapted our initiatives to continue co-creating experiences that guarantee respect for differences and provide equal opportunities.

We emphasize inclusion and the development of women in our area. At MELI, four out of ten members are women, who make up 25% of the leadership positions in Senior Management. The five-percentage point increase of this indicator over the last two years is the result of managing succession charts and talent attraction at this level. In addition, we recorded a total of 76 people with some disability representing 0.6% of people working at Mercado Libre. Finally, in Brazil, 37% of people identify themselves as being of African descent.

At the same time, we made progress in our recruitment model, promoting awareness and providing tools to our Talent Acquisition teams regarding unconscious bias when hiring, developing and engaging people.

<table>
<thead>
<tr>
<th>OUR DIVERSITY AND INCLUSION PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Build up diverse teams, with gender priority (women and LGBT+), people with disabilities, with different racial or ethnic backgrounds.</td>
</tr>
<tr>
<td>- Foster an inclusive culture through the experience that each person lives in MELI: the way of doing things, the workspaces, technology and processes.</td>
</tr>
<tr>
<td>- Nourish IT talent, expanding access to technology education, prioritizing women.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEMBERS BY GENDER, AGE AND POSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Por gender</td>
</tr>
<tr>
<td>Men</td>
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<tr>
<td>Women</td>
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<tr>
<td>By age group</td>
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<tr>
<td>Under 30</td>
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<tr>
<td>Between 30 and 50</td>
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<td>Over 50</td>
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<table>
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<tr>
<th>COLLABORATORS BY JOB TYPE AND GENDER</th>
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<tbody>
<tr>
<td>ARG</td>
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<tr>
<td>-----------</td>
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<tr>
<td>Management</td>
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<tr>
<td>Men</td>
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<tr>
<td>Women</td>
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<tr>
<td>Technical</td>
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<tr>
<td>Men</td>
</tr>
<tr>
<td>Women</td>
</tr>
</tbody>
</table>
We know that each person is unique and irreplaceable. Their stories, experiences and own lives make up their identity and internal world. Our diversity and inclusion Manifesto Free to Be Who I am states that each person can feel free to be who they are and how they are and feel comfortable with their choices. Ethnic group, color, education, self-perceived gender identity, religion, abilities, experiences, among others, are variables that make up the originality of each person and the diversity in our teams.

Mercado Libre has volunteer groups that work in the following areas: Women; LGBT+; People with some disability and Ethnic groups, to accelerate the necessary inclusion.

During Pride Month, we took several actions seeking to support and shine a light on the LGBT+ issue. The campaign was supported by the logo on social media, and we invited people to chat together at a webinar with public figures such as Isha Escribano and Maite Schneider. In Brazil, we organized the virtual pride parade, with the collaboration of Gloria Groove. In Mexico, we brought together a virtual celebration sharing the initial parade at the 42nd LGBT+ Pride Parade in Mexico City.
How we looked after our teams during the pandemic

The pandemic meant a great opportunity to test one of our main competitive advantages: Our enterprising DNA. From the very beginning, we wanted to anticipate the situation and respond to the context, using the ability of our teams to put all MELIs principles into practice very rapidly and nimbly.

When the first cases of COVID-19 appeared in the region, Mercado Libre was the first one to act and took the necessary precautions to look after people's health and security, using its transformational capital to care for collaborators, in order to guarantee the continued operation and avoiding propagation of the virus.

In only 24 hours, 90% of people at Mercado Libre started working remotely. And the 10% considered essential staff continued working in-house with all the security standards, to guarantee the continuity of the excellent operations as usual, throughout the region.

In this path, we discovered new and better ways to offer experiences, accelerating scalability and the network connection. An intense exercise that provides evolved actions and inspires us to keep exploring, beyond the context of the pandemic.

How did we support our teams?

## How we supported our teams

### Weekly tips COVID-19

### DNA Rituals

### Social Interaction

### Guide for Leaders

### Learning Circles

### TR Best Practices Workplace Group

### LEADERS

### COLLABORATORS

### Microlearning TR Tips

### Psychological assistance Self-care

### #Centering #Yoga

### Managing my emotions in quarantine

### TR eLearning

### Healthy diet
Preserve people's physical and emotional health

We understood that the key to continue operating normally was to make the experience of care vibrate, raising awareness about prevention and care for both ourselves and others.

On March 16, when the change of modality for 90% of our teams had barely begun, we opened the Remote Work Best Practices Group in the Workplace tool. All the support and learning material, which included a best practices toolkit with advice to help people working from home and having to take care of children or elders to better organize their family, school and domestic agendas. The group surpassed 2000 members in a noticeably short time.

In addition to making remote work possible and reinforcing prevention and security measures for essential in-house tasks, we focused on the wellness experience. Mindfulness, yoga, gym workouts and psychological assistance services were quickly intensified and adapted to the virtual mode. Talks with specialists were introduced in areas related to wellbeing, such as learning circles about managing emotions, healthy sleep recommendations and resilience, among others.

This experience was assembled from the Wellbeing Groups in the Workplace tool, where we analyzed, monitored and measured the response to, and interest in, each initiative, to provide content based on people's needs and priorities. The groups are open to all people, with Spanish and Portuguese versions.

We also implemented a COVID BOT that assisted with daily checks with organizational humor, defining goals and weekly priorities, wellbeing experiences and social activities, as well as functions to make remote work easier.

In addition, we reinforced our purpose and recognized our teams with the Mercado Envios internal campaign “We keep arriving thanks to you”, which focused on showing people that thanks to their attitude, they put the cultural principles of Mercado Libre into practice.
How we adapted our value proposal

The benefits that are a significant part of the value proposal were also adapted to the context, modifying some, and generating new ones.

- We provided each person working remotely USD 500 to purchase the office equipment necessary to continue doing their job comfortably from home.
- We offered a unique award of USD 500 to each member of the Mercado Envios Operations team throughout the region who performed essential functions.
- We adapted the lunch benefit at our offices, providing a stipend to buy at associated supermarkets or restaurants nearby, through Mercado Pago, with a 70% discount over the total value of the purchase with QR code.
- We gave an extra day off to all people at Mercado Libre in the fourth quarter.

Towards the new normal

Loyal to our entrepreneurial DNA, we are thinking in advance about returning to the office for when this is possible. We are planning several transitional and “new normal” scenarios in our characteristic style. That is to say, we designed innovative measures, making visionary decisions, setting trends and prioritizing the health and wellbeing of the employees.

During the last months of the year, we began a transition which considered the situation in each country in particular, creating a gradual return plan in each case.

Our offices in Uruguay were the first to return to work in-house. This return model was carried out gradually, segmenting teams on a staggered scale on a three-week rotation. People worked in-house one week and then two weeks remotely. All the stages were designed, coordinated and communicated in detail, focusing on keeping the teams informed, protected and controlled at all times. The first group returned to the offices on the July 20; the second, on July 27 and the third on August 3. We are enormously proud to say that the experience was totally successful.
We created the first multiple employment agreement in Latin America

During the pandemic, several industrial areas were deeply affected by the need to stop and narrow their activities due to the preventive isolation measures. To collaborate in their recovery, during the emergency we designed and implemented employment alliances with affected companies, such as Le Pain Quotidien, Arcos Dorados (operator of McDonald’s) and Alsea (operator of Starbucks and Burger King).

Thanks to these innovative agreements, we temporarily hired 350 people that work for these companies, who joined the Customer Service and Delivery teams in Argentina and Brazil.

This action was the first multiple employment agreement design and implementation experience in Latin America, and it meant benefits for all the parties involved. People kept their jobs, receiving 100% of their salaries, expanded their employability and lived the experience of working for MELI.

