



MAREX

ESG REPORT 2020

**Cultivating change in the
commodities markets for
a more sustainable future**





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Section 1

FOREWORD FROM THE CHAIR

Welcome to the publication of our first Environmental, Social and Governance (ESG) Report. As a leading tech-enabled liquidity provider in global energy, commodities and financial markets, I am pleased that we continue to position our organisation as one that can help address global environmental and social challenges, whilst delivering strong commercial returns.

This report highlights the firm's approach to ESG issues and sets out our commitment to improve the environments in which our clients, employees, their communities and those with whom we interact live and work.

I write this reflecting on the global outbreak of the Coronavirus (COVID-19) that has impacted all of us to varying extents in 2020. However, the global pandemic has also shown how adaptable and flexible businesses and societies can be when faced with unprecedented change. During this time Marex, like many others, has responded decisively to protect our clients and staff, while preserving the financial position of the Group and continuing to offer excellence to our clients.

A positive from the COVID-19 upheaval is a heightened focus on the ESG challenges facing our global business. During 2020, the Group approved new ESG and Environmental Policies that set out our position and plans for these areas. We are now

adapting and evolving specific actions through our internal processes, product offering, and employee and client interactions, to create measurable ESG impacts.

As a successful and important leader in the global commodities industry, Marex is in a prime position to deliver a positive ESG impact in our market. We are part of driving a positive global transition; one that is supporting capacity building in clean energy, improving farmers' livelihoods and driving circular business models that capitalise on good environmental and social practices. Our sponsorship of the multi-year 'Oxford Programme on the Sustainable Future of Capital-Intensive Industries' is one example where we are helping accelerate this transition for carbon intensive industries, including the role derivative markets and technology can play.

I am pleased to see the firm at the forefront of the transition of some of the commodities markets we are involved in as they move towards greener alternatives. We appreciate that this is a journey that needs to be made over time but are proud to be catalysts of the change. As part of this journey we recognise that we have an important role to play as an influencer, working with a number of organisations and industry bodies to facilitate change in the markets in which we operate. Acknowledging this and understanding that material change is not going to happen overnight, helps us to incorporate ESG more effectively into the firm – into both decision making and relevant products and services. For example, we are finding ways to adapt our Solutions business to offer more research on renewable and circular commodities, scaling Renewable Energy Certificates, commercialising recycled metals and our use of Earth-1's satellite technology which can support rural resilience and fairer, more environmentally friendly supply chains.

In my role as Chair of Marex, I am passionate about our employees' development and growing awareness of what ESG issues mean to them. Our response to this needs to continue to be in shaping firm-wide initiatives that can help reduce any silos across the firm and the markets in which we operate. Our ESG programmes will be ones that all employees can support to further encourage the cross pollination of ideas and knowledge; generating large positive impact for our firm.

Our staff have, once again, this year supported many local charities and initiatives. We are proud of this activity, especially in a year when COVID-19 has limited much of the usual fundraising. I would like to thank and commend all those who have so generously given their time and energy.

Diversity and inclusion remain high priority topics to tackle in our sector, and we are taking targeted action to improve inclusivity, particularly at more senior levels. As we build a world class organisation, we recognise the importance of making Marex a place where the most talented individuals, regardless of gender, ethnicity, culture or sexual orientation want to build their career.

Governance has always been important to the firm and we have a strong Board. During the year the Board received internal and external effectiveness reviews and will persist in strengthening areas that have been identified for improvement, such as diversity. We will continue to respond to the demands of the various regulators and to improve the controls of our newly acquired businesses. Our Internal Audit function continues to provide an invaluable third line of defence. However, we are not complacent and are continually seeking ways to augment our governance structure that will lead to better and more effective decision making.

I am pleased that the publication of this report will showcase our commitment to and innovation in ESG. We will continue to promote diversity, inclusivity, environmental responsibility and other ESG topics as we all continue to transition to a more sustainable future. I am proud of the role that Marex has started, and will continue to play, and I will personally champion these important issues with the board.



Carla Stent
Non-Executive Chair
of the Group Board

➤ **We appreciate that this is a journey that needs to be made over time but are proud to be catalysts of the change**

ABOUT MAREX

Marex is an essential technology-enabled liquidity hub, connecting clients to global energy, metals, agricultural and financial markets.

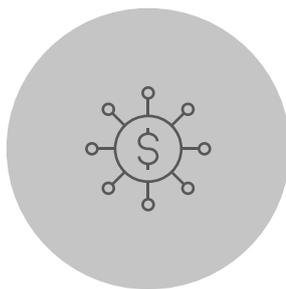
The firm provides comprehensive breadth and depth of coverage across four core services: Market Making, Commercial Hedging (both on exchange execution and clearing, and OTC derivatives), Price Discovery and Data & Advisory. It has a dominant franchise in many major Metals, Energy and Agricultural products, executing around 35 million trades and clearing over 175 million contracts in 2020. The firm provides access to every major commodity market in the world, covering a broad range of clients that include the largest commodity producers, consumers and traders, banks, hedge funds and asset managers.

Our four core services:



1

MARKET MAKING



2

COMMERCIAL
HEDGING

(both on exchange execution and clearing, and OTC derivatives);



3

PRICE DISCOVERY



4

DATA & ADVISORY

➤ **Marex executed:**

35M 
trades

and cleared over:

175M 
contracts in 2020

The Group was formed in 2005 but traces its roots in the commodity markets back almost 100 years. Headquartered in London with 19 offices worldwide, the group has nearly 1,000 employees across Europe, Asia and America. For more information visit marex.com

While many of our operations are in traditional energy, metal and agriculture markets, including fossil fuels, we are expanding our ESG market focus in renewable energy, fairer agriculture and circular economy sectors. We are one of the oldest and largest brokers of US Renewable Energy Certificates and biofuels and we offer consultancy services to help clients navigate the rapidly changing green products marketplace. In the metals market, we have acquired recycled metal specialists and we are also supporting technological innovations such as Earth-i which can support farmers in developing stronger livelihoods and rural resilience.

