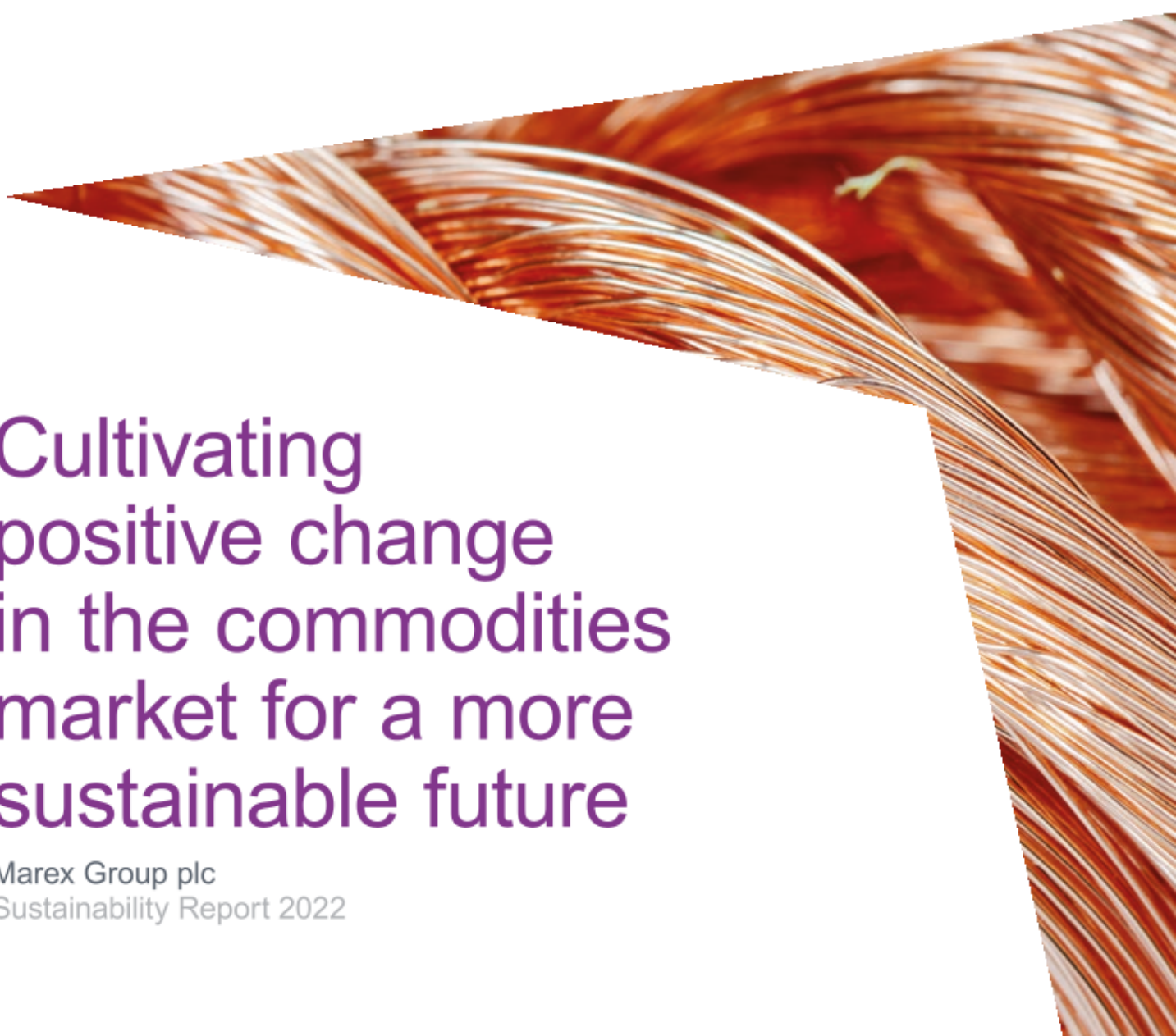




Cultivating positive change in the commodities market for a more sustainable future

Marex Group plc
Sustainability Report 2022



Marex is a diversified global financial services platform, committed to supporting the green transition towards sustainability. We provide comprehensive breadth and depth of coverage to our clients, providing global connectivity to 57 major exchanges and servicing more than 9,000 clients around the world.

Through our experienced position in the global commodities sector, our clients access the world's major commodity markets, including a broad range of environmental products comprising renewable energy, recycled metals, fairer agriculture and circular economy sectors. We are one of the oldest and largest brokers of US Renewable Energy Certificates and biofuels, and we also offer consultancy and data advisory services to help our clients navigate the rapidly changing green products marketplace.

Working in both traditional and green industries, and facilitating and innovating in these markets, we are ideally placed to work beyond market silos, make a fundamental difference to the sustainability of commodity markets and support the decarbonisation of the economy.

Headquartered in London with 29 offices in Europe, North America and Asia, Marex is a contributor to the UK and global economies, employing over 1,600 people.

This Sustainability Report for the year ended December 2022 provides enhanced disclosure of Marex's policies, practice and performance against its sustainability impacts and goals.

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Strategy in action

Throughout this report, Marex's sustainability policies, practice and performance are brought to life through strategy in action identified with the following icons:



This report should be read in conjunction with Marex's Annual Report 2022 which can be found online at marex.com

The year in numbers

**\$26m
revenue**

generated from
environmental products

**>50
environmental**

products globally

**45% YoY
reduction**

in UK carbon intensity ratio
(tCO₂e per FTE)

**2,305
hectares**

of forest land protected and
restored via our partnership
with the Global Mangrove Trust

3 dedicated

committees and steering groups
focused on Sustainability

**7.8 average
employee**

engagement score of 7.8 out of
10 (increased from 7.5 in 2021)

**\$235K
donated**

to global charitable causes

54 hours

of coaching contributed to
students from disadvantaged
backgrounds via our programme
with Future Frontiers

Foreword from the Chair

Welcome to the publication of our third annual Sustainability Report. Marex's strategic objective is to cultivate positive change in the commodities markets for a more sustainable future

We recognise that our impact goes beyond the statutory disclosures in our annual financial results, and this report is an opportunity to provide additional context and transparency on our approach to sustainability and our continued progress.

During a busy year for Marex, including the strategic acquisition of ED&F Man Capital Markets, and challenging geopolitical and macroeconomic backdrops, we maintained our focus on sustainability. I am proud of our achievements this year – in particular, in achieving our goal of becoming carbon neutral by the end of 2022. We were also delighted to be recognised as "Emissions House of the Year" at the Energy Risk Awards 2022.

Beyond our own operational footprint, we remain committed to delivering positive sustainability impact in our markets and helping our clients to navigate the green transition. Marex is now transacting in more than 50 environmental products and continues to support innovation in this area through our partnerships with the Global Mangrove Trust and the University of Oxford Smith School of Enterprise and Environment.

We continue to promote diversity, actively value differences, and want Marex to be an employer where the most talented individuals, regardless of gender, disability, ethnicity, culture or sexual orientation, want to build their career. As at the 2022 year end, our global workforce gender diversity



Carla Stent
Independent Non-Executive Chair

dropped from the previous year to just over 20%. This was due to major acquisitions made in the year which impacted overall representation. We continue our efforts to address this, both through our internal processes and by increasing awareness of opportunities more broadly to grow our talent pool.

Marex is committed to continually evolving its sustainability approach in line with best practice, global developments, and our growth. We recently conducted a thorough assessment of our sustainability efforts, taking stock of progress to date, and the results of this informed our refined People & Planet Plan, which sets out our key sustainability objectives and the underlying measures we will use to monitor our progress.

We are proud of what we have started, but remain acutely aware that there is much to do to address the multiplicity of issues that the world faces. We believe that our efforts are unlocking positive changes that will generate lasting outcomes in our markets.

