Environmental Reporting and Methodology Guidelines

This document includes information about the data gathering, processing and calculation methodologies used to report the carbon emissions data referenced in our 2023 Annual Report (AR). It is split into two sections, the first of which covers the methodology as presented in our AR and the second of which goes into further detail for those looking for extra information in how we have completed our calculations. In order to provide our management and readers with even greater confidence over the processes and definitions used in these calculations, we have engaged KPMG to provide Man Group with independent limited assurance over our corporate Scope 1, Scope 2 and Scope 3 (upstream leased asset and business travel) emissions, both absolute and intensity metrics, and the related totals. We recommend our readers review the limited assurance report from KPMG that is available here.

For the avoidance of doubt, our calculations presented on pages 48-51 of the AR do not include any reduction to the figures owing to carbon offsets. We believe that reducing our emissions must remain our top priority, with the purchase of carbon offsets a necessary secondary step in our pathway to net zero.

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1. Annual Report Disclosure

Our operations

At Man Group, we seek to act responsibly and sustainably through our operations.

Carbon net zero commitment

Man Group has committed to achieve net zero carbon emissions across its operations by 2030[1]. As such, in 2019 we set firm-wide targets in line with the Science Based Targets initiative (SBTi) to limit the global temperature increase to a maximum of 1.5°C[2] above pre-industrial levels.

To reach net zero, we will reduce the carbon emissions included within our 'totals', which encompass:

Scope 1
Direct emissions from fuel e.g. gas, oil.

Scope 2
Indirect, market and location-based emissions from purchased electricity, heat, steam or cooling for our own use.

Scope 3
Upstream leased assets and business travel.

Wherever possible, we will also take action to reduce the consumption across all other indirect Scope 3 emissions categories, as per the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions.

Further to our emissions reduction activities, we maintain carbon neutrality across our core operations, defined as the market-based total on page 49, through the use of certified carbon offsets. We are focused on, and committed to, reducing emissions but acknowledge there will be a residual amount that we cannot eliminate. We support several carbon removal projects and seek to maintain a diverse portfolio across different locations.

The projects include: working with indigenous communities to reduce deforestation from Eastern Panama to the Colombian Pacific coast; rainforest protection in Malawi, working to reduce fuelwood use through providing fuel-efficient cookstoves thereby helping develop sustainable livelihoods and increasing community resilience, as well as promoting biodiversity; and preserving grassland in Colorado and Montana to leverage carbon capture as a 'below the ground' carbon sink.

Man Group is a registered supporter of the TCFD; we include metrics and targets for the firm in line with the guidance provided for asset managers (see pages 60 and 61). During 2023, we were also admitted as a member of the strategic forum of the TNFD.

As outlined earlier in this section, our baseline year is 2019, with subsequent targets measured relative to these baseline emissions. We review our targets regularly to remain aligned with the Science Based Targets initiative methodology in limiting the global temperature increase to a maximum of 1.5°C above pre-industrial revolution levels.

Our strategic pathway to net zero

+ See page 51 for an overview of how we are progressing against our short-term targets.

2020 · 2022 · 2024 · 2026 · 2028 · 2030

All Scopes	Review targets at least bi-annually to ensure we remain aligned with the latest climate science
Scope 1	Move to biomethane and renewable energy supplies where available
	Reduce natural gas and fuel emissions by 30%
	Certify our London headquarters to ISO 14001 Environmental Management System standards
Scope 1 & 2	Install and upgrade equipment to ensure efficiency and reduce wastage
	Comply with UK ESOS Phase 3 (UK Energy Savings Opportunity Scheme)
	Certify our London headquarters to NABERS UK energy efficiency standard
Scope 2 & 3 – upstream leased assets	Reduce global energy usage by 20%
	Reduce aggregate Scope 2 market-based and Scope 3 (upstream) leased assets market-based emissions by 50%
Scope 3 – upstream leased assets	Install and upgrade equipment to ensure efficiency, data capture and reduce wastage
	Increase the adoption of 100% renewable (certified) supplies by 25%
	Non-renewable energy to supply <10% of operations
	Non-renewable energy to supply <5% of operations
	Improve the efficiency of our data centres
	Continue to prioritise environmental credentials in the selection of new leased assets
Scope 3 – business travel	Work with business units in managing their carbon budgets
	Further deploy remote working tools to reduce the need for business travel
Scope 3 – other	Join the NZAMI, setting interim portfolio decarbonisation targets for 2030 across our investments
	Include environmental expectations within our Supplier Code of Conduct
	Prioritise carbon net zero strategies when refurbishing or relocating offices
	Adopt agile working strategies to reduce the need for commuting and overall office space