For our company, the agreement helped to cover positions quickly, broadened our experience in Diversity and Inclusion, and at the same time allowed us to be present for this emergency situation in our community. On the other hand, the allied companies could save the money for salaries which was difficult to deal with in a context where their operations were severely affected. Additionally, subsidies and unemployment funds were avoided. Finally, together we were able to strengthen the employer branding of all the companies involved.

350
people were temporarily hired by MELI

100
people from Le Pain Quotidien (Argentina)

250
people from McDonald’s, Burger King and Starbucks (Argentina and Brazil)
Social impact
Bumping elbows with the community

Our work with the communities close to our main operations focused on strengthening social organizations and developing education and technology programs that support young people's access to jobs and entrepreneurship, creating a more inclusive future.

The year 2020 challenged us to be present in new communities and to develop alternate formats to implement our programs. We focused on offering solutions to pair with business growth and diversification, and on adapting to the health emergency context.
Our response to the COVID-19 pandemic

Donations

In view of the emergency, we established a priority goal of providing food, hygiene products and essentials to at-risk families. To do that, we bumped elbows with allies in the territory on the development of multiple, diverse actions, which allowed us to reach a larger number of people in the region.

In Argentina, we joined the Seamos Uno initiative mobilized by a group of people, organizations and companies that, in collaboration with the Argentine Government, contributed to the most vulnerable sectors during the pandemic. We donated 30,000 boxes of food and hygiene products.

We developed a special button on the Mercado Pago app to continue multiplying donation efforts for the Red Cross and the Red de Bancos de Alimentos. We encouraged users to donate and to challenge their contacts to join, sharing the hashtag #CodoaCodoChallenge on social networks.

Most of the social organizations that are part of the Mercado Libre Solidario program provided support and assistance to contain the situation generated by the pandemic. Thus, a 0% commission was applied for each donation they received through Mercado Pago between March 24 and May 31, 2020.

We joined different fundraising platforms created to assist the most vulnerable groups during the emergency in Latin America, including: combatecovid.org, and argentinosenaccion.org. Thanks to these initiatives, USD 770,000 were raised in donations through Mercado Pago.

We took part in the #Champlay benefit tournament, a video game competition organized by sports celebrities, which was broadcast in Argentina, Brazil, Colombia and Mexico. Tournament participants made donations to the Red Cross through Mercado Pago.

In Brazil, we sponsored charitable live broadcasts to raise funds for NGOs that took charge of the fight against COVID-19. The beneficiary organizations included AACC (Associação de Assistência à Criança Deficiente), AHPAS (Associação Helena Piccardi de Andrade Silva), Amigos de Bem, Associação de Pais e Amigos dos Excepcionais (APAEm), Central Única das Favelas and Hospital de Amor.

Other significant donations included:

- USD 400,000 in medical equipment to the Ministry of Health of the City of Buenos Aires.
- 120 computers to the National Ministry of Health of Argentina.
- USD 8200 to the Coronavirus Fund of the National Government of Uruguay.
- 650 kg of fruit to the Nicolich school in Colonia, Uruguay.
- 1000 basic food baskets to Regatão do Bem in Brazil, for the Amazônias families.
- 800 boxes of packaged food and 1400 liters of long-life milk to Nilus organization.

Top Donations

- USD 1.6 million donations in context COVID-19
- 36,750 hygiene kits to the Red Cross
- 42,300 kg of food and 10,910 hygiene kits to Red Banco de Alimentos
- 30,000 food and hygiene boxes to the Seamos Uno initiative
Elbow to Elbow 
benefit concerts

Between August and September, we held a series of intimate concerts to raise funds for the Red Cross and Banco de Alimentos in the countries where we operate. The initiative took place in Argentina, Mexico, Brazil, Colombia, Uruguay and Chile.

In each of these countries, a popular local artist offered intimate concerts, face to face, to a “hero”; a person working on the front line of support in the fight against COVID-19. Abel Pintos, Vicentico, Natalia Lafurcade, Tito Fuentes, Sebastián Yatra, Sebastián Teysera and Gepe, were some of the celebrities who paid tribute to the heroes.

USD 41,000 raised for the Red Cross

USD 26,300 raised for the Red de Banco de Alimentos

USD 2400 raised for UNICEF
We believe entrepreneurs are the real change agents. Their transformative power, which reflects their capacity to adapt to challenges in the current context, allows them to get involved and engage with the search for solutions to social and environmental problems.

The articulation with triple-impact entrepreneurs inspires us, as we are convinced of their growing relevance in the development of a more sustainable future.

We strengthen the triple-impact entrepreneurial ecosystem by providing tools and spaces so entrepreneurs can market their products and services effectively and nimbly, thereby expanding the reach of their solutions.

Positive-impact consumption

Our main purpose is to invigorate the value chain and the triple-impact entrepreneurial ecosystem. Since 2019, Mercado Libre has been offering the permanent Sustainable Products section. It is available in seven countries in the region. It promotes our work toward digital inclusion and sustainable consumption. Throughout the year, we bolstered this space with campaigns promoting new forms of consumption, such as EcoFriday, Semana del Medio Ambiente (Environment Week), and “Amazônia en Casa and Bosque en Pié”.

In order to incorporate more entrepreneurs into the section, we strengthened our alliance with Sistema B Latin America, adding benefits for B Corporations. We also trained more than 150 B entrepreneurs throughout the region and gave them financing plans and shipping to boost their sales.
Together with the entrepreneurs of Amazonia
Brazil

In partnership with the Parceiros da Amazonía platform, we provided benefits, mentoring and supporting 12 Amazon entrepreneurs to market their products in the Mercado Libre ecosystem, generating revenues for more than 900 families in 60 communities and contributing to the conservation of standing forests.

Parceiros da Amazonía is a private-sector collective action platform seeking to promote new sustainable development models in the Amazon. Its purpose is to develop and identify tangible and innovative solutions for the conservation of the region’s biodiversity, and to guarantee the quality of life of the communities living there.

+900 families from 60 communities

+130 biodiversity products

+40 hours of individual and collective mentoring
Entrepreneurship with impact

We want to transform market rules and promote the entrepreneur to be an agent of change.

Entrepreneurship with Impact is a training program for entrepreneurs seeking to accelerate their sustainable business. We are looking for the creators of a new reality, with social and environmental impact in the region. Since its creation, more than 1000 entrepreneurs have participated, who also nourish our Sustainable Products section.

In 2020, we held the second edition, this time 100% online, in which projects from Argentina, Uruguay, Mexico, Chile, Colombia, and Brazil participated. The program included open master classes, online classes, group mentoring and virtual meetings with experts from each country.

The content is imparted by model sustainable entrepreneurs with experience in business, marketing and communication plan development, with positive impact and economic sustainability.

We ran the program with Mayma, an Argentine organization whose purpose is to create a more humane and conscious economy through training, connection and visibility of entrepreneurs from Latin America; and with Giral, a Brazilian organization which supports the creation of ideas, projects and businesses with the development goal of a human-life balance on the planet. In addition, in order to continue strengthening the Brazilian impact ecosystem, we joined Aceleradora Semante de Negócio and Fondo Editodos.

Finally, the three most outstanding entrepreneurs were selected and awarded with USD 20,000, USD 10,000 and USD 5000 in seed money each. First and second place were chosen by a regional jury of experts in entrepreneurship and impact. The third place was chosen by public vote on the program’s microsite.

Within the framework of Entrepreneurship with Impact, together with Instituto de la Ciudadanía Empresaria (ICE) in Brazil, we co-created the Commercial Strategy Guide for Impact Businesses. The purpose of the publication is to guide the impact entrepreneur in the development and implementation of a commercial strategy for their business.

