

Sustainability Report 2019



Message from Rick McVey, CEO of MarketAxess

To our stakeholders:

MarketAxess teams have come to work every day for nearly two decades with a clear purpose: to open global markets to create more opportunities for the companies, institutions and individuals who depend on them.

That's important work for many reasons. Three times larger than the global equities market, the \$100 trillion-plus global credit market plays a leading role in fueling economic growth worldwide. In that sense, it touches all our lives in some way. Companies turn to fixed income markets to finance expansions that create jobs and innovative products. Individuals and their families rely on fixed income markets to fund their retirement and make it easier for them to achieve financial goals such as buying a home or paying for education. Growing populations in developing economies benefit from the investment capital channeled into their country's infrastructure, such as roads and schools, as do residents of states and municipalities.

Our growing role in making these markets work better for society and the economy brings with it the obligation to be a responsible corporate citizen. The MarketAxess vision of corporate citizenship has four pillars:

- **An enduring commitment to high standards of governance.** The true character of a company is demonstrated through the integrity and sense of fairness it brings to the management of its business every day. We strive to make sure that MarketAxess takes into account the interests of all our stakeholders — clients, employees, investors and business partners.
- **Helping communities become more resilient.** Our responsibilities extend beyond our business to the world's communities. We focus on supporting projects that promote access to economic opportunity, education and housing. Encouraging our volunteer activities for everyone at MarketAxess, as well as offering financial support to select non-profit organizations, are important parts of our community engagement.
- **Prioritizing a strong, diverse workforce.** Our people are our backbone. We're committed to making substantial progress in how we recognize and value the experiences that make each of us unique, from our recruitment processes to each employee's daily work. MarketAxess recognizes that we can always do more to make our company a rewarding place to work for all.
- **Adopting sound sustainability practices across our business operations.** Climate change and safeguarding the environment are critical issues for every business. As a global electronic trading network, our environmental impact is primarily in our facilities and energy usage. That's why we're taking a disciplined look at our operations' impact on energy consumption and conservation, water use, GHG emissions and waste, including minimizing plastic and facilitating recycling.

These four pillars support MarketAxess in our core mission: to use our knowledge, creativity and award-winning technology to reduce friction and bottlenecks in this vital, complex market. That starts by exponentially increasing the opportunities for market participants to connect with one another more efficiently and transparently. Every day, our technology helps capital move in, out and around a vast global market faster, cheaper and more safely.

We unlock a range of possibilities for mutual funds, ETFs, pension funds and investment banks to trade when, where and how they choose at competitive prices. This means their clients — individuals, families, institutions and companies — can over time retain more return on their investments and have more confidence in their ability to access their savings and capital when they need them.

Collaboration with our clients will always play a critical role in fulfilling this mission. This collaboration has grown even more important as we enter the next phase of global market development driven by transformative technologies. Our market-leading AI and advanced data solutions stem directly from working with our clients on new tools to achieve speedier market access, reduce costs and improve outcomes for their investors and clients.

The importance of the principles in our four pillars of corporate responsibility can also be seen in the capital markets, where environmental, social and governance factors play an ever more influential role in investment decisions. A significant sign of this change: the volume of green bonds traded on MarketAxess more than doubled in 2019 to \$19 billion. That total amounts to 15% of all the U.S.-reported trading in these environmentally supportive instruments, ranking MarketAxess as the largest marketplace for green bonds. That's just one of many opportunities our company has to be a positive force in global markets as well as in the world's communities.

— Rick McVey



By the Numbers:

Employee headcount: over 525 employees worldwide

Women in leadership roles

- 25% of women on board of directors
- 25% of women in global management team

About MarketAxess

Organizational Profile

NASDAQ: MKTX

Headquarters: New York, NY

Purpose

To open global markets to create more opportunities for the companies, institutions and individuals who depend on them.



Values

Open markets create more opportunity for all: At its heart, our network and technology create more open, connected markets — making broader participation possible. That increases equality and opportunity by removing barriers to interaction among different types of market participants. The more open markets are, the deeper, more efficient and more resilient they become.

We live for making markets work better for clients: In business for two decades, our drive to invent — and re-invent — solutions of value to clients accelerates every day. We have a relentless drive to find the best answer. That spirit shows up in a constant flow of fresh ideas and the bold pursuit of taking on our clients' toughest challenges.

Imagination precedes innovation: Before innovation, someone had the imagination to see beyond the tried-and-true and to redefine the problem. We place a high value on these sparks of imagination as the beginnings of real innovation.

Collaboration works: We prize authentic collaboration — not group think. We know great ideas often come from unexpected sources. When team members, clients and partners from different backgrounds, perspectives and expertise come together in true collaboration, the possibilities are endless.

Progress requires persistence: Rarely is the first answer to a complex problem the best one or the only one. In the process of improving the way the markets work, our teams test and retest ideas. We keep pushing until we get the right answer — not just any answer.

Sustainability at MarketAxess

Sustainability can be defined as a business' commitment to advancing economic prosperity while improving the world in which it operates. Our commitment to sustainability and corporate responsibility is in line with our goal of applying our ingenuity, innovative technology and electronic network to make global credit markets work better for the people who depend on them. In pursuing this commitment, we embrace our responsibility as a corporate citizen to ensure that our global activities positively impact our communities and our environment.

MarketAxess launched our sustainability program in 2019 after taking into consideration the views of MarketAxess' stakeholders, including our employees, investors, clients and regulators. Under the oversight of the Nominating and Corporate Governance Committee of our Board, we formed an internal Sustainability and ESG (Environment, Social and Governance) Committee comprised of senior management representatives from our Human Resources, Legal, Investor Relations and Marketing Departments. The Committee focuses on the issues that most concerned our stakeholders. We also considered recommendations from the Global Reporting Initiative and Sustainability Accounting Standards Board.

MarketAxess is in the early stages of its sustainability journey. At this point, we are evaluating and measuring our impacts across three key pillars: governance, culture and climate. We seek to learn from this process and to integrate more sustainability-driven ideas and principles across the organization in the coming years.



Governance

MarketAxess' Board believes good governance is good business. Strong, effective corporate governance is the foundation upon which MarketAxess has built our reputation with clients, investors and regulators. Our clients rely on MarketAxess for the daily execution of thousands of trades reflecting confidential and proprietary trading strategies. Our electronic network must operate around the globe in compliance with local regulations.

