

Man Group

Diversity & Inclusion Report

March 2020



Q&A with Luke Ellis

Luke Ellis
Chief Executive Officer, Man Group



Q The finance industry often blames a lack of pipeline for its inclusivity issues. How do you respond to this?

A The financial services industry has come a long way over the course of the past 20 years in terms of its attitudes to diversity in the workforce.

What we need to do now is to make sure that equal representation becomes the “default setting” and that the make-up of our industry today and twenty years from now is a true reflection of the diversity of the world we live in.

At Man Group, we have implemented a long-term programme that seeks, through a broad range of initiatives, to influence both the culture within the firm and that of the industry more broadly. We want to be a place where things like gender and being from a minority group are irrelevant and to operate in an industry that draws on a truly diverse pool of talent.

Many of the people we have hired historically into front-office roles have been from specific courses at top universities: computer science, maths, physics and engineering. Some of these courses only have 10% female representation; while this is improving, most are dominated by males from similar backgrounds.

So we need to do two things: we need to take responsibility for fostering a more diverse pipeline, starting with school-level education. We also need to be more creative about where we recruit from, for instance by looking at graduates from a broader range of disciplines with higher female representation, such as biology and psychology. We recognise the fact that there are a range of courses that develop competencies in statistics, econometrics and many other valuable

skills relevant to our industry. We also recruit candidates from other professions with transferrable skills and experience.

Q What specific initiatives have you put in place to address the pipeline issue?

A We’ve undertaken school and university outreach programmes aimed at influencing the choices young people make about their careers. We want to encourage as diverse a group as possible to embrace quantitative disciplines and computer programming and to help them understand that these are skills that can lead them toward a variety of exciting and rewarding careers, including investment management. So we have undertaken a wide range of mentoring programmes; we have partnerships with King’s Maths School in London and the Codman Academy in Boston and we have sponsored schemes like Girls Who Invest and the European Girls’ Mathematical Olympiad.

Q Once you have hired staff from more diverse backgrounds, how do you make sure you retain them?

A The way you really drive progress in diversity and inclusion is not just through big dramatic changes, but rather by facilitating the entry of individuals into the organisation, one or two at a time, and then creating an environment that makes them want to stay. This includes: nurturing their talent and

supporting their progress through the business; listening to what they need to enable them to do as well as possible in their roles; challenging traditional perspectives on the working day; and fostering a results-driven culture rather than rigidly sticking to established processes.

We have also thought a lot about parental leave. Some people want to stop work when they have children, while others want to come back. For those who wish to return, we try to provide an environment that is as adaptive to the needs of parents as possible. We provide enhanced gender-neutral leave for all staff and encourage both men and women to take it up. It de-stigmatises the idea of taking parental leave if everyone does it.

We have also placed a great deal of focus on our returner programme because we recognise how important helping people back into work after a period of leave is, and the challenges and dilemmas that this time can present. Again, it's about flexibility, about embracing new ways of working, about listening to our staff and responding to their needs. I believe we have made progress in this area and we continue to do what we can to improve.

Q You appear to be making some progress towards your diversity goals, but your targets still seem fairly distant.

A I would love for us to be making greater progress against these targets, and I recognise the importance of setting these goals, but progress is an output and we can't control the outputs, we can only control the inputs. We are working very hard on

those things that we can control and we believe that these will eventually feed through to our goals. I took the dozen graduates we hired this year out to dinner a few weeks ago and as a white male I was distinctly in the minority at the table.

Ultimately the full shift we are striving towards is likely to be generational, but that isn't an excuse for not doing everything we can do now to ensure it happens as quickly as possible; the changes today make us a better business and achieving the long-term goals will make us a better industry. Hiring junior people from diverse backgrounds can skew some of our statistics in the short term. For example, an increased cohort of women at the junior-level will initially result in lower average pay figures for women across the firm as they progress through their careers. We do it not to massage the outputs and the short-term optics; what we're aiming for is longer term and in some cases won't be immediately obvious through numbers alone.

Q Why is diversity in financial services important?