Ecocitex, the winning project
Chilean venture that develops and sells reused and recycled clothing yarn. It markets clothing in good condition, textile patchwork and the by-products of the recycling process.

Cerrando el círculo, second place
Mexican venture that trains at-risk women to turn them into “Glass Recycling Entrepreneurs” with economic and environmental impact.

Tucum, third place
Marketplace focused on strengthening production chains and marketing of native crafts, disseminating Brazilian cultural diversity and generating income for more than 50 indigenous tribes.

6 countries
6 finalists
4 partner organizations
+614 participants
+USD 30,000 given in seed capital
+140 hours of interaction

partner organizations

4

6

+140

61

6

countries

finalists

participants

seed capital

hours of interaction

within the framework of entrepreneurship with impact, together with instituto de la ciudadanía empresaria (ice) in brazil, we co-created the commercial strategy guide for impact businesses. the purpose of the publication is to guide the impact entrepreneur in the development and implementation of a commercial strategy for their business.
Seller center

The Seller center is a space to develop the entrepreneurial ecosystem. In this exclusive communication channel for sellers throughout the ecosystem, they find tools to boost their sales and generate impact in the business.

Relevant content for each target audience is published in each of its seven versions. It is available in Argentina, Brazil, Chile, Colombia, Mexico, and Uruguay, and offers a broad selection of free webinars for training in Mercado Libre ecosystem tools.

Entrepreneurs 4.0

Program intended for leaders of small and medium size companies from Argentina, which seeks to professionalize SMEs by providing tools to strengthen their businesses.

Nilus

We joined Nilus, a triple-impact company that develops technologies to combat food insecurity in the region. Its tools seek to make the food value chain more efficient, resuing products which are transferred to community kitchens, thus achieving a significant reduction in food waste. We support their value proposals with Mercado Pago solutions, advising the team and financing them so they can scale their tools. Currently, Nilus is present in Argentina, Puerto Rico and Mexico.

Ashoka fellows

2020 was the third year of our alliance with Ashoka, in which we select and promote social entrepreneurs with a focus on subjects related to our business: environment, education and technology, financial inclusion and entrepreneurship.

Over these three years we have worked elbow to elbow to boost and multiply their impact.

The following entrepreneurs were selected: Melina Masnatta from Argentina, co-founder of Chicas en Tecnología; Adriana Barbosa from Brazil, president of Preta Hub; and Víctor Moczzuma from Mexico, founder and CEO of iLab. They joined a network of 3300 members around the world and will have the support of multiple organizations to expand in the region and increase their positive impact.
Education and digital inclusion

Education and inclusion are the main pillars of our relationship with communities in the region. We promote initiatives and programs that support access to quality jobs, entrepreneurship and technology, as tools for a more equitable future.

The main goal of our programs is to develop technical and socio-emotional skills for entry into a first job and/or the development of a professional career in the technological value chain. In order to generate a scaled impact, we took our mission of democratizing and capitalizing the potential of e-commerce to non-profit organizations. In this way, we strengthen the culture of virtual donation in Latin America.

Redes al futuro
Argentina, Brazil and Mexico

Being present with our Storage Centers at industrial sites in Latin America opens an opportunity to generate consistent and long-term connections with those communities.

We created Redes al futuro to boost local employment opportunities. The program seeks to develop new technical and socio-emotional skills in young people to accelerate their entry into the labor market. Redes al futuro serves girls and boys from La Matanza (Argentina), Ciudad de Lauro de Freitas (Brazil) and Tepotzotlán (Mexico). It is implemented in partnership with Fundación Forge (Argentina and Mexico) and the Instituto Aliança (Brazil).

The differential in Redes al futuro is the quality of content and the personalized service to the young people who participate. In 2020, we faced the added challenge of digitizing the project. We provided tablets and mobile data plans to participants, so connectivity is not a barrier to continuing their training process.

460 young people trained in Argentina, Brazil and Mexico
4 months of training
We support the formation in STEM with UTN-Entropía
Argentina

We accompany young people in public schools to strengthen their knowledge in STEM (Science, Technology, Engineering and Math), facilitating the development of free preparation and leveling courses to take up engineering studies. We do this in partnership with the Entropía program from the regional Universidad Tecnológica Nacional (UTN), Buenos Aires.

Through a dynamic approach, Entropía incentivizes the cognitive skills of young people who must overcome barriers to accessing exact science content. Since it started, the program has doubled the percentage of university admissions.

Mercado Libre contributed with 400 scholarships, providing mobility and materials, and also facilitating systematic assistance all through the third year of the degree course.

At the same time, we promoted Modelando la Ciencia, also with the Universidad Tecnológica Nacional. It is a pedagogical partnership for public school STEM teachers, through an advanced training course in Math, Physics and Technology strategies, methodologies and resources.

+400 students awarded a scholarship
+40 teachers trained

We support the inclusion of women in IT with Chicas en Tecnología
Argentina

We promote talent inclusion and equal opportunities in IT, expanding access to technological education, especially focused on women. To do this, we partner with Chicas en Tecnología (CET), in the cities of Córdoba, San Luis and Mendoza.

Chicas en Tecnología (CET), a civil society non-profit organization from Argentina which has sought to reduce the gender gap in the technological entrepreneur environment at a regional level since 2015.

In 2020, we granted 31 full scholarships in Full Stack Web Development in https://www.acamica.com/

31 awarded scholarships
Promoting employability with Arbusta and Nahual IT

We worked with Arbusta and Nahual IT, two social companies focused on promoting the training of young people in technology and increasing their ability to get a job.

In 2020, 222 young people from both companies provided support to the IT, sales and sustainability areas at Mercado Libre.

Together with Más Unidos

Brazil

We joined the Más Unidos group, a collaborative social investment fund that develops educational projects focused on young people training in the demands of the 21st century, to reinforce our commitment to education and inclusion in the community.

We inspire young people to program

Uruguay

We support Jóvenes a Programar, an initiative that seeks to contribute to the development of the IT sector from an educational approach, providing training in testing and the most commonly used programming languages on the market. The program is intended to train young people between 17 and 26 who have completed the basic cycle of higher education. The courses are free of charge and all necessary materials for learning are provided. The project, which has been ongoing since 2017, is part of the Plan de Conectividad Educativa de Informática Básica para el Aprendizaje en Línea (Basic Computing Educational Connectivity Plan for Online Learning) called CEIBAL.

222 young people benefited

2.5 million people benefited

+2100 graduates from Jóvenes a Programar
Mercado Libre seeks to generate scaled impact through technology. We carry out our mission of democratizing and capitalizing the potential of e-commerce for non-profit organizations through Mercado Libre Solidario. In this way, we strengthen the culture of virtual donation in Latin America.

Throughout the region, Mercado Libre’s ecosystem solutions are available to NGOs to boost their fundraising strategy. We also train them in digital fund development campaigns, activate donations through Mercado Pago, and manage the funds necessary for the operation of the NGOs partnering with the program.

**Benefits of Mercado Libre ecosystem for social organizations:**

- Sale of products and services (produced by them or donated).
- Receipt of donations.
- Sale and registration for events, training and activities.
- Fund management for the operation of their programs.
- Investment of funds in Mercado Fondo, which is accessible at all times, generating financial returns for their organization.
- Training sessions and content on fundraising and digital campaigns.
- Networking with other organizations in Latin America.

We promote innovation and boost the work of civil society organizations already working on their cause in their territories. We acknowledge their importance to the construction of a more equitable and democratic society and an environment conducive to sustainable businesses.