1 This refers to Scope 1 and 2 emissions; elements of Scope 3 are considered where we have the data e.g. business travel and upstream leased assets.
2 We set firm-wide targets considering the Paris Agreement, an international treaty on climate change adopted in December 2015. The goal of the agreement is to limit global warming to well below 2°C, and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

Greenhouse gas emissions and energy use

	UK and offshore	Global (excluding UK and offshore)	**2023 Total**	UK and offshore	Global (excluding UK and offshore)	**2022 Total**
Scope 1	444	3	**447***	826	6	832*
Scope 2 location-based	914	4	**918***	803	8	811*
Scope 2 market-based	–	2	**2***	–	–	–*
Scope 3 (upstream) leased assets, location-based	1,304	322	**1,626***	717	469	1,186*
Scope 3 (upstream) leased assets, market-based	0	306	**306***	0	446	446*
Scope 3 business travel	3,331	2,468	**5,799***	1,714	1,357	3,071*
Total (location-based)	5,993	2,797	**8,790***	4,060	1,840	5,900*
Total (market-based)	3,775	2,779	**6,554***	2,540	1,809	4,349*
Energy consumption (kWh, '000s)	13,011	1,197	**14,208**	7,863	1,448	9,311

* These items are included in the scope of our 2023 and 2022 limited assurance reports (www.man.com/kpmg-carbon).

The above figures include metrics for the Varagon business that joined Man Group on 7 September 2023. These are not stated separately as they are not considered material.

We retained our **Carbon Disclosure Project (CDP) Climate Change questionnaire score of B** underlining our commitment to transparent disclosure and active management of climate issues.

Our offices

Minimising our environmental impact is a core component of our real estate strategy as, given the nature of our business, a large part of the direct environmental impact of our operations stems from our real estate footprint. Across our global office portfolio, we currently occupy eight buildings certified by LEED (Leadership in Energy Efficiency and Design), one by Energy Star and one by NABERS (National Australian Built Environment Rating System), accounting for 86.3% of our global headcount. Man Group's largest office, Riverbank House in London, also has a Building Research Establishment Environmental Assessment Method (BREEAM) 'Excellent' rating.

Our Energy Performance Certificate (EPC) rating in our London headquarters continues at B and during 2023 we engaged in a 'Building Performance Optimisation review' of Riverbank House. We are subsequently implementing various recommendations which will help reduce our emissions.

We are focused on procuring renewable energy in jurisdictions in which we have operational control, and where such supplies are available. We operate a zero waste to landfill policy in all jurisdictions where possible, equating to 90.9% of our operations (based on headcount).

Our operations continued

Our systems and projects

We have engaged specialist software to track and monitor our emissions and environmental impacts. We engage actively with an energy services consultancy to help us to mitigate risk, maximise opportunities and reduce our carbon footprint. We are focused on delivering clear and transparent reporting that monitors the measurable carbon emissions within our control. As set out in our pathway to net zero, we are currently working towards becoming ISO 14001 accredited.

Emissions from operations

The carbon emissions calculations disclosed in this report are carried out according to our public Environmental Reporting and Methodology Guidelines document[1] and are subject to internal checks and controls. Once again, we have engaged KPMG to provide an independent limited assurance opinion over our corporate Scope 1, Scope 2 and Scope 3 (upstream leased assets and business travel) emissions, in accordance with ISAE (UK) 3000 and ISAE 3410, and as accepted by the CDP. The limited assurance report is available online[2], and we recommend that it is read in full.

Our mandatory global annual greenhouse gas emissions and energy use reporting is detailed here pursuant to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018[3].

We include the emissions under the categories of Scope 1, Scope 2, Scope 3 (upstream leased assets and business travel) within our total emissions split by our UK and offshore and global footprints. It is this total that, in turn, relates to our non-financial KPI (see page 21) and our executive remuneration (see page 119).

