

GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS – SME VERSION

Company Name	Man Group plc	Date	2008
Unit (if applicable)	-		
Address	Sugar Quay Lower Thames Street London EC3R 6DU	Membership date	6 th April 2006
Country	UK	Number of employees	1,800+
Contact name	Rob Challis		
Contact Position	Global Head of Corporate Responsibility	Sector	Finance and Insurance
Contact telephone no.	00 44 (0)20 7144 1257		

Brief description of nature of business

Man is a world-leading alternative investment management business. With a broad range of funds for institutional and private investors globally, it is known for its performance, innovative product design and investor service. Man has over USD70 billion of assets under management (as at 30 September 2008) and employs 1,800 people in 13 countries worldwide.

The original business was founded in 1783. Today, the parent company, Man Group plc is listed on the London Stock Exchange and ranked in the top 50 companies of the FTSE 100 Index, with a market capitalisation of about USD10 billion.

Our track record in alternative investments stretches back two decades and defines the standard for excellence in an industry whose central goal is to provide diversification away from traditional equity and bond investments.

Innovation and focus

Product innovation is the cornerstone of Man Investments' mission to become the global leader in alternative investments. Our financial engineering and product structuring capabilities are at the cutting edge of the investment industry, and we continuously explore new ideas and investment strategies.

Man Investments has always focused exclusively on alternative investments and, through our core investment managers, we have developed strengths in distinct alternative asset classes including hedge funds, leveraged finance and convertible bonds.

Man Investments accesses a wide range of expertise and specialised capabilities through its investment managers and associates - AHL, Glenwood, Man ECO, Man Global Strategies, RMF, Pemba Credit Advisers and Ore Hill Partners. These managers function independently and focus on investment management, while benefiting from Man Investments' solid business and corporate infrastructure.

AHL

Implements managed futures investment programmes with an impressive record of exploiting trends in a range of global markets.

Man Global Strategies

Constructs and manages hedge style and multi-strategy portfolios, including the portfolios for Man Investments' structured and customised products.

Glenwood

A provider of leading fund of hedge fund portfolios since 1987, with a strong emphasis on risk-controlled investment processes.

RMF

RMF provides robust investment solutions focused on skill-based strategies in hedge funds and convertible bonds.

Pemba Credit Advisers

Pemba Credit Advisers ('Pemba') applies a disciplined process driven approach to investing in European senior secured loans, mezzanine and second lien loans and high yield bonds.

Ore Hill

Ore Hill invests across the capital structures of highly leveraged companies using a multi-strategy approach designed to optimise returns across the full credit cycle.

Man ECO

Man Environmental Capital Opportunities (Man ECO) is a private equity manager specialising in environment-related financing by seeding and managing funds involved in plant and infrastructure projects, long-term contracts and emissions credits.

Man Investments is a pioneer in the growing alternatives investments market with a track record of over 20 years. The business is dedicated to providing private and professional investors with access to the skills of world class hedge fund managers, packaged in a broad range of off-the-shelf product structures and tailored solutions.

Hedge fund managers

Over 300 fund managers provide capacity to our core manager portfolios. They utilise a wide variety of alternative investment styles and strategies, trading in their specialist asset classes on markets and exchanges worldwide.

Core investment managers

The core investment managers are the foundation of the business. They focus on fund manager selection, portfolio construction and management. Risk management is key to the investment proposition. Portfolios are managed with the aim of achieving target returns within a target risk level.

Product engineering and structuring

Structuring experts build on the investment content and portfolios of our core managers. Their combined expertise in finance and investment banking, law and mathematics has resulted in innovative and secure approaches to meeting investor needs for principal protection, efficient fiscal and legal structures, leverage, risk transfer and liquidity.

Global sales and distribution network

Man's development and approach to business is guided by the needs of clients. Our sales and consulting teams serve investors and a vast network of distribution partners.