- **+USD 16 million** funds exchanged in Mercado Pago
- **+2200** people from NGOs trained to raise funds for COVID
- **+2200** organizations joined
Outstanding charity campaigns

**SOS Sudeste**

Mercado Libre joined the Red Cross in a fundraising effort to aid the victims of heavy rains that occurred during the month of February in Brazil. People could donate by accessing the Humanitarian Aid page in Mercado Pago. The money raised was used to buy food and hygiene products and provide support for homeless people.

**TELETÓN**

Brazil

The Mercado Pago app was the official means of donations for the fundraising campaign Teletón 2020, a more than 10-hour television broadcast held annually to benefit the Associação de Assistência à Criança Deficiente (AACD). The initiative is one of the most relevant charity actions in Brazil.

**LGBT+ Pride**

Brazil

For the second year in a row, we mobilized donations to NGO Casa 1 during the LGBT+ Pride month celebrations. The organization serves vulnerable LGBT+ youth in São Paulo and assists more than 1500 people each month.

USD 12,000 raised

USD 61,500 raised

USD 9000 raised

31,000 donations

31,000 donations
Tax incentives
Brazil

Every year, we direct tax incentives, provided by Brazilian law, to organizations that carry out initiatives related to Mercado Libre's impact model.

In 2020, we allocated more than USD 500,000 to cultural, sport and health care projects, with a strong focus on the defense of the rights of boys, girls, adolescents and seniors in the communities of Cajamar and Osasco, Paulo State.

Thanks to last year’s contributions, we directly aided 370 people and we reached more than 345,000 with the sustainability and diversity events in which we participate.

Projects 2019/2020 we support:
- Brasil Eco Fashion Week
- Feira Preta
- Festival Mix Brasil
- Festival Social Good Brasil
- Virada Sustentável
- Mostra Ecofalante
- Cinesolar
- Instituto Esporte Educação
- Fundo Municipal do Idoso de Cajamar
- Fundo Municipal do Idoso de Osasco
- Instituto Olga Kos
- Hospital de Amor

Navidad sin hambre
Argentina and Brazil

During December, the donation button on Mercado Pago was dedicated to raising donations for the Navidad Sin Hambre campaign, promoted by NGOs that work to fight hunger. Our partner in Brazil was the Ação da Cidadania NGO and, in Argentina, Asociación Convidarte, Banco de Alimentos and la Red Solidaria.

USD 1,203,678 raised

Esta Navidad el Regalo es Pensar en el Otro
Environment
Towards a sustainable digital economy

The COVID-19 pandemic accelerated an unprecedented expansion of e-commerce, with a positive impact on Mercado Libre's growth in the region. To answer the increasing demand of users and SMEs, we increased our commercial, logistical and financial capacity. This growth produced a rise in the environmental impact of our operations. Therefore, in 2020 we continued to focus our efforts on measuring our carbon footprint and on strategies to reduce and mitigate it, leading the environmental agenda of the sector.

Environmental impact is a challenge and responsibility we share with the commerce and logistic sector. There are structural barriers that require industrial innovation and group effort to generate the efficiency that allow us to overcome them. As main actors of the industry transformation in the region, we accept the challenge of leading and expanding this conversation with a long-term vision.

Continuous growth requires us to have even more energy efficient and innovative strategies to mitigate our impact throughout the value chain.

Mercado Libre is highly orientated to services; the main environmental impacts of our operations are spread out across the value chain. A fundamental pillar of our environmental strategy is our coordinated efforts to strengthen our suppliers and strategic partners. For that reason, during 2020 we strengthened our work with our partners, to help them transform actions that lead to the desired change.

Environmental management is part of a continuous improvement process, through which we are able to develop even better indicators, with greater depth and precision. Toward the heart of our operations, we focus on metrics that matter. Mainly those related to transportation, energy consumption and circulation of materials. These are prioritized because this is where we can achieve the greatest positive impact.

An impact-based strategy

Our environmental management strategy is developed on three main pillars: energy, transportation and materials management.

Measuring the carbon footprint is a central part of our environmental strategy and allows us to identify and implement reduction actions very nimbly, accompanying business growth. We also comprehensively monitor energy and material use in our operations.
Energy

The energy strategy is focused on efficiency, obtained through smart metering (IoT) and sustainable supply, implemented through the creation and acquisition of renewable energy.

Our smart metering strategy allows us to track all energy consumption remotely and very precisely. Thanks to the use of smart sensors and keyboards in real time, we can make operative decisions very quickly and improve efficiency. In 2020 we conducted a smart metering pilot test in Argentina that allowed us to identify reduction opportunities up to 10%. We are extending this implementation to other strategic operations in the region.

To achieve a more sustainable energy supply, we began the process of migrating our operations to renewable energies. In 2020 we made progress in the implementation of the main distribution centers and offices. The strategy is based on developing Power Purchase Agreements (PPAs), though in some cases we even create our own electricity through the installation of solar panels. In this way, Melicidade, the central office in Brazil, was supplied 100% with renewable energy. This offices, located in Osasco, São Paulo, supplied 20% of the consumption with more than 1800 solar panels installed on-site. And, since November, they covered the remaining 80% with the acquisition of solar and wind energy through PPAs. The on-site solar panels have generated +1600 MWh of energy since 2017.

In 2021 we will continue moving forward to supply with 100% renewable energies our main distribution centers in Brazil and Mexico continuing the migration process of the three distribution centers in Brazil and two in Mexico that began in 2020. Similar projects will be carried out in the rest of the region.

Finally, in 2020 we initiated thermal comfort projects, which involve the modification of some of the buildings in which we operate to optimize natural air circulation and temperature regulation. Thus, we are able to decrease the demand for air conditioning equipment and as a result, reduce energy consumption.

We work to achieve the greatest energy efficiency with a view toward migrating 100% of our operations to renewable energies.
### Consumption of the organization

#### Electric consumption (in kWh)

<table>
<thead>
<tr>
<th>Country</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>9,550,288</td>
<td>13,369,654</td>
</tr>
<tr>
<td>Argentina</td>
<td>7,814,349</td>
<td>8,305,630</td>
</tr>
<tr>
<td>Mexico</td>
<td>2,045,303</td>
<td>4,483,598</td>
</tr>
<tr>
<td>Uruguay</td>
<td>945,711</td>
<td>617,834</td>
</tr>
<tr>
<td>Colombia</td>
<td>317,024</td>
<td>433,795</td>
</tr>
<tr>
<td>Chile</td>
<td>219,715</td>
<td>374,886</td>
</tr>
<tr>
<td>Venezuela</td>
<td>146,761</td>
<td>135,400</td>
</tr>
<tr>
<td>Subtotal (Offices and distribution centers)</td>
<td>21,039,151</td>
<td>27,585,396</td>
</tr>
<tr>
<td>Servers</td>
<td>8,477,235</td>
<td>-</td>
</tr>
<tr>
<td>Energy intensity (kWh/m²)</td>
<td>63.4</td>
<td>58.2</td>
</tr>
</tbody>
</table>

#### Energy consumption

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization’s total fuel consumption from non-renewable sources in joules or multiples, including fuel types used (Diesel)</td>
<td>757 GJ</td>
<td>1185 GJ</td>
</tr>
<tr>
<td>The organization’s total fuel consumption from renewable sources in joules or multiples, including fuel types used</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total energy consumption (in joules, watt-hours or multiples)</td>
<td>21.77 GWh</td>
<td>27.59 GWh</td>
</tr>
<tr>
<td>Heating consumption (in joules, watt-hours or multiples)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Air-conditioning consumption (in joules, watt-hours or multiples)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Vapor consumption (in joules, watt-hours or multiples)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total energy consumption within the organization, in joules or multiples</td>
<td>79,129 GJ</td>
<td>100,492 GJ</td>
</tr>
<tr>
<td>Energy intensity (calculated based on 474,322 m²)</td>
<td>63.4</td>
<td>58.2</td>
</tr>
</tbody>
</table>

#### Water consumption (in liters)

<table>
<thead>
<tr>
<th>Water consumption (in liters)</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal water supplies or other public or private water services</td>
<td>55,943,856</td>
<td>1,424,100,566</td>
</tr>
<tr>
<td>Extraction of water by source</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surface water</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Groundwater</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rainwater collected and stored directly by the organization</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
We expanded our electric fleet and promoted innovative solutions to reduce the environmental impact of transport.