Our total emissions in 2023 have increased from 2022, predominantly owing to an increase in business travel, compounded by an increase in carbon emission factors. As we grow our operations and distribution network, as well as welcome new business lines and teams to Man Group, we acknowledge that our staff will need to travel to our new offices in order to build relationships with new staff and embed our culture in those locations. We continue to focus on reducing travel emissions, and carbon travel budgets for each department are in place. Our annual energy consumption, measured in kWh, which encompasses Scopes 2 and 3 (upstream) leased assets irrespective of source (renewable or non-renewable), has also increased by 53%. Our headcount increased by 9% in the year, which has played a significant part in the increase in energy consumption.

Our Scope 1 emissions decreased by 46% from 2022, owing to improvements to the operation of the boiler plant at our Switzerland offices, which led to a 49% reduction in natural gas consumption. Our London HQ also contributed to the overall Scope 1 reduction in emissions, with a 29% reduction in diesel usage from our stand-by generators and a 91% reduction in refrigerant (F-Gas) loss. Our Scope 1 consumption continues to track downwards in line with our targets, as we continue to implement optimisation control strategies across our managed portfolio.

Emissions from our Scope 3 upstream location-based leased assets have increased by 37% from 2022, owing to a significant increase in our data centre energy consumption (69% on 2022), driven by updating the data collection method in 2023 to capture the energy use of shared infrastructure at our UK data centres. Market-based emissions stemming from upstream leased assets have decreased by 31%, owing to a combined reduction of 21% in energy consumption, which is mainly due to relocation of offices with better energy credentials and improved office operation.

We also disclose our reporting emissions as an intensity metric, which enables us to monitor emissions independently of changes in the scale of our business activities. We do this because Man Group is a people-centric business; as noted above, changes to headcount impact the real estate we occupy, and the level of business travel we conduct.

Intensity metrics

tCO_2e	2023	2022
Total FTE[4]	**1,704**	1,558
Scope 1	**0.26***	0.54*
Scope 2 location-based	**0.54***	0.52*
Scope 2 market-based	**0***	–*
Scope 3 (upstream) leased assets location-based	**0.95***	0.76*
Scope 3 (upstream) leased assets market-based	**0.18***	0.28*
Scope 3 business travel	**3.41***	1.97*
Total (location-based)	**5.16***	3.79*
Total (market-based)	**3.85***	2.79*

* These items are included in the scope of our 2023 and 2022 limited assurance reports (www.man.com/kpmg-carbon).

As we source more data to actively manage our total emissions, we continue to make best efforts to address the breadth of those within Scope 3. We have obtained emissions data for our corporate investments, downstream leased assets, waste and water. We continue to explore using estimated and implied data, for example for procurement activities, staff commuting patterns and their teleworking footprint, but are committed to using actual data for reporting.

Further Scope 3 estimates

tCO_2e	2023	2022
Emissions from investments	**51,014**	61,056
Downstream leased assets, location-based	**179**	111
Downstream leased assets, market-based	**385**	267
Waste and water	**2**	6

Methodology

Approach

At all locations where Man Group is responsible for the utility costs, our Scope 1, 2 and 3 leased assets emissions data is gathered, validated and reported on using the GHG Protocol – A Corporate Accounting and Reporting Standard (2015), as our framework. Throughout our disclosures we use the operational control approach to our greenhouse gas inventory and reporting boundary, excluding consultants, outsourced service providers and joint ventures.

We apply the latest UK Government's Greenhouse Gas Conversion Factors, the Department for Environment, Food and Rural Affairs (DEFRA) and IEA (International Energy Agency) emission factors. Based on the nature of our emissions and the consistency month-on-month, we believe this is an appropriate representation of Man Group's global annual emissions.

For the purpose of GHG reporting, we use a hierarchy of data sources that starts with an actual invoice, metered or reported data sources. If these sources are not available, we consider using estimates, prior year or extrapolated data in a stepped process that considers seasonality to provide the most accurate results.

1 www.man.com/environmental-guidelines.
2 www.man.com/kpmg-carbon.
3 Man Group plc (as Jersey incorporated) is not itself subject to these regulations but is reporting in accordance with them as it has UK subsidiaries that fall within the regulatory scope.
4 For the purposes of our environmental reporting we have only included permanent or fixed-term contractors (we exclude consultants and third-parties).