Marex in brief

Established 2005

Headquartered in London

Over 1,000 employees

19 offices worldwide

Transacting in over 50 Compliance and Voluntary North American REC and Carbon Offset Markets

6 market professionals transacting environmental markets

32% of senior hires were female

MESSAGE FROM CEO

I am extremely pleased to be publishing our first ESG report. As a firm we have advanced our thinking on how, as a business, we support our staff, the environment and our communities. As such, I feel we are at a point in our ESG maturity where we can produce a meaningful report.

Building on a strong culture of respect, integrity and adaptability, we have evolved our internal processes to manage ESG issues, and support our clients' sustainability goals. The progress we have made, the commitment our teams have shown and the ways we have innovated all demonstrate that ESG improvement will never just be a box ticking exercise at Marex, but will position us to make a real difference in the world.

Navigating the COVID-19 global pandemic has highlighted for me how critical having a diverse, engaged and motivated staff is to our success, and I am proud of how we have performed during this challenging time. The high level of staff engagement, and the rapid rollout of WFH technology has enabled our talented staff to feel supported and productive. We have demonstrated our strength as an essential technology liquidity hub, able to operate effectively even if working remotely, in our 19 global offices.

ESG is both a critically important part of our Firm culture and a real opportunity for growth with our clients. Our internal ESG agenda includes getting our own house in order. Over the past year, we have developed our ESG policy, have developed a plan to be carbon neutral by 2022 and have built on our record of inclusivity in hiring skilled individuals from diverse backgrounds.

I am impressed with the creativity and ambition our businesses have brought to innovating ESG products for our clients. While there are many examples to choose from, the Mangrove Swamp initiative perhaps best captures how we have approached this.

At the centre of the project is a collaboration with the Smith School of Enterprise and the Environment, Oxford University (where we sponsor a research program on Environmental Sustainability), to support the launch of a spin-out entity, OxCarbon, to offer commercial services in the carbon offset market. This is a component of a broader initiative to create an innovative way to lower the cost of verifying carbon credits using satellite data and AI, with OxCarbon publishing the information about the credit to ensure transparency. Marex provided the connectivity between the satellite data provider, the analytics component and OxCarbon. Marex will seed a number of projects to create carbon credits by maintaining or adding new mangrove swamps in South East Asia through the support of Global Mangrove Trust, a Singapore-based NGO. Advanced AI/ML-techniques to estimate carbon sequestration from high-resolution satellite data will be validated through the scrutiny of the academic peer-review community, facilitated by OxCarbon. This is part of our ambition to become carbon neutral by 2022.

Looking forward, we will continue to ensure that ESG is at the heart of our firm. We are committed to innovating on ESG for the long-term benefit of all our clients, colleagues and society.



Ian Lowitt
CEO



ESG is both a critically important part of our Firm culture and a real opportunity for growth with our clients



Section 2

OUR ESG POSITIVE APPROACH

Marex is committed to serving its clients, communities and investors by being a responsible commodities business. With a focus on ownership, partnership and stewardship, we endeavour to leave our business and communities in a more positive shape than we find them.

This inspires our purpose to cultivate positive change in the commodities markets for a more sustainable future.

We recognise that to help our clients, communities and investors look to the future with confidence, we need to take a long-term view on a wide range of ESG issues that affect our firm and the communities in which we operate.

In the coming decades, we will see a global transition of industries and economies to net-zero carbon. Our objective is to support clients through this transition and support them to decarbonise and enhance societies through their business.



Our Purpose

Cultivating positive change in the commodities markets for a more sustainable future



Cultural values

At Marex, we understand the importance of having a strong set of cultural values. A successful firm needs to be underpinned by such values, which are understood by all and embedded into the fabric of the firm.



Respect

Clients are at the heart of our business, with superior execution and superb client service the foundation of the firm. We respect our clients and always treat them fairly.



Developing our people

Our people are the basis of our competitive advantage. We look to “grow our own” and make Marex the place ambitious, hardworking, talented people choose to build their careers.



Integrity

Doing business the right way is the only way. We hold ourselves to a high ethical standard in everything we do – our clients expect this and we demand it of ourselves.



Adaptable and nimble

Our size and flexibility is an advantage. We are big enough to support our client’s various needs, and adaptable and nimble enough to respond quickly to changing conditions or requirements. A non-bureaucratic, but well controlled environment fosters initiative as well as employee satisfaction.



Collaborative

We work in teams – open and direct communication and the willingness to work hard and collaboratively are the basis for effective team work. Working well with others is necessary for us to succeed at what we do.

ESG Policy

In 2020 we developed a new group ESG policy and a new Environmental policy. These policies set out our vision for integrating ESG into our business. We commit to reviewing and updating these policies regularly and report on our ESG progress annually.

Our ESG policy focuses on the impact of our actions on clients, employees and communities and our focus on responsible trading, business integrity, and the use of technology to promote sustainability and protect the environment. It commits us to high ethical standards, proactive dialogue with our stakeholders, safe and fair treatment of employees, and the sustainable use of natural resources. We also recognise the need to seek a 'just transition' for workers and communities in response to climate change.

When managing our environmental impacts, our Environment Policy sets out our two focus areas: responsible trading and our own operational impacts.

At Marex, we are enabling the transition to an environmentally sustainable and low carbon economy. This includes supporting initiatives across the broader commodities sector and collaborating with others to deliver a more sustainable future. Working in both traditional and green industries, and facilitating and innovating in these markets, we are ideally placed to work beyond market silos. We are making a fundamental difference to the sustainability of commodity markets and support the decarbonisation of the economy.

