

Man Group

Diversity & Inclusion Report

March 2019



INTRODUCTION

“While we know it may take time for our initiatives to effect change, we could not be more committed to this effort and we refuse to use ‘lack of pipeline’ as an excuse without doing anything about it.”

Luke Ellis
Chief Executive Officer, Man Group



At Man Group, we are committed to increasing diversity in all forms, at all levels; not because we are told to, but because we know it is the right thing to do, making Man Group a stronger, more inclusive and dynamic place to work, and almost certainly a better investor.

In last year's Diversity & Inclusion Report we announced the launch of *Paving the Way*, our dedicated campaign to help increase diversity and inclusion at Man Group and across the investment industry more broadly. Following on from this, earlier this year we announced our intention to increase the resources we dedicate to *Paving the Way*, as well as to related charitable activity carried out through the Man Charitable Trust in the UK and newly launched Man US Charitable Foundation.

Our firm-wide charitable focus continues to be supporting literacy and numeracy at a grassroots level; this focus on education is not only deeply rooted in our firm's culture and values, but also well aligned with our approach to seeking to improve diversity in our industry from the ground up. The momentum that has started to build around this focus is already palpable and we are proud to have initiated an impressive number of new initiatives, partnerships and programmes in 2018, which are highlighted in this report.

Many firms in our industry have woken up to the need to actively work to attract more diverse talent and create a consciously inclusive environment, but there is much more that needs to be done. It is important for our industry to consciously attract a diverse range of applicants at the entry level if we are to improve the ratio further up the ladder, and many of our initiatives are therefore focused on reaching the next generation of talent at an early age. While we know it may take time for this to have an impact, we could not be more committed to this effort and we refuse to use 'lack of pipeline' as an excuse without doing anything about it.

As part of this outreach, we are also committed to addressing and improving the reputation of our industry through education and example. As an institutional asset manager, it is our responsibility to create financial stability and longevity for our clients. These include many pension funds responsible for the secure retirement of millions of individuals globally across healthcare, education, and public service, to name but a few. There is a need to raise awareness amongst not only the next generation but the population at large of the important social function asset managers play in this regard – a message our industry has done a poor job of communicating in the past. This in turn will help bolster the attractiveness of our industry as a place to work.

Once we have succeeded in getting more diverse candidates through the door, there must be a conscious and continued focus on progression. To enable diverse talent to progress to senior positions, we have to do more to encourage success and equal opportunity throughout their working lives. In 2018, Man Group took the decision to introduce enhanced parental leave for all employees globally, regardless of gender. The reception has been overwhelmingly positive, both internally and externally, and we feel this demonstrates our commitment to leading by example in taking steps to promote equality in a tangible way.

There are a growing number of industry-wide groups and campaigns focused on diversity and we continually evaluate which ones to pursue. To highlight a few, in 2018, Man Group became a signatory of the Women in Finance Charter, pledging to promote gender diversity, including setting internal targets and reporting publicly on progress. We have set a target of 25% female representation in senior management by 2020, and are pleased with our progress towards this target.

I, along with our Chairman Ian Livingston, also joined the 30% Club this year, a cross-business initiative aimed at achieving better gender balance on boards and senior management through voluntary, business-led change. We revised our own board diversity policy as well to include a target of at least 25% female representation over the next 12 months and 33% over the medium term. Meanwhile, our Chief Administrative Officer, Robyn Grew, was appointed chair of AIMA's Diversity and Inclusion group, increasing our external influence on this topic.

I am immensely proud of my colleagues for all of the progress made in 2018. We will continue to challenge ourselves and explore new opportunities to make a difference in the year ahead and for years to come. While the pace of change may be slow in some areas, we know this is a multi-year commitment against which we must hold ourselves accountable and continuously measure our success.

We are confident that these efforts will bear fruit over the coming years, helping us to thrive as a business, attract and elevate the best talent and make Man Group an enjoyable and inclusive place to work.

