Environmental Reporting and Methodology Guidelines

This document outlines the methodologies for data collection, processing, and calculation used to report carbon emissions in our 2024 Annual Report (AR). It is divided into two sections: the first summarizes the methodology presented in the AR, while the second provides additional detail for those seeking deeper insight into our calculations. To enhance confidence in the accuracy of these processes and definitions, KPMG has provided independent limited assurance on our corporate Scope 1, Scope 2 and Scope 3 (upstream leased assets and business travel) emissions, covering both absolute and intensity metrics. The assured metrics can be found within the Responsible Business section of the AR. KPMG's limited assurance report is available here.

For the avoidance of doubt, our calculations presented on pages 50-53 of the AR do not include any reduction 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 AR is available on our website, man.com, at this link here and the disclosures that these guidelines refer to should be read together with pages 50 to 53 of the 2024 AR.

2. 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 exclude joint ventures and associates because we neither have operational control nor majority ownership.

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.

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. We calculate estimated emissions for unreported locations by leveraging available data from our other offices and adjusting for factors such as square footage, climate, and infrastructure. The estimated emissions for unreported locations within Scope 3 upstream leased assets accounted for approximately 2% of total emissions for this scope, which is below our materiality threshold of 5% (noted below). As this amount does not materially impact our overall reporting, we elect not to include these estimated emissions. In these instances, we make efforts to contact those suppliers to obtain details that pertain to our operations to gain a more complete picture of our impact and emissions. When we move offices, we prioritise contractual terms to ensure we receive such data to increase transparency and we notify all suppliers of our Supplier Code of Conduct which outlines the minimum standards Man Group expects when conducting business. This helps us to assess and manage our impact on the environment.

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)

[1] https://ghgprotocol.org/

- extrapolated data (provided nine months' data has been gathered)
- usage based on occupation (monthly/annual consumption divided by lease sq. ft.)
- usage based on price (invoiced cost/ price per kWh)
- estimations (based on previous years' data +/- inflationary/headcount effects)
- latest month's actual data or average of latest complete quarter's actual data

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.

2.2 Locations

For Man Group's London office (our headquarters) and our Switzerland office, 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 and 2 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 data centres) 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.

We take the following approach to accounting for emissions data related to acquisitions and divestments.

Acquisitions: If an acquisition has taken place during the reporting period and the newly acquired entity has been consolidated in Man Group's financial statements, only the available environmental data for the period from acquisition to the reporting period end is included in the reporting boundary.

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

Man Group's approach is not to change any baseline data as a result of an acquisition or divestment, although this may be required if there is a material impact on emissions.

Baseline adjustments are only made to account for material acquisitions or divestments where these result in a change of more than 5% of total location or market-based emissions for the relevant reporting year. Adjustments will be evaluated based on the significance of the change to our overall emissions profile and aligned with GHG Protocol guidance. Any such adjustments will be transparently disclosed, with an explanation of their impact on historical baselines and future targets.

Materiality for changes to future targets is assessed based on the scale and significance of the change in emissions resulting from acquisitions, divestments, or other structural changes. For example, if an acquisition results in a >5% increase in total location or market-based emissions, this will trigger a review and potential adjustment of future targets. Similarly, divestments that reduce total location or market-based emissions by more than 5% would also prompt a reassessment.
Materiality considerations include not only quantitative thresholds but also qualitative factors, such as the strategic importance of the change to our operations. All adjustments to targets will be disclosed with clear justifications and recalculated baselines as appropriate.

2.3 Emission Categories

In our 2024 AR we have included calculations for:
- Scope 1 - direct combustion of fuels and refrigerants (location and market-based)
- Scope 2 - indirect purchased electricity (location and market-based)
- Scope 3 - upstream leased assets (location and market-based)

- Scope 3 - indirect emissions from business travel (air travel, hotels, rail and taxis)
- FTE – Man's FTE excluding consultants, contractors and workers with a home address location
- Emissions per FTE – Includes Scope 1 (location and market-based), Scope 2 (location and market-based), Scope 3 (location and market-based), Scope 3 business travel, Total (location and market-based)

*These emissions have all been assured by an independent third-party assurance provider.

We include estimated emissions (not assured) covering:
- Scope 3 - waste
- Scope 3 – water
- Scope 3 - downstream leased assets (location and market-based)
- Scope 3 - emissions from our corporate investments

All purchased renewable energy disclosed in our Scope 1, Scope 2 and Scope 3 Upstream Leased Assets market-based calculations has been certified using an approved certification scheme, e.g., Renewable Energy Guarantees of Origin (REGO) certificates.