I would like to thank our employees, shareholders and my Board colleagues for their ongoing commitment and hard work, as well as thanking our clients for their continued support. Looking forward, I am confident, not only of Marex's continued success, but of our positive response to sustainability and our ability to make meaningful impacts.

Carla Stent
Non-Executive Chair of the Group Board

Message from Chief Executive Officer

I am delighted to be publishing our third annual sustainability report, which demonstrates how, as a firm, we continue to apply our knowledge of global energy and commodity markets to contribute to addressing global environmental and social challenges

2022 was a fantastic year for Marex on many levels and I am proud of everything that we have achieved, including completing a strategic acquisition, significant revenue growth, and also the continued progress we have made towards our Sustainability agenda.

I was particularly thrilled that Marex was named "Emissions House of the Year" at the Energy Risk Awards 2022, recognising our efforts to go beyond normal expectations of a brokerage by supporting innovation in carbon sequestration through our partnership with Oxford University's Smith School of Enterprise and the Environment.

We are aware that the most impactful way we can support a green and just transition is in our business practices and the environmental offerings we provide to our clients. Marex products enable consumers and producers to optimise consumption and achieve efficiencies, and we continue to expand our environmental offering, which includes biofuels, recycled metals and a leading position in the US Renewable Energy Certificates market.

This year, we were delighted to renew our sponsorship of our innovative work with the Global Mangrove Trust and OxCarbon, to develop scalable, verifiable carbon offset methodologies using satellite technology, while preserving mangrove forests in South East Asia, which have a number of highly beneficial environmental and social impacts. The expected annual carbon

reduction from this project far exceeds Marex's operational footprint, demonstrating how, through commitment to innovation, we seek to maximise the impact that Marex can have.

Although our operational footprint is comparatively small, we continue to make good progress reviewing our own operations. We achieved our goal of becoming carbon neutral in 2022, and remain focused on minimising our operational emissions.

We continue to work to identify focus areas where we can do more to progress our sustainability agenda. To support this, our People & Planet plan sets out focused areas and metrics to support continued measurement and evolution of our sustainability approach, including increasing diversity and inclusion in our workforce and growing awareness of the commodities industry more broadly to support positive change.



Ian Lowitt
Chief Executive Officer

In a challenging year, the Marex platform remained resilient against periods of unprecedented volatility, and we were able to maintain a strong capital and liquidity position and support our clients through this period. Thanks go to all our staff, whose commitment, talent and tireless enthusiasm make these accomplishments possible.

I am excited about the opportunities ahead of us as we continue to strive towards our ambition to cultivate positive change in the commodities market for a more sustainable future.

Ian Lowitt
Chief Executive Officer

Approach to sustainability

Marex's ambition is to cultivate positive change in the commodities markets for a more sustainable future

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.

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.

As our customers transition to a greener future, our objective is to support them to decarbonise and enhance the communities in which they operate

To achieve this, Marex is committed to continually evolving its sustainability approach in line with best practice, global developments, and the firm's growth. In Q1 2023, it engaged a third party consultant to further develop its sustainability strategy and enhance reporting. Interviews were conducted with a range of stakeholders across Marex to take stock of progress to date, conduct a current state assessment informed by a materiality matrix, and identify "what good would look like" for Marex over the next five to ten years and beyond.

The results of this project informed the creation of Marex's People & Planet plan, which forms the basis of our Sustainability strategy. We have updated our sustainability goals, ensuring that these align with our core values, business model and competitive advantage, and support the UN Sustainability Goals that we are best positioned to contribute towards. We have also identified Key Performance Indicators (KPIs) that will enable close monitoring of progress towards these objectives, and identify key focus areas for improvement.

Many of these KPIs require monitoring of data points for the first time. This is essential in evolving our Sustainability strategy and identifying key areas of focus. Therefore, we are currently undergoing work to establish accurate monitoring of these metrics across the firm, which will set a baseline and inform development of long-term measurable targets.

In 2023, we are assessing resourcing across the firm to support this plan, appointing key staff with dedicated ESG responsibility to augment Executive accountability. We are also working towards defining goals and targets to underpin our sustainability objectives, enabling us to measure progress towards our strategic goals.



People & Planet Plan

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

People

Fostering an environment where talent can thrive

We want to:

- Create an engaged team reflective of the diversity of the communities we serve
- Play an active role in growing awareness of opportunities in our industry to broaden our talent pool



Planet

Supporting our customers through the green transition

We want to:

- Become a go-to provider of environmental commodities, adapting to our clients' growing decarbonisation needs
- Become a net zero business, reducing our emissions and offsetting unavoidable emissions using credible sources



Active engagement

All stakeholders understand and are able to articulate our Sustainability objectives

Strong foundations

Good governance, responsible business and complying with legal & regulatory objectives

Contribution to the UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) provide a transparent and standardised mechanism of illustrating our intended ESG outcomes

Marex uses these universally recognised goals (adopted by corporates globally) as a means of articulating and measuring impact.

We have reviewed our business impacts and identified the SDGs where we believe we can currently have the greatest impact. We assess these goals alongside the 17 SDGs to ensure that we are maximising our impact.

In the following table we have set out the relevant SDGs and related targets and how Marex is influencing the achievement of these. Throughout this report we outline our contribution towards the achievement of these goals and the supporting activities.

UN SDG	Objective	How Marex is contributing
	Ensure healthy lives and promote well-being for all at all ages	Marex treats employee well-being as a key priority. We offer a suite of well-being services to provide comprehensive, wrap-around support for both physical and mental health. See page 12 for more details.
	Achieve gender equality and empower all women and girls	<p>Marex is committed to promoting opportunities within the firm and the commodities industry more broadly. It is seeking to achieve these through a number of routes, including supporting its internal female talent pipeline, working to remove any bias from its recruitment processes, and working with schools and partners to demystify the industry and attract more females to consider careers at Marex. See page 14 for more details.</p> <p>Beyond our organisation, Marex contributes to various initiatives to support women around the world. One example is our partnership with the Global Mangrove Trust, which directly supports gender diversity by creating jobs and livelihoods for women in impoverished communities in South East Asia. See page 20 for more details.</p>
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Employing more than 1,600 people worldwide, Marex is an important contributor to the UK and global economies. We believe that creating inclusivity in a workplace helps us attract the most talented people – regardless of gender, race, religion, disability, culture or sexual orientation. As a meritocracy, we value all our employees equally for the contribution that they make to our firm. See pages 11 to 12 for more details.
	Take urgent action to combat climate change and its impacts	<p>Marex is committed to becoming operationally net-zero and, in 2022, became a carbon neutral business. However, as Marex's own operational footprint is relatively small, 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. See page 18 for more details.</p> <p>In addition to offering a broad range of environmental products, Marex is also taking action to combat the impacts of climate change by investing in innovation to drive significant change, partnering with Oxford University's Smith School of Enterprise and the Environment; Global Mangrove Trust; Kumi Analytics and other key stakeholders to support a project focused on preserving mangrove forests in South East Asia and delivering new techniques for effective carbon verification. See page 20 for more details.</p>
	Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	<p>With our experienced position in the global commodities sector, we can connect key players and act as a change intermediary, from the growers and energy generators to the manufacturers, corporations, and institutions. By brokering connections, we can help to build new, lower impact, cleaner markets and harness our expertise to create a low carbon economy.</p> <p>We believe that Marex's current collaborations with Future Frontiers, Global Mangrove Trust, Kumi Analytics, Oxford University's Smith School of Enterprise and the Environment will make significant inroads to achieving sustainable development goals, particularly in developing countries. See page 20 for more details. Marex is also working closely with other industry bodies such as the Futures Industry Association (FIA), Women in Listed Derivatives (WILD), and the London Metal Exchange (LME) to support greater diversity in our industry and beyond. See page 11 for more details.</p>

People

Fostering an environment where talent can thrive



Goal 1:

Create an engaged team reflective of the diversity of the communities we serve

Why is this important for Marex?