For these reasons, the Board is committed to the highest standards of ethical business conduct in accord with applicable laws, rules and regulations. In line with that commitment, the Board has adopted a Code of Conduct, setting ethical guidelines for Company employees, officers and directors. These guidelines help MarketAxess employees recognize and address ethical issues, establish mechanisms to report unethical conduct and set policies and procedures to foster a culture of honesty and accountability.

Board Structure and Board Diversity

MarketAxess' Board of Directors takes an active role in maintaining high standards of governance and sound management practices across the company's activities. It advises and counsels management in the long-term strategy of the Company and its stockholders. Through its committees, the Board is regularly engaged in business strategy, risk oversight, financial reporting, executive compensation, succession planning and corporate responsibility.

The Nominating and Corporate Governance Committee assists the Board in identifying and attracting highly qualified individuals to serve as directors. Its mandate includes actively monitoring the Board's skill sets and diversity so it is in a position to address needs that may arise. This committee also develops and maintains corporate governance guidelines and oversees the annual evaluation of the Board and its committees.

We recognize the importance of Board independence. Eighty-three percent of all Board members are independent in accordance with the requirements of the NASDAQ Global Select Market on which our common stock is listed. Each person serving as a director must devote time and attention to meetings and committee responsibilities. Each of our Board committees is governed by written charters that outline specific roles and responsibilities. Each committee also consists of at least three independent directors.

MarketAxess recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company's Board Diversity Statement cites diversity at the Board level as an essential element in the attainment of its strategic objectives and in achieving sustainable and balanced strategic advice. In designing the Board's composition, diversity is considered from a number of aspects, including but not limited to gender, age, race, ethnicity, nationality, cultural and educational background, professional experience, skills, knowledge and length of service. In formal searches for Board candidates, the Governance Committee will include (and request that any search firm include) qualified candidates with a diversity of race/ethnicity and gender in the initial pool of candidates.

The ultimate decision on all Board nominations is based on merit and contribution that the selected candidates will bring to the Board, having due regard for the benefits of diversity. Currently, three of our 12 directors are women. We plan to continue to refresh our Board of Directors to ensure that it remains composed of high-functioning members able to keep their commitments to Board service.

Effectively Monitoring and Managing Risk

Executive management and the MarketAxess Board of Directors cooperate to oversee mechanisms that protect our technologies and the customers who rely on us. MarketAxess' Board and the Board Risk Committee assist MarketAxess' executive management team in its efforts to define risks facing the Company, formulate risk management policies and procedures, and manage risk exposures on an ongoing basis. MarketAxess has a Global Chief Risk Officer who prepares updates and reports for the global management team and the Board and assists in developing programs to identify and control risks.

Board Committees

Our committees meet regularly. The Risk and Audit committees meet at least four times a year with additional conference calls throughout the year. Other committees meet on an as needed basis throughout each year. Our Board regularly reviews our corporate governance policies and practices. We believe that our overall governance structure effectively serves the interest of our stockholders.

Learn more about our committee structure here:
<https://investor.marketaxess.com/corporate-governance/committee-composition>

Corporate Governance Best Practices

The following list highlights MarketAxess' corporate governance best practices:

- No dual class of stock or controlling shareholder
- Annual election of all directors by a majority vote standard
- 10 of 12 directors are independent in accordance with NASDAQ standards
- Lead Independent Director with defined powers and duties
- Average director tenure of 6.24 years
- Three women on the Board (25%) and three women on the Global Management Team (25%)
- No supermajority vote provisions in charter or bylaws
- Shareholder right to act by written consent
- Succession planning program is in place for senior management
- Annual self-evaluations are conducted for the Board and Board Committees
- Board and committee meetings receive excellent attendance

Message from the Board of Directors

My fellow Board members and I know well the important roles that sustainability, diversity and community engagement must play in the future of MarketAxess if it is to extend its impressive record of growth. That's why management has our enthusiastic support in its drive to strengthen our Company's contribution to the well-being of our employees, our communities and the environment.

These worthy objectives fit well with our Company's commitment to making the world's largest market more efficient and resilient. The global fixed income market plays a central role in financing economic growth, creating jobs and helping families achieve their financial goals. Its health is critical to the future of businesses, institutions and communities across the world's developed and emerging economies.

Clearly, our Company's commitment to social responsibility will be increasingly important to attracting and retaining the talent we will need to continue to succeed as a leading financial technology company. Today, a company must articulate its purpose in society, not just its business.

Fundamental to this commitment is upholding our Company's high standards of governance. Our Board takes to heart our commitment to ensure that MarketAxess does the right thing for our clients, our global workforce, the communities in which we operate and our investors. That's the path to an even more successful future for MarketAxess.



— Nancy Altobello

Lead Independent Director

The independent directors of our Board have appointed one of the independent directors to serve as Lead Independent Director. The Lead Independent Director has specific responsibilities, including (i) coordinating the activities of the other Independent Directors; (ii) serving as a liaison between the chairman and the Independent Directors; (iii) approving meeting agendas for the Board; and (iv) approving meeting schedules to assure there is sufficient time to discuss all agenda items.

Board Refreshment and Tenure

Given the complexity of our various businesses, we believe that it is in the best interest of our stockholders to ensure that our Board continues to evolve and remains composed of high-functioning members able to keep their commitments to Board service. However, our Board believes strict limits on the number of terms a director may serve is not currently in the best interests of our company and its stockholders as this may cause the loss of experience, institutional knowledge and expertise important to the operation of the Board. Directors who have served on the Board for an extended period of time can provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history and objectives.

In line with this view, the Nominating and Corporate Governance Committee will consider the tenure, as well as the qualifications and recent performance, of each incumbent director before recommending the nomination of that director for an additional term. Specific attention will be given to incumbent directors with greater than nine years of Board service. In 2019, three of our long-serving Board members were not re-nominated for election. Today, six of our directors have been on our board for five or less years.

Stakeholder Engagement

MarketAxess has a strong stockholder engagement program. In 2019, we held discussions with 16 of our top 20 largest shareholders. In these meetings, we received input on a range of topics, including executive compensation programs, Board and committee refreshment and evaluation, board diversity, succession planning, human capital management and other ESG issues. We will take our investor feedback into account as we develop our work in these areas. We will continue to provide updates on our progress through our engagement program, regular SEC reports and annual corporate responsibility reports.

Corporate Policies

MarketAxess was created to make a positive difference in the global credit markets. Likewise, MarketAxess believes it should make a positive impact wherever it can — to the benefit of its employees, clients, vendors and local communities. We believe good corporate citizenship pays dividends as our employees and business partners prefer to work for or with a company that cares about its social responsibility.