Short-term targets and actuals

tCO_2e	2019 Baseline	2023 Target	**2023 Result**	2024 Target
Scope 1: Reduce Scope 1 natural gas and fuel emissions by 30%	1,136	772	**447 Met**	749
Scope 2 & 3 (upstream) leased assets location-based: Reduce global energy usage by 10% per year	4,253	2,896	**2,544 Met**	2,809
Scope 2 & 3 (upstream) leased assets market-based: Reduce emissions by 50%	464	386	**308 Met**	367

We define materiality as the magnitude of triviality for misstatement in our carbon emissions reporting. The materiality threshold we use is 5% of the total of each emissions Scope. We will report corrections to emissions differences of more than 5% of the total of each emissions Scope, if they occur, as well as differences below that threshold that, in our view, warrant restating to ensure transparency and accuracy of our emissions reporting and strategic pathway to net zero targets within our Annual Report.

Scope 1 and 2

Emissions under the Scope 1 category include the direct emissions stemming from the combustion of gas and oil, for example through the use of back-up generators during power failures and testing scenarios.

Scope 2 emissions encompass the indirect emissions stemming from purchased electricity. As the buildings over which we have operational control use 100% renewable energy, the emissions are considered location-based and our market-based emissions in this category are negligible.

We do not include emissions relevant to locations that are out of our reporting boundary, such as the offices of third-party contractors.

Scope 3

We intend to account for and minimise the carbon footprint of our entire business, including our direct emissions, as well as upstream and downstream Scope 3 emissions as defined by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emissions stemming from business travel such as flights, rail, taxis and hotel stays have been ascertained through our third-party preferred travel partners.

We disclose emissions relating to our Riverbank House sub-tenants under the downstream leased assets category. In some instances, the environmental improvements we make also impact the emissions for our sub-tenants. Environmental considerations from our global office operations, over which we do not have operational control, are reported under the upstream leased assets category. All procurement and leasing negotiations across our global real estate have a focus on steps that can be taken to reduce the associated environmental impact.

Water for air conditioning, data centre cooling systems, kitchens, cafés, indoor plants, sanitary installations and external grounds/gardens is measured in cubic metres and is converted into tCO_2e using UK Government GHG conversion factors.

Waste consumption from business activities, which includes paper/cardboard, residual waste/domestic-type waste, electronic scrap, cafeteria (food) waste, etc., is measured in tonnes and is converted into tCO_2e using UK Government GHG conversion factors.

In 2021, for the first time, we disclosed the emissions stemming from our corporate investments under the 'Emissions from investments' category. In 2023, this disclosure encompasses 50% of our seed capital and 98% of our fund investments held for deferred compensation awards. This is calculated using the same methodology as the carbon disclosure of our AUM, which is aligned with the TCFD recommendations, as described on page 60.

Performance against targets

We strive to embed environment-related commitments throughout our organisation, and as such these targets feed into our two carbon-related non-financial KPIs (see page 21). These metrics are also linked to executive compensation.

We met all of our targets in 2023, as shown in the table above. In 2022, we only achieved our Scope 2 and Scope 3 (upstream) location-based leased assets target, due largely to the unforeseen mechanical issues we experienced with some of the chiller units at our London headquarters. Subsequently, we did not achieve our Scope 1 emissions reduction target in 2022; however, with the controls put in place to reduce the risk of this reoccurring in 2023, we were able to more than meet this target in the year.

Although our average global headcount increased in 2023, including the headcount growth from the acquisition of Varagon Capital Partners in September 2023, we were still able to achieve our emissions targets through a focus on improvements to the plant operation at our London HQ and Switzerland offices and the continued drive to transition more of our global offices to renewable energy where possible. In 2023, for example, we commissioned a Building Performance Optimisation Audit, where several opportunities for energy reduction were identified. To date, 60% of these suggestions have been actioned. We anticipate further improvements resulting from our current ISO 14001 gap analysis and work towards accreditation in 2024.

2. Additional Methodology Details

We have used the Greenhouse Gas Protocol[1] ('GHG Protocol') as the methodology in calculating our greenhouse gas (GHG) emissions. The GHG Protocol is a global corporate accounting and reporting standard, defined by the World Resources Institute / World Business Council for Sustainable Development.

The reporting boundaries of our disclosures take consideration of our approach to disclosure; physical locations in which Man Group operates; and the emissions categories we are able to include. Each will be covered within the next three sections.