We believe that creating inclusivity in our workplace helps us attract these individuals – regardless of gender, race, religion, disability, 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.

Today, we employ over 1,600 individuals and, as a meritocracy, we value all our employees equally for the contribution that they make to our firm.

However, we know that diversity, both within our firm, and in the broader commodities industry, remains behind other sectors and that there is work to do to progress this. Marex is committed to supporting this important work.



Our people are the basis of our competitive advantage – we want to make Marex a place where the most talented people choose to build their careers.

Measuring progress

In consultation with third party consultants, we have identified the Key Performance Indicators outlined below as the most meaningful measures of our progress in this area. These KPIs are intended to provide the Board with visibility on progress against our sustainability strategy and aspirations.

Key Performance Indicators (KPIs)

	2022	2021
Female colleagues (% of total global workforce)	21%	23%
Ethnically diverse colleagues (% of total global workforce) ¹	No data available	No data available
Turnover rates for diverse colleagues vs. total global workforce (%) ²	No data available	No data available
Diversity of job applicants vs. diversity of global business (%) ³	No data available	No data available

- (1) Marex has begun to collect data on ethnic diversity as an optional disclosure. Because disclosures are not compulsory, the amount of data currently gathered does not allow for accurate reporting. However, Marex aims to report on ethnically diverse representation once it has achieved a meaningful level of data.
- (2) Measuring turnover rates for monitored groups vs. broader population (and seeking to close any gap) will ensure that Marex is fostering a culture and environment that supports diverse teams. We are working to establish the baseline for this metric and aim to begin reporting against this in 2023.
- (3) Measuring diversity of job applicants vs. diversity of the business (and seeking to close any gap) will reveal any inherent bias in recruitment processes and monitor progress of broader engagement initiatives (see Goal 2). We are working to establish the baseline for this metric and aim to begin reporting against this in 2023.

Our long-term aim is to build a workforce that represents the communities we serve. This will vary in the different geographies in which Marex has a presence. Our long-term goal is to achieve gender parity between men and women across all seniority levels of the business. We are working on creating a baseline for ethnic diversity based on the representation levels in our global locations.

Compared to the current 21% female representation, and limited available data on ethnic diversity, we have a way to go to achieve these ambitious objectives. Marex's Diversity, Equity & Inclusion (DE&I) Steering Group has therefore identified the following to help us achieve incremental progress:

1. Marex will always hire the best candidate for the role in terms of competence, attitude and values and will also seek to improve:
 - a. female representation within the business from 21% by proactive hiring and retention policies and
 - b. ethnic diversity by utilising proactive recruitment policies
2. Hold a minimum of 4x DE&I events globally per year
3. Launch a sponsorship programme for the high performing diverse candidates who have the potential to be promoted in the next 1-3 years

Goal 2:

Play an active role in growing awareness of opportunities in our industry to broaden our talent pool

Why is this important for Marex?

Marex is committed to employee diversity in all its forms. As well as addressing this through representation, ensuring equal pay for all and eradicating bias from its recruitment processes, Marex understands that part of the challenge is around a broader lack of diversity within the talent pool that apply for jobs at Marex.

Looking to the future, Marex is working to develop awareness of opportunities within the firm and the commodities industry as a whole, creating a reserve of diverse future talent.

Measuring progress

In consultation with third party consultants, we have identified the Key Performance Indicators outlined below as the most meaningful measures of our progress in this area. These KPIs are intended to provide Board and Exec-level oversight of our progress towards our sustainability strategy and will be supported and underpinned by location and department level targets as well as short-, medium- and long-term objectives.

Key Performance Indicators (KPIs)

	2022	2021
Engagements with schools/ education providers ¹	2	No data available
Intern, apprentice, graduate and return-to-work opportunities ¹	4	No data available
Total charity contributions	\$235K	\$56.1k

(1) Engagements with schools/education providers and total numbers of internships, apprenticeships & graduate opportunities were not formally reported in 2021. In 2022, we began to measure and record these, and we will continue to report progress annually.

Our current goals are to grow these engagements by material increments each year, which we expect will have a correlated positive impact on the KPIs measured in relation to Goal 1 by growing awareness of opportunities in the industry to support a more diverse talent pool.



Increasing awareness, and improving perceptions of the industry is essential to creating a diverse future talent pool.



Goal 1 and 2: (continued)

Delivering impact

Our efforts to achieve these goals can be divided into four key focus areas: Diversity, Equity and Inclusion; Employee Engagement; Well-being; and External Engagement.

1 – Diversity, Equity and Inclusion

Marex's Diversity, Equity & Inclusion (DE&I) Steering Group has identified the following to help us achieve incremental progress:

1. Marex will always hire the best candidate for the role in terms of competence, attitude and values and will also seek to improve:
 - a. female representation within the business from 21% by proactive hiring and retention policies and
 - b. ethnic diversity by utilising proactive recruitment policies
2. Hold a minimum of 4x DE&I events globally per year
3. Launch a sponsorship programme for the high performing diverse candidates who have the potential to be promoted in the next 1-3 years

At Marex, we see recruitment of and investing in existing diverse talent as key to creating a more equal company. In recent years, we have made significant changes to our hiring processes to support more diverse recruitment (including gender-balanced recruitment short lists where possible). We have also increased our efforts to ensure that female employees are included in our succession planning, encouraging them to apply for internal senior leadership positions, and providing mentoring to support our pipeline of female talent.

In 2022, despite our efforts to increase diversity, female representation across the global firm fell to 21%. This was due to large acquisitions which affected the overall composition of the firm, however, this also re-emphasised the need to continue to strive to increase all types of diversity within our workforce.

In line with statutory requirements, Marex publishes annual pay gap information for its UK business. In our 2022 Gender Pay Gap Report we reported a total mean and median gender pay gap of 30% and 31% respectively. Disappointingly, the numbers reflect a 'widening' on the gap of 2021 (27% mean; 24% median) but remain slightly ahead of the financial industry mean of 31% (ONS provisional data 2022). Analysis of the 2022 numbers has shown that it is gender distribution (fewer women in senior positions), and not unequal pay, that is the driver of our pay gap (for matched roles, there is no pay gap between genders). We are aware that recent acquisitions are likely to increase the gender pay gap in 2023 and we remain committed to addressing this as soon as we can, always ensuring that we employ the right person for the right role.

Looking forward, we are working to enhance our monitoring of all diversity measures globally, and will begin to report on these in line with the new KPIs in our People and Planet Plan.

Marex's DE&I Steering Group has identified initiatives that will enable the achievement of our longer-term diversity goals. These include:

- Continuing to review our recruitment processes to identify opportunities to further support increases in diversity. In particular, in 2023 we are looking at measuring diversity across different seniority levels of the business and ensuring that we have a diverse slate for senior hiring.
- Working to develop flexible working environments that are inclusive of diverse circumstances, including agile working policies, employee wellbeing initiatives and a re-evaluation of our Family Friendly policies.
- Establishing an annual programme of DE&I events led by the DE&I Steering Group, to include a mandatory training programme on Working with Respect, and regular cultural awareness sessions to promote inclusivity in our culture.
- Developing specific recruitment programmes to support hiring of diverse talent, including Intern and Graduate Recruitment programmes, the launch of a Returner initiative, and mentoring programmes.
- Continuing effort to demystify the industry, promote opportunities and attract more diverse talent to the sector. This includes strategic partnership and collaborations with other companies in the industry, such as the Futures Industry Association (FIA), Women in Listed Derivatives (WILD), and the London Metal Exchange (LME).



2 – Engagement

We are a business that relies heavily on the skills and talent of our people. 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.