Our Board and management team sets the tone from the top in establishing our ethical culture. We have adopted the following policies intended to set ethical standards for our employees and business partners. These policies also ensure we operate in compliance with applicable labor laws, financial regulations and other standards that apply to our businesses.

GLOBAL CORPORATE POLICIES

Corporate Governance Guidelines

Code of Conduct

Slavery & Human Trafficking Statement

Anti-Bribery and Corruption Policy

Privacy Policy

Personal Trading Policy

Whistleblower Policy

Vendor Risk Management and Procurement Policy

Code of Ethics for the Chief Executive Officer and Senior Financial Officers

CODE OF CONDUCT AND CODE OF ETHICS

MarketAxess' conflict of interest procedures are designed to ensure that customers are our primary focus. We maintain a Code of Conduct for all employees, officers and directors, and a Code of Ethics for the Chief Executive Officer and Senior Financial Officers. Both policies prohibit conflicts of interest and provide guidelines for promoting a customer-friendly culture of honesty and accountability.

ANTI-BRIBERY AND CORRUPTION POLICY

The U.S. and U.K. are two of MarketAxess' key markets. The U.S. Foreign Corrupt Practices Act (FCPA) prohibits bribery of government officials, and the U.K. Bribery Act prohibits all bribery of both government officials and private individuals. For this reason, we have adopted a global Anti-Bribery and Corruption Policy that is applicable to all of our worldwide subsidiaries and prohibits facilitation payments. The Policy is also applicable to third parties or business partners that work with MarketAxess, such as suppliers, external consultants and joint venture partners. For these parties, we require relevant due diligence to be conducted. We train and monitor our employees to ensure compliance with regulations across all markets where we operate. Our senior management is responsible for promoting the ABC Policy and for ensuring that a culture of integrity is fostered and maintained by all employees.

UPHOLDING HUMAN RIGHTS

Our commitment to operating in an ethical and lawful manner includes protecting the dignity and human rights of our employees. MarketAxess has approved a Slavery and Human Trafficking Statement as part of our commitment to ensure that there is no modern slavery or human trafficking in any part of our business, including in our third-party vendors. The Company strives to provide a safe work environment in which employees treat each other with courtesy and respect and resolve any differences in a professional, non-abusive and non-threatening manner. In addition, MarketAxess' Code of Conduct requires that all employees respect every individual and value our differences — in thought, style, sexual orientation, gender identity, race, ethnicity, culture and experience.

ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM

Through our Open Trading™ protocols, our clients can execute bond trades in an all-to-all anonymous trading environment in which MarketAxess acts as the matched principal counterparty. These Open Trading™ protocols improved market liquidity by allowing all participants to interact anonymously in an all-to-all trading environment, thereby increasing the number of potential counterparties. In connection with our Open Trading™ functionality, however, the way in which we conduct our business as a counterparty to thousands of trades per day is as important as our financial performance. Through our Anti-Money Laundering (AML) function, we are committed to meeting regulations governing identification (authentication); detecting and reporting suspicious transactions; and developing, updating and delivering internal policies, procedures and controls.

We examine our AML strategy and objectives on a continuing basis to ensure that it fulfills the regulatory requirements of a global platform. Our Open Trading™ on-boarding begins with robust client on-boarding processes and "know your customer" procedures and continues throughout the lifetime of the client relationship with annual monitoring, credit reviews and diligence updates. Our various AML Officers oversee our policies and ensure that all employees receive appropriate training on an annual basis.

VENDOR RISK MANAGEMENT

MarketAxess engages with third-party service providers for a wide range of products and services — including logistics, information technology, consulting, marketing and professional services. While such relationships aim to benefit MarketAxess in various ways, including minimizing costs and improving performance, the use of third parties to support MarketAxess' business involves risks that must be properly managed. MarketAxess



has adopted a Vendor Risk Management and Procurement Policy that establishes MarketAxess' expectations when engaging with a third-party service provider, including requiring a criticality assessment and a review of regulatory and compliance status. The criticality assessment is designed to protect employee and client confidentiality and data and to ensure they have adequate systemic controls and pose no financial risk.

WHISTLEBLOWER POLICY

MarketAxess has a Whistleblower Policy that encourages the reporting of any kind of issue or concern without fear of discrimination, harassment and/or retaliation. Matters can be raised via a hotline, web or mail. These procedures are open to anyone — employees, shareholders, clients, suppliers, vendors and others — to anonymously report suspected wrongdoing. Reports of fraud or financial wrongdoing made via the anonymous whistleblower escalation mechanisms are forwarded to the Chairperson of MarketAxess' Audit Committee for investigation.

Alignment to Sustainable Development Goals and Other UN commitments

MarketAxess supports the UN Sustainable Development Agenda that is designed to provide global prosperity by 2030 through 17 specific goals. We align our community involvement activities with SDG #4 on Quality Education and #8 on Decent Work and Economic Growth, which are the most material to our business operations:

- **SDG 4 — Quality Education:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Through its support of the Doe Fund, The New York State Education Department, Cristo Rey and EMPower, MarketAxess is committed to ensuring access to education for all. In addition, we offer team members ongoing education opportunities including internal training programs and workshops.
- **SDG 8 — Decent Work and Economic Growth:** Through its volunteerism and community engagement programs, MarketAxess promotes access to economic opportunity, education and housing. In addition, we support Echale a Tu Casa, which is a social producer of housing and community infrastructure that contributes to the development of communities.

Culture

Our success relies on the dedication and skills of our employees in a wide range of roles. Our technologists build the applications that deliver clients ready access to global liquidity, vast choice in how they trade and significant cost savings and efficiencies.

Our relationship managers partner with our clients around the world to deliver the technology they need to progress their business while providing excellent client service. Our executive, administrative and operational staff ensures our business runs smoothly under all business and market conditions.

Every year, we invest in our employees' personal and professional development and in their overall well-being.

PEOPLE
BY THE
NUMBERS

- 298 employees in New York
- 33 employees in other U.S. offices
- 178 employees in London & other European offices
- 13 employees in Asia
- 4 employees in Brazil

In 2019, MarketAxess made the decision to change its technology development and deployment methodology to Agile development. Part of this process involves creating delivery teams who work across technology functions and in tandem with business leaders. The teams are self-directed and empowered to determine what will be incorporated in the next release cycle.