We also recognise that we need to minimise the direct impacts of our business on the environment and manage the operational impacts of our offices including travel, IT, energy, and our office consumables supply chain.

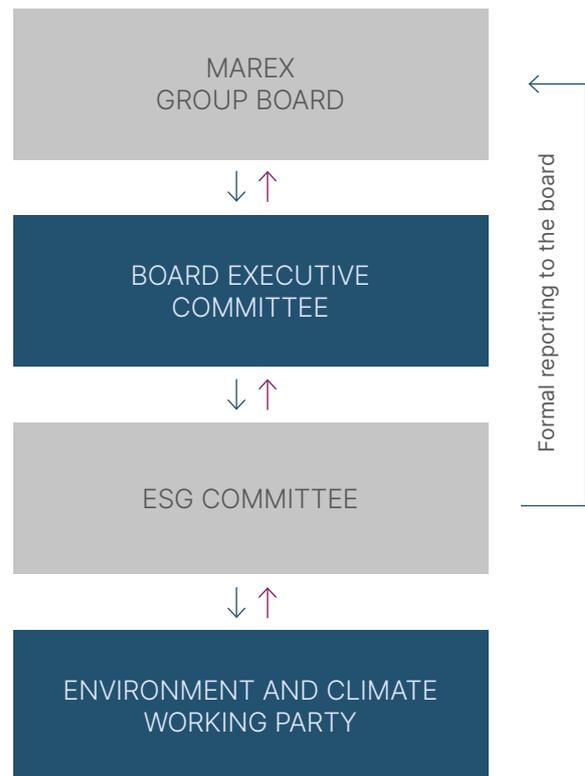
ESG Governance

The Group Board has overall responsibility for the ESG performance of the group, with day-to-day responsibility delegated to the Board Executive Committee.

The Board Executive Committee has created a dedicated ESG Committee, which is chaired by Paolo Tonucci, Chief Financial Officer and comprises representation from across the Group, including Business Heads, the Head of Operations, the HR Director and the Head of Marketing and Communications.

When assessing ESG performance, the ESG Committee will be informed by relevant global initiatives and best practice, such as the Taskforce on Climate related Financial Disclosures, UN Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organisation and the IFC Performance Standards.

We are aware that the measurements of impact that firms are having in ESG is currently being debated. Whilst it is our objective to create transparency in global carbon credits and to be fully accountable for the impact our firm has on the planet, we will continue to work with ESG specialists to reflect best practice in tracking the positive contribution that we are making within our marketplace.



ESG Governance at Marex



At Marex, we are enabling the transition to an environmentally sustainable and low carbon economy

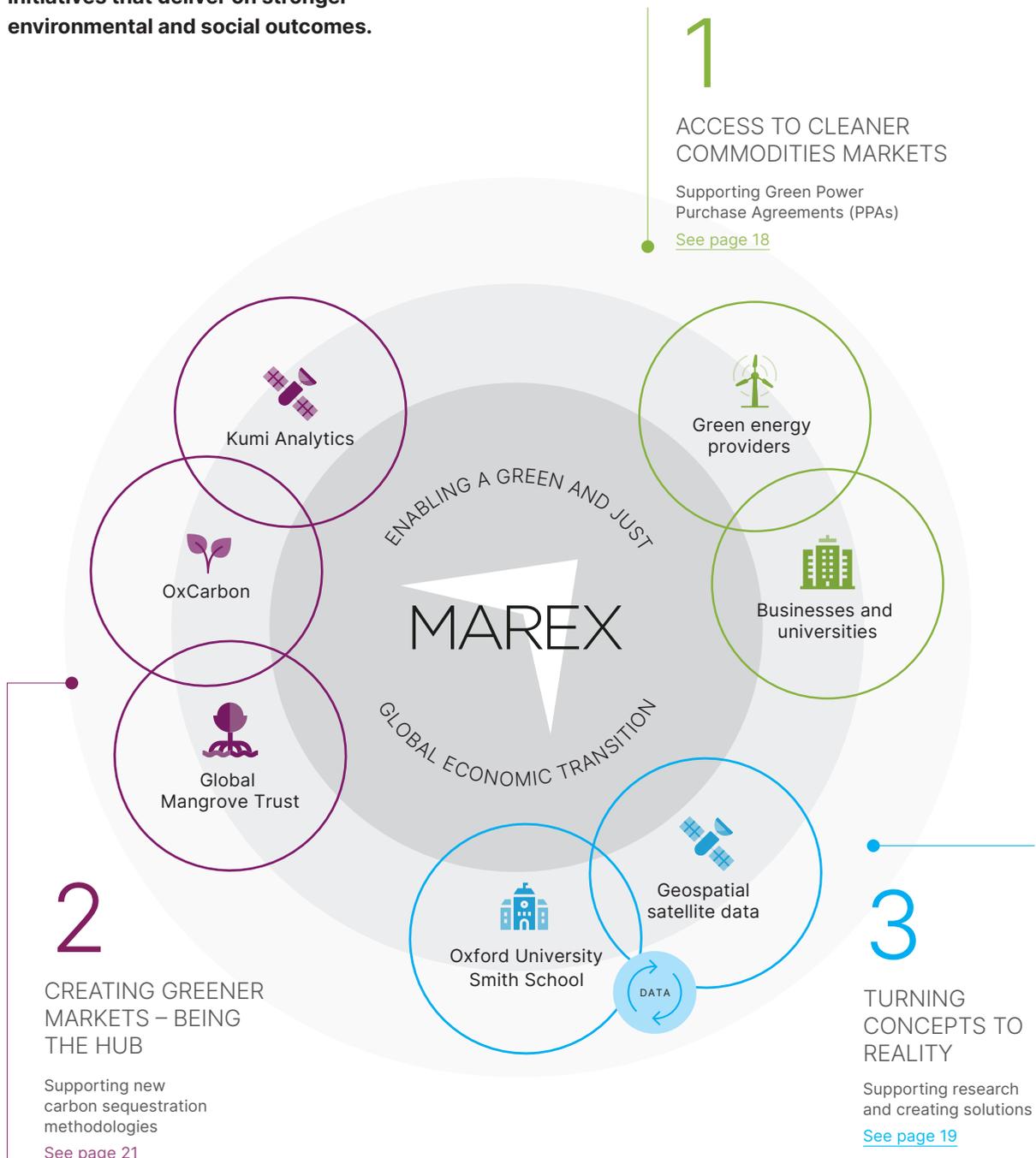


As a successful and important leader in the global commodities industry, Marex is in a prime position to deliver a positive ESG impact in our market