We run an annual employee engagement survey to identify areas where we can improve our environment, processes and working practices to make Marex an exceptional place to work. Our 2022 survey revealed improvements across the firm, with our total engagement score improving to 7.8 out of 10 (from 7.5 in the previous year). Engagement remained high, with 925 respondents compared to 632 in 2021. We were particularly glad to see consistent improvement in engagement scores across all departments, regions and across both genders.

Some of the most significant improvements were in areas that were identified as a focus in the previous year's survey, including the environment, organisational fit, working collaboratively and efforts to increase diversity. Staff turnover was also below the industry average, at 17% vs 20% for the industry more broadly (Source: Payscale staff turnover report 2021).

The employee engagement survey is also critical in identifying areas for improvements, and we have created an action plan that includes firm-wide initiatives and specific department-level actions to address the key concerns articulated in the survey, including potential improvements to client service and work-life balance.

We continue to monitor employees' satisfaction and engagement through regular pulse surveys to complement the more formal annual survey.



7.8 out of 10

Average employee engagement score
(increased from 7.5 in 2021)



Marex provides an opportunity for real challenge and personal growth."

2022 Employee Engagement Survey

Core Values



Respect

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



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.



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 each other is necessary for us to succeed at what we do.



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.



Adaptable and nimble

Our size and flexibility is an advantage. We are big enough to support our clients' 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.

Goal 2: (continued)

3 – Well-being

Marex understands that employee engagement and employee well-being are intrinsically linked and additive. Employee well-being is a key priority, and we aim to respond proactively to challenges that affect our workforce, such as the cost-of-living crisis. To address this, we made a one-off payment to employees earning under a certain threshold to support those most affected.

We offer a comprehensive suite of well-being services incorporating support for physical and mental health, including 24/7 access to counselling and emotional support, and actively encourage employees to seek support from these services when required.



Examples of our well-being support services include:

Work | Life CENTRAL

WorkLife Central (previously CityParents)

A digital hub of expert-led content to support, inform and inspire colleagues in their family life, work life and wellbeing – covering five core topic categories of Careers, Families, Inclusion, Wellbeing and Workplace.

LifeWorks

LifeWorks

Employee assistance programme providing 24/7 access to counselling and coaching services and emotional and practical support for a range of challenges.

Smart Health

SmartHealth

Digital GP service offering online health checks, second medical opinions, mental health support, nutrition consultations and online fitness programmes.

Peppy

Peppy

A digital health app providing health support through the menopause, becoming a parent and fertility journeys, connecting employees with experienced practitioners to provide the personalised support required for life's big transitions.

Vitality

Vitality

Wellbeing scheme providing access to a range of health services, including regular events and talks focused on health and wellness themes including Men's and Women's Health; Nourishing Nutrition; Effective Self-Care; Mental Health Awareness; and Resilience & Consistency.

4 – External engagement

Engagement with schools and education providers

Through engaging with schools and education providers, Marex aims to grow awareness of the our sector within the future workforce, improve perceptions of the industry and individuals' confidence in their ability to build a successful career at Marex.

Targeting schools with diverse gender, ethnic and socioeconomic backgrounds is important to ensure this engagement translates into increased diversity. Marex is building relationships with local schools to offer careers education along with work experience and internship opportunities to encourage diverse candidates to consider their prospects in our company and industry.

In 2022, Marex volunteers provided career coaching to a group of Year 10 pupils at school in a London borough with high levels of socioeconomic disadvantage. This programme helped students increase their career readiness while also growing awareness of opportunities at Marex.

Charity contributions

Supporting communities and enabling employees to contribute to causes that are meaningful to them is important to Marex. Marex and its employees support a broad range of charities through its charity matching policy. Any activity in support of a registered charity undertaken by a member of the team is matched in value by the business, up to \$4000.

In 2022 we supported several charities around the world through a variety of fundraising activities, including those surrounding Movember and International Women's Day and a fundraising drive to support the Red Cross' activities in support of those affected by the Ukraine crisis.



100%

of young people coached by Marex volunteers agree that they will find an inspirational career

Marex and employee fundraising donations contributed a total of \$235,000 to charities in 2022, including:



Goal 2: (continued)

Strategy in action:

Coaching Future Stars



As part of its effort to grow awareness of opportunities in our industry, Marex is partnering with award-winning education charity Future Frontiers



82%

of young people agree that they are more motivated to work hard to achieve their career goal



Do not underestimate the difference you make to the lives of young people. You opened their eyes to new opportunities, giving them the insight, information and self-belief they need to take the first steps towards making their goals a reality.”

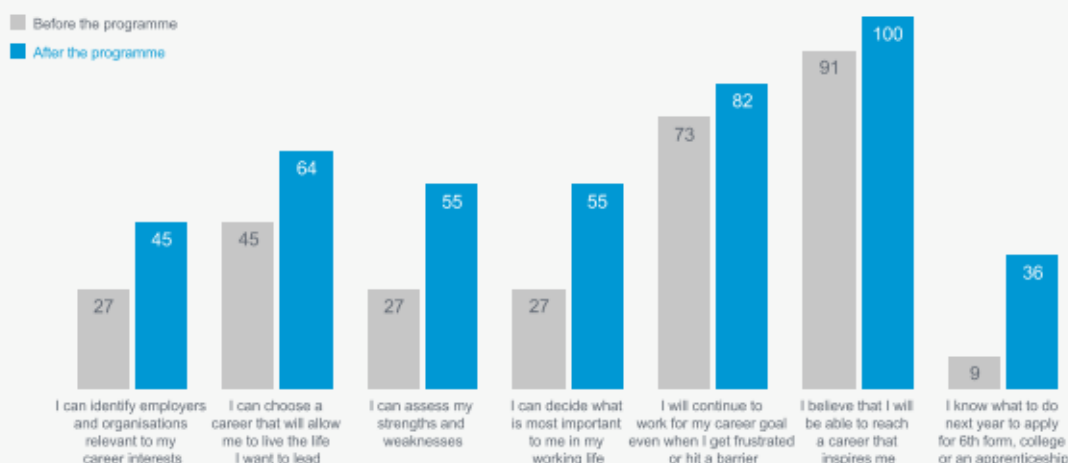
Dominic Baker
Founder and CEO, Future Frontiers



100%

of young people coached by Marex volunteers agree that they will find an inspirational career

% of pupils responding positively to questions before and after the programme



* The graph shows the impact of the programme on pupils' outcomes. Pupils rated how strongly they agreed with statements about their knowledge, skills and belief in the context of their readiness to make positive next steps towards a future career. The statistics show the percentage of pupils who responded positively to these questions before and after the programme.

Increase in pupil career and transition readiness



* This graph shows the impact of the programme on pupils' career readiness. It shows the average of pupils' combined career readiness scores before and after the programme, calculated using questions from the Student Career Readiness Index (SCRI), a validated national scale. For comparison, we have also shown the benchmark score for pupils in UK schools where a programme of careers guidance has been implemented. The data shows that pupils coached by Marex volunteers not only significantly increased their career readiness, but also exceeded this benchmark.

Future Frontiers was built on the belief that all young people have dreams and aspirations – but children from low-income families are much less likely to have access to the guidance, networks and opportunities that enable them to achieve these ambitions.

In 2022, fourteen Marex volunteers provided 13 Year 10 students at St. Mark's Church of England Academy based in the London borough of Merton with a total of 54 hours of coaching, during which students explored their interests, discovered inspiring careers, and created plans for next steps. Levels of socio-disadvantage are high in this school, with 40% of pupils having been eligible for Free School Meals at some point in the last six years. Grades for these pupils are below average: 32% of disadvantaged pupils achieve a strong pass in English and Maths compared to 43% nationally, and only 84% of disadvantaged pupils stay in education or go into employment after leaving the school (compared to 94% nationally).