We engaged with an outside consulting firm to assist us through this transformation, providing hours of training in the principles of Agile development to all technologists and other interested employees in New York and London as well as support in the day-to-day processes. We believe this organizational structure and software development process will drive efficiencies and provide more opportunities for technologists to develop broader technical skills and have a voice in determining what work will be delivered. The elimination of the "command and control" model and movement to continuous 360 feedback from others on the team further empowers the technologists and creates true coaching roles for those people interested in helping others achieve their full potential.

At MarketAxess, we are focusing on using Agile development to:

- Innovate more effectively
- Keep us centered on our customers
- Help us to deliver value at speed
- Reduce process complexity
- Foster a culture where all contributions matter

Employee Engagement and Retention

Research by Mercer Sirota, a leading human capital consulting firm, shows that three core needs — achieving something meaningful, working collaboratively with others and being fairly and respectfully treated — create engagement.

We are proud that 94% of our employees participated in the employee engagement survey and we are actively working on further developing our culture and enhancing our programs in order to address the opportunities surfaced by our employees. Top findings revealed that the majority of employees are confident in the future of MarketAxess and that immediate managers create an environment in which their employees can succeed. However, we don't want to become complacent. We will issue periodic pulse surveys so we can monitor for updates and changes in sentiment from our employee population, which will allow us to continue to make necessary changes. In 2019, our unwanted attrition rates were in the single digits.

I recently joined our newly formed ESG working group. MarketAxess is constantly trying to evolve and improve our culture, and stay at the forefront of industry trends. The ESG working group was formed with employees from all regions and all departments to come up with an ESG strategy for the company. It's been a really exciting project where I've had the chance to step away from my day-to-day work and learn more about ESG in the finance industry. It has also given me the opportunity to work with colleagues around the world that I don't usually get to work with. I can't wait to see the results!

— Tricia Chan, Hong Kong

In addition, we also host a number of ongoing internal initiatives for employees.

RIVERSIDE CHAT

Every 4-6 weeks, a key leader or group of key leaders will speak to employees in a "fireside chat" fashion about new initiatives, events, or other topics relevant to the company. Recent chats have taken place with board members, Richard Prager and Nancy Altobello, about their experiences as leaders within their respective firms, and with Mike Baker, chief technology officer at MarketAxess, about transitioning to Agile development software.

LEADER LINK

On the MarketAxess intranet, managers will send through interesting articles on a range of topics, including ESG, culture and technology trends.

LEVEL UP

Launched in November 2019, Level Up is an internal campaign that serves to educate our global employee base on the strategic priorities of MarketAxess, as a way of increasing transparency. Each feature includes a video interview with an internal leader who will speak about a new theme or key initiative. These features are activated through various channels, including intranet, office signage and lunch and learn events.



EMPLOYEE SPOTLIGHT

As part of its efforts to recognize and highlight its diverse employee population, MarketAxess recognizes one employee or small team of employees each month. The spotlight gives employees the opportunity to learn more about the hobbies and interests of their peers.

DID YOU KNOW?

Employees can access important benefits and other human resources-related items via the "Did you know" feature on myMax, MarketAxess' intranet.

Training and Development

Investing in learning and development for our employees is crucial to our success and ability to make an impact. We offer a variety of courses and learning opportunities across many different topics to all employees via online, on premises and off-site training as well as conferences.

I value the firm's commitment to professional development. I was able to take a Python bootcamp this past fall that was challenging and fascinating as well. I had no prior experience with coding and this program gave me a great foundation over a full day of interactive seminars and lectures.

— Chiqui Matthew, New York

Over the last 18 months, we have developed a strategic leadership program for a select group of global senior managers. This curriculum focuses on tackling complex leadership and business issues and partnering on strategic initiatives. We completed the first pilot group of 12 leaders in October 2019 and are starting a second cohort in the early part of 2020. Additionally, we have provided MarketAxess-specific training in leadership fundamentals to almost 70 managers globally.

Other on-site training initiatives for 2019 included contracting with outside vendors to provide training in Docker, capital markets, fixed income, sales effectiveness and presentation training, as well as business writing classes. For employees pursuing a college degree or other outside degree programs, we also provide tuition assistance.

Health and Wellness/Workspace

Our new headquarters at Hudson Yards in New York City was designed with input from our employees. From break-out spaces to standing desks, free snacks, lunch two days a week and social events, the space was created to support the well-being of our employees. A similar set-up will be implemented in London as we expand our U.K. offices. Through the business programs at Hudson Yards, employees have access to on-site medical care, back-up child care and elder care.

I became a dad for the first time in November 2017 just before the implementation of MiFID II in January 2018. This was an incredibly exciting and busy period as we were launching a range of new regulatory services to help our clients and MarketAxess comply with the raft of new challenges being introduced. With support from MarketAxess, I was able to balance the demands of being a new parent with one of the largest changes to the European financial markets. This support included flexibility around working hours, the ability to work from home and as well as understanding from management and colleagues when I had been up for most of the night! In the end both deliveries were successful — luckily it was just the baby who arrived a little late and not the software!

— Nick Moss, London

We continue to evolve our support of our employees' physical, mental and financial well-being. In addition to access to on-site medical care, most of our employees, globally, are eligible for a gym subsidy. In New York, we participate in the J.P. Morgan Corporate Challenge annually to encourage camaraderie while promoting fitness and health. Europe and Asia are expanding their wellness initiatives in 2020 by offering fitness reimbursements more broadly than just for gym memberships and by implementing disease screening programs.

In New York, we hosted our annual Health and Wellness Fair in September 2019. Employees had access to free biometric screenings, chair massages, a healthy cooking demonstration, and other educational materials and activities. We also had representatives from our on-site medical center run by Mount Sinai available to encourage employees to sign up for annual wellness exams.

We also invest in employees' financial well-being. From 401(k) and pension plan employer matches to online and on-site financial planning seminars sponsored by firms such as Fidelity Investments and Charles Schwab, we help our employees navigate their financial well-being. With the exception of the executive leadership team, all employees are eligible to participate in our Employee Stock Purchase Program (ESPP). Our ESPP provides a 20% match on shares purchased by participants every six months.

We offer competitive paid time off programs in all the regions where we employ staff. One of our unique programs is an additional two weeks of paid time off every time an employee reaches a 5-year tenure milestone.