2.1 Approach

We have adopted the operational control approach to define our reporting boundary, as described in the GHG Protocol, to our GHG emissions. Therefore, the businesses we report on are Man Group and its wholly owned and operated subsidiaries and exclude joint ventures and associates.

We consider all locations where Man Group is responsible for the utility costs and able to tangibly influence our energy supplier to be within our 'operational control'. For all such locations, our Scope 1, 2 and 3 (leased assets) emissions data is gathered, validated and reported using the GHG Protocol as our framework.

Where Man Group is unable to tangibly influence energy supply or the relevant landlord (i.e., the emissions are outside our operational control), but is still able to gather emissions data, these locations have been included in our emissions data disclosure, as Scope 3 (upstream) leased assets (location/market based). We disclose these emissions for the purposes of transparency and to gain an improved picture of our carbon footprint. Examples of emissions which are not within our operational control include energy data from Shanghai, China.

In some instances, Man Group is unable to receive, or obtain, relevant emissions data from third party suppliers, e.g., from offices where our energy costs are included within our rental agreement. This results in an under-reporting in our Scope 3 upstream leased assets category due to unattainable data. In such instances we request a breakdown of our energy expenditure on an annual basis in a bid to influence greater transparency around our carbon emissions. We simultaneously ensure all suppliers are aware of our Supplier Code of Conduct which outlines the minimum standards Man Group expects of its suppliers, as pertaining to considerations around any economic activities, impact to the environment, as well as engagement with our wider communities.

2.1.1 Estimation Hierarchy

Energy consumption data is collected from actual invoices, utility bills, meter readings and meter reading reports supplied by specialist third party environmental consultants specialising in energy utilities and analytics. In circumstances where "actual" data such as invoices or meter readings is not available, consumption will be calculated based on Man Group's estimation hierarchy:

- 12-month average
- previous year's data (same period/s in prior year)
- extrapolated data (provided nine months' data has been gathered)
- usage based on occupation (monthly/annual consumption divided by lease sq. ft.)
- estimations (based on previous years' data +/- inflationary/headcount effects)

We consider which of the above methods would provide the best and most accurate estimate. For example, applying a twelve-month average negates seasonality impacts, in which case prior year's data might be a more appropriate choice in some circumstances.

[1] https://ghgprotocol.org/

2.2 Locations

At locations such as Man Group's headquarters in London, all activity on Man Group occupied floors falls under our operational control. For example, Man Group has the ability to choose and implement renewable energy suppliers and change building equipment and fixtures for more energy efficient models. Here we report 100% of the associated emissions in Scope 1, 2 and 3 categories.

For locations where Man Group operates but is unable to influence a landlord's decision to choose a renewable energy source, these locations are deemed to be outside of our operational control. However, where we can gather emissions data from these locations, they are also captured and reported under the relevant Scope. For example, energy from a non-operational control location (such as our Woking data centre) would fall under Scope 3 (upstream) location and market-based leased assets.

Where locations are outside of our reporting boundary (as defined by the GHG Protocol), related emissions are not included in the GHG emissions calculations. Examples of headcount that is excluded owing to its associated location include emissions from consultants operating globally (predominantly across Europe) from their own offices (i.e., a non-Man Group office) and a small number of staff (under 1%) who are associated with a location that has recently been decommissioned and thus data is in the process of being updated to reflect this. The headcount that is associated with Man Group's activities but that falls outside of our reporting boundary due to their location is around 8%.

Our approach to accounting for emissions data from acquisitions, divestments or building moves is explained in our internal environmental guidelines document. For example:

<u>Acquisitions:</u> If an acquisition has taken place prior to the reporting period and the newly acquired entity has been consolidated in Man's financial statement, only the available environmental data for the period from acquisition to reporting period end shall be included in the reporting boundary.

<u>Divestments:</u> In case of a divestment taking place during the reporting year, only the available environmental data of the divested entity for the time period during which it is still part of the Man Group shall be reported.

<u>Acquisition and Divestment restatements:</u> In September 2023 we acquired Varagon. Managed office leases in New York and Shanghai were also terminated in 2023. Man Group's approach is not to change any baseline data as a result of an acquisition or divestment, although adjustment may be necessary to future targets and will be evaluated based on materiality and significance, and then communicated to our stakeholders as appropriate.