"Working with Marex volunteers has been an absolute pleasure. All of the coaches were extremely dedicated to the programme and went the extra mile to make sure that their pupils had the best experience." – Kate Christopher, Programme Manager, Future Frontiers.

Pupils coached by Marex volunteers not only significantly increased their career readiness, but are now performing above national averages. There was a significant increase in the percentage of pupils responding positively to questions about career management and self-belief after the programme compared with before the programme.

Over the next two years, all the young people coached by Marex will be supported with 1:1 careers advice from a trained advisor and ongoing support from Future Frontiers. Marex is also repeating the programme in 2023 with a larger group.

Longer term, a recent external evaluation with the University of Derby found that, when compared to a control group, Future Frontiers alumni demonstrated statistically significant increases in indicators of successful post-16 transitions, which were better or equal to other career interventions for young people.

Planet

Supporting our customers through the green transition



Goal 3:

Become a go-to provider of environmental commodities, adapting to our clients' growing decarbonisation needs

Why is this important for Marex?

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.

Measuring progress

In consultation with third party consultants, we have identified the Key Performance Indicators outlined below as the most meaningful measures of our progress in this area. These KPIs are intended to provide Board and Exec-level oversight of our progress towards our sustainability strategy and will be supported and underpinned by location and department level targets as well as short-, medium- and long-term objectives.

Key Performance Indicators (KPIs)	2022	2021
Revenues from environmental products and markets (\$USD) ¹	\$26m	No data available
Revenues from environmental products and markets (% of total revenue) ¹	3%	No data available
Customers purchasing environmental products ¹	<1%	No data available

¹ While Marex has been transacting in environmental markets for many years, in 2022 we began to formally measure and record distribution of revenues in these products vs our wider product offerings following the establishment of dedicated environmental desks. We will continue to measure and report this, targeting material incremental progress year-on-year. This includes \$2.4m in Solutions' carbon and biofuel products.



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.

Delivering impact

Marex is already helping many of our clients to decarbonise, and in the coming years we want to increase this support and help businesses and governments achieve their Net Zero ambitions.

Our environmental product offering covers >50 environmental products and includes Environmental Trading, Voluntary Carbon Broking, Carbon Origination, Agency Broking and Environmental Consulting. We are continually expanding our capabilities in this area to adapt to our clients' growing decarbonisation needs.

Marex is committed to supporting our customers through the transition to net-zero; accelerating the shift in the market and in our clients' organisations and adapting to new environmental regulations.



Marex transacts in more than 50 environmental products including Renewable Energy Certificates (VER/iVER), Guarantees of Origin (GoO), Voluntary Emission Reductions (VER), Upstream Emissions (UER), and the Emissions Trading Scheme (ETS).

With experts in the various global locations in which we operate, as well as highly experienced regulatory personnel, we are well-placed to help clients identify opportunities to meet their own clients' demand while also remaining true to their sustainability goals.

With our experienced position in the global commodities sector – connecting clients to global energy, commodity and financial markets – we have a strong role to play in promoting 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.

Goal 3: (continued)

How Marex is meeting clients' need for sustainable alternatives

Marex is committed to expanding its product offering to provide our clients with access to verifiable, accurately measured environmental products with positive global impacts

One example of an environmental product Marex offers is Biomethane.

We added Biomethane to our suite of products following demand from a major player in the oil and gas industry for a negative carbon impact product that they could use to offset sales of gas to meet both client demand and the requirements of regulations, stakeholders and their own sustainability objectives.

They also had a particular need for environmental alternatives sourced from the specific countries in which they operate in order to meet regulatory criteria, and were seeking a credible, verified source of carbon certificates in Denmark.

To fulfil this need, Marex brokered a relationship with one of the largest producers of Biomethane in Denmark and successfully established a sales cycle to provide our client with a product that satisfied all requirements.

Biomethane brokered through this relationship is accredited by REDCert, widely considered the gold standard in verifying a product's negative carbon impact. In order to establish a trade cycle for REDCert-validated products, all players in the cycle must hold accreditation.

To support this transaction, Marex was audited by Baltic Control, who investigated the underlying processes, market knowledge, infrastructure and control of trade flow before granting the required accreditation, enabling us to support the full service package.

Marex has a unique ability to fulfil this role in the global supply chain because we have experts directly in our clients' target locations, who understand the local infrastructure, supply chain, market demand and regulation and can therefore create complete packages of services to meet client needs.

We can facilitate cross-selling between countries to meet supply and demand and regulatory requirements in each region, and our accredited status means we are well positioned to ensure that the chain operates sustainably from seller to buyer.

These unique aspects of Marex's business model make us ideally placed to support clients through the green transition.



Strategy in action:



Standardising Carbon Credits

The Oxford Programme on the Sustainable Future of Capital-Intensive Industries

Marex is committed to creating new sustainable markets, and to ensuring that these markets are built with integrity and credibility. One example of this is the carbon offset market, which has more than doubled in the past year, exceeding US\$1 billion, and is on track to hit \$100 billion by 2050 due to mounting pressure on companies to tackle the climate crisis.

Carbon offsetting initiatives are of particular interest to many of Marex's key clients: including energy producers reliant on fossil fuels and metals producers that cannot feasibly make the radical technical changes needed to directly decarbonise their business models or operations, at least in the short term.

However, a major barrier to meaningful carbon credit offsetting is how to verify in a robust and internationally credible manner that the purported carbon reductions of an offsetting project are genuine; accurately measured; not subject to double counting by multiple jurisdictions or regulatory systems; permanent; and sustainable. For carbon credit offsetting to truly have a role in decarbonisation there needs to be a robust and widely internationally accepted verification mechanism which takes account of the holistic impact of offsetting activities and a market in which to bring the various industry players together.

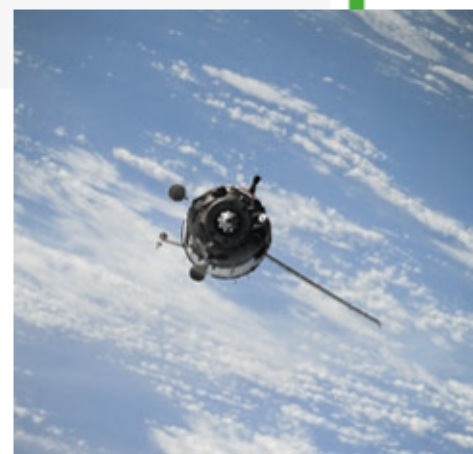
To proactively address this barrier, in 2022 Marex renewed its sponsorship of the Oxford Programme on the Sustainable Future of Capital-Intensive Industries, providing financial and operational support for a research project led by University of Oxford spin-off company OxCarbon (supported by Kumi Analytics) to develop a credible, verifiable carbon sequestration methodology using remote, satellite-based verification for tree-planting initiatives.

This verification aims to provide tangible evidence that the carbon offsets operate as intended – verifying that trees have been planted, ensuring that forests are growing year after year and allowing sponsors to see exactly how much of the contribution reaches the communities planting the trees. High resolution



90%

Targeting 90%+ accuracy when verifying carbon credits



imagery can also identify missing trees and highlight deforestation that would otherwise go unnoticed, making verification more scientific, targeted and effective.

The current models used for measurements and identification of carbon and biomass are based on sophisticated machine learning techniques, and with scale, these can be taken even further with deep learning models facilitated by a robust data collection plan, increasing accuracy and allowing even more granular analysis of trends in biodiversity.

The OxCarbon principles focus on auditability, transparency, scalability, accuracy and additionality. Verification is based on science-based assessment of impact and informed by expert advice from a peer-review community. Non-commercial data from OxCarbon-verified projects are made freely available to the academic community, increasing transparency and providing more opportunities for learning, and projects are encouraged to make use of new technological innovations.