A I dislike this question and the thinking that lies behind it. It just seems self-evident to me that the bigger a universe of talent we can draw from, the more successful we're going to be – let's not exclude 50% of the population for starters! And it has been proven beyond doubt that cognitive difference leads to outperformance. In our industry, we're faced with difficult questions every day and we want a diverse range of responses to these questions.



At Man Group, we want everyone to know what we stand for, which is an absolute and unequivocal commitment to inclusiveness. We want to be upstanding, rather than bystanders, in the drive to build a more diverse and representative investment industry. It's a team effort that requires commitment and collaboration. I'm proud of what we've achieved so far, but I know there is still work to be done and I'm convinced that this firm and our industry will be better in the long-term because of the steps we are taking today.”

Robyn Grew
Group COO and General Counsel, 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. We recognise the “diversity gap” faced by our industry and we have put in place a number of major initiatives seeking to address the problem of inequality within financial services more broadly and at Man Group in particular. Our figures show that progress has been made across the firm over the past year, with particular improvement being shown in mean hourly pay (a 24% improvement y-o-y) and median bonus pay (a 19% improvement y-o-y). While these statistics are encouraging and demonstrate the significant efforts being made to address the “gap” throughout the organisation, we recognise that there remains a great deal of work to be

done, particularly when it comes to the 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

greater 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 continue to see a narrowing trend in our UK gender pay gap figures over time as our initiatives drive meaningful change.

30% Club and Board-Level Representation

Both Man Group’s CEO, Luke Ellis, and our Chairman, John Cryan, are signatories to the 30% Club, an international organisation seeking to improve female representation at board level. We are proud to announce that, when Anne Wade joins as non-executive director in April 2020, we will have reached parity in the gender balance of our board.

Hourly Rate

25.9%

Median Gender Pay Gap

16.9%

Mean Gender Pay Gap

Bonus Pay

54.2%

Median Bonus Gap

70.7%

Mean Bonus Gap

89.6%

Female Employees Receiving a Bonus

86.4%

Male Employees Receiving a Bonus

Pay Distribution

Upper Quartile

78.2%

Male

21.8%

Female

Upper Middle Quartile

85.1%

Male

14.9%

Female

Lower Middle Quartile

69.2%

Male

30.8%

Female

Lower Quartile

54.7%

Male

45.3%

Female

Women in Finance Charter

We have now been a signatory to the Women in Finance Charter for two years, recognising the important role this initiative plays in addressing long-standing issues of diversity in the industry, particularly in senior and front-office roles. Signatories to the Charter pledge 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 roles by December of this year and expect to increase our target by at least 1% per year in the years ahead. We are pleased to report a positive trajectory, having seen the proportion of women in senior management roles increase from 16% in 2016 to 20% at the end of 2019.

Our Paving The Way Campaign

Paving the Way is our dedicated campaign to help address the “pipeline” issue, encouraging a more diverse range of talent to apply for positions at 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.

Under the banner of Paving the Way, we focus on a number of internal and external initiatives, partnerships and programmes that help us to attract and develop talent from more diverse backgrounds and encourage diversity and inclusion. Below we highlight just a few of our activities both within and outside the firm.



Our Initiatives

Codman Academy by Shanta Puchler, CEO, Man Numeric

The Codman Academy is a public charter school in a less affluent area of Boston with a diverse student body. Over the past two years, Man Numeric has developed a deep and mutually supportive relationship with Codman focused specifically on information technology and coding. Each year, we select a group of some of the most promising students and they undergo a semester of in-depth training with Man Numeric, spending two hours every Wednesday working with the team on a variety of coding projects. After this, one of these students is chosen to