ESG Positive in Practice at Marex

Building on a strong platform of ESG policy and governance set in place during 2020, we have been developing collaborations focused on ESG. This is based on the belief that Marex can help deliver on a green and just transition across our core traded commodities.

The following specific project examples highlight a snapshot of our ESG positive initiatives that deliver on stronger environmental and social outcomes.



Section 3

ESG IN ACTION

We are an essential tech-enabled liquidity hub connecting clients to global energy, commodity and financial markets. Given our experienced position in the global commodities sector, we strongly believe that we have a role to play in promoting global environmental and social change, creating connections to build a more sustainable future. This builds on our reputation for innovation and thought leadership across the commodity industry.

- ▶ **We recognise that we have an important role to play as an influencer, working with a number of organisations and industry bodies to facilitate change in the markets in which we operate**



The most impactful way we can support a green and just transition is in our business practices. Marex products enable consumers and producers to optimise consumption and achieve efficiencies.



We want to make change happen; leveraging our strengths to connect different parts of the economy. We can connect key players and act as a change intermediary, from the growers and energy generators to the manufacturers, corporations, and institutions. By facilitating connections, we can help to build new, lower impact, cleaner markets and harness our expertise to create a low carbon economy.

One key example where we are playing our part is in the energy market. This is set to decarbonise over the coming decades and many businesses and economies have set net-zero carbon ambitions. This is a challenge to business as usual, but one that opens up new opportunities and markets, while building a brighter future. We are committed to supporting our clients through the transition to net-zero; accelerating the shift in the market and in our clients' organisations and adapting to new environmental regulations.

We also recognise the value ESG plays in assessing risk both in our business and beyond. We are increasingly incorporating ESG risks in client decision making, which supports financial risk management processes in our business.



➤ **We are committed to supporting our clients through the transition to net-zero; accelerating the shift in the market and in our clients' organisations and adapting to new environmental regulations**

The green and just transition to environmental markets

The most impactful way we can support a green and just transition is in our business practices. Marex products enable consumers and producers to optimise consumption and achieve efficiencies. We want this element of our business to grow considerably over the next decade as we help more of our clients move to more sustainable commodities, whether it is carbon credits; renewable power; biofuels; lower carbon, recycled metals; or low impact agricultural products that support the environment and local communities.

We are fully committed to decarbonising economies. Our activity in developing Power Purchase Agreements (PPAs), Renewable Energy Certificates (RECs), and European Carbon Allowances (ECA) is well established, and we are now committed to supporting our clients through the low carbon transition. Technology will be a key enabler of the low-carbon transition, and our industry is no exception. As a technology-enabled company, we will be looking at innovative ways to integrate technology to help accelerate this essential transition. We also recognise that an industry-wide shift is needed, so are contributing to the dialogue through trade organisations such as FIA.

We are also actively engaging clients in these areas. In 2020, we hosted webinars which covered key ESG topics for the firm and our clients. Webinars included the growing importance of the environment in managing funds and making investment decisions, and business development and corporate strategy for alternative investment managers.

Supporting renewable energy solutions

We are setting ourselves apart from others in our industry by negotiating large scale renewable Power Purchase Agreements (PPAs) that we cover for our clients. PPAs are a key driver of renewable capacity, providing certainty and a route to market for the energy generator, and competitively priced renewable energy for the client. In July 2020, global corporate PPA volumes reached 8.9GW, demonstrating the appetite for these arrangements in the market. The draw for clients is a solution which satisfies their ESG commitments while providing long-term price certainty. On a macro-economic level, the PPAs we broker provide a key building block for a low carbon economy.

Low carbon metals

In the metals market, our partnerships with Kumi Analytics and Earth-i are helping monitor and reduce pollution impacts from smelter operations. Kumi Analytics and Earth-i provide remote and satellite monitoring of industrial and agricultural sites, to understand economic activities, predict production and monitor environmental impacts. This data also helps our partners at the University of Oxford Smith School of Enterprise and Environment understand the impact of the smelters so they can identify future low impact solutions.

We are also making acquisitions in the recycled metals space, supporting the circular economy by providing metals such as recycled copper which have a lower carbon impact than virgin copper to the market. As well as expanding our offering in sustainable commodity sectors, we firmly believe that the recycled metals markets are poised for growth as environmental sustainability becomes increasingly important to clients.

This partnering approach is key to all we do, leveraging the skills and expertise of others and connecting the dots to help deliver lower carbon commodities.

ESG Positive with The Smith School of Enterprise and the Environment at Oxford University

In October 2019, we announced our founding sponsorship of a multi-year Research Program at the Smith School of Enterprise and the Environment at the University of Oxford. The 'Oxford Programme on the Sustainable Future of Capital-Intensive Industries' will support the transition of capital-intensive industries to environmental sustainability, which includes the role of derivative markets and technology.

The net-zero greenhouse gas challenge

With traded commodities at the heart of the global economy and the associated environmental challenges, this is a uniquely valuable programme. Investments in capital-intensive projects accounts for nearly one-quarter of global welfare: with over US\$20 trillion invested in 2018 in new mines, energy or transport megaprojects, and the construction of buildings and city-blocks.