Our ultimate goal for the project is to use this sequestration methodology to create an affordable product generating verifiable carbon offsets for our clients, as well as a framework for credible carbon offsetting across our industry and beyond. We are proud to be the initial adopter of the OxCarbon Principles which issues climate impact credits, registered with S&P Global. Through which, OxCarbon aims to encourage higher standards of carbon credits and transparency. Our ambition is for OxCarbon credits to become an industry standard, ensuring that carbon offsetting is genuine, impactful and accurately measurable so that organisations are able to realise their Net Zero ambitions.

Goal 3: (continued)

Strategy in action:

Saving Coastal Ecosystems

GMT Restoration Conservation Project in North Sumatra



To bring our work with the Smith School of Enterprise and the Environment into practice, Marex partners with Global Mangrove Trust (GMT) and YAGASU to support OxCarbon's inaugural blue carbon conservation project in North Sumatra.

The programme aims to conserve and regenerate coastal ecosystems such as mangrove forests and marine coastal areas in SouthEast Asia, and leverages the OxCarbon Standard and space-based monitoring from Kumi Analytics to access detailed analysis on the project's results.

Marex's investment has supported the Trust in making two new hires, accessing grant funding and creating foundations for future scale – the organisation has doubled in size and been able to bring on board key partners.

To date, the project has focused on conserving 2,305 hectares of one of the last remaining contiguous mangrove ecosystems in North Sumatra, a region of intensive degradation and deforestation of coastal forests over the last decade. With Marex's backing, GMT plans to scale up similar efforts across 25,000ha of coastal mangroves over the next 3-5 years, deploying 30-year conservation agreements with local communities.

One of the goals of the mangrove project is to create blue carbon credits certified by the OxCarbon principles. In 2022, 93,343 tons of carbon credits were generated, and the programme is conservatively estimating that at least 70kt of credits per year will be created. The long-term goal is for 1,750kt of OxCarbon climate units to be generated over the first 25 years of the programme, with over 2 million new trees planted. These credits are registered on the S&P IHS Markit registry for public viewing.

Using scientific measuring based on tree measurements, soil samples and satellite imagery (space-based monitoring provided by Kumi Analytics), the programme has created a quantum leap in measuring the carbon impact of this kind of project. This granularity in monitoring not only enhances carbon stock measurements, but also facilitates very targeted and efficient restoration work.

As well as the strong focus on scientific validation of the project through accurate, transparent measurement of carbon credits, the project is also supported by Handprint Tech who provide reporting on the social impact of the project. Investors are able to receive regular video updates to demonstrate the positive impact that their support is having on local communities.



70,000tCO₂

expected yearly quantum of avoided emissions and new carbon sequestration (more than 2x Marex's average annual global carbon footprint)



2,305

hectares of forest land protected (equivalent sq ft to the office space required for 1.5m people)

Benefits of mangrove conservation

Why Mangrove conservation matters globally

Mangrove forests are essential in connecting and balancing terrestrial and marine ecosystems where plants, animals and nutrients are transferred to land or sea through mangroves. Mangrove forests also absorb around 5 times more carbon than other terrestrial forests, generating direct carbon emission reductions.

By protecting these ecosystems, this project decreases deforestation-related carbon emissions and increases carbon capture. Using a space-based monitoring regime certified by OxCarbon, this supports the validation of blue carbon credits, issued on the OxCarbon Registry operated by S&P Global.

The project aims to generate 1,750kt of OxCarbon climate units over the first 25 years, planting over two million trees. This will provide an important source of carbon credits to corporates (including Marex's clients) who are looking for verified offsets.

Worldwide, mangroves reduce risk to more than 15 million people and prevent more than \$65 billion in property damage each year (World Economic Forum, 2021).

Why Mangrove conservation matters to local communities

Mangrove conservation increases resilience of vulnerable ecosystems by preventing deforestation, protecting the local rivers and a wide range of wildlife including birds, forest animals and amphibians, many of which are endangered or threatened species.

Mangroves are a spawning ground for marine life such as crab, shrimp and fish, and local fisherman are reliant on these ecosystems for their livelihoods. Presence of mangroves also increases the safety of the local villages by providing protection and natural defences from extreme weather events, coastal erosion and land loss. Mangroves prevent flood damage from tropical cyclones, protecting lives, assets critical to livelihoods and reducing socio-economic vulnerability.

Global Mangrove Trust work closely with villages and the local communities, who are enthusiastic about supporting restoration efforts through participation in activities such as data analysis, project management, forest patrol and soil studies. This provides vulnerable coastal communities with jobs and new revenue streams. 70% of wages paid out through GMT go to women, and additional funding is provided by the programme to support initiatives in women's livelihoods programmes.

Goal 4:

Reduce our own operational emissions and offset unavoidable emissions via credible sources, working towards net zero

Why is this important for Marex?

Our own operational impact on the environment is relatively small, particularly when compared to the impact we can have by supporting initiatives such as The Mangrove Trust project (which can deliver multiple times our entire operational footprint per year in carbon emission reductions).

However, Marex remains committed to improving energy efficiency across the firm to ensure we are operating responsibly and taking every opportunity to contribute to sustainability.

Measuring progress

In consultation with third party consultants, we have identified the Key Performance Indicators outlined below as the most meaningful measures of our progress in this area. These KPIs are intended to provide Board and Exec-level oversight of our progress towards our sustainability strategy and will be supported and underpinned by location and department level targets as well as short-, medium- and long-term objectives.

Marex is a growing business and acquisitive in nature. We have therefore chosen to focus on intensity ratios, as opposed to absolute carbon emission figures. This ensures we can continue to accurately monitor the relative impact of our business as we continue to grow.

Key Performance Indicators (KPIs)	2022		2021	
	UK	Global	UK	Global
Intensity ratio – Scope 1, 2 and 3 (tCO ₂ e per FTE)	0.60	53.1	1.09	42.9
YoY reduction in intensity ratio (tCO ₂ e per FTE)	0.49	(10.2)	1.31	3.5

Delivering impact

In 2021, we set the ambition of being carbon neutral by the end of 2022, a goal which we are proud to have achieved through offsetting our Scope 1 and 2 GHG emissions. This built on our work with OxCarbon, using offsets provided through the Mangrove project to reduce our carbon impacts and reach our climate goals, while also providing additional support to the venture.

Offsetting is the first step on our journey and, in line with The Oxford Principles for Net Zero Aligned Carbon Offsetting, we are making plans and improvements to reduce our carbon footprint and decarbonise our business.

In 2022, our UK carbon intensity ratio (tCO₂e per FTE) per employee was 0.60, a reduction of 0.49 compared to 2021. However, our global carbon intensity ratio increased from 42.9 to 53.1, largely due to new acquisitions which will result in a re-baselining of the environmental policies across the group. Because Marex is a growing business and highly acquisitive by nature, the intensity ratio offers a more meaningful measure of progress than looking at absolute emissions data (although we continue to report on and disclose both metrics in line with the recommendations of the TCFD). Our aim is to eliminate all non-essential carbon emissions, and offset any emissions that are critical in delivering our business aims through credible, verified sources including the carbon credits generated through our work with Global Mangrove Trust.

As well as continuing efforts to drive down our own emissions, we are working to enhance the ESG considerations in our procurement and onboarding processes. In 2022, we conducted an ESG review of our Top 10 suppliers and added sustainability measures to our client and supplier onboarding processes.

In 2023, we plan to enhance our measurement of Scope 3 emissions and identify focus areas across Scope 1, 2 and 3 for targeted improvements.

Meanwhile, we continue to make strides towards decarbonisation across three key areas: Energy; Waste and Travel.



Neutral

Marex achieved our ambition of becoming a carbon neutral business by the end of 2022

Energy

To reduce energy use in our London head office, we are implementing the recommendations from our UK Energy Savings Opportunities Scheme (ESOS) Report. This has included increasing use of LED lighting across our global offices. Our London offices were 35% LED at the end of 2022, and will be at 90% by the end of Q1 2023. Globally, 50% of offices are now powered by LED.