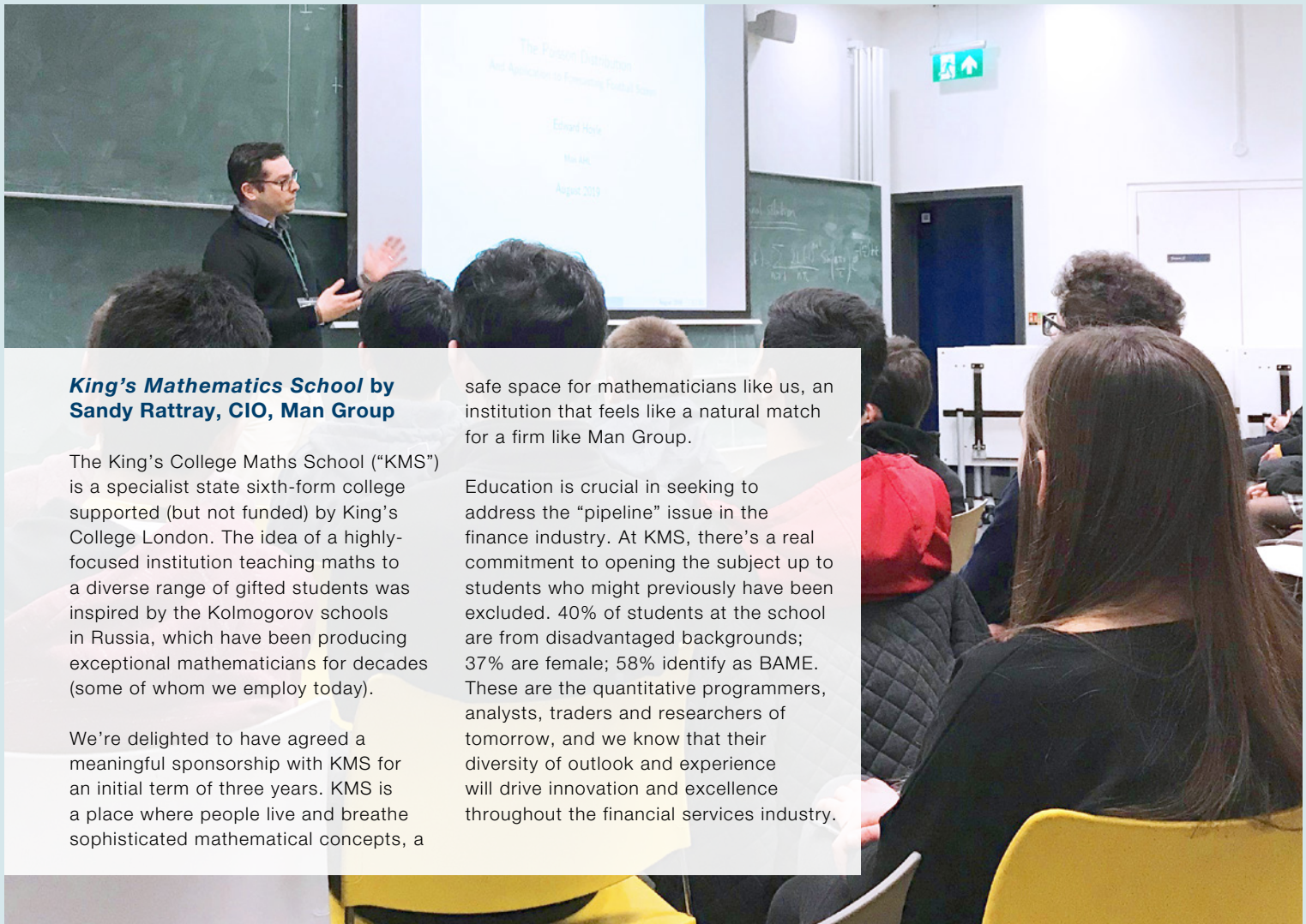
undertake an internship with Man Numeric where they get to put their new-found skills to the test.

This kind of programme isn't only a way of giving something back to the community in which we work; it's something that has brought real benefits to the team at Man Numeric. We are constantly inspired by the young people from Codman and know that many of them will go on to have successful careers drawing on the skills they've learnt during their time with us.

Mentoring by Giuliana Bordigoni – Partner, Head of Alternative Markets, Man AHL

I joined Man AHL over 10 years ago from academia, and was particularly conscious that my practical market knowledge was weak. My mentor was Murray Steel, who was Head of Trading at Man Group. Every month we would have lunch and discuss what was going on in the markets, helping me to rapidly get up to speed.