2.3 Emission Categories

In our 2023 AR we have included calculations for: Scope 1 - direct combustion of fuels and refrigerants; Scope 2 - indirect purchased electricity; and Scope 3 - indirect emissions from business travel (air travel, hotels, rail and taxis), Scope 3 - upstream leased assets (location and market based), and we include estimated emissions covering: Scope 3 - downstream leased assets (location and market based), Scope 3 - emissions from our corporate investments and Scope 3 - waste and water.

Further details on each of these categories is given below.

2.3.1 Scope 1 – Direct GHG emissions

Scope 1 reported emissions include emissions generated from the following areas:

- Stationary combustion in our office locations (from gas and oil heating systems)
- Refrigerants for HVAC systems
- Mobile combustion (from a single company owned vehicle in Switzerland)

2.3.2 Scope 2 – Indirect GHG emissions

Scope 2 location and market-based emissions cover indirect emissions from the consumption of purchased electricity or heat from the following areas:

- Electricity (from locations over which we have operational control)
- District heating (from locations over which we have operational control)

All purchased renewable energy disclosed in our market-based calculations has been certified using an approved certification scheme, e.g., Renewable Energy Guarantees of Origin (REGO) certificates.

2.3.3 Scope 3 – Upstream Leased Assets

Scope 3 upstream leased assets (both location and market-based) emissions as reported in our AR represents gas, fuel and electricity related emissions from locations where we don't have operational control, for example where we lease office space and don't have the ability to directly choose our energy suppliers. Calculations have been completed in accordance with the GHG Protocol Category 8 guidance.

As with Scope 2 data, all emissions marked as renewable and disclosed under our market-based disclosure have been certified using an approved certification scheme or through confirmation of a renewable energy status in the original contract with the supplier.

2.3.4 Scope 3 – Business Travel

Calculations of our business travel emissions as reported in our AR, include travel booked for staff for business purposes and encompass emissions from the following components:

- Air (long and short haul)
- Rail
- Road (e.g., taxis)
- Hotel stays

Man Group uses a third-party travel management company ('TMC') and its travel booking tool for business flights and rail travel requirements, from which we gather monthly data updates. The TMC provides monthly business travel reports that incorporate GHG Protocol emission factors, updated for 2023 DEFRA emissions factors, including aspects of booking class (ranging from Economy to First), and for which short-haul air travel is defined as flights up to and including 500km in distance and long-haul travel includes flights longer than 500 km. These monthly reports are reviewed and checked by our relationship manager, who checks for any inconsistencies and refers back to our TMC for challenge. Our travel emissions include air and rail data as reported by our third-party preferred travel partners only.

Road travel emissions are provided by monthly or quarterly reports from third party ground transportation providers.

Hotel stays were included for the first time in 2022. Similar to Air and Rail, hotel data is gathered by our TMC to be reported and then checked on a quarterly basis. Hotel stay conversion factors are taken from the "Hotel Footprint" Tool, produced by the International Tourism Partnership and Greenview, which have been derived from the Cornell Hotel Sustainability Benchmarking Index that uses annual data from international hotel companies and a standardised industry methodology.

Depending on reporting year cut-off deadlines, it may not be possible to obtain the final month's emissions data from our third-party providers. To account for this, a similar approach is taken as per section 2.1.1 (i.e., where invoice or supplier reporting data is not available, emissions will be calculated based on Man's hierarchy of estimation processes).

For the newly acquired Varagon, we were unable to obtain third-party evidence to support the travel, however we have used methodology developed by Thrust to estimate the carbon emissions calculations. Our aim is to integrate Varagon with our TMC during 2024

2.3.5 Totals

We have chosen to include both a location-based and market-based total in our AR disclosure (see the table on page 49 of the AR). These totals include scope 1 emissions, scope 2 emissions (market / location-based), scope 3 business travel and also our scope 3 upstream leased assets (market / location-based) emissions. We have included these categories of emissions in our operational total, , they are included in our corporate carbon-related non-financial KPI (see page 21 of the AR) and this total makes up a component of our ESG-related executive compensation plan. The carbon offsets that we procure total the same emissions included within this market-based total also.

2.3.6 Scope 3 – Downstream Leased Assets

We include an estimate for the emissions under the Scope 3 downstream leased asset emissions (both location and market-based) category, which accounts for emissions stemming from the sub-tenanted demise within our London headquarters. Calculations have been completed in accordance with the GHG Protocol Category 13 guidance.