Waste

Marex is committed to reducing waste across our London Head office and all global offices.

In 2022, we were visited by the Eco Club from Mayflower High School in Essex, who reviewed our operations and made recommendations on how our recycling facilities could be improved. As well as providing important insight into how we can enhance our recycling practices, this also supported our engagement with schools to grow awareness of Marex and the industry more broadly.

The use of paper for printing and disposal of electronic equipment are also key 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, and have introduced managed print services into our London office to reduce paper use and promote good printing practices. We have run behaviour change campaigns in our offices to encourage better waste segregation. As a result, recycling rates in the office are around 86%.

We also continue to work with building managers in our key offices to better understand our waste management processes and how we can improve.

Travel

Marex is a growing business with a global footprint and, as such, some travel is essential to carry out our business. As Covid-19 travel restrictions have been phased out, Marex continues to discourage unnecessary travel and discourage premium travel which has a higher carbon impact.

We are implementing a new travel policy and introducing a new travel booking system, which will enable us to accurately measure our travel-related carbon footprint and identify focus areas for improvement.

In addition to this, we continue to encourage lower carbon commutes such as cycling to work, which also provides health benefits for employees.



Active engagement

With our experienced position in the global commodities sector – connecting clients to global energy, commodity and financial markets – we have a strong role to play in promoting 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 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 brokering these connections, we can help to build new, lower impact, cleaner markets and harness our expertise to create a low carbon economy.

We engage regularly with a range of stakeholders including shareholders, investors, regulators, industry bodies and academic institutions on several sustainability initiatives that are relevant to our business and markets, and actively engage with our clients and make them aware of sustainability-related issues.

We run regular webinars on key sustainability topics such as emerging trends in renewable technologies, and Marex's purpose built digital platform for clients, Neon, features comprehensive reports and sustainability insights on issues impacting specific markets.

Having a voice at industry events and conferences addressing climate-related issues is also an important part of our environmental strategy, and key to driving change and promoting innovation. Marex representatives attended a number of events and conferences in 2022, including:

- Sustainability and ESG panel at the Futures Industry Association ('FIA') Expo;
- SSEE World Forum on Enterprise and the Environment;
- The Future of Biogas Summit and The World Biogas Summit 2022;
- Global Carbon Markets and Renewable Energy Markets Conferences;
- The European Climate Summit; and
- New York Climate Week.

Marex has strategic partnerships and engagements with a number of organisations to support a sustainable future, including:



Strong foundations

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 in which we operate

Marex expects employees across the various divisions to conduct business ethically and lawfully and to always adhere to our policies and values when working. Details of our code of conduct are outlined in the Employee Handbook which aims to help employees navigate through our work practices and processes as well as policies relating to employment.

Information on governance across Marex including the Board Committees, are outlined in our 2022 Annual Report.

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 minimise 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.

In our day-to-day business, our employees' actions are guided by our code of conduct and other policies. We review these policies regularly, and introduce new policies where needed, most recently including Menopause, Domestic Abuse, Environment & Sustainability and Parental Bereavement Leave policies, as well as a major overhaul of the Employee Handbook.

Throughout the year, Marex issued mandatory information security and cyber risk awareness training courses with a 100% completion rate globally. The Firm continues to provide employees with guidance and relevant training on governance and policies, including Anti-Money Laundering, Conduct Risk, Business Ethics, Whistleblowing, Preventing Discrimination and Harassment, Anti-Bribery and Anti-Corruption, General Data Protection Regulation, Senior Managers and Certification Regime Conduct Rules, and Fraud Prevention.

Tax

Marex recognises taxation as an important social consequence of doing profitable business in a jurisdiction, and our commitment to paying the right amount of tax in the right jurisdiction and at the right time reflects this. Taxation, both direct and indirect, is an important part of Marex's contribution to the societies in which it operates. As such, Marex is committed to complying with tax laws in a responsible manner and to having open relationships with tax authorities wherever we operate. Marex's tax risk appetite is low.

Marex is in the process of being recognised by the B-Team as adhering to its Responsible Tax Principles (bteam.org). The B-Team principles aim to provide companies with a framework for responsible tax behaviour, and to encourage greater transparency, accountability, and stakeholder engagement around tax issues.

Marex is also committed to transparency of taxes we pay. In 2022, Marex had an effective tax rate of 19.4% (compared to the UK corporation tax rate of 19%) and made total worldwide corporation tax cash payments of £18.0m (2021: £18.3m). Marex's effective tax rate is expected to rise significantly from 2023 in line with the increase in the UK corporation tax rate from 19% to 25% from 1 April 2023.

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 sustainability 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.

In addition, in 2022 we increased the sustainability considerations in our procurement processes, conducted an ESG review of our Top 10 suppliers and added sustainability measures to our client and supplier onboarding processes.

In order to support the consideration of climate-related issues in strategic and business model decisions, we are now conducting analysis for all new clients and suppliers by reviewing their sustainability credentials and considering alternative (greener) organisations wherever possible.

Cyber security and data protection

Cyber security, 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. At Marex we have a continuous improvement approach to managing and developing our Cyber security framework. 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.

Staff training initiatives, security testing and desktop scenario exercises help to support the prevention and management of potential security incidents. Marex issued mandatory information security and cyber risk awareness training courses to all staff globally during 2022, with a 100% completion rate.

Oversight of suppliers has been enhanced with regard to security risks, in particular around cloud services used. Equipment has also been more actively re-used where possible to support office moves and fit outs.

Strong foundations (continued)

Strategy in action:

Managing Risk

Managing the nickel crisis

Nickel price skyrockets: doubles in hours to records over \$100,000



Like many other market participants, Marex's risk management and governance principles were put to the test in March 2022 when the LME suffered its biggest crisis in decades.

On the 8th March, a record-breaking surge saw nickel prices double to more than \$100K per tonne in a matter of hours. Amid market panic sparked by Russia's invasion of Ukraine, Western sanctions threatened supply of the metal, crucial for making stainless steel and electric vehicle batteries.

As a result, the LME was forced to halt trading and void billions of dollars' worth of nickel deals, as well as deferring physical delivery of maturing contracts, resulting in very large exchange calls which stretched intraday liquidity and saw late payments and defaults increase.

While many of Marex's clients were impacted by the short squeeze, the volatility was managed well and our overall exposure remained relatively low, highlighting our robust risk management and governance.

While three of our clients were initially unable to make nickel margin calls, these defaults were managed effectively by working closely with clients, accepting partial payments, equity pledges and daily payments to minimise losses.

This required a coordinated effort from Risk, Treasury and the business to ensure we carefully managed the positions and margin calls of our clients resulting in limited bad debt positions for the business.

Testament to our robust risk management processes and strong governance, the Marex platform remained resilient during this unprecedented volatility and market dislocation. We were able to maintain a strong capital and liquidity position and support our clients throughout this challenging period.

Sustainability Governance

Marex Group plc Board

CEO (supported by the Group Executive Committee)

Sustainability Committee

ED&I Steering Group

TCFD Steering Group

The Group Board has overall responsibility for the sustainability of the group, with day-to-day responsibility delegated to the Chief Executive Officer, supported by the Group Executive Committee.

The Board recognises the need to understand and assess climate related risk and the inherent uncertainty therein, and are committed to continuously developing their knowledge on climate-related risks. Our Board Chair, Carla Stent, holds a certificate in Business Sustainability Management from the University of Cambridge. Going forward, we intend to schedule annual sustainability training delivered by a suitable third party for all Board members.