Today I have two mentors – Zoe Cruz and Robyn Grew. Each fulfils a slightly different role. Zoe is a hugely experienced figure in the industry and offers a great perspective on the markets and my career. Robyn is a qualified barrister, a member of the Senior Executive committee and in spite of her responsibilities as Group COO and General Counsel, her door is always open and her perspectives and advice are second to none.



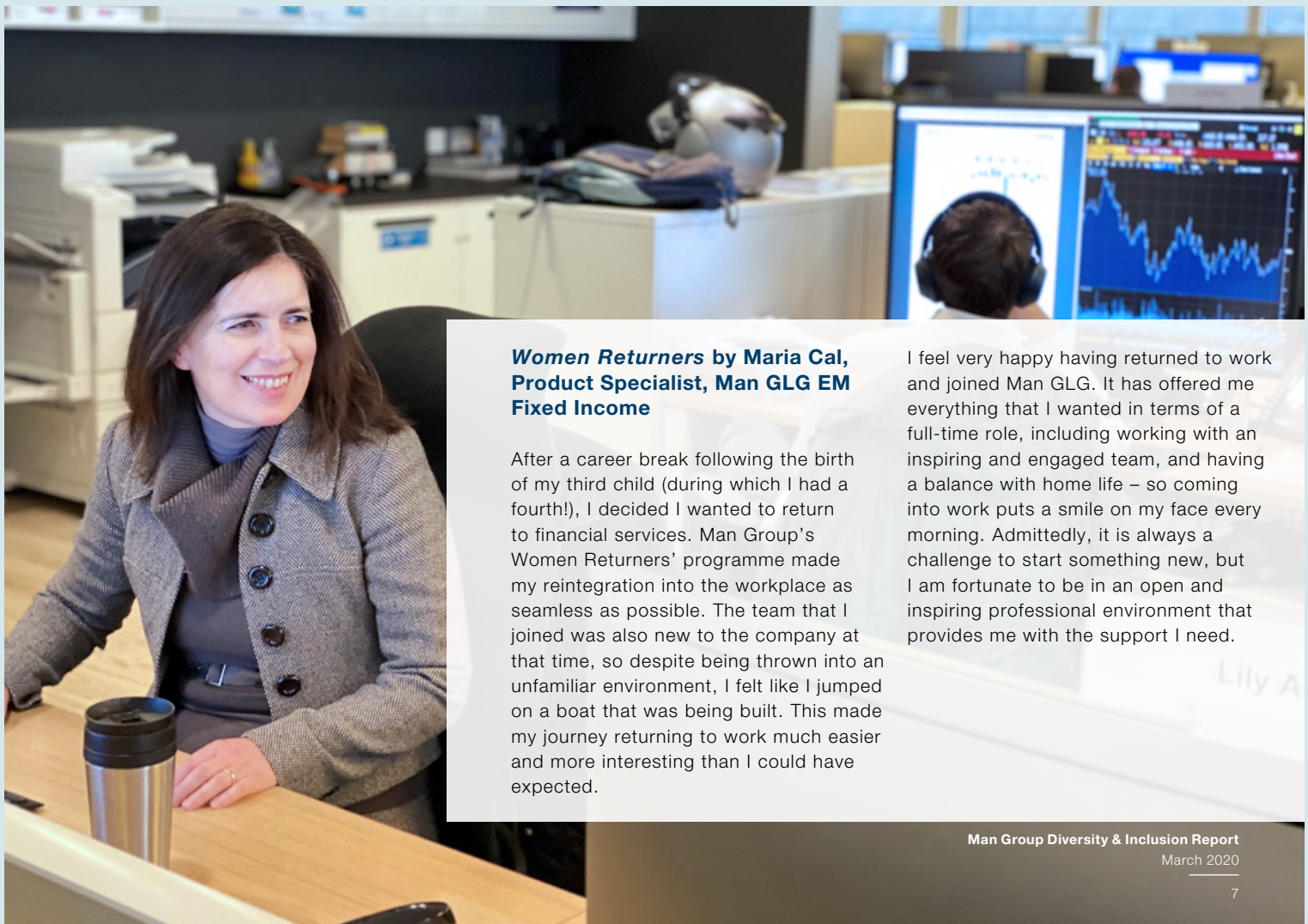
King's Mathematics School by Sandy Rattray, CIO, Man Group

The King's College Maths School ("KMS") is a specialist state sixth-form college supported (but not funded) by King's College London. The idea of a highly-focused institution teaching maths to a diverse range of gifted students was inspired by the Kolmogorov schools in Russia, which have been producing exceptional mathematicians for decades (some of whom we employ today).