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; this is not material and therefore not included in the calculation for Scope 1 emissions)

From 2024, we have elected to dual report Scope 1 location and market-based emissions. We have taken this approach as during the reporting year, we were able to source green gas supplied directly for Riverbank House and so we want to disclose the steps we are taking to support our climate-related goals. Biogenic emissions are created from our move to renewable energy, however as per the GHG protocol these emissions are classed as 'Out of Scope' and have therefore not been included in our reporting.

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., 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 stated above for 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 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-haul, short haul, international and domestic)
- 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 the latest DEFRA emissions factors, including aspects of booking class (ranging from Economy to First), and for which the following definitions apply:

- Short-haul air travel - defined as flights up to and including 3,700km in distance from and to UK locations
- Long-haul air travel - defined as flights longer than 3,700km from and to UK locations
- International - defined as flights from and to non-UK locations
- Domestic travel - defined as flights both from and to the UK

These monthly reports are reviewed and checked by our relationship manager, who checks for any inconsistencies and refers 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.

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 updated using DEFRA methodology based on hotel location and number of nights stayed at the hotel.

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 Varagon, we were unable to obtain Jan-Jun third-party evidence to support travel emissions, however we have used methodology developed by Thrust to estimate the carbon emissions calculations. Varagon has been fully integrated into our TMC platform from July 2024 onwards.

Under Scope 3 Business Travel, some areas of actual data were unavailable in 2024, 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. 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.

2.3.5 Scope 3 – Waste

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 tCO_2e using UK Government GHG conversion factors. In our London headquarters, following the purchase of scales, we have been able to move towards actual data for nine months of 2024.

2.3.6 Scope 3 – Water

Estimates for water consumption 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 tCO_2e using UK Government GHG conversion factors.

2.3.7 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.

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

2.3.8 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. The methodology for calculating the emissions is outlined on pages 60 and 61 of the AR.

2.3.9 Totals

We have chosen to include both a location-based and market-based total in our AR disclosure (see the table on page 51 of the AR). These totals include Scope 1 emissions (market / location-based), Scope 2 emissions (market / location-based), Scope 3 business travel and 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. We purchase carbon offsets to maintain carbon neutrality across our core operations, as defined as our market-based total.

2.4 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), REGO and Renewable Gas Guarantee of Origin (RGGO) certificates
- Contracts (PPAs)
- 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. Emissions factors are updated annually, and changes are reviewed for material impacts on reported emissions.

2.5 Carbon Accounting

Man Group uses metric tons of CO_2 equivalents (tco_2e[3]) in our carbon accounting.

2.6 FTE

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).

Some of our FTE are outside our location boundary and do not contribute to the scope of our emissions. Therefore they are excluded from our metrics. 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). The headcount that is associated with Man Group's activities but that falls outside of our reporting boundary due to their location is around 4.1%.

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

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

2.7 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. All input data is reviewed on a quarterly basis by the Finance team to assess the completeness and accuracy of the data. Annually, the data defined in the first paragraph of 2.3 (Emissions Categories) is reviewed by an independent third-party assurance provider and findings are reported to the CSC.

2.7.1 Reporting Period

The 2024 reporting period for Man's operational environmental footprint is from 1 January until 31 December 2024.

2.7.2 Data Collection

GHG emissions data is collected on a quarterly basis for:

- Real Estate (fuel and energy data from offices where Man Group 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.

2.7.3 Data Validation

The emissions data gathered by CRES is reviewed and analysed internally on a quarterly basis by Finance and reported to the CSC. In addition, we obtain third party limited assurance over Scope 1, Scope 2 and some Scope 3 emissions. 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.
- Reconciliation of data to invoices, meter readings and other supporting documentation. Any missing information is requested from service providers.
- When errors are found, corrections are made in the central reporting template with a clear record of information changes.
- Decisions around updating and publicly correcting data if errors are found later (i.e., post publishing the AR) are made using our materiality and internal reporting threshold (see 2.8.5).

2.7.4 Documentation and Evidencing

The documentation that supports the emissions data gathered for the reporting period, such as invoices, utility meter readings, third party service provider reports (e.g., business travel) is 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 period. For example, an invoice covering twelve months of emissions will be divided by twelve and used as part of our calculations for each month.

2.7.5 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.

We currently define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the reader's 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.

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 report all uncorrected emissions differences of more than 5%, our materiality threshold, within our AR. We also highlight differences below that threshold that, in our view, warrant restating our disclosures to provide transparency and accuracy of our emissions reporting and Strategic Pathway to Net Zero Targets.

2.8 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 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 continue to improve the quality of systems and processes needed to obtain data, including reviewing whether third-party systems could streamline, and further improve the accuracy and detail of our emissions disclosures. We have engaged with a third-party provider to support with data collection and verification for 2024 reporting but continue to follow internal processes until sufficient testing has been completed.