While significant negative environmental impacts can be associated with these projects there remains a necessity to drive a net-zero greenhouse gas transition in these projects.

Generating innovative, insightful datasets

Data is key to understanding these challenges. As well as financial support, we are also working with our partners to provide The Smith School of Enterprise and the Environment with extensive raw data including high definition satellite images and geospatial intelligence.

Combined with other data sources, The Smith School of Enterprise and the Environment is using this information to understand how capital-intensive industries can alleviate today's global environmental challenges. This includes using remote sensing technologies to benchmark capital-intensive assets such as copper smelting facilities, or to predict catastrophes such as the collapse of tailings dams at mining sites.

Our research and enterprise joint ventures will support concrete, evidence-based recommendations to improve management practice and policymaking in global commodity markets.



We are helping fund The Global Mangrove Trust to bridge the gap between setting up carbon sequestration projects and being ready to sell the carbon offsets

Our role

Marex's involvement in this project goes far beyond the financial backing, with active involvement from members of the firm who provide expertise and data across commodity, environmental and derivatives markets. We are also supporting with processing large datasets, with big-data analysis – a core skill in our Marex research group.

Our expertise and involvement will make a genuine difference. The search for new technologies, the impact of global environmental policy and the facilitating role of derivatives markets are all key components to meeting these environmental challenges.

This confluence of technology, environment, enterprise and enhancing human rights offers an exciting opportunity for Marex to reimagine the world's commodity needs and usher in a more sustainable and circular future.

Game-changing carbon sequestration

Climate change is one of the fundamental challenges for humanity to solve in the next decade. Recognising their responsibility to respond to the climate crisis, businesses, organisations and governments have set challenging carbon reduction targets, which increasingly include carbon neutral aspirations. While energy reductions and renewables are key first steps, some of these reductions need to be generated from carbon offsetting and sequestration. However, current carbon offset schemes can be slow, with onerous verification processes and prohibitively high costs.

To make this transition to a net-zero future and meet the potential demand in the market, we believe carbon sequestration projects and offsets need to be scaled more quickly and be more cost effective to allow the investment to flow into these essential projects.

Working with The Global Mangrove Trust in Indonesia, Kumi Analytics and The Smith School of Enterprise and Environment, we are developing a sequestration methodology that relies on remote verification. This makes verification quick, accurate, transparent and real time, while machine learning will make the process more accurate and robust for the market over time.

The verification data will be collected by Kumi Analytics via satellite. We will hand data to The Smith School of Environment and Enterprise who will host it and validate it through a separate commercial entity. As well as hosting this information The Smith School of Enterprise and Environment will use the data in their research and make it available for others to use. This transparency in approach will build client trust and faster liquidity in this methodology.

We are confident of the appetite in the market for these products, so we are funding The Global Mangrove Trust for two years, and supporting them to access debt finance to bridge the gap between setting up carbon sequestration projects and being ready to sell the carbon offsets.

Trees are extremely efficient at carbon sequestration, converting carbon dioxide into plant matter, and holding this material for the life of the tree. Mangroves absorb more carbon than any other tree, sequestering it at a rate two to four times greater than mature tropical forests¹. They offer other environmental benefits too, preventing erosion, filtering sea water and supporting a wide variety of marine and terrestrial life.



➤ **To make this transition to a net-zero future and meet the potential demand in the market, we believe carbon sequestration projects and offsets need to be scaled more quickly and be more cost effective to allow the investment to flow into these essential projects.**

¹ Fatoyinbo T, Feliciano E., Lagomasiano D, Lee S K, Trettin C (2017) Estimating Mangrove Above ground Biomass from Airborne Lidar Data: A Case Study from the Zambezi River Delta

Section 4

ESG AT MAREX

At Marex, we feel that our biggest impact on ESG positive outcomes is through the services we offer. However, we are mindful it is not enough just to look at the positive impact we have in our markets. We also take great pride in being a good corporate citizen, which for Marex means continually taking responsibility for the direct impacts of our business.

We manage four main ESG impact areas within our Marex operations:

- 1 Ensuring we have robust governance structures and the highest standards of ethical conduct in place;
- 2 Investing and supporting our people;
- 3 Reducing our environmental footprint; and
- 4 Engaging our local communities.

Governance

A strong set of cultural values underpin our business activities. This culture of respect, integrity, collaboration, development, and adaptability are embedded into the fabric of the firm.

At Marex, we are committed to abiding by the spirit and the letter of all regulation and legislation that applies to us and our clients across every market that we operate in. We transact in a heavily regulated industry and aim to be transparent in our ethical approach. We publish our response to various legislative and voluntary initiatives on our website including our commitments to the UK Criminal Finances Act 2017; anti-bribery and corruption; the FX global code; and the global precious metals code. Our Conflict of Interests policy sets out our mitigation and management procedures to minimize conflicts and potential conflicts of interest and, if conflicts do arise, to manage them fairly and in the best legitimate interest of our clients. This includes principles of conduct, conflicts register, information barriers and other supporting structures.

Tax

We recognise taxation as a consequence of doing profitable business in a jurisdiction. In the spirit of transparency, [our tax policy](#) is available on our website. It aims to set out our approach in complying with the rules and regulations in the jurisdictions where we operate, whilst mitigating future tax risks in a timely and efficient way.

Whilst we may take advantage of legitimate business allowances and reliefs available in each jurisdiction, we also believe that, as a good corporate citizen, paying our fair share of tax is an important social responsibility.



Supply chain management

As we take great pride in being a positive corporate citizen, we also expect high standards from our suppliers. [Our Supplier Code of Conduct](#) is inherent in all our supplier contracts. The code lays out our expected ESG standards including condemning bribery and corruption, strong action on modern slavery, forced and child labour, good working conditions and pay standards, data protection and diversity.