2.3.7 Scope 3 – Corporate Investments

We report an emissions estimate for our seed capital and fund product investments held for deferred compensation awards under the "Emissions from investments" category, in alignment with the GHG Protocol guidance for Category 15. We leverage the same approach as the carbon disclosure of our assets under management which leverages the TCFD recommendations as described on pages 60 and 61 of the AR.

2.3.8 Scope 3 – Waste and Water

Estimates for our waste consumption from business activities including paper / cardboard, residual waste / domestic-type waste, electronic scrap, cafeteria (food) waste, etc. is measured in tonnes and is converted into tCO2e using UK Government GHG conversion factors. Estimates for water consumptions used for air conditioning, data centre cooling systems, kitchens / cafes, indoor plants, sanitary installations and external grounds / gardens is included in cubic metres and is then converted to tCO2e using UK Government GHG conversion factors.

2.4 Missing data

Under Scope 3 Business Travel some areas of actual data were unavailable in 2023, and reasonable estimates could not be produced (e.g., expensed buses, non-preferred supplier taxis, tube, metro), even after applying the GHG Protocol's Corporate Value Chain's Category 6 decision tree[2]. The fuel, distance and spend-based methodologies were not suitable due to the activity data (type and mode of transport) not being available. Travel through Varagon's corporate travel provider has been included for their travel carbon emissions. There are a small number of cases where employees have not used the corporate travel provider service. We continue to work on improving capture of data for travel logged outside our third-party preferred travel partners and their systems.

We were also unable to secure reliable data for fuel combustion, gas, refrigerants, and electricity against some of our Scope 3 upstream leased asset locations. This has occurred when the landlord from whom we lease office space isn't able to provide us with satisfactory information

2.5 Emission Factors

To calculate our carbon emissions as relating to energy consumption we have leveraged emission factors which are sourced and updated annually by applying the GHG Protocol hierarchy in a waterfall approach:

Location-based

- Regional or sub-national emissions factors, e.g., UK Government, Defra, USA EPA eGrid, Australian Government's National GHG factors
- National production emissions factors, e.g., IEA

Market-based

- Energy attribute certificates, e.g., Power Purchase Agreement (PPAs), Renewable Energy Certificates (RECs)
- Contracts (PPAs)

[2] See page 82 of https://ghgprotocol.org/sites/default/files/standards_supporting/Chapter6.pdf

- Supplier / Utility emissions rates e.g., green tariffs
- Residual mix – EU's Reliable Disclosure Systems for (Europe REDISS)
- Other grid emissions factors e.g., EPA eGrid, Defra, IEA

We have used the latest available emissions factors in our calculations.

2.6 Carbon Accounting

Man Group uses metric tons of CO_2 equivalents (Tco_2e[3]) in our carbon accounting.

2.7 FTE and headcount, including intensity metrics

The full-time equivalents ('FTE') figure used for environmental reporting purposes is our People department's workforce categorisation of "employee headcount'' as at the end of the reporting year (31st December). FTE excludes consultants, outsourced service providers, and resources listed with a home address location and / or listed in countries where Man Group does not have an office location.

Our intensity metrics are calculated on a per employee basis, by dividing the numbers described in section 2.3 by this FTE number.

2.8 Reporting, Processes and Controls

Data collection and reporting is managed by the Corporate Real Estate Services team ('CRES') and led by the Head of Building Performance and Environment (HBPE). GHG performance data is gathered using the internal management reporting processes run by CRES, using local regional contacts as part of the wider network for environmental data gathering and data validation process, and the data gathering process is overseen by Man Group's Corporate Sustainability Committee ('CSC'), which reports through the Audit and Risk Committee to the Man Group board.

Data is gathered according to our internal Environmental Guidelines process document as well as this document. Templates are issued to regional contacts by the HPBE with data requests across all applicable scopes as relating to each region. The HBPE checks and challenges this input and collates information to produce a global summary of our corporate emissions. Annually, this summarised data is reviewed by an internal independent team in advance of reporting in the AR. Some scopes are then captured within our third-party limited assurance.

2.8.1 Reporting Period

The 2023 reporting period for Man's operational environmental footprint is from 1 January until 31 December 2023.