The exponential growth of e-commerce, and therefore of Mercado Libre, required an expansion of logistics solutions. That is why we focus on reducing emissions and minimizing the environmental impact of our deliveries. We work together with the largest players in the automotive industry to accelerate the logistics development process in the region, encouraging more sustainable transport. We know we have a key role in this transformation, and measuring our environmental footprint is essential to avoid increasing our impact in step with the expansion of the business.

In 2020 we purchased electric vehicles in Argentina, Brazil, Mexico, and Uruguay, and by the end of the year had a fleet of 66 electric cars. We will keep moving, analyzing alternatives to expand the scale of this solution during the coming years.

Electric mobility is one of the axes of our environmental strategy. In 2020, we not only invested in the expansion of our electric fleet but also the recharging infrastructure in our service centers and distribution points.
Materials management

We know that in order to use resources efficiently, it is important to consider the value of the materials in our offices and distribution centers. Therefore, we question our habits and decisions from the moment we purchase supplies until the leftover materials are disposed of, with the commitment to reduce, reuse and recycle the waste we generate.

Loyal to our continuous beta mode, we are constantly looking for new technologies and sustainable innovations regarding packaging to mitigate the impact and to manage resources more efficiently.

The management focuses on traceability, the search of alternative materials and reduction. All our packaging is recyclable, reusable or compostable. 100% of the cardboard we use is traceable in its certified value chain or in the process of certification with the Forest Stewardship Council (FSC) seal.

This label guarantees that the product was manufactured under processes that involve responsible forest use. Additionally, this year we reached the goal that all the boxes used in our operations are composed of at least 40% recycled cardboard.

Always looking for alternative materials, in 2020 we continued pilot testing of compostable envelopes for e-commerce in Brazil and Argentina. Also, this year, in compliance with the new regulation in Chile, the project was successfully implemented in this country, where 100% of the envelopes are made of internationally certified bioplastics, suitable for domestic and industrial compost.

To permanently reduce the amount of packaging, in 2020 we tested the possibility that some products can be transported in their original packages without any additional materials, reducing their use and the amount of air transport in the last mile. In Argentina, pilot programs achieved up to a 40% reduction in transported air.

In line with this goal, we work closely with our packaging suppliers to reduce package weight in order to reduce the quantity of material used in each delivery, without compromising product integrity.

<table>
<thead>
<tr>
<th>ORIGIN OF GENERATED WASTE (in tons)</th>
<th>ARG</th>
<th>BRA</th>
<th>MEX</th>
<th>URU</th>
<th>CHI</th>
<th>COL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminum</td>
<td>0.3</td>
<td>1.7</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Cardboard</td>
<td>596.95</td>
<td>3834</td>
<td>1539.4</td>
<td>0.7</td>
<td>67.2</td>
<td>37.5</td>
</tr>
<tr>
<td>Paper</td>
<td>0.5</td>
<td>21.8</td>
<td>10.7</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Plastic</td>
<td>26.7</td>
<td>373</td>
<td>96.5</td>
<td>0.7</td>
<td>2.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Wood</td>
<td>123.5</td>
<td>1399.9</td>
<td>336.3</td>
<td>0</td>
<td>11</td>
<td>0.5</td>
</tr>
<tr>
<td>Organic/compostable</td>
<td>0</td>
<td>142.5</td>
<td>28</td>
<td>6.8</td>
<td>0.3</td>
<td>0.8</td>
</tr>
<tr>
<td>General</td>
<td>284.9</td>
<td>429.1</td>
<td>532</td>
<td>5.1</td>
<td>17.7</td>
<td>7.1</td>
</tr>
<tr>
<td>Total</td>
<td>1032.7</td>
<td>6202</td>
<td>2543</td>
<td>13.5</td>
<td>88.4</td>
<td>48.9</td>
</tr>
</tbody>
</table>

100% of our packaging is recyclable, reusable or compostable
Material circulation

We conduct programs to recover and recycle key materials in our distribution centers and offices with the aim of reinserting the resources used into the production cycle. In all cases we form alliances with partners to assess 100% of the discarded materials, trying to eliminate disposals to landfills.

Since 2015, we have been promoting a recycling program in our offices with waste separation at origin diagrams, working closely with formal collectors. In order to do this, we have trained all collaborators and those involved in sanitation in how to properly separate materials. At the same time, in several of our facilities we implemented organic waste recovery. In our central office in Brazil, Melicidade, we have two industrial composters in use that recover close to one ton of organic waste daily, which they transform into fertile compost that is then donated to the local community garden program.

With our electronic and electric device recovery program, we are able to point out the importance of unused equipment, donating them to social organizations, such as Fundación Vivienda Digna and Fundación Equidad, in Argentina and La protectora, in Chile. In 2020 we donated more than 513 pieces of IT equipment.

The year 2020 was atypical for this program since the offices were mostly closed, so the recovery rates do not correlate with those of previous years. The materials in the distribution centers are qualitatively quite different from those in the offices, and the quantities are greater. Mainly cardboard, stretch plastic film, wood pallets and metals are generated. Therefore, the recovery rates have grown exponentially along with the greater volume generated.

In all our distribution centers, more than 70% of materials are recovered with local partners, and particularly in Argentina, Brazil and Mexico, cardboard is put back into the recovery cycle and then transformed into the boxes we then buy, achieving 100% recirculation of the material. In the distribution centers in Brazil, we recovered more than 85% of the waste generated, which represents more than 400 tons per month.
### Environment

#### Destination of Waste (in tons)

<table>
<thead>
<tr>
<th>Non-hazardous waste by disposal method</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reuse</td>
<td>26.4</td>
<td>1861.3</td>
</tr>
<tr>
<td>Recycling</td>
<td>1879.9</td>
<td>6075.6</td>
</tr>
<tr>
<td>Composting</td>
<td>146.0</td>
<td>171.6</td>
</tr>
<tr>
<td>Recovery, including energy recovery</td>
<td>-</td>
<td>71.7</td>
</tr>
<tr>
<td>Incineration (mass burning)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Injection in deep wells</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Landfill</td>
<td>1016.7</td>
<td>1204.1</td>
</tr>
<tr>
<td>On-site Storage</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others (to be specified by the organization)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hazardous waste by disposal methods</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reuse</td>
<td>1.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Recycling</td>
<td>1.7</td>
<td>-</td>
</tr>
<tr>
<td>Composting</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recovery, including energy recovery</td>
<td>-</td>
<td>3.1</td>
</tr>
<tr>
<td>Incineration (mass burning)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Injection in deep wells</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Landfill</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>On-site Storage</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others (to be specified by the organization)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3</td>
<td>-</td>
</tr>
</tbody>
</table>

### Waste Recovery Rate

<table>
<thead>
<tr>
<th>Country</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>58%</td>
<td>69%</td>
</tr>
<tr>
<td>Brazil</td>
<td>80%</td>
<td>93%</td>
</tr>
<tr>
<td>Mexico</td>
<td>43%</td>
<td>79%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>55%</td>
<td>62%</td>
</tr>
<tr>
<td>Chile</td>
<td>42%</td>
<td>80%</td>
</tr>
<tr>
<td>Colombia</td>
<td>30%</td>
<td>85%</td>
</tr>
</tbody>
</table>
Measure
to act

Each year we obtain more precise indicators to monitor the impact of our carbon footprint in real time. This enables us to take actions to reduce Greenhouse Gases (GHG) in our operations and their critical points.