Luke Ellis
Chief Executive Officer, Man Group

UK GENDER PAY STATISTICS

Man Group welcomes the requirement for employers in the UK to calculate and publish their gender pay gap, a measure designed to show the difference between the average earnings of men and women across an organisation.

Our figures show the gap has remained broadly stable compared to last year. While we do not see disparities of pay between individuals performing similar roles, our gender pay figures continue to demonstrate the widely recognised ‘diversity gap’ across our organisation and our industry. In particular, they highlight the lower representation of women in front office investment management roles and at senior levels within Man Group where compensation is typically the highest. For front office investment management roles, the variable performance-related bonus is highly correlated with fund performance and the delivery of results for clients.

Our bonus pay gap therefore also reflects the lower female representation in senior investment positions.

We are committed to ensuring there is not a gender imbalance when it comes to compensation for similar roles. Alongside our ongoing diversity initiatives, Man Group has a compensation monitoring process in place which reviews pay across the firm globally to ensure that it is fair and proportionate.

However, we are conscious that we need to make ongoing progress in attracting and elevating women and other diverse talent and, as this report shows, are actively addressing the issue head-on. We are therefore confident that we will see a narrowing trend in our UK gender pay gap figures over time as our initiatives drive meaningful change.

HOURLY RATE

Median gender pay gap	27.8%
Mean gender pay gap	22.2%

BONUS PAY

Median bonus gap	66.7%
Mean bonus gap	68.9%
Female employees receiving a bonus	91.9%
Male employees receiving a bonus	88.1%

PAY DISTRIBUTION*

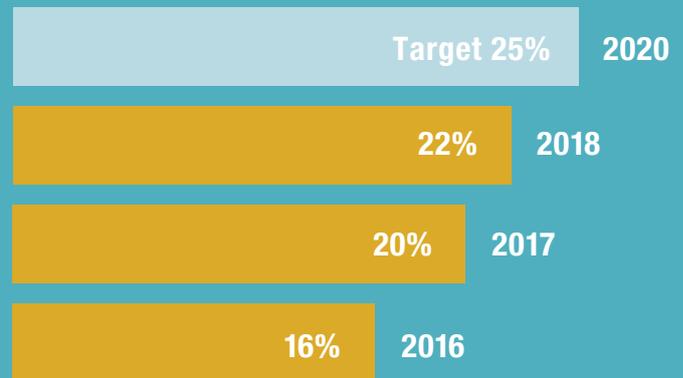


*Proportion of male and female employees within each pay quartile.

WOMEN IN FINANCE CHARTER

At Man Group, we recognise that we must take further action to drive better gender diversity, particularly in senior and front office roles, and are proud to have become a signatory to the Women in Finance Charter in 2018. Signatories pledge to promote gender diversity, including setting internal targets and reporting publicly on progress.

We have introduced a target of **25%** female representation in senior management roles by December 2020, to build on our current progress; in 2016, 16% of senior managers at Man Group were women and this has increased to 22% in 2018. We place great importance on the development of women at all levels across Man Group, to ensure that they are able to reach their full potential and progress to senior roles. Introducing this target is therefore well-aligned with our efforts and initiatives to support and develop women within the firm.



OUR PAVING THE WAY CAMPAIGN

In 2018, we launched *Paving the Way*, our dedicated campaign to help encourage a more diverse pipeline of candidates, both within Man Group and across the investment industry more broadly. We believe it is our responsibility to address factors which lead to a lack of diversity in our workforce; this campaign represents our firm wide commitment to do so robustly

and vocally, and is well aligned with our longstanding charitable focus on promoting literacy and numeracy at a grassroots level. We hope these efforts will not only attract more diverse candidates, but support them into senior positions and front-office roles, such as portfolio managers and researchers.



“It is very easy to pay lip-service to diversity. However, to see real change, we need to take action across the industry. Without this, diversity will remain a corporate buzzword used to salve consciences rather than drive change. *Paving the Way* is Man Group’s way of taking action: creating a pathway for diverse candidates to enter and succeed within our industry.”