In 2019, the U.S. time off policy was augmented to include up to two paid days a year for volunteering. Flexibility to work from home is important to our employees, so we are increasingly offering more options for all of our employees to work remotely. Additionally, we have augmented our time off program in the U.S. to provide more time off for longer tenured staff.

HEALTH AND SAFETY

The nature of our business does not generally result in workplace injuries or safety concerns. We have not had a workplace injury in over ten years. Standing desks and ergonomic set-ups in our New York headquarters help prevent injuries due to repetitive motion and long periods of sitting.

Diversity, Equity and Inclusion

The diverse backgrounds, experiences and perspectives of our people are one of our biggest strengths. We continually strive to make our workforce more diverse, inclusive and supportive of all. We have initiated women's events in New York, London and Amsterdam, inviting women from various companies and backgrounds to share experiences and advice.

We have been able to further diversify our workforce through our summer intern and graduate hire programs, which represent a spectrum of schools, fields of study, interests and socio-economic backgrounds.

To broaden our candidate pools, we use diverse hiring sources, including employee referrals, recruitment vendors, postings on diversity job boards and with diversity interest groups, and we attend various recruiting events, including The Grace Hopper Program at Fullstack Academy recruiting day. In October 2019, MarketAxess joined Correlation One as a sponsor of their annual Data Science For All™: Women's Summit. In addition to participating in their career fair, our Head of Research served as a mentor to select participants during their two-week learning program.

Human Rights

As an organization that relies on its human capital, we are proud to stand for global human rights for all. Our support of human rights is founded on the principles outlined in the Universal Declaration of Human Rights.

Community Involvement

As a company with vast networks, both electronically and through our people, connectivity and exchange come naturally. Those qualities sustain our culture of engagement and good citizenship.

These values are expressed in our support of organizations that provide essential resources and services to individuals and communities in need.

Volunteerism and philanthropy are a long-standing part of the MarketAxess culture, where we provide different opportunities for our employees to give back. We offer an employee match program of up to \$2,000 per employee per year and, in 2019, we matched over \$38,000 in employee donations to charitable contributions. In 2019, we rolled out InvolveSoft in the U.S. and U.K., a workplace communications platform that provides opportunities for group volunteering.

Recent team activities have included a group of employees and their clients who participated in a dinner meal service at The Bowery Mission and a team event of 15 employees bundling care packages for families in need through Good+Foundation. MarketAxess supports a range of organizations engaged in community development, youth education, health and well-being and building careers.



Community Redevelopment

EMERGING MARKETS TRADE ASSOCIATION

For the past 17 years, MarketAxess has held its Annual Emerging Markets Charity Trading Day, which is done in partnership with the Emerging Markets Traders Association (EMTA). On the Charity Trading Day in 2019, MarketAxess raised over \$270,000 for emerging market communities from trading activity across its platform, benefitting the following four charities — African Dream Academy Foundation, Care 2 Communities, The Orphaned Starfish Foundation and World Connect — which provide critical services to communities in Africa, Haiti and other parts of the world. Emerging Market trade volume reached a record \$132 billion in the third quarter of 2019, up 51% year-over-year. MarketAxess is deeply committed to the quality of life in emerging market countries and has raised nearly \$2 million for this cause across the last 17 years.

HABITAT FOR HUMANITY

Since 2017, MarketAxess has participated in two charity days each year with Habitat for Humanity, the global nonprofit that brings people together to build homes, communities and hope. We involve employees at all levels, including summer interns and our graduate class of associates, for a day of team building and shared volunteer experiences.

My most memorable volunteer effort has been and will continue to be our intern/analyst programs partnership with Habitat for Humanity. We go twice a year to help rebuild homes for those in need. Every year it gets more and more fulfilling, not just for me, but for our new hires as well. It's both a humbling and gratifying experience.

— Roxanne Jackson, New York



ECHALE A TU CASA

Echale a Tu Casa is a socially responsible housing organization that delivers affordable homes to communities through the implementation of innovations in construction, technology and finance. As a certified B Corp, Echale a Tu Casa brings a systemic solution to families that build their own homes.

Organized by a MarketAxess employee with family in Mexico, MarketAxess employees hosted a cocktail party in 2019 for employees, clients and friends of the firm, raising over \$4,000. All donations went towards construction materials to rebuild homes in the most affected and vulnerable communities after the 2017 earthquakes in Mexico.

Youth Education

CRISTO REY

Since 2005, MarketAxess has been a partner of the Cristo Rey New York High School as part of the school's Corporate Work Study program, where students from underserved communities have the opportunity to gain exposure to different job functions and learn new skills in a corporate environment.

Each year, MarketAxess "hires" a team of up to five students that performs critical back office support, such as pantry management, mail distribution, filing and reception. To date, approximately 20 students have worked at MarketAxess and most have graduated from Cristo Rey, attending colleges such as Fordham University, Syracuse University and CUNY schools.

MarketAxess is proud to be a part of the Corporate Work Study program, giving students invaluable work experience and access to a network of colleagues and mentors that they wouldn't have otherwise had before attending college.



Health & Well-being

AMERICAN CANCER SOCIETY

Each summer, prominent leaders of the financial services industry come together for The Financial Services Cares Gala (FSCG), which benefits the American Cancer Society, and the Hope & Heroes Children's Cancer Fund at Columbia University. In 2019, our CEO, Rick McVey, served on the Executive Event Committee that raised \$3 million in a single evening.

J.P. MORGAN CORPORATE CHALLENGE

Each year, MarketAxess participates in the New York J.P. Morgan Corporate Challenge in order to support local philanthropic initiatives while providing a competitive, fitness-oriented, social event for our staff.

Building Careers

THE DOE FUND

The Doe Fund provides transitional work, housing and educational opportunities to people transitioning out of homelessness. In New York where MarketAxess is headquartered, many may recognize individuals in blue uniforms called the "Men in Blue," who engage in a year-long program of recovery, personal and professional development and economic advancement. In March 2019, MarketAxess hired its first worker from The Doe Fund, who serves as a full-time pantry associate. This connection came through our Head of Human Resources, who has volunteered with The Doe Fund's job placement and education teams for over ten years.

NEW YORK STATE EDUCATION DEPARTMENT

The New York State Education Department's Adult Career and Continuing Education Services-Vocational Rehabilitation (ACCES-VR) program assists individuals with disabilities with achieving and maintaining employment and supporting independent living through training, education, rehabilitation and career development. MarketAxess first learned about ACCES-VR through an interested employee. In an effort to provide an opportunity to a young adult with a disability, MarketAxess hired a part-time pantry assistant from ACCES-VR in March 2019.