With this valuable information, we can define our goals and the most effective policies for the progressive reduction of our footprint. We want everyone working at Mercado Libre to understand, manage and improve their impact. Consequently, the measurements are shared by all areas of the organization to be considered in their decision-making process. At an external level, the results are transmitted in this report. In 2020, we also issued our first Carbon Disclosure Project (CDP) results report, the global disclosure system for investors, companies, cities, states and regions.

We follow the Greenhouse Gas Protocol (GHG) measurement standard guidelines developed by the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI).

**GREENHOUSE GAS EMISSIONS (GHG)**

| Scope 1 | **188,745**
| t CO2e | Emissions that arise from the use of fuels or the direct use of Greenhouse Gases. We measure all gases considered by the GHG protocol measured in their equivalent CO2 form.
| - Emissions generated in the delivery of orders controlled by Mercado Libre.
| - Emissions generated by fuel consumption in the use of corporative vehicles.
| - Emissions generated by fuel consumption in electric generators in Mercado Libre facilities or controlled by Mercado Libre.
| - Emissions generated by the leakage of refrigerant gases from air conditioning systems. |

| Scope 2 | **12,610**
| t CO2e | Indirect emissions generated outside the company, but that correspond to direct consumption of electric energy. We include the electricity consumption of our sites in each country, including our offices and distribution centers. Additionally, for 2020 we will include consumption related to the new distribution centers that began to operate this year. |

| Scope 3 | **590,720**
| t CO2e | Emissions generated by our value chain. These are indirect emissions, but are still the result of our activity. Different sources of emissions are included: collaborator travel and mobility, transport of merchandise and third-party services, corporate travel, transportation and packaging of shipments, energy consumption of servers used, waste generated in our offices and distribution centers, office and electronic supplies acquired and the production, transport, use and disposal of our house brand. |
## Emissions

### GREENHOUSE GAS EMISSIONS

<table>
<thead>
<tr>
<th></th>
<th>Reported 2018</th>
<th>Adjusted 2019</th>
<th>Adjusted 2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall estimate</td>
<td>261,562</td>
<td>201,465</td>
<td>171,845</td>
<td>792,075</td>
</tr>
<tr>
<td>Scope 1</td>
<td>83</td>
<td>2967</td>
<td>2967</td>
<td>188,745</td>
</tr>
<tr>
<td>Scope 2</td>
<td>4600</td>
<td>10,194</td>
<td>9558</td>
<td>12,610</td>
</tr>
<tr>
<td>Scope 3</td>
<td>256,879</td>
<td>188,305</td>
<td>159,320</td>
<td>590,720</td>
</tr>
</tbody>
</table>

### INTENSITY OF GHG EMISSIONS

<table>
<thead>
<tr>
<th>Scope</th>
<th>Numerator</th>
<th>2020</th>
<th>t CO2e / (Numerator)</th>
<th>kg CO2e / (Numerator)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total footprint</td>
<td>Employee</td>
<td>15,546</td>
<td>50.95</td>
<td>50,950</td>
</tr>
<tr>
<td></td>
<td>Buyers</td>
<td>61.3 M</td>
<td>0.013</td>
<td>12.921</td>
</tr>
<tr>
<td></td>
<td>Users</td>
<td>132.5 M</td>
<td>0.006</td>
<td>5.978</td>
</tr>
</tbody>
</table>
GRI and SASB Standards
Mercado Libre
Caseros 3039, 2nd floor, Autonomous City of Buenos Aires, Argentina.
Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Peru, Uruguay, Venezuela, Dominican Republic, Honduras, Nicaragua, Salvador, Panama, Bolivia, Guatemala, Paraguay. The most significant operations take place in Argentina, Brazil, and Mexico.
MercadoLibre, Inc is listed on Nasdaq. It is legally incorporated as a “corporation” under the laws of Delaware, United States.
The company has not established any precautionary principles since, due to the nature of the sector, its operation does not pose any major risks to third-parties or the environment. Technological devices and servers are manufactured pursuant to quality standards and are stored in enclosed spaces with limited access, in third-party facilities specifically conditioned for that purpose. Upon termination of their useful life, these devices are disposed of by companies specialized in their responsible destruction. Therefore, risk of environmental damage is reduced to a minimum.
The members of the Board participate in industrial spaces, such as forums and events in which they expand their knowledge on economic, environmental and social issues.

Once quarterly, the highest governance body participates in the process of prioritizing material issues, which takes place at the beginning of the fiscal year. In the reporting period, the number of information concerns formally has not been taken into account by the highest governance body.

The Management and Direction group is involved in the definition of salaries through the Compensation Committee. In addition, collaborators’ opinions are collected in the annual Environment survey, in which they are consulted about their degree of satisfaction with the salary. The results are considered in the preparation of the compensation policy.

Information will be available in April 2021 and will be updated in this report.
GRI CONTENTS

<table>
<thead>
<tr>
<th>GRI STANDARD</th>
<th>CONTENT</th>
<th>ANSWER</th>
<th>SDG</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAKEHOLDER ENGAGEMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 102</td>
<td>General basic contents 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-40</td>
<td>List of stakeholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>Country</td>
<td>Collaborations that are part of the collective bargaining agreements</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>42%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uruguay</td>
<td>0.36%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colombia / Venezuela / Peru / Chile / Mexico</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-42</td>
<td>Identification and selection of stakeholders</td>
<td></td>
<td></td>
<td>23</td>
</tr>
<tr>
<td>102-43</td>
<td>Stakeholder engagement approach</td>
<td></td>
<td></td>
<td>23</td>
</tr>
<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td></td>
<td></td>
<td>24</td>
</tr>
</tbody>
</table>

| **REPORTING PRACTICE** | | | | |
| GRI 102 | General basic contents 2016 | | | |
| 102-46 | Definition of report’s content and scope of subject matter | | | 25 |
| 102-47 | List of all material aspects | | | 25 |
| 102-48 | Restatements of information | | | 2 |
| 102-49 | Changes in reporting | | | 24 |
| 102-50 | Period of report | | | 2 |
| 102-51 | Date of last report | | | 2 |
| 102-52 | Company report presentation frequency | | | 2 |
| 102-53 | Point of contact for report queries | | | 2 |
| 102-54 | Reporting statement pursuant to GRI standards | | | 2 |
| 102-55 | GRI content index | | | 79 |
| 102-56 | External assurance | No external verification has been performed on this report | | |

| **MATERIAL ISSUE: ECONOMIC PERFORMANCE AND POSITIONING** | | | | |
| GRI 103 | Management approach 2016 | | | |
| 103-1 | Explanation of material aspects and coverage | | | 13 |
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# 2020 IMPACT REPORT