Cybersecurity and data protection

Cybersecurity, confidentiality and data protection are of critical importance to us and our clients. We are creating solutions that transform the way we do business, making it quicker, easier, and more effective. However, these opportunities bring risks, not solely in the technology but in the people and processes around them. We continually track cyber threats and maintain active links with peer associations and government agencies to keep abreast of best practice, regulations and to gain timely access to cyber threat intelligence.

Our people

We are a people business. It is their knowledge, insight and expertise that our clients value. Developing our people is a key strategic priority for us and we work hard to make sure our people feel valued and appreciated.

The global outbreak of Coronavirus (COVID-19) has seen the business respond decisively to protect clients and staff, as well as preserving the financial position of the Group. To monitor both our employees' well-being while working from home and any additional support they required, we conducted a staff survey mid-year in June 2020.

The results were positive with nearly three-quarters (74%) of employees responding and, for the most part, confirming they feel confident that they can work from home effectively and that their productivity is being maintained, albeit they missed interactions with colleagues. We reassured our staff who reported increased anxiety and stress, and communicated advice for travel and office safety for those concerned. We will build this staff survey feedback into our plans as offices fully re-open, in particular ensuring safety and cleaning protocols are clear and robust, and we will continue to identify ways to support our people to the end, and on the other side of, the Coronavirus pandemic.

We also ran our annual employee engagement survey in July to identify areas where we can improve our environment, processes and working practices to make Marex an exceptional place to work. Individual business areas have created action plans to address the topics raised and will continue to monitor employees' satisfaction and engagement.

Our employees' comments really do create change in our business. Following the 2019 survey, we made improvements to office environments; hired a dedicated HR professional to drive a firmwide global learning and development programme; increased the number of townhall meetings to improve communications; and made inroads in improving diversity through some important new hires. As a result employee feedback in these areas broadly increased in 2020.

Diversity and inclusion

We believe that creating inclusivity in a workplace helps us attract the most talented people – regardless of gender, race, culture, or sexual orientation. A diverse employee base brings with it new perspectives and ideas which are the life blood of innovation to a firm like Marex.

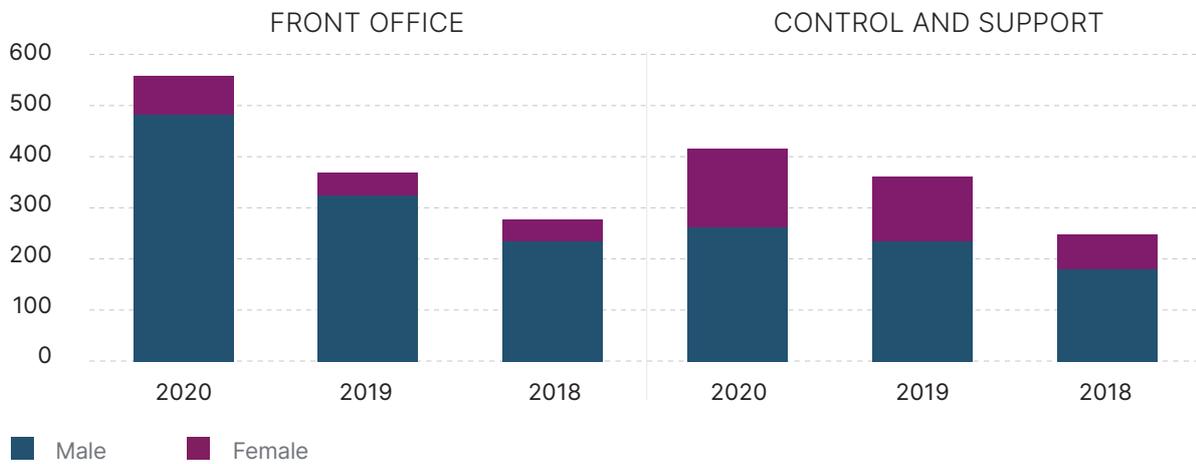
We are committed to equal pay and monitor employee diversity including publishing a gender pay gap report for our UK business. We continue to review pay across the businesses to maintain parity between roles of the same grade. Where we do see a pay gap it is due to the uneven distribution of men and women in our business, which remains an industry wide challenge. We are taking concerted action to address this, and in 2019 we appointed our female chair Carla Stent, who is passionate about spearheading diversity and inclusivity.

We see recruitment and investing in existing female talent as key to creating a more equal company. We have changed the hiring process to monitor diversity including introducing 50/50 recruitment long lists where possible. To advance this, we aim to move to 50/50 candidate short lists in 2021 and ensure we have at least one viable female candidate for vacancies within our support and control functions and in our front office. This is being supported by work to broaden the reach in how we recruit. We are also supporting activities to demystify the industry to attract more female applicants including working closely with other companies in the industry and the London Metal Exchange.