Robyn Grew
Chief Administrative Officer & General Counsel, Man Group



OUR INITIATIVES – WHAT WE ARE DOING ABOUT IT

We focus on internal and external initiatives, partnerships and programmes that help us to attract and develop talent from more diverse backgrounds and encourage diversity and inclusion. Our *Paving the Way* campaign encompasses the initiatives outlined in this report, focused on internal progression as well as recruitment and next generation outreach. This includes our longstanding activity and also highlights new partnerships, programmes and policies launched in 2018.

INTERNAL PROGRESSION – FOSTERING A MERITOCRATIC ENVIRONMENT

We seek to attract and elevate the best people, and foster an environment where everyone has the opportunity and support to reach their full potential.

Drive is our global internal diversity network, run by our employees and sponsored by the senior management team. Drive's mission is to advance Man Group's efforts in promoting inclusion and valuing diversity in all its forms, including gender, sexual orientation, ethnicity and disability.

Through Drive, we run a global programme of **diversity and inclusion events**, along with providing training, resources and peer engagement across the firm. Events include regular 'lunch and learn' sessions, hosting external speakers on important issues, such as LGBT+ equality, and celebrations of diversity.

We offer various **training and mentoring programmes** to help people at Man Group achieve their potential. For example, our female mentoring programme actively identifies high-potential women within the firm, pairing them with mentors from Man Group's Executive Committee who support their professional development, share expertise and act as a senior sounding-board.

We also offer **flexible working** arrangements for all staff and we welcome applications from candidates who wish to work flexibly. Flexible working helps ensure that we support employees with balancing their external commitments, and with working in the way they find most effective.

DRIVE EMPLOYEE NETWORKS

This year we saw the launch of three new internal employee networks, which include members and allies and are each sponsored by a senior executive:

BEAM (Black Employees At Man) – Man Group's network for black employees and allies, which aims to educate the firm at large on issues of race and foster an organisation where black professionals want to build their careers.

FAM (Families at Man) – Man Group's families network, which is committed to promoting greater individual and family wellbeing, with a clear focus on the interface between work and family life.

PRIDE (LGBT+) – Man Group's LGBT+ network, which seeks to provide a platform to support, empower and elevate the voices of the community while educating the firm on a range of LGBT+ themes.



ENHANCED PARENTAL LEAVE

In 2018, we introduced our **Enhanced Global Parental Leave** policy, which entitles every new parent, regardless of gender, to 18 weeks parental leave at full pay. We also provide foster care leave for new foster placements.

NEXT GENERATION – ADDRESSING THE DIVERSITY PIPELINE

We are committed to paving the way for potential future candidates in the investment industry. There is evidence that certain groups self-select away from qualifications in subjects that may more naturally lead to a career in finance and/or technology. Our 'next generation' efforts focus on those in full time education, from school age to university.



UK EGMO team 2018

We are proud to have sponsored the UK team at the **European Girls' Mathematical Olympiad (EGMO)**, an annual international mathematics competition, for five years. In 2018, the team achieved 3rd place out of 52. The team's best performer, Emily Beatty, also became the first ever UK candidate to achieve a perfect score in the competition, ranking joint 1st among the 192 competitors and winning a Gold Medal.

Man Group's employees in New York participate in various volunteering programmes with the **Young Women's Leadership Network (YWLN)**, a network of all-girl schools which aims to maximise academic achievement, social-emotional wellbeing, and post-secondary success for a diverse pipeline of young people from low income communities. This year, our employees visited YWLN schools across New York City for their 'Cool Women, Hot Jobs' event among other activities.

Sponsored by Man AHL through The Man Charitable Trust since 2015, the annual **NSPCC Number Day** is the largest nationwide numeracy event for children and young people in the UK. The initiative provides teachers with a wide range of fun, curriculum-focused activities which have been designed to promote enthusiastic attitudes towards numeracy.