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<td>201-3 Defined benefit plan obligations and other retirement plans</td>
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<td></td>
<td></td>
<td>2014 Government’s financial aid</td>
<td>During the period Mercado Libre didn’t receive financial assistance from governments.</td>
<td>8</td>
</tr>
<tr>
<td>GRI 202</td>
<td>Market presence</td>
<td>202-1 Ratio of standard initial category salary by gender vs. local minimum wage</td>
<td>Information will be available in April 2021 and will be updated in this report.</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>202-2 Proportion of senior management hired from the local community</td>
<td>100% of top executives of Mercado Libre are Latin American.</td>
<td>8</td>
</tr>
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<td><strong>MATERIAL ISSUE: CONTRIBUTION TO SOCIO-ECONOMIC DEVELOPMENT</strong></td>
<td></td>
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<td></td>
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<td>14</td>
</tr>
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<td>GRI 203</td>
<td>Indirect Economic Impacts</td>
<td>203-1 Investment in infrastructure and supported services</td>
<td>USD 254,1 million invested in infrastructure in the region.</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>203-2 Investment in infrastructure and supported services</td>
<td>8</td>
<td>14</td>
</tr>
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<td>GRI 204</td>
<td>Procurement Practices</td>
<td>204-1 Proportion of spending on local suppliers</td>
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<td>18</td>
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<td>GRI 414</td>
<td>Supplier Social Assessment</td>
<td>414-1 New vendors who passed social selection filters</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>414-2 Negative social impacts in the supply chain and actions taken</td>
<td>No negative impacts were recorded in the supply chain of the organization during the period.</td>
<td>8</td>
</tr>
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<td><strong>MATERIAL ISSUE: HUMAN CAPITAL AND TALENT ATTRACTION</strong></td>
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<td></td>
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<td>8</td>
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</tr>
<tr>
<td>GRI 401</td>
<td>Employment</td>
<td>401-1 New employee hires and turnover</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>8</td>
<td>51-53</td>
</tr>
<tr>
<td><strong>GRI 401-3 Parental leave</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Parental leave</td>
<td></td>
<td>8, 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collaborators entitled to parent leave</td>
<td>5443</td>
<td>6013</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collaborators that received a parent leave</td>
<td>104</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collaborators that returned to work after parent leave ended</td>
<td>104</td>
<td>791</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collaborators that returned to work after parent leave ended and are still in a labor relationship 12 months after first return</td>
<td>104</td>
<td>384</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Return to work rate of collaborators that took parent leave</td>
<td>99.27%</td>
<td>98.69%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retention rate of collaborators that took a parent leave</td>
<td>91.55%</td>
<td>97.22%</td>
</tr>
</tbody>
</table>
In the reporting period, hours of training per year per employee were not registered. We are working on a management system to have this indicator in the next period.

All collaborators undergo a performance and professional development assessment.

Information will be available in April 2021 and will be updated in this report.

We have not identified suppliers with a significant risk of child labor cases during the period.

We have not identified suppliers with a significant risk of forced or mandatory labor cases during the period.

Operations related to Human Rights have not been assessed during the period.

During the reporting period, our collaborators have not been trained on these subjects.

There have been no significant investment agreements that include Human Rights clauses.

For those products offered directly by Mercado Libre's own stores, we adopt actions so that the products that our suppliers deliver to us comply with all the applicable requirements regarding information and labeling. For example: composition data, manufacturer, indication of safe use, warnings, among others. For those products offered by users, we ensure that the products offered on the site comply with all the requirements and applicable legislation regarding information and labeling. Additionally, we actively collaborate with authorities to remove publications of products that do not comply with the above.

The rules mentioned in the previous point correspond to all the categories of the site.

For those products offered directly by Mercado Libre’s own stores, we adopt actions so that the products that our suppliers deliver to us comply with all the applicable requirements regarding information and labeling. For example: composition data, manufacturer, indication of safe use, warnings, among others. For those products offered by users, we ensure that the products offered on the site comply with all the requirements and applicable legislation regarding information and labeling. Additionally, we actively collaborate with authorities to remove publications of products that do not comply with the above.

The rules mentioned in the previous point correspond to all the categories of the site.
On our platform, there are more than 40 categories of products and services that are prohibited from offering due to the effects it could have on the health and safety of buyers. For example, it is forbidden to publish firearms, narcotics, products that do not have corresponding health or safety approvals, expired products, among others. We constantly work with control authorities in the countries where we operate to remove publications that may violate applicable regulations, site policies, and/or are unsafe for consumers.

There have not been cases related to noncompliance with the regulation of products and services sold on Mercado Libre which have an impact on the health and security of all people.

In 2020 we received 652,744 rights exercises by users and third parties, carried out through formal channels (manual and automated). Regarding formalized claims:
- We received a total of eight third-party complaints filed with the regulatory authority.
- We received a claim from a regulatory authority acting ex officio.

During the reporting period, we have identified 20 security incidents that involved personal data of users.

No reports related to corruption cases were received during the reported period.

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<thead>
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<td>103-2 Management approach and components</td>
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<tr>
<td></td>
<td></td>
<td>103-3 Assessment of management approach</td>
<td>9</td>
<td>36-37</td>
</tr>
<tr>
<td>GRI 416</td>
<td>Customer health and safety</td>
<td>416-1 Assessment of products or services category impact on health and safety</td>
<td>On our platform, there are more than 40 categories of products and services that are prohibited from offering due to the effects it could have on the health and safety of buyers. For example, it is forbidden to publish firearms, narcotics, products that do not have corresponding health or safety approvals, expired products, among others. We constantly work with control authorities in the countries where we operate to remove publications that may violate applicable regulations, site policies, and/or are unsafe for consumers.</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>416-2 Noncompliance related to products or services category impact on health and safety</td>
<td>There have not been cases related to noncompliance with the regulation of products and services sold on Mercado Libre which have an impact on the health and security of all people.</td>
<td>9</td>
</tr>
</tbody>
</table>
| GRI 418      | Customer privacy | 418-1 Substantiated claims regarding breach of customer privacy and loss of customer data | In 2020 we received 652,744 rights exercises by users and third parties, carried out through formal channels (manual and automated). Regarding formalized claims:
- We received a total of eight third-party complaints filed with the regulatory authority.
- We received a claim from a regulatory authority acting ex officio.
  
  During the reporting period, we have identified 20 security incidents that involved personal data of users. | 9   | 36-37 |
| GRI 413      | Local communities | 413-1 Operations involving the local community, impact assessment and development programs | 8, 9, 10, 17 | 63-65 |
|              |         | 413-2 Operations with significant actual and potential negative impacts on local communities | 8, 9, 10, 17 | 63-65 |
| GRI 205      | Anti-corruption | 205-1 Operations assessed for corruption-related risks | 12 | 29-31 |
|              |         | 205-2 Anti-corruption communication and training policies and procedures | 12 | 29-31 |
|              |         | 205-3 Confirmed incidents of corruption and actions taken | No reports related to corruption cases were received during the reported period | 12 | 29-31 |
On May 14, 2020, the Plenary of the Federal Economic Competition Commission of Mexico (COFECE) decided, unanimously, to close without consequences for Mercado Libre the investigation that had been ongoing since 2017, in which a possible abuse of dominance was investigated consisting of subjecting the use of the online product trading platform service to the use of its online payment service. COFECE determined that the integration of the marketplace and payment services is not only efficient but also pro-competitive. It is the first precedent in the region where the possible supply of tied products was investigated, with a positive result for the company.

On the other hand, in May 2020, an anonymous complaint was filed with the Chilean National Economic Prosecutor (FNE) to investigate a possible violation of the competition rules for the prices at which ChileExpress, a shipping company, would offer its services to consumers compared to the prices at which the same service would offer if shipments were made through the Mercado Libre site in Chile. In addition, it denounced Mercado Libre for the possible existence of abusive clauses imposed on the users of the marketplace in the Terms and Conditions. After requesting information from Mercado Libre in order to determine if it could have the capacity to distort the competitive process in any of these markets, in September 2020, the FNE decided to archive the complaint as long as it understood that there were no elements to justify the opening of an investigation.