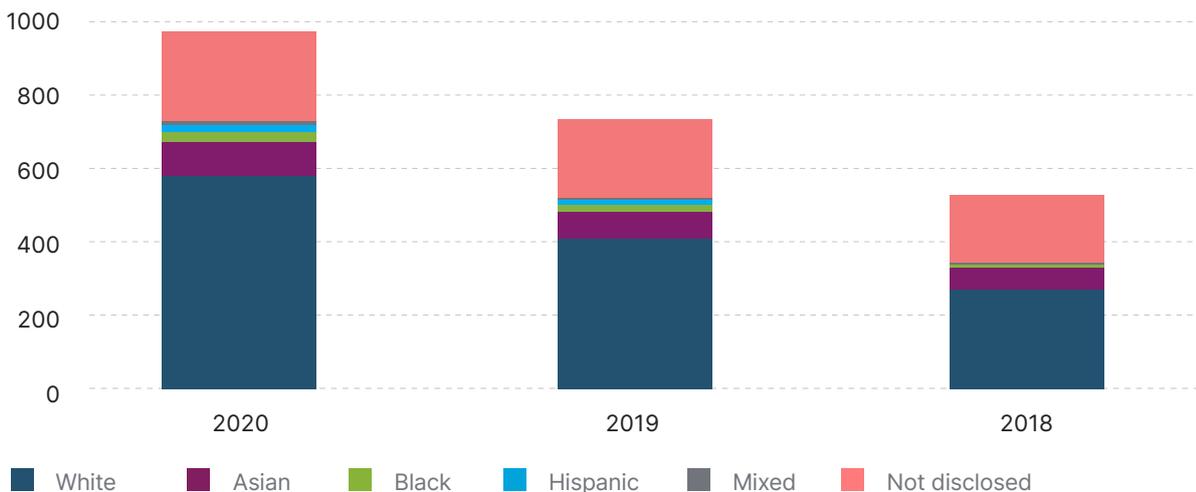
To retain our existing talented female employees, we are working to include them in succession planning and encouraging them to apply for internal senior leadership positions. We are also creating a more flexible working culture, for example we have improved our maternity and paternity policy in response to employee feedback. We are committed to enhancing the workplace culture and promote employee wellbeing to support all aspects of diversity.

While gender equality is a key issue in our industry, the Black Lives Matter movement has pushed to centre stage the systematic racism experience by people of colour across the globe. It has highlighted the need to address the challenge, actively engage in the discussion and reflect on what more we should do to eradicate racism and create a diverse and inclusive workplace.

Gender split by function



Ethnicity



Initially we funded employees purchase of key books² on the topic through the expenses system to build awareness and understanding of this vital issue. We have since held our first race and ethnicity awareness session. This voluntary, moderator-led session was open to all employees and explored race, culture and ethnicity in the workplace. The content was led by the questions of participants and covered topics including overcoming our fears, understanding privilege and identifying systemic racism.

Our employees want to do the right thing and support our effort to build a more diverse workforce. In order to enhance the capability and understanding of our

line managers, we have provided conscious inclusion training. We have made diversity training available to all employees on our e-learning platform and it will be included as part of mandatory line manager training, so that they are equipped to support and develop a diverse and flexible workforce.

It is key that we raise awareness of these issues and are seen to be prioritising them, so we are developing targeted communications on diversity. In 2020 this included various communications and a fundraising for International Women's Day and company-wide communications detailing our response to support for the Black Lives Matter movement.

² Why I'm no longer talking to white people about race by Reni Eddo-Lodge and White Fragility by Robin DiAngelo



As we support a global adjustment to a green transition in our energy markets, we want to reflect those behaviours in our business

Environmental impact

Our direct environmental impacts are predominantly in the energy used to heat, cool and power our offices and data centres, business travel, and waste, especially paper. We are committed to monitor and review our environmental performance in these areas in line with our environmental policy.

Carbon footprint

As we support a global adjustment to a green transition in our energy markets, we want to reflect those behaviours in our business. To underpin this ambition we will focus on achieving carbon neutrality by 2022.

To support this journey, we are one of the first organisations to adopt [The Oxford Principles for Net Zero Aligned Carbon Offsetting](#), which were published in September 2020. The principles set out best practice approaches to carbon offsetting and sequestration. As well as adopting these principles to support our business, they will also be built into our carbon emissions offset venture which we are currently developing in partnership with OxCarbon (a University of Oxford spin-out), Kumi Analytics and The Global Mangrove Trust.

As part of our carbon ambitions, we will of course look to this project to enhance our climate goals, while also providing additional liquidity to the venture. We are also committed to looking at reducing energy, how we will procure renewable energy and changing travel necessity, making investments and changing policies as needed.



➤ **Marex will focus on achieving carbon neutrality by 2022**

Energy

We have made progress to improve energy efficiency across our portfolio, which includes beginning to implement the recommendations from the UK Energy Savings Opportunities Scheme (ESOS) Report at our London Head office. Proposed upgrades include installing a demand control ventilation system, modifying chilled water pumps, upgrading to LED lighting, and installing submetering. While these initiatives require an initial capital investment, we have identified they should pay for themselves in less than two years. We are also looking at improving energy saving software solutions that will bridge the behaviour change gap in energy reduction by switching off unused IT equipment outside office hours.

With the COVID-19 pandemic, 2020 saw energy demand in our offices reduce as lockdowns took place across our office portfolio. Whilst electricity consumption increased through the year alongside office attendance, overall, monthly electricity consumption remained approximately 30% less than in April 2019. In fact, with reduced energy usage and fewer commutes, we estimate a saving of over 1,000 tonnes of carbon to the global business in 2020.

We are yet to see how many of these new working practices will remain once the major risks of this pandemic have passed, but we are working to identify how we can carry the best of these carbon saving practices forward into 2021 and beyond.

New Tech Hub

During 2020 we consolidated and modernised our IT hardware footprint in offsite data centres and cloud environments. While boosting our resilience and energy efficiency this also allowed us to reclaim the data centre space at our London HQ for office use. This move directly responded to feedback in our employee survey, where employees said they would like to see the work environment improved.

The space has been transformed in a new 'Tech Hub' – a modern space set up for agile working, which will provide space for our cutting-edge technology team.

Waste

Use of paper for printing and disposal of electronic equipment are our focus areas to minimise our waste footprint and increase recycling.

We follow the principles of the waste hierarchy where reduction is always better than recycling. To prevent paper use, we are updating policies to reduce the need to physically print records. Our new managed print solution at our London Head office will also help to reduce paper use. Our provider's 'Follow-me-printing' improves security and prevents the wasted prints that lay uncollected. With this solution, printing defaults to black-and-white and double-sided, saving paper and ink. It will also allow us to allocate print costs to end-user departments to provide oversight and accountability for printing costs.

