FULCRUM

Fulcrum Asset Management LLP

Diversity, Equity & Inclusion Statement

September 2023

Purpose

Fulcrum Asset Management LLP ("Fulcrum", the "Firm") is committed to encouraging equality, diversity and inclusion, recognising that this promotes creativity and innovation, creates a culture of fairness and ensures that staff are not unlawfully discriminated against. Legally protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex and sexual orientation.

We recognise that by having a broad set of qualities and competencies represented in our governance arrangements i.e., the Management Board and other oversight committees reduced risks and improves decision making. The risk to safety and soundness from groupthink is minimised by having a range of perspectives shared and considered. We recognise that by creating a culture of inclusivity, respect and understanding, employees can bring their wholeselves to work, feel respected and be able to give their very best. Our belief is that a diverse workforce brings a greater breadth of insight and challenge, which all improve decision making. Our understanding and empathy towards our clients and employees is also enhanced by having greater representation in our decision-making bodies, as well as across the organisation.

The aim of the Diversity, Equity & Inclusion Policy is to ensure that our workforce at all levels is more representative of a broad range of society and for each employee to feel respected and able to give their best.

Fulcrum's Management Board fully support this policy and have established a Diversity and Inclusion Committee to assist with its implementation and day-to-day management.

Fulcrum's guiding belief: That better decisions are made in our firm by having as broad a range of inputs and opinions as possible.

Our goal: To make Fulcrum an attractive and inclusive place for diverse talent and to nurture and maximise potential.

Our approach: To positively build our own pool of talent and not to rely on "poaching from others". Ultimately, we seek to influence how our industry is perceived by broader society, to be one that is open and inclusive and can attract talent from as broad a base as possible.

Our guiding framework: Having quotas, whilst positive in intent, have the potential for unwanted consequences. Therefore, our approach is to positively build our own pipeline of talent and not to just rely on poaching from others in our field. Ultimately, we seek to influence how our industry is perceived by broader society, to one that is open and inclusive.

The Role of Fulcrum's DEI Representatives

- The Diversity, Equity and Inclusion **Representatives** are tasked with collating and prioritising the views of all employees as opposed to being a discreet decision-making body.

- The Group reports to and is **accountable** to Fulcrum's Management Board.

- Meets formally on a quarterly basis and more frequently as needed. Between these meetings, focus groups with a broad representation of employees will discuss and assess progress and issues and our collective areas of focus.

- We believe **better decisions are made in an organisation by having a wider range of opinions.**

- Our goal: make our firm an attractive and inclusive place for diverse talent and to nurture and maximise their potential.
- Our guiding framework: **influence** how our industry is perceived by broader society, to one that is open and inclusive.

Fulcrum's Commitments to Employees

- Encourage diversity, equity, and inclusion in the workplace.

- Make opportunities for training and development available to all staff. We want to support and encourage our staff to develop their full potential, so their talents can be fully utilised to maximise the effectiveness of the organisation.

- Review employment practices and procedures when necessary to ensure fairness, and also update them and the Diversity, Equity & Inclusion Policy to take account of changes as required, by law or other.

- Monitor the make-up of the workforce regarding information such as age, sex, ethnic background, sexual orientation, religion or belief, socio-economic background, and disability in encouraging equity, diversity and inclusion, and in meeting the aims and commitments set out in our DEI policy.

- Create a working environment free of bullying, harassment, victimisation, and unlawful discrimination, promoting dignity and respect for all, where individual differences and the contributions of all staff are both recognised and valued.

- Assess how the Diversity, Equity and Inclusion policy, and any supporting action plans, are working in practice, reviewing them annually and considering and taking action to address any issues.

Goals we have achieved

1. **Established information:** We have upgraded our HR system in order that we can capture demographic data of our employees to enable us to ascertain our starting point. We are now able to track progress in terms of representation across our business by role types, levels and committee/decision making board membership.
2. **Increased awareness and understanding of equity, diversity and inclusion:** We provided training at manager and non-manager level to improve two areas: (a) awareness of where bias and discrimination can show up, the issues they can cause and how they can be addressed. (b) understanding of how to create an inclusive environment as a manager and as a colleague.
3. **Increased diversity across our business:** We revised our recruitment processes in order to attract diverse talent and create a more inclusive business. This resulted in 52% of hires in 2022 being female. We will continue this approach and expand the focus across additional diverse candidates (social mobility, ethnicity, educational background).

Our current goals (2023)

1. **Review and enhance employee benefits, terms, and conditions to encompass our diversity and inclusion aims:** We will review our standard work contracts with the aim to improve conditions, benefits and support for all employees. This will be measured by: Recommendations made to the Management Board changes and additions to current terms and benefits and responses to these changes in the next employee survey.
2. **Review our career progression approach to support more diverse candidates in senior level roles:** We will build a career development framework which will articulate the skills and competencies required at each of the levels in our organisation. Managers and individuals will be supported to identify and develop their skills to enable those with potential to progress to do so. In addition, Managers with diverse talent will be provided additional support (such as coaching, mentoring, individual training) to enable those with the potential to progress to achieve these aims and unblock potential barriers and biases that exist. This will be measured by: Increasing numbers of diverse talent in leadership/senior positions.
3. **Revise the governance of our firm** to include non-Executive members to join our Management Board to bring a broader set of perspectives, skills, and experiences to our firmwide decision making.
4. **Continue to enhance our approach within recruitment**: Implementing longer-term initiatives that attract diverse talent (e.g., apprenticeships, summer interns, returnships, graduate hires).

Monitoring and Review

Fulcrum's Human Resource Department and Diversity and Inclusion Committee are responsible for the following:

*   Annually report to the board on the implementation of this Policy and whether goals have been met or not.
*   Make any recommendations to update this policy or Fulcrum's approach to Diversity, Equity and Inclusion (to meet its objectives).
*   Conduct a review of the employee population, the composition of Fulcrum's Management Board, Committees, Leadership roles and progression candidates, reporting on improvements made in line with this policy and make recommendations for further changes to policy and goals required.