In particular, it determined that Mercado Libre does not have the capacity to distort the competitive process in the electronic commerce market because users have alternatives of local platforms where they can list and buy their products, and that in the parcel transport industry there are several alternatives for a seller to deliver their products and that, within Mercado Libre, there are no major restrictions to configure the shipping method. Additionally, it considered that the distinction of prices set by ChileExpress depending on whether the contract derived from a purchase in Mercado Libre or from an individual user was justified in commercial and competitive terms.

During 2020, no contributions were made to political parties or representatives.

In 2020, no sanctions were reported for non-compliance with social or economic standards.

**Nonrenewable materials used:**

- 100% of the supplies used are recyclable or compostable. Depending on the country, 70% and 100% of the raw materials for manufacturing of new boxes come from recycled material. 0% of the e-commerce envelopes in LDPE use recyclable material. 100% of the e-commerce envelopes in bioplastics are from renewable sources. FSC certification for cardboard boxes and envelopes.

**Renewable materials used:**

- Compostable bags: 3,753,267 units, boxes: 6,369,881 units, conventional pallets: 599,497 units, gaylord pallets: 300,314 units.

**We do not have manufacturing process.**

**Not available. We are not able to trace the recovery of materials after consumption.**

There was no reduction in energy consumption during the reporting period.

**MATERIAL ISSUE: ETHICS AND TRANSPARENCY**

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<tr>
<td>GRI: 205</td>
<td>Anti-competitive behavior, anti-trust, and monopoly practices</td>
<td>On May 14, 2020, the Plenary of the Federal Economic Competition Commission of Mexico (COFECE) decided, unanimously, to close without consequences for Mercado Libre the investigation that had been ongoing since 2017, in which a possible abuse of dominance was investigated consisting of subjecting the use of the online product trading platform service to the use of its online payment service. COFECE determined that the integration of the marketplace and payment services is not only efficient but also pro-competitive. It is the first precedent in the region where the possible supply of tied products was investigated, with a positive result for the company.</td>
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<td>GRI: 415</td>
<td>Public policy</td>
<td>During 2020, no contributions were made to political parties or representatives.</td>
<td>12</td>
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<td>GRI: 419</td>
<td>Socioeconomic compliance</td>
<td>In 2020, no sanctions were reported for non-compliance with social or economic standards.</td>
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<td>GRI: 103</td>
<td>Management approach 2016</td>
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<td>70-78</td>
</tr>
<tr>
<td>GRI: 301</td>
<td>Materials</td>
<td>Nonrenewable materials used: 100% of the supplies used are recyclable or compostable. Depending on the country, 70% and 100% of the raw materials for manufacturing of new boxes come from recycled material. 0% of the e-commerce envelopes in LDPE use recyclable material. 100% of the e-commerce envelopes in bioplastics are from renewable sources. FSC certification for cardboard boxes and envelopes.</td>
<td>13</td>
<td>70-78</td>
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<td>GRI: 302</td>
<td>Energy</td>
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<td>13</td>
<td>72</td>
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<tr>
<td>GRI: 301</td>
<td>Recycled input materials used</td>
<td>We do not have manufacturing process.</td>
<td>13</td>
<td>71</td>
</tr>
<tr>
<td>GRI: 301</td>
<td>Reclaimed products and their packaging materials</td>
<td>Not available. We are not able to trace the recovery of materials after consumption.</td>
<td>13</td>
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**MATERIAL ISSUE: REDUCTION OF THE CARBON FOOTPRINT**

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<td>Management approach and components</td>
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</tr>
<tr>
<td>GRI: 103</td>
<td>Assessment of management approach</td>
<td></td>
<td>13</td>
<td>70-78</td>
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Mercado Libre does not have productive processes that involve the use of water.

During the 2020 period, no spills were registered because Mercado Libre does not have industrial processes.

During the reporting period the transportation of hazardous waste was not registered.

During the 2020 period, no bodies of water were affected because Mercado Libre does not have industrial processes.

The impact of the supply chain is studied in the measurement of scope 3 of the environmental footprint. During the period, the environmental impacts of 232 suppliers from different parts of Latin America were analyzed.

The impact of the supply chain is studied in the measurement of scope 3 of the environmental footprint. During the period, the environmental impacts of 232 suppliers from different parts of Latin America were analyzed.
**GRI AND SASB CONTENTS**

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### 2020 IMPACT REPORT

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**SASB Standard**

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<td><strong>ENVIRONMENT: HARDWARE INFRASTRUCTURE ENERGY AND WATER MANAGEMENT</strong></td>
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<td></td>
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<tr>
<td>CG-EC-130a.1</td>
<td>Total energy consumed</td>
<td>72</td>
</tr>
<tr>
<td>CG-EC-130a.2</td>
<td>Total water withdrawn</td>
<td>72</td>
</tr>
<tr>
<td>CG-EC-130a.3</td>
<td>Discussion of the integration of environmental considerations into strategic planning for data center needs</td>
<td>Currently Mercado Libre does not have data centers.</td>
</tr>
</tbody>
</table>

**SOCIAL CAPITAL: DATA PRIVACY & ADVERTISING STANDARDS**

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<tr>
<td>CG-EC-220a.1</td>
<td>Number of users whose information is used for secondary purposes</td>
<td>37</td>
</tr>
<tr>
<td>CG-EC-220a.2</td>
<td>Description of policies and practices relating to behavioral advertising and user privacy</td>
<td>36-37, 39</td>
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**SOCIAL CAPITAL: DATA SECURITY**

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<td>CG-EC-230a.1</td>
<td>Description of approach to identifying and addressing data security risks</td>
<td>36-37</td>
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<td>CG-EC-230a.2</td>
<td>Number of data breaches</td>
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**HUMAN CAPITAL: EMPLOYEE RECRUITMENT, INCLUSION & PERFORMANCE**

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<th>ANSWER</th>
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</thead>
<tbody>
<tr>
<td>CG-EC-330a.1</td>
<td>Employee engagement as a percentage</td>
<td>92% favorability in the 2020 GPTW survey. 89% of people who work at MELI answered the survey.</td>
</tr>
<tr>
<td>CG-EC-330a.2</td>
<td>Turnover rate for all employees</td>
<td>45</td>
</tr>
<tr>
<td>CG-EC-330a.3</td>
<td>Diversity</td>
<td>Collaborators by racial/ethnic group and job type</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Management</th>
<th>ARGENTINA</th>
<th>BRAZIL</th>
<th>CHILE</th>
<th>COLOMBIA</th>
<th>MEXICO</th>
<th>PERU</th>
<th>URUGUAY</th>
<th>VENEZUELA</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>-</td>
<td>537</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Black or African American</td>
<td>-</td>
<td>561</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others (Asian, Anglo-Saxon, etc.)</td>
<td>-</td>
<td>348</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Technical staff</td>
<td>Hispanic</td>
<td>-</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Black or African American</td>
<td>-</td>
<td>348</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others (Asian, Anglo-Saxon, etc.)</td>
<td>-</td>
<td>348</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| All other collaborations | Hispanic | - | - | - | - | - | - | - | - |
| Black or African American | - | 179 | - | - | - | - | - | - | - |
| Others (Asian, Anglo-Saxon, etc.) | - | 348 | - | - | - | - | - | - | - |

| CG-EC-330a.4 | Percentage of technical employees who are H-1B visa holders | Not applicable. |

**BUSINESS MODEL AND INNOVATION: PRODUCT PACKAGING & DISTRIBUTION**

<table>
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<tbody>
<tr>
<td>CG-EC-410a.1</td>
<td>Total greenhouse gas (GHG) footprint of product shipments</td>
<td>77</td>
</tr>
<tr>
<td>CG-EC-410a.2</td>
<td>Discussion of strategies to reduce the environmental impact of product delivery</td>
<td>73</td>
</tr>
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</table>

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