As Marex is a people business we procure a lot of IT equipment. At the end of its life, there is huge value in the materials in the electronics that needs to be recovered, re-used and/or recycled. We are ensuring this equipment does not go to waste by sending old PCs, laptops and monitors to specialist recyclers who ensure all data is destroyed and reuse or recycle valuable materials. Within day-to-day operations, we are reviewing how best to consolidate used IT recycling providers to increase reuse and recycling rates.

We have modest kitchen facilities across our global office portfolio but we are finding reusable alternatives to single use items. This reducing single use approach was developed in 2018, when we realised we were discarding hundreds of plastic water bottles each week at our London Head office alone. We now provide chilled water dispensers and reusable glasses and mugs and have made the switch to returnable milk bottles. To reduce the estimated 70,000 coffee pods we used to use each year, we have now moved to an alternative 'bean to cup' system with an ethical coffee supplier.

Travel

As with much of the financial services industry, local and global travel is normally an essential part of our business. With the travel restrictions related to the COVID-19 pandemic, we have had to re-think the way we do business and our business travel impact has reduced to almost nothing.

We already had plans to reduce business travel pre COVID-19 but changes in working practices necessitated by the pandemic have accelerated some of these initiatives, such as the use of Microsoft Teams and other digital collaboration tools.

Once the risks and restrictions related to the pandemic are eased, we will increase our justification reasons for travel to discourage unnecessary travel and premium travel which has a higher carbon impact. We will also calculate our travel related carbon footprint and identify and work on solutions to be more travel efficient.

In addition to this, we will continue to encourage lower carbon commutes such as cycling to work, which also provides health benefits for employees. We have nearly tripled the number of bike racks at our London Head office to support employees who want to enjoy a more active commute.

➤ **At Marex we will continue to encourage lower carbon commutes such as cycling to work, which also provides health benefits for employees**



Community

Our employees are dedicated and enthusiastic supporters of multiple charities. We look to support staff by matching the money they raise for a cause that they have passion about.

In 2019, a fund-raising day for one of our colleagues, run by our energy desks, raised an unbelievable \$1.5 million for a colleague's experimental cancer treatment in the US. Colleagues have also run marathons, taken part in gruelling cycling challenges and even completed a panto horse race, all for various charities, such as Motor Neurone Disease, American Cancer Society and Save the Rhino.

In the UK, we sadly lost one of our colleagues, Amanda Jacob, to cancer. Amanda's son James and stepson Alfie decided to raise money for Cancer Research by doing a 10km fancy dress walk around central London. Sadly, James lost his mother the day before the walk was planned, but they walked on and so far they have raised over £17,000 including £7,000 donated by Marex in James and Alfie's names.

In our recent acquisitions, XFA raised \$82,500 as part of Giving Tuesday. As part of this scheme they choose to donate a day's brokerage bills to different charities each year. The charities are chosen by their management team and employees and in 2020 included Watts of Love, St. Jude, and Mulliganeers.

It is not just about giving money. In December 2020 Marex undertook a firmwide blood drive in recognition of the need for blood stocks to be replenished due to the Coronavirus pandemic. Our employees in the US, Singapore, Hong Kong, Ireland and the UK donated blood to support local health care services.

Our communities programme also provides a great way to introduce young and disadvantaged people to the finance industry, who would not normally consider a career in financial services. We are committed to supporting this kind of activity to deliver on Marex's inclusivity agenda and our long-term diversity goals.

The Greenwood Project is one example that offers a summer programme which includes three weeks of academic instruction and seven weeks of real-world experience to academically talented students who live in under-resourced communities in Chicago. Rosenthal Collins Group, a Chicago-based part of Marex focused on futures brokerage, worked with Greenwood to develop a detailed work programme covering all facets of the professional world. They sponsored ten Scholars through the summer programme and hosted both high school and college students through the internship programme.



Section 5

LOOKING FORWARD

We have an ambitious goal over the next decade. We want to support a green and just transition in the commodities market. This is a massive undertaking, but given what is at stake, as well as the opportunities for us and our clients, we believe it is essential and worthwhile.

ESG is not a simple add on to our business, we are committed to making it core to what we do, offering green and just market-based solutions to the world's ecological and climate crisis. Innovating to find new opportunities to support our clients is at the heart of our business. Supporting them to reach their climate goals is the clear next step for us.

While we are already delivering on ESG positive commodities trading, we believe our flagship carbon sequestration programme with our partners at Oxford University, Kumi Analytics and The Global Mangrove Trust, will propel our business into a leadership position in this area. It is our goal to embed a mainstream, scalable, cost-effective carbon sequestration offering for our clients in 2021 as they grapple with the global transition to a net zero carbon future.

Our ESG Positive focus is not just centred on market-based solutions, we are also committed to improving our direct operational impact at Marex. This is driven by our ambition to become a carbon neutral business by 2022.

Utilising our own carbon sequestration innovation will be key to this, but as importantly we will be investing in energy efficiency and taking learnings

from the working changes we deployed during the COVID-19 pandemic. We want to maintain this progress over the long term.

We understand the need for strong data collection processes to support our carbon reduction and other ESG programmes and have begun to baseline these activities to support longer-term improvement. We will begin to report this information in our next ESG report.

Over 2021 we will begin implementing the recommendations of the Task force on Climate related Financial Disclosures (TCFD). This process will help us better understand and respond to the climate risks to our business and markets and report this in line with client and investor needs.

Creating an ESG positive impact relies on partnerships, whether through joint ventures, acquisitions or the suppliers and clients we work with. We will be developing ESG Positive screening tools in 2021 to help us identify further partnerships to build a more sustainable future.



➤ **It is our objective to create transparency in global carbon credits and to be fully accountable for the impact our firm has on the planet**

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