Investor services

An extensive investor service infrastructure is in place to ensure the prompt reporting of product and account information to investors, efficient and timely clearing and settlement and delivery of valuable information about the company and the alternative investment industry.

Statement of support

Dear Fellow UNGC Signatory,

I am very happy to provide this Man Group's first Communication on Progress ("COP") since our signing up to the UNGC.

Whilst our business model is such that serious human rights issues do not generally apply, we have a zero tolerance to any form of intimidation or discrimination in our global work place.

Our robust policies, some of which are detailed below, evidence our commitment to this as does the very positive response to the issue by our employees in our last staff survey.

This year we are placing even greater emphasis on this key area through the roll out of our diversity seminars and workshops and the creation of employee diversity forums.

As our Group continues to expand and grow we will be ever mindful that the care of and concern for our people and those with whom we interact through our extensive global operations are of fundamental and paramount importance to us.

Kind regards,

Sincerely,

Peter Clarke
Group Chief Executive



Signature

Position

Group Chief Executive

PRINCIPLE 1 BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

Our Commitment or Policy

Extract from Group Corporate Responsibility Manual:

5.2. Human Rights

5.2.1 Group Policy on Human Rights

The Group recognises and stands by its responsibility as an organisation to ensure the upholding of basic human rights principles, wherever it operates, through the following:

- ☐ Undertaking to adhere to international charters and declarations on the protection of human rights

In all of its operations, the Group undertakes to recognise and adhere to the spirit of the accepted principles and standards relating to the protection of basic human rights as set out in relevant international charters and declarations as set out in Section 5.2.1.1 below

- ☐ Undertaking to comply with national legislation and to set an example with regard to human rights

The Group will comply with all national legislation and regulations relating to the application of the relevant international charters and declarations, within those jurisdictions and locations where it has operations and/or undertakes business.

- ☐ Undertaking to ensure that no Group division, business or employee will knowingly violate any human rights principle

The Group undertakes to apply such internal policies, procedures and controls as to ensure that no Group division or business, nor any Group employee will knowingly violate the principles relating to the protection of basic human rights, whether in the management of internal relationships (i.e. with respect to employees and labour relations) or in external dealings and relationships (i.e. with customers, suppliers and contractors).

- ☐ Undertaking to report any known violation or breach of human rights legislation to the responsible authorities

The Group undertakes to report to the relevant authorities (and to encourage individuals within the organisation to report) any violation or breach of human rights legislation which may come to its (or their) attention.

- ☐ Undertaking to respect differences between and to encourage tolerance towards individuals, social or other groups and cultures

The Group undertakes to ensure that its business and working practices are respectful of, and encourage tolerance towards, differences between individuals or groups within the societies and environments in which it operates and to respect the culture of those societies/environments.

A brief description of our Processes or Systems

We reinforce these policies through leadership and peer example, seminars and workshops on diversity

Actions implemented in the last year / planned for next year

The introduction of diversity workshops and the creation of diversity groups which will be run by our people.

Measurable Results or Outcomes

There have been no reported breaches of our Human Rights policies.

PRINCIPLE 2 BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Our Commitment or Policy

The nature of our business model is such that any complicity in such abuses is highly unlikely.

A brief description of our Processes or Systems

Human rights forms a key element of our due diligence where we are (rarely) involved in projects in countries where human rights may be an issue.

Actions implemented in the last year / planned for next year

Human rights included in due diligence protocols for relevant direct investments

Measurable Results or Outcomes

None to report

PRINCIPLE 3 BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

Our Commitment or Policy

Extract from Group Corporate Responsibility Manual:

5.2.1.2 Compliance with National Legislation in respect of Human Rights

The Group undertakes to comply with all national legislation and regulations relating to the application of the relevant international charters and declarations wherever it operates and/or undertakes business.