Man Group organises **insight days** for secondary school students. In 2018, we hosted students from the Girls' Day School Trust (GDST), the Young Women's Leadership Network (YWLN) and City on a Hill in our London, New York and Boston offices. These days provide students with insight into our industry through a range of activities such as panel discussions, mock job interviews and interactive trading simulations.

CODMAN ACADEMY

This year, Man Numeric initiated a partnership with **Codman Academy**, a charter public school known for fostering diversity. Billed as 'CodeMan Academy', we hosted five students every Wednesday evening for ten weeks to teach them about how mathematics, coding and statistics are applied in the real world, and particularly in the realm of finance. The lessons included activities such as an introduction to basic coding logic through a tic-tac-toe simulation, using statistics to identify the NBA's best basketball player and the first steps to writing a video game character.

GIRLS WHO INVEST

Man Group, through Man Numeric, has been one of the earliest supporters in the industry of **Girls Who Invest (GWI)**. This year, Man Group became an official sponsor and has been increasingly working with GWI to develop and deliver quant-specific training. The programme offers training and internships for university undergraduates in the asset management industry, including within our Boston-based research team. The young women participating are highly skilled university students who are not all from traditional finance or business backgrounds, and are given intensive training in these subjects by GWI before being placed in internships.



RECRUITMENT – IMPROVING DIVERSITY TODAY

Our recruitment efforts focus on reaching and attracting a diverse group of candidates. In addition to inclusive hiring practices, we engage in partnerships and programmes that provide access to and opportunities for under-represented groups in our industry.

We have a **diversity-focused recruitment** policy in place to ensure that we have diverse interview panels and candidate lists across all roles.

We run events for under-represented groups in full time education and work with targeted university networks to ensure we are reaching a diverse pipeline of students. This includes partnering with university societies such as Cambridge University's **Women in Banking and Finance Society**, and hosting career days and events for minority groups.

We additionally have a number of formal **training programmes** in place to attract and train diverse external talent at all levels, including:

- **Returner programme**

Since 2016, Man Group has been operating a returner programme, in partnership with Woman Returners, with the aim of tapping into the predominantly female talent pool of professionals seeking to return to work following a career break.

- **Apprenticeship programme**

Since 2015, we have run an apprenticeship programme in partnership with City Gateway, a London focused charity that works to transform the lives of children and young people impacted by social and economic disadvantage and exclusion.

- **Insight programme**

Our five-day insight programme, which takes place twice a year during the summer and spring school holidays, provides students from non-traditional backgrounds with an opportunity to learn the basics of investing and gain insight into our industry. A number of spaces are reserved for students sourced via charities like Sponsors for Educational Opportunity (SEO) London and Speakers for Schools.

To increase our access to diverse candidates from across the UK, we continue to partner with **SEO London**, an organisation which provides educational support and career access to students from ethnic minority groups and disadvantaged backgrounds, and **Bright Network**, a career network for students which places emphasis on ensuring diversity within

their cohort to help the smartest students get ahead in their careers. We continue to see increased diversity in our graduate and internship applications as a result of these collaborative efforts.

RECRUITMENT PARTNERS

Embracing this vision, the recruitment team has recently engaged with a number of market-leading active inclusion recruitment partners, including: **The Ocean Partnership; Barrington Hibbert Associates; E2W; Exceptional Individuals; Investment 2020 and 2to3days.**

THE PARTNERSHIP

We are excited to have officially initiated our engagement with **The Partnership, Inc.** in Boston this year. The Partnership works with organisations to build racially and ethnically diverse leadership pipelines in a myriad of ways, including through its job board, consulting services and range of Leadership Development Programs. As part of this engagement our employees also participate in The Fellows Program, which trains mid-career professionals on how to strengthen and expand their leadership capacity.

SEO MASTERCLASS

In September 2018, Man Group hosted our annual masterclass with **SEO London** students, which provided attendees with insights into the firm and opportunities to network with colleagues from across the business. During the masterclass, the students had an opportunity to interview with senior individuals, and successful candidates were fast tracked to the assessment days for our Investment Management internship and graduate programmes.



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