We're delighted to have agreed a meaningful sponsorship with KMS for an initial term of three years. KMS is a place where people live and breathe sophisticated mathematical concepts, a

safe space for mathematicians like us, an institution that feels like a natural match for a firm like Man Group.

Education is crucial in seeking to address the "pipeline" issue in the finance industry. At KMS, there's a real commitment to opening the subject up to students who might previously have been excluded. 40% of students at the school are from disadvantaged backgrounds; 37% are female; 58% identify as BAME. These are the quantitative programmers, analysts, traders and researchers of tomorrow, and we know that their diversity of outlook and experience will drive innovation and excellence throughout the financial services industry.



Women Returners by Maria Cal, Product Specialist, Man GLG EM Fixed Income

After a career break following the birth of my third child (during which I had a fourth!), I decided I wanted to return to financial services. Man Group's Women Returners' programme made my reintegration into the workplace as seamless as possible. The team that I joined was also new to the company at that time, so despite being thrown into an unfamiliar environment, I felt like I jumped on a boat that was being built. This made my journey returning to work much easier and more interesting than I could have expected.

I feel very happy having returned to work and joined Man GLG. It has offered me everything that I wanted in terms of a full-time role, including working with an inspiring and engaged team, and having a balance with home life – so coming into work puts a smile on my face every morning. Admittedly, it is always a challenge to start something new, but I am fortunate to be in an open and inspiring professional environment that provides me with the support I need.

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

In 2019, we launched Women at Man (WAM), the latest of our internal employee networks. WAM is a network that aims to be as inclusive as possible for both women and men, as we seek to improve the gender balance at Man Group. WAM has already organised a number of networking events both internally and externally, including panels, educational seminars and talks from various senior women at Man Group and from the broader industry.

WAM joins our three existing 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 family network, which recognises that families come in all shapes and sizes and is committed to promoting individual and family wellbeing, with a clear focus on helping employees manage the balance 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.



Addressing The Diversity Pipeline

We are committed to paving the way for 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, as demonstrated by our involvement with King's Mathematics School and the Codman Academy. Some further steps we have taken to encourage a more diverse pipeline are as follows:

- **NSPCC Number Day:** 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.
- **Insight Days:** 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. A number of spaces are reserved for students sourced via charities like SEO London and Speakers for Schools.
- **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.
- **European Girls' Mathematical Olympiad:** We are proud to have sponsored the UK team at the European Girls' Mathematical Olympiad (EGMO), an annual international mathematics competition, for the past six years. In 2019, the team achieved 5th place out of 50, winning one gold and three silver medals.

Recruitment – Improving Diversity Today

We have a diversity-focused recruitment policy in place to ensure that we have diverse interview panels and candidate lists across all roles. We know the benefits that a diverse workforce brings and the numerous highly qualified candidates that are overlooked by traditional recruitment channels. We have therefore taken a series of steps both to recruit from the broadest pool of talent possible, and then to make sure that we retain these employees, whatever their backgrounds:

- **Women Returners:** By working with Women Returners, we are able to identify suitable candidates from a high calibre, predominantly female talent pool, as well as providing them with tailored mentoring and support. During 2019, we recruited five returners onto fixed term contracts, our largest cohort to date, and so far have a 80% conversion rate into permanent positions, demonstrating that this is a successful means of hiring experienced and high-quality women.
- **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. At the end of 2019, we had six permanent employees who had come through our Apprenticeship Programme.
- **Active Inclusion Recruitment Partners:** We work closely with a number of organisations specifically targeting the recruitment of diverse candidates. These range from recruiters focusing on female or LGBT+ candidates to firms helping workers with neurodiverse profiles into employment.
- **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. In 2019, 54 Man Group employees took Enhanced Parental Leave.



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