In particular, it undertakes to ensure compliance with legislation pertaining to:

- Discrimination with regard to gender, marital/parental status, sexual orientation, race, colour, ethnic or national origins, citizenship, religion or philosophical belief, disability or age;
- Employment, working conditions (including health and safety), welfare of employees (social security), labour relations and consultation of employees;
- Freedom of expression and of association (and the right to collective negotiation);
- Disclosure/reporting (of human rights or other compliance) violations ("Whistle-blowing");
- Environmental protection;
- Money laundering and other criminal activities (i.e. with a potential impact on the protection of human rights);
- Privacy of the individual.

If, in any of the jurisdictions or locations where it has operations and/or undertakes business, the prevailing national legislation (or the social or other customs and practices) does/do not adhere to the spirit of such charters/declarations, the Group will apply its own high standards of integrity in respect of human rights and general ethics to its working and business practices in such jurisdictions/locations.

A brief description of our Processes or Systems

As for Principle 1

Actions implemented in the last year / planned for next year

As for Principle 1

Measurable Results or Outcomes

As for Principle 1

PRINCIPLE 4 BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

Our Commitment or Policy

In principle yes but N/A as not relevant to our business model

A brief description of our Processes or Systems

In principle yes but N/A as not relevant to our business model

Actions implemented in the last year / planned for next year

In principle yes but N/A as not relevant to our business model

Measurable Results or Outcomes

In principle yes but N/A as not relevant to our business model

PRINCIPLE 5 BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR

Our Commitment or Policy

In principle yes but N/A as not relevant to our business model

A brief description of our Processes or Systems

In principle yes but N/A as not relevant to our business model

Actions implemented in the last year / planned for next year

In principle yes but N/A as not relevant to our business model

Measurable Results or Outcomes

In principle yes but N/A as not relevant to our business model

PRINCIPLE 6 BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

Our Commitment or Policy

Extract from Group Corporate Responsibility Manual:

5.3 Human Resources

5.3.1. High Level Policy Statement

It is Group policy to recognise that the value of its goodwill is a reflection of the quality of its employees in terms of ability, motivation and commitment.

All of the managerial elements which concern the attraction, motivation, retention and career progression of employees at all levels in the Group are, therefore, of significant ongoing concern to the Board in the continued development and maintenance of its positive employer brand.

The following policy articulates the Group philosophy for positive and productive management of this key resource.

5.3.1.1. Strategy In Respect of Human Resources

It is the strategy of the Group in respect of Human Resources to attract, motivate and retain appropriately qualified, skilled and talented staff, without regard for any person's background (age, gender, race, colour, religious or philosophical beliefs, marital/ parental status, sexual orientation or disability) and to ensure that all staff are offered equal opportunities with regard to career development and promotion opportunities.

The Group aspires to ensure the provision of a working-environment that is conducive to motivating staff and encouraging a high level of individual performance, while continuing to maintain the fundamental elements of the Group's culture. These elements include "team ethos" and pride in the Group and its reputation.

The Group therefore applies compensation practices which aim to be consistent and fair, while achieving the business objective of attracting the best staff. The Group is committed to maintaining performance-related compensation levels at least in line with generally accepted market practice and which serve to reward and retain highly-performing and motivated teams or individuals. At the same time, the Group endeavours to ensure that no element of its compensation policy leads or may be perceived to lead to a risk of any type of conflict of interest (e.g. with regard to protection of the interests of customers or of any other stakeholder group).

5.3.1.2. Core Policy Principles In Relation to Corporate Responsibility

5.3.1.3. In line with this strategy, the core policy principles that underlie the Group's Corporate Responsibility philosophy in relation to the management of its human resources are as follows:

- Ensuring ongoing compliance, across all Group divisions and businesses, with relevant legislation and regulations, particularly in respect of employment practices (including anti-discrimination rules), termination of employment contracts (including protection of the interests of staff under temporary or fixed-term contracts), professional development and training, health and safety and well-being of staff, wherever they are employed in the Group.
- Maintaining a high level of satisfaction, motivation and retention of staff including through appropriate recognition by management of individual and team performance;
- Fair, equitable and non-discriminatory employment practices, with regard to the treatment of all members of staff and of persons aspiring to join the Group and encouragement of tolerance and non-discrimination in ongoing staff relations;
- Fostering of a positive working-environment, in which mutual trust, respect, courteousness and support are key to relations between management and staff and between individual members of staff and in which the traditional "corporate team ethos" continues to co-exist with the motivation of individuals;
- Effective (i.e. "two-way") internal communication policies and consultation with staff/interest groups on all issues of relevance, in particular where the interests or rights of staff are at stake;
- Fairness in the handling of discipline, employee grievances and dispute resolution;
- Protection of individual members of staff from any form of harassment, victimisation, bullying or other inappropriate behaviour by others (in particular where a superior takes advantage of the weaker position of a member of staff);
- Support and guidance for "whistle-blowers";
- Fair and non-discriminatory compensation policies (including performance-related compensation);
- Encouragement of both the professional and the personal development of staff at all levels and in all areas through appropriate career-planning and training policies;
- Ensuring the wellbeing of staff (including the appropriate measures for health and safety at work) and achieving, to the extent possible, a "healthy" work/life balance for all staff.
- The Group endeavours to ensure the adherence of all of its businesses to the principles and values set out above within their own policies and procedures and monitors such adherence on an ongoing basis.

A brief description of our Processes or Systems

See policy above

Actions implemented in the last year / planned for next year

The reinforcement of our robust policies in this context

Measurable Results or Outcomes

Regarded very positively as an “inclusive employer” in our staff and related surveys.

PRINCIPLE 7 BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

Our Commitment or Policy

Extract from Group Corporate Responsibility Manual:

5.2.2 High Level Policy Statement

It is the Policy of Man Group plc to take into account its impacts on the environment by adopting a system of measurement, offset and review that captures relevant data and provides meaningful reports, thereby enabling the group to identify where impacts occur and how they may be reduced and offset.

Within this policy, the Group will:

- Ensure that it is compliant with all environmental legislation that applies in any jurisdiction in which it has operations;
- Capture and analyse selected environmental data and where appropriate set Group wide targets and objectives that enable a process of continuous improvement;
- Remain aware of technological developments that may reduce environmental impacts;
- Consider environmental issues when procuring resources and services;
- Engage with key suppliers to influence how they manage their own environmental impacts;
- Adopt broadly the relevant principles contained in the Association of British Insurers/FORGE guidelines;
- Communicate publicly about environmental policies, practices and performance through the publication of annual reports;
- Raise awareness of environmental issues among employees and give guidance as to how they can play their part in improving the Group's performance;
- Become “carbon neutral” in its global operations.

A brief description of our Processes or Systems

We are a carbon neutral company and have a strategy with appropriate targets based on the principles of efficiencies, reductions and offset. We also generate through a sophisticated CHP system significant amounts of power for our London offices.

Actions implemented in the last year / planned for next year

Many initiatives which have resulted in reductions in our carbon footprint. The programme is highly detailed and ongoing. Further information about the group's environment program and performance indicators are available from the group's website at www.mangroupplc.com/cr . See the Corporate Responsibility Report and supplement entitled 'Man in the Environment'.

Measurable Results or Outcomes

Significant per capita reductions in CO2 footprint.

PRINCIPLE 8 BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

Our Commitment or Policy

We are committed to taking account of our essential energy usage and offsetting it.
We focus as much as we can as a service company on effecting reductions in all of our operations.

A brief description of our Processes or Systems

Extract from Group Corporate Responsibility Report 2007 (page 43):

The opportunity to make a difference

In concept, the nascent environmental market displays intriguing parallels with the hedge fund industry of the early 1990s: the emergence of investment strategies previously unavailable to the wider investor market; an opaque industry characterised by a severe disintermediation of pricing and related information; and idiosyncratic risk offering attractive diversification opportunities.

