

## STRATEGIC REPORT (CONTINUED)

## Risk Identification and Assessments (continued)

Risk Type	Description
Financial Crime Risk	<p>Financial Crime Risk encompasses five key risk areas: ‘Sanctions’, ‘Money Laundering and Terrorist Financing’, ‘Bribery and Corruption’, ‘Tax Evasion’ and ‘Fraud’ risks.</p> <p>Marex has adopted a holistic approach to financial crime and has one group-wide Financial Crime Policy that sets the minimum control requirement in the five key risk areas. This combined approach allows us to identify and manage connections between the key risk areas. Entity-level policies formally adopt the Group Financial Crime Policy and define any local regulatory requirements that apply to specific entities across the Group. Methodologies and Standards underpin the Group and Entity-Level policies. Methodologies identify, select, process, and analyse Financial Crime Risk. Standards provide the detailed guidance on how to comply with the financial crime policies. Procedures provide instructions to ensure routine and complex operations are undertaken in alignment with policies and standards.</p> <p>For each Financial Crime typology an overarching risk appetite statement has been produced, which is supported by qualitative statements and quantitative thresholds and limits. A set of Key Risk Indicators and Key Performance Indicators measure the quantitative thresholds and limits. These are produced on a quarterly basis in order to assess compliance standards and highlight areas of potential weaknesses. Financial Crime management information is presented to the Financial Crime Committee and Audit and Compliance Committee for review and challenge as part of their oversight responsibilities.</p>
Technology Risk	<p>Technology risk, or information technology risk, is the potential for any technology to disrupt the business. Risk management includes the strategies, processes, systems and people aimed at effectively managing potential technology risks.</p> <p>The goal of cybersecurity risk management is to identify potential technology risks before they occur and have a plan to address those technology risks. Risk management looks at internal and external technology risk that could have an effect on the Group.</p>
Group Risk	<p>Group risk is the risk that the financial position of a firm may be adversely affected by its relationships (financial or non-financial) with other entities in the same group or by risks which may affect the financial position of the whole Group. For Marex, this risk is small because over 90% of the market risk and credit risk faced by the group sits within Marex Financial, the main trading entity.</p>
Reputational Risk	<p>Reputational risk is viewed as a secondary risk by the Group, one resulting from the impact of other risks, such as operational risk or compliance risk. It is important to note, that all departments have their own control processes and procedures in place to limit the impact of all relevant risks.</p>

Multiple methods and tools are utilised to identify existing and emerging risks within the market, the businesses and individual instruments traded.