Throughout my time at MarketAxess I've learned and observed the effectiveness of good communication in preventing confusion and allowing others to excel in their tasks, responsibilities, and grow in the workplace. MarketAxess has also taught me the value of having more experienced mentors in your life. For example, Jennifer, my supervisor, continually checks in on me, asks how I am doing, and her advice challenges me to grow and develop as a person.

— Christopher O., Class of 2020, Cristo Rey

EMPOWER

Our Emerging Markets Product team introduced us to EMpower, the Emerging Markets Foundation, a global philanthropic organization that invests in at-risk youth in emerging market countries. The Foundation connects the resources of Emerging Markets (EM) professionals worldwide with the vitality of local organizations in emerging market countries.

SUPPORTING TALENT FROM EMERGING MARKETS

In 2019, MarketAxess signed on to sponsor the IFC-Milken Institute Capital Markets Program, which trains financial and policy professionals from emerging markets and equips them with the skills needed to bring successful capital markets development to their own countries through one semester of coursework at George Washington University and four months of work placements across the U.S. financial industry. As a participating partner, MarketAxess will host a Capital Market Scholar to intern at the company. This year's Scholar is Mr. Kopano Bolokwe, who serves as Head of Product Development for the Botswana Stock Exchange. Mr. Bolokwe will intern with MarketAxess starting in January through April 2020, where he will be researching and developing a whitepaper on the importance of transparency to promote market fairness, participation, and liquidity.



Climate

MarketAxess is mindful of our environmental footprint and we make concentrated efforts to reduce our environmental impact. Due to the nature of our business, we do not manufacture or ship physical products that create or contribute to pollution. In our view, the most significant environmental impact we make is through the operation of our leased office spaces and data centers.

Hudson Yards

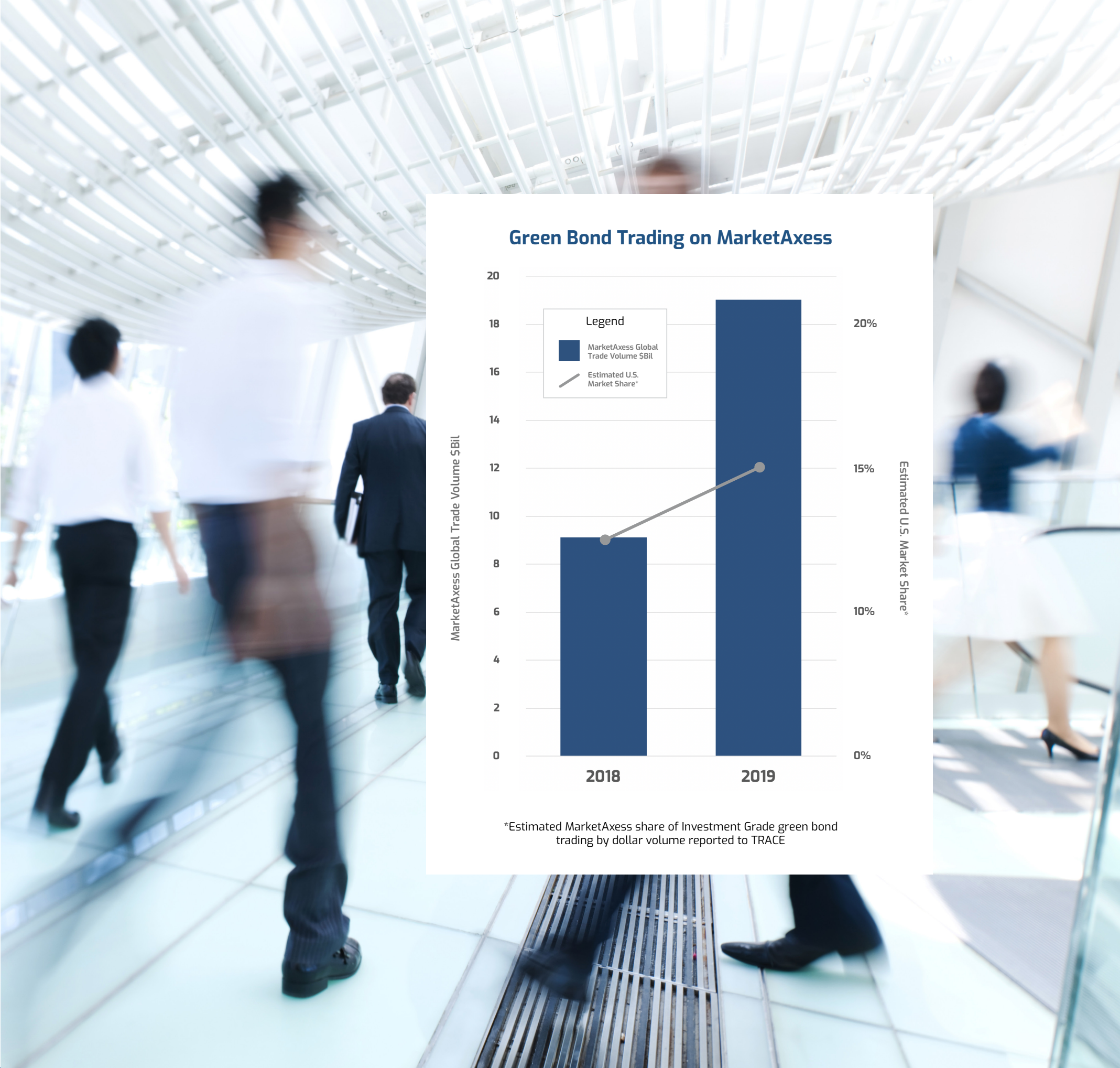
In 2019, we moved our headquarters to 55 Hudson Yards — a high-rise building centered in Manhattan's newest neighborhood. Our headquarters are now located in a LEED Gold-designed building that offers expansive views with floor to ceiling windows, maximizing the interior light. The building's LEED Certification was a major factor in the decision to select 55 Hudson Yards as our new headquarters. As is common in the famous High Line district, the greenery that surrounds the building offers a stunning juxtaposition to the steel elements of the building, where indoor and outdoor environments coexist. Numerous features of our 55 Hudson Yards office are designed to reduce tenants' carbon footprint, including water-efficient design, automatic lighting sensor controls and renewable energy use. Additionally, the building in which our London office is located is BREEAM-certified, which is the dominant sustainability assessment method for buildings in the U.K.