Supporting the CEO and Group Executive Committee on sustainability matters is a dedicated Sustainability Committee. This Committee has been chaired by Paolo Tonucci, Chief Financial Officer, who will be succeeded by Rob Irvin later this year. Membership of the Sustainability Committee has been designed to represent the business both functionally and geographically, with representation from Business Heads, the Global Head of Operations and the Group Head of HR, as well as representatives from Risk and Technology. The Board Chair attends Sustainability Committee meetings.

Marex supports the Task Force on Climate-related Financial Disclosures (TCFD) and a dedicated steering group has been appointed, responsible for driving TCFD requirements and spearheading sustainability initiatives and reporting.

Marex also has a dedicated steering group focused on Diversity, Equity and Inclusion.

We also recognise the value sustainability plays in assessing risk both in our business and beyond. To support financial risk management, we are increasingly incorporating sustainability risks in client decision making as well as in our processes around acquisitions and in our operational decisions, and in 2022, we increased the sustainability measures in our onboarding and procurement processes.

Goals and objectives

In 2022, we worked with a third-party specialist to identify Key Performance Indicators (KPIs) across the most material sustainability areas. In 2023, we plan to take this a step further by developing near and long term targets to manage sustainability-related risks and opportunities, referring to expert guidance on characteristics of effective metrics and targets.

We are in the process of undertaking a deeper analysis of our GHG inventory to inform these targets and have commenced the process for climate neutral certification.

Our global footprint has increased significantly following recent acquisitions and we will need to re-baseline our targets accordingly.

Measuring performance

When assessing sustainability performance, the Sustainability Committee is informed by relevant global initiatives and best practice, such as the Task Force 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.

To create transparency and demonstrate accountability for our impacts, we continue to work with sustainability specialists to reflect best practice in tracking the positive contribution that we are making within our marketplace.

In 2022, we worked with a third-party specialist to identify Key Performance Indicators (KPIs) across the most material sustainability areas.

In addition to monitoring progress of product related initiatives offered to clients and the market, Marex included full disclosures of its Absolute Scope 1 and Scope 2 GHG emissions, and absolute energy use in our Annual Report.

The strategy to addressing Scope 3 emissions is developing, and we are working with customers, suppliers and other stakeholders in the value chain to calculate a Scope 3 emissions baseline, focussing on key categories in the upstream and downstream. Currently, our Scope 3 data includes purchased goods and services, FERA emissions (fuel- and energy-related activities not included in Scope 1 or Scope 2), waste generated in operations, and business travel, which is estimated using the GHG Protocol Scope 3 Evaluator tool. In future reporting years, we intend to progress from using this tool to developing a more comprehensive inventory in line with the GHG Protocol's Technical Guidance for calculating Scope 3 Emissions, which will enable us to set Science Based Targets (SBT) for future emissions reductions.

Reporting and disclosures



Marex fully supports the Task Force on Climate-related Financial Disclosures (TCFD) and has chosen to voluntarily align with their recommendations ahead of requirements for a second year.

TCFD-aligned reporting presents an opportunity for Marex to better understand the climate related risks and opportunities for our business, so we can manage and respond to them robustly. In 2022 we worked with a third-party specialist to identify opportunities to mature our alignment to the TCFD recommendations and enhance our reporting of the necessary disclosures. Marex continues to report on climate-related risks and opportunities across the four pillars of TCFD: Governance, Strategy, Risk Management and Metrics & Targets.

Sustainability risk management

Given that the in-house meteorology team offer physical climate related products and the energy team offer transition climate-related products, Marex, by virtue of the service offering, continually has sight on the risks and opportunities climate change poses for the Firm.

Substantive climate-related risks and impacts are identified, assessed and monitored as part of Marex's overall risk assessment process. This is the process by which we evaluate all management risks, including climate-related risks. The five business units develop business-specific risk registers and business continuity plans which are used in their annual strategic planning.

These registers identify internal and external factors that could pose threats and opportunities to each business, including climate-related risks. Each risk is assessed by the business unit's senior management team who consider the indicators of relevance and their associated impact. Senior executives are responsible for the strategic management of the Group's principal risks, including climate-related risk.

The implementation of climate-related products to track risks and utilise climate opportunities across the business are managed at business unit level, namely, Market Making, Clearing and Execution, Solutions, Price Discovery and Data & Advisory.

Strong foundations (continued)

Strategy in action:



Scenario Analysis

The Board has reviewed the preparedness of Marex to all known practical climate risks and opportunities with a significant potential impact at Group level



Building on material issues identified as part of an initial screening report, in 2022 we worked with a third party specialist to undertake an inaugural scenario analysis pilot exercise to understand the most material climate-related risks and opportunities facing the group, including physical and transitional risks and opportunities, which confirmed that Marex faces minimal direct exposure from physical climate change.

As part of this scenario analysis, we used scenarios based on the Network for Greening the Financial System (NGFS) global climate model scenarios, for different global temperature projections, to assess Marex's climate exposure up to 2050. The scenarios adopted include pathways to $>3^{\circ}\text{C}$ warming and $<2^{\circ}\text{C}$ warming. This scenario analysis identified that the biggest risk to Marex in a $<2^{\circ}\text{C}$ world is from the retraction of its primary market, fossil fuel trading, and a failure to realise the opportunities in trading in carbon credits or other green products.

While extreme weather could dramatically change the way agricultural companies operate, potentially forcing some of Marex's agricultural clients out of business, in this scenario new clients would likely require Marex's services, resulting in a net benefit.

For transitional risk, $\sim 40\%$ of Marex's revenue comes from fossil fuel and oil trades which represents a risk should we see the scaling back of this industry required to meet net zero targets. While there is a risk of the fossil fuel industry shrinking, the potential opportunity for Marex to increase revenues from green trades is significant.

Marex is well on the way to responding to the market trend of decarbonising economies through helping clients reduce their own emissions, in turn helping to accelerate the shift in the market whilst also adapting to new regulatory changes across the climate agenda internationally.

Whilst the scenarios adopted are underpinned by quantitative data, the scenario analysis is qualitative for the first year of scenario analysis, providing a platform to focus more quantitatively in future years.

Looking forward

We are proud of the progress we made in 2022 but are not complacent: we are acutely aware of the importance of continuing to strive for improvements across all sustainability areas where we have an impact.

One of the most exciting opportunities we see is expanding our product coverage in the environmentals and renewables markets. We are seeing significant demand from our clients in this space as they look to deliver on their own sustainability commitments and the commodities markets evolve to support the transition to a low-carbon economy. This presents Marex with a compelling opportunity to become a leading market maker of carbon credits, and our goal is to embed a mainstream, scalable, cost-effective carbon sequestration offering for our clients alongside green alternatives to our other products.

Having achieved carbon neutrality in 2022, this year, we will continue to drive down our operational emissions to reduce our carbon intensity ratios in support of broader net zero targets. We will continue to implement the recommendations of the Task force on Climate related Financial Disclosures (TCFD). Our aim is to eliminate all non-essential carbon emissions and offset any emissions that are critical in delivering our business aims through credible, verified sources including the carbon credits generated through our work with Global Mangrove Trust.

We are committed to going beyond what is expected of us and maximising our impact. To do this, we will continue to work with key strategic partners such as OxCarbon and Global Mangrove Trust, through which a pilot project is currently generating carbon offsets that far exceed our annual carbon footprint. This is just one example of the value of strategic partners in supporting our sustainability impact. In 2022, we also for the first time partnered with Future Frontiers, an education charity, to apply this strategy to our social impact, and we are repeating this programme in 2023 with a larger group.

We are a business built on the talent and drive of our people and have implemented a number of initiatives to help support the well-being and development of our staff, increase the diversity of our talent pool, and grow broader awareness of opportunities in our industry. This is a key focus of our efforts to create a more diverse workforce, which we see as key to creating a more equal company.

Marex is excited about the opportunities ahead of us as we continue to strive towards our ambition to cultivate positive change in the commodities market for a more sustainable future.





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