We believe Man Group can play a significant role in helping transform the carbon market from a cottage industry to one with real institutional appeal. Capitalising on our core strengths in asset management, risk management and risk transfer, and financial structuring, we aim to become a world leading provider of environment-based investment products.

Man has established a department dedicated to Environmental Finance with the declared objective of making strategic acquisitions of and investments in funds and fund managers, and offering fund of fund products in this rapidly developing market. In addition, Man Group's Corporate Responsibility department has a team dedicated to non-commercial environmental projects involving awareness programmes and support of various charities.

Man Group environmental business opportunities

Last year Man Investments established a dedicated Environmental Finance unit, based in London. The unit focuses on strategic acquisitions and allocation of proprietary and client funds to investment projects aiming to make a substantial contribution to the improvement of the environment, particularly concerning climate change.

The unit recently made its first significant investment, which is aimed at combating one of the most damaging kinds of greenhouse gases – methane. The investment involves a majority stake in MTM Capital Partners, an asset management business specialising in environmental projects in China. MTM is managing a new fund, called the China Methane Recovery Fund, which will generate revenues from two sources: 1) the sales of electricity produced from methane captured at coal mines and landfill sites, which are two of the largest sources of methane, and 2) from the sales of carbon credits earned through the Kyoto Clean Development Mechanism. China is a logical location for this fund given that it is the world's largest producer of coal. Man Investments also has allocated some of its own capital to the fund.

In addition, Man Investments' primary institutional asset management subsidiary, Swiss-based RMF, has addressed climate change via its standard strategy of taking equity stakes and making client allocations to funds and other initiatives. These investments have aimed to control CO₂ emissions and also to decrease risks associated with climate change, such as severe changes in weather. In particular, RMF has taken this step with two funds that focus on the trading of carbon credits, taking advantage of the rapidly growing markets for carbon launched in Europe in conjunction with the Kyoto agreement and now expanding around the world.

RMF also has a dedicated unit called the New Alternatives Group, which is researching and developing additional funds that will move beyond carbon trading. A wide variety of new investments is being explored, including those that focus on technologies such as wind, solar, geothermal and hydro power, as well as those that utilise 'clean' fuels such as biomass.

Man Investments expects to launch several other funds that focus on environmental finance in the coming months, from both its Environmental Finance unit and from RMF.

Actions implemented in the last year / planned for next year

Including but not limited to:- Global Employee Carbon Workshop Programmes; Gold Standard CERs for offsetting essential global emissions; VERs for additional 50% offset to make us "Carbon Neutral

Plus”; Subsidised employee offset scheme;

Measurable Results or Outcomes

High levels of employee engagement and satisfaction; significant aggregate year-on-year carbon footprint reduction; increase in global waste re cycling

PRINCIPLE 9 BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Our Commitment or Policy

We have formed a specialist business unit to address this key opportunity-Man Eco