Data Centers

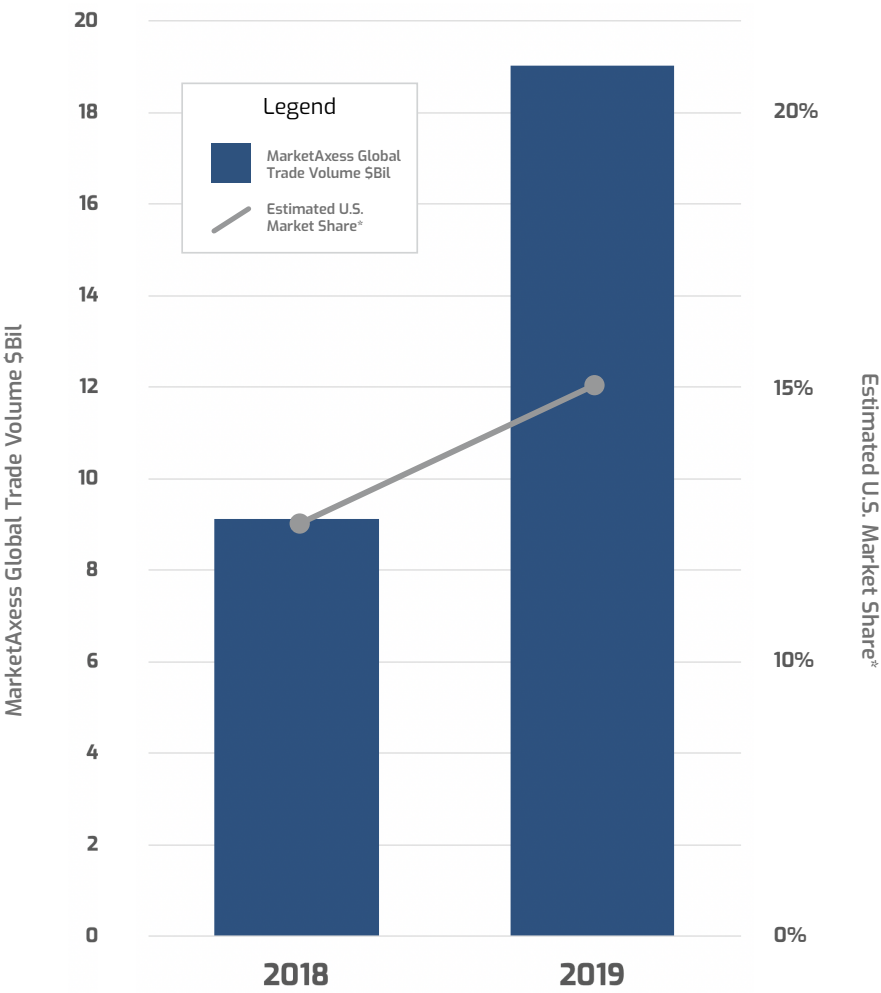
Data centers can have a tremendous environmental impact due to the volumes of electricity required to operate. Two of our three U.S. data centers have a LEED Certification rating level of Silver, meeting rigorous environmental and energy management systems standards.

My favorite thing about working here is being the “tip of the spear.” Working at the leading fintech organization that is constantly challenging the status quo is motivating. It's a challenging task to change behavior, but we have an opportunity to change the industry and leave a lasting legacy.

— Greg Cortese, Los Angeles



Green Bond Trading on MarketAxess



*Estimated MarketAxess share of Investment Grade green bond trading by dollar volume reported to TRACE

“Trading for Trees” Initiative Boosts Impact of Clients’ Sustainable Strategies

MarketAxess recorded a 108% increase in global Green Bond trading in 2019 as its clients' sustainable fixed income strategies continue to grow. Market-wide trading in U.S. Investment Grade issues financing environmentally friendly activities rose to over \$57 billion in 2019, up from nearly \$30 billion in 2018. With a 15% share of trading in these issues, MarketAxess ranks as the largest Green Bond marketplace in the U.S.

To support clients' sustainable investing strategies, MarketAxess is partnering with the charitable organization One Tree Planted on a trading incentive program. Through the “Trading for Trees” program, 5 trees will be planted for every \$1 million of Green Bond trades executed on the MarketAxess platform. Based on historical trading activity, MarketAxess expects the Trading for Trees program to be able to plant over 100,000 trees in 2020.

MarketAxess is also incorporating new data and functionality into its trading technology that makes it easier for clients to identify and access liquidity in Green Bonds. “These initiatives underscore our commitment to a market that we believe will play an increasingly important role in protecting our environment,” said President Chris Concannon.

Our Initiatives

Within our workplaces, we take great efforts to reduce our environmental impact through various initiatives. MarketAxess provides reusable water bottles to all employees and makes mugs and glasses available for use instead of disposable plastic bottles or paper cups. There are paper, plastic and metal recycling stations throughout our offices. We use ‘follow-me’ printer systems that require ID scans at printing stations to avoid wasting paper. To encourage greener commuting, we offer a pre-tax benefit account that can be used to pay for public mass transit, and our headquarters has indoor bicycle storage on-site. Additionally, our U.K. office offers a program called Cycle to Work for employees. For those who bike to work for their commute, the employee can purchase a bicycle with accessories up to a value of £1,000 inc. VAT from a list of independent cycle shops and repay the amount in 12 monthly installments taken from the employee pre-tax monthly salary.