2.8.2 Data Collection

GHG emissions data is collected on a quarterly basis for:

- Real Estate (fuel and energy data from offices where Man employees work – FTE refers)
- Data centres
- Business Travel (global flights, rail, taxi and hotel stays)

Fuel and energy data is gathered during the reporting year from supplier invoices and / or landlord supplied invoices or reports in locations where Man Group operates (irrespective of operational control status). Business travel data is collected as described in section 2.3.4 (Scope 3 Business Travel).
All GHG data is subsequently collated and stored in a central environmental data reporting template.

[3] See https://ecometrica.com/assets/GHGs-CO2-CO2e-and-Carbon-What-Do-These-Mean-v2.1.pdf

2.8.3 Data Validation

Gathered emissions data is reviewed and analysed internally on a quarterly basis and reported to the Corporate Sustainability Committee ('CSC'). On an annual basis our data is reviewed by a secondary team as a "sense check" (as well as some categories receiving third party limited assurance). The process is as follows:

- Comparison against prior year data and on a month-by-month or quarter-by-quarter basis to check for anomalies and identify unusual deviations
- Where unusual trends are identified they are sent back to data providers for further clarification, and plausible commentary
- Comparison against prior year conversion factors to identify material deviations (as defined in our internal process documentation) that could impact the carbon levels reported
- When errors are found, corrections are made in the central reporting template with a clear record of information changes
- Annually, an independent, internal team completes a review of the consolidated data, with errors of any level of materiality rectified before the summarised data is shared any further
- Decisions around updating and publicly correcting data if errors are found at a later date (i.e., post publishing) are made using our materiality and internal reporting threshold (see 2.8.6).

2.8.4 Documentation and Evidencing

Documentation supporting emissions data gathered for the reporting period, such as invoices, utility meter readings, third party service provider reports (e.g., business travel) are stored electronically on Man Group's internal systems. Relevant documentation includes:

- Original invoices (sourced from enterprise-wide management system, Workday)
- Expense reports
- Calculations, including applied assumptions and parameters
- Photographic evidence (e.g., meter readings)
- Third party specialist provider contracts / agreements / consumption evidence (e.g., energy, global business travel management)
- Real estate leasing contracts

Where gathered emissions data (e.g., an invoice) represents a different reporting period to that of our calculations and disclosure, we have apportioned the emissions represented evenly throughout the relevant time period. E.g., an invoice covering twelve months of emissions will be divided by twelve and used as part of our calculations for each month.

Documentation received from Varagon includes report from third party travel provider and invoices from electricity provider.

2.8.5 Materiality

Our application of materiality

We apply the concept of materiality in performing emissions data gathering and reporting, in evaluating the effect of identified misstatements on our carbon emissions and in forming our AR opinion.

Materiality

We currently define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the readers opinion or understanding. Materiality provides a basis for determining the nature and extent of our emissions reporting procedures. We define materiality for Man Group's corporate carbon emissions to be 5% of the total of each emission scope.

Reporting threshold

We define our reporting threshold as the amount below which identified misstatements are considered as being clearly trivial. We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and by considering any other relevant qualitative considerations that may impact our readers understanding or opinion.

We will report all uncorrected emissions differences in excess of 5%, our materiality threshold within our Annual Report. We may also highlight differences below that threshold that, in our view, warrant re-stating to ensure transparency and accuracy of our emissions reporting and Strategic Pathway to Net Zero Targets.

2.9 Improvements

Man Group continuously reviews and updates its environment performance data based on updated GHG emission factors, developments in data quality and updates to estimates previously applied. Where our performance has changed materially, we will restate these figures with an explanation of why we feel it is appropriate to do so. We believe that it is important to disclose significant restatements of prior figures to allow us (and the public) to meaningfully track our year-on-year emissions data.

As more of the Scope 3 corporate value chain categories become applicable or as industry-standard methodologies or data become available, it is our intention to improve and as necessary broaden our disclosures in future reports.

We will continue to improve the quality of systems and processes needed to obtain data, including reviewing whether third-party systems could help improve the accuracy and detail of our emissions disclosures. At this point, however, we have not found third-party tooling specifically for the purposes of carbon emissions reporting that we believe would sufficiently improve our processes or resultant disclosures, and thus we rely upon careful data collection and entry and thorough internal checks.