A brief description of our Processes or Systems

Man Eco will invest in appropriate climate related initiatives and businesses

Actions implemented in the last year / planned for next year

Man Eco / China Methane Capture Project

Measurable Results or Outcomes

Significant funds attracted, circa \$600 million

PRINCIPLE 10 BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

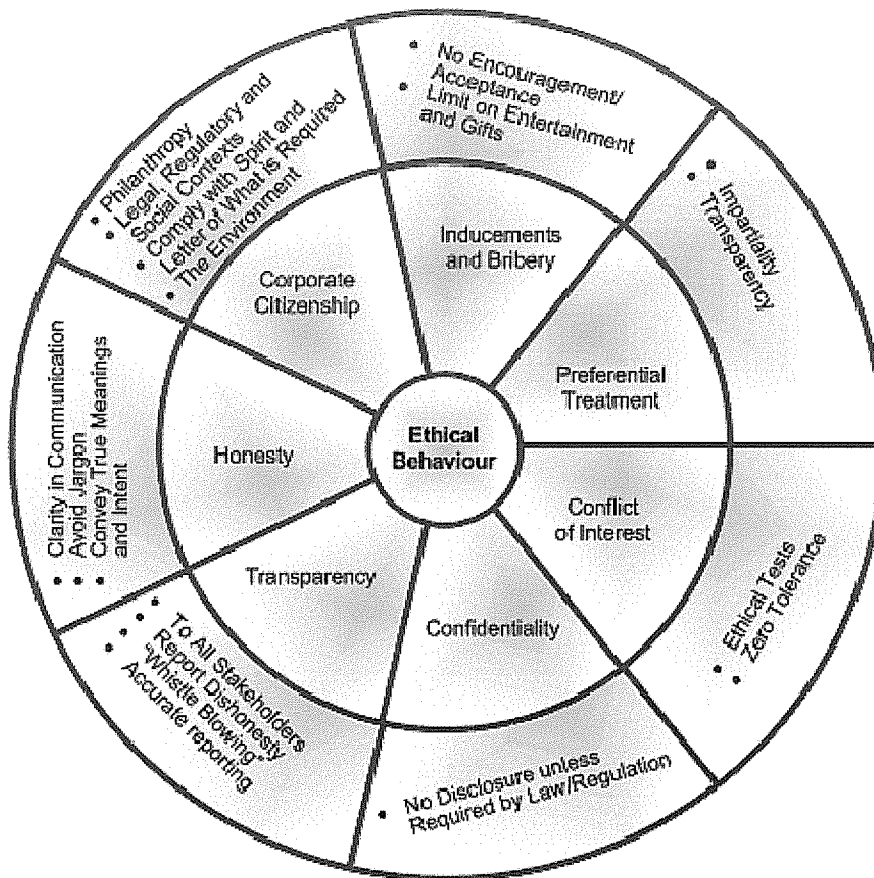
Our Commitment or Policy

Extract from Group Corporate Responsibility Manual:

5.1.4 Policies for Ethical Behaviour/Conduct

The previous section repeatedly refers to ethical standards and ethical behaviour. It is Group policy that all directors, managers and members of staff are subject to the overriding requirement to adhere to all applicable laws and regulations in their conduct of business. However, ethical behaviour within the Group means more than just adherence to law and regulation. It also means adherence to the spirit of law, practice and moral custom as accepted within the business circles in which the Group operates.

Ethical behaviour is a requirement on all directors, management and members of staff of the Group. Ethical behaviour splits into various individual behaviours as follows:



Policy in respect of each of these individual behaviours is defined in the following sub-sections:

5.1.4.1 Inducements and Bribery

- No director, manager or member of staff is to accept, or to encourage or require others to accept bribes or other inducements from any outside party to conduct particular business, in a particular way.
- No director, manager or member of staff is to offer, or to encourage or require others to offer bribes or other inducements to conduct particular business, in a particular way.

In this context “inducements or bribery” are defined as being any financial or non-financial payment or benefit which **does not fall into one of the following categories**:

- Entertainment of a value up to an amount and of a type documented under policy¹ per person, per day, unless subject of a documented corporate entertainment event;
- Introductory or transaction execution Commissions which are the subject of specific documented agreements and which are subject to public standards and codes of conduct within the United Kingdom, United States, Switzerland and other jurisdictions in which the Group’s businesses operate;
- Gifts, or equivalents, given or received in the normal course of business up to a value of an amount documented under policy² per gift.

¹ This figure is set for each individual business or geographic location, according to business/ local management recommendation and type of entertainment, but subject to overall Group control.

² This figure is set for each individual business or geographic location and type of entertainment, according to business /local management recommendation, but subject to overall Group control.

A brief description of our Processes or Systems

We monitor closely and transparently all regulatory complaints, issues and fines.

Actions implemented in the last year / planned for next year

We have a robust compliance architecture and are highly regulated throughout our global operations

Measurable Results or Outcomes

Our performance is published in our CR Report-www.mangroupplc.com/cr

How do you intend to make this COP available to your stakeholders?

We will leave that to the UNGP team