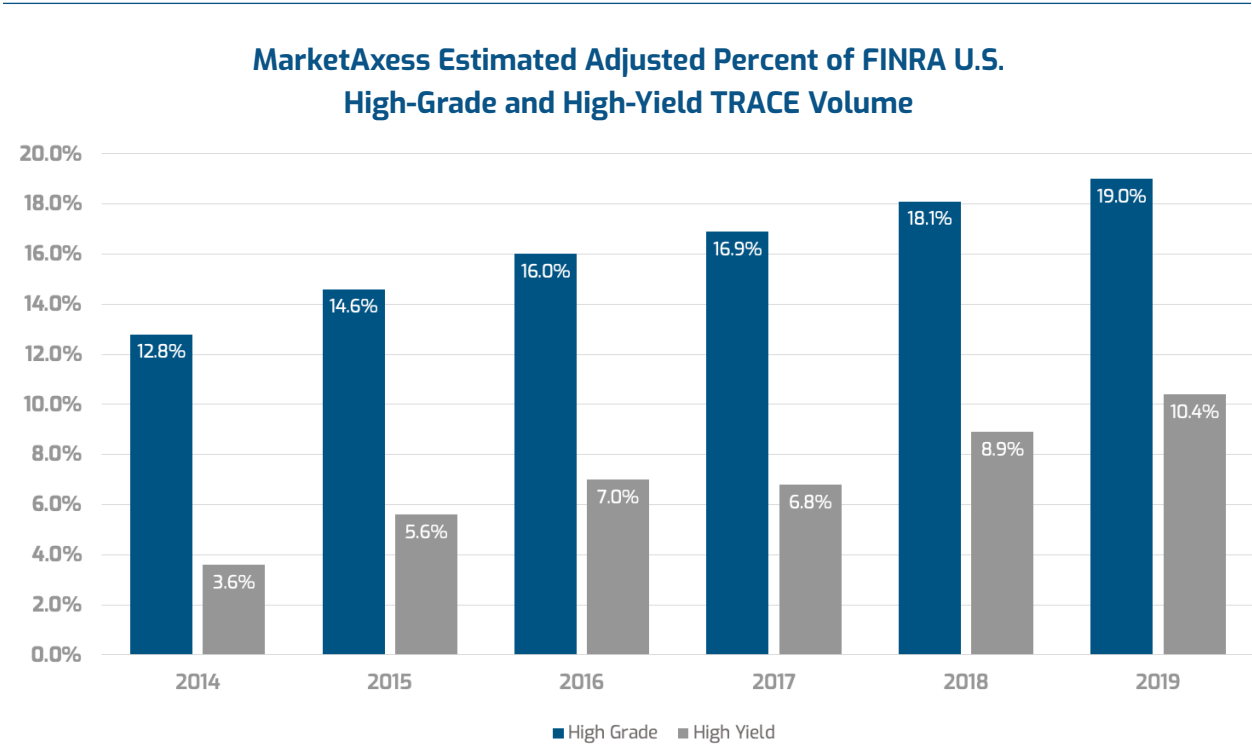
Customer Focus

MarketAxess fosters our customer relationships through more than 100 relationship managers stationed around the globe. We obtain customer feedback through our relationship managers and conduct customer satisfaction surveys periodically to optimize our service levels. Customer issues are recorded and investigated, and we maintain trade error policies designed to protect our Open Trading™ participants and enable us to manage the risks attendant in acting as a matched principal counterparty.

MarketAxess is focused on developing superior fixed income e-trading solutions for institutional investor and dealer firms. We strive to develop technology that streamlines our customers' trading experience, delivering products and services that benefit our customers and the fixed income market. We offer advantages over traditional fixed income trading methods that are shared by both institutional investors and dealers, including transparent pricing, an expanded liquidity pool, greater trading accuracy and efficient risk monitoring and compliance.

Leading the Technology Transformation of Global Bond Markets

Since its founding two decades ago, MarketAxess has led the way in delivering transformative technology that makes global bond markets more efficient and transparent. Our Open Trading™ has played a major role in the transformation by making it easier for all market participants to connect with a broad range of possible trading partners rather than a limited set of counterparties.



Open Trading™ makes it easier to execute trades and results in significant cost savings. Those cost savings ultimately benefit all investors – institutional as well as individual – by letting them retain more of their returns. MarketAxess is already delivering the next generation of electronic tools for the global markets. These include powerful automated trading capabilities driven by Artificial Intelligence and deep data resources.

We ended 2019 with a solid annual increase in our estimated share of trading in the U.S. investment grade and high yield bond markets, retaining our leadership in electronic trading by a large margin.

Recognition For MarketAxess Innovation

In 2019, our commitment to our customers has been highlighted by the recognition we have received for innovations and contributions to the fixed income market.



Composite+™ won the Waters Technology Ranking Award for *“Best Artificial Intelligence Technology Provider.”*



Open Trading™ won the Waters Technology Buy-Side Technology Award for *“Best Buy-Side Execution Venue.”*



MarketAxess won the AsiaRisk Award for *“Buy-Side Trading System of the Year.”*



Nichola Hunter, Head of Rates, was honored at the Markets Media Awards for *“Women in Finance.”*



MarketAxess won the Markets Media Award for *“Best Fixed Income Trading Platform.”*

Business Continuity

As a matter of public policy, regulatory bodies in the U.S. and the rest of the world are charged with safeguarding the integrity of the securities and other financial markets and with protecting the interests of investors participating in those markets. Our active broker-dealer and regulated venue subsidiaries fall within the scope of their regulations, and we are regularly in contact with our regulators to ensure our compliance with relevant laws and to address policy issues with respect to the fixed income markets.

We have a firm-wide business continuity plan and business continuity playbooks for each department. These tools guide the firm in promptly responding to business interruptions resulting in the loss of access to people, facilities, technology, or critical third-party vendors and in restoring the services provided to customers within a reasonable timeframe.

Information security is fundamental to our business. We maintain a designated Information Security function which manages the safeguarding of information. MarketAxess also maintains an Information Security Policy Statement intended to provide assurances to customers in relation to our security systems, controls and policies.

Our success would not be possible without the support and trust of our clients. We commit to our customers that we will act with integrity and handle sensitive customer information responsibly. MarketAxess maintains a Privacy Policy that outlines our collection and protection of personal data and complies with our obligations under the European Union General Data Protection Regulation (GDPR).

Participating in Policy Forums on Strengthening Capital Markets

MarketAxess collaborates with industry organizations around the world to exchange ideas, lend expertise and stay informed about issues facing our industry. In addition, Rick McVey, MarketAxess' Chairman and CEO, is a member of the SEC's Fixed Income Market Structure Advisory Committee, established to provide the SEC with diverse perspectives on the structure and operations of the U.S. fixed income markets, as well as advice and recommendations on matters related to fixed income market structure.

About this Report

This Report covers the twelve-month period ended December 31, 2019 for MarketAxess Holdings Inc. and all of its subsidiaries.

The Nominating and Corporate Governance Committee of the MarketAxess Holdings Inc. Board of Directors will oversee and periodically review and assess the Company's environmental, social and governance strategy and initiatives as outlined in this Report and make recommendations to the Company to further its ESG goals. The full Board has also reviewed this Report prior to its publication.

In addition, the Company's internal audit department will verify certain portions of this Report as part of its annual audit program.

For questions about MarketAxess' sustainability program, you can reach out to **sustainability@marketaxess.com**.