BRIDGEWATER

# Modern Slavery Statement

2023

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# 1. A Message from Our Executives

Our mission at Bridgewater[1] is to deeply understand markets and economies and translate that understanding into investment solutions and impactful relationships with our clients. Core to delivering on our mission is operating with a commitment to the highest standards of ethics and business conduct.

We recognize that modern slavery is an issue that affects millions of people around the world. We support the goals of the Australian Modern Slavery Act 2018 (Cth) to bring about concrete action in the private sector to combat these practices.

The following statement describes our actions to identify and address the risk of modern slavery in our operations, supply chains, and investment portfolios. While this is our fourth iteration of the statement and we have another year of experience in this work, we continue to acknowledge the difficulty of this exercise: modern slavery is often deeply buried in supply chains and frequently occurs where oversight and accountability are limited, making these practices difficult to detect and prevent. We are committed to continuously improving our processes for addressing modern slavery risk in our business over time. In this statement, we describe our continuing key priorities for evolving our approach to risk identification, mitigation, and remediation. We look forward to the opportunity to continue reporting on our progress in future reporting periods.

| Nir Bar Dea<br>**Chief Executive Officer** | Carsten Stendevad<br>**Co-CIO for Sustainable Investing** |
| --- | --- |

[1] This statement is made on behalf of Bridgewater Associates, LP, the reporting entity, which we refer to as "Bridgewater," "we," "us," or "our."

# 2. Our Commitment and Purpose of Statement

The Australian *Modern Slavery Act 2018* (Cth) (the "Act") defines modern slavery as including eight types of serious exploitation of people: trafficking in persons, slavery, servitude, forced marriage, forced labor, debt bondage, deceptive recruiting for labor or services, and the worst forms of child labor. An estimated 50 million people were victims of modern slavery on any given day in 2023.[2] Currently, more than $468 billion of at-risk products are imported into G20 countries annually.[3] Modern slavery is a challenging and pervasive issue that requires partnership between investors, policy makers, and businesses globally to root out these practices.

This is the fourth statement that Bridgewater has prepared in accordance with the requirements of the Act. This statement covers the actions taken during the year ending December 31, 2023, and up to the date of this statement to assess and address the risk that we cause, contribute to, or are directly linked to modern slavery through our operations, supply chains, or investment portfolios. When we refer to modern slavery risks in this statement, we are referring to the risks to *people*.

## 2023 Priorities: Continue building upon our risk identification capabilities

During the 2023 reporting period, we continued to analyze modern slavery risk using the same three lenses from when we began reporting: high-risk geographies, sectors, and business practices. We also continued to prioritize the mapping of modern slavery risk in our investment portfolios, as this is the most significant area of our business in terms of both size and potential impact.

With respect to modern slavery risk identification within our investments, we made important progress on our risk estimation tool which included completing a prototype of the tool and conducting an extensive due diligence of publicly and privately available data sources. This work is part of a collaboration with leading global modern slavery experts that emerged from "Room 17" in the 2021 "17 Rooms" initiative (initiative convened by the Center for Sustainable Development ("CSD") at The Brookings Institution and The Rockefeller Foundation). Please see the end of this section for further details on this collaboration.

Within our operations, we have taken steps to bolster our supplier due diligence processes to include a lens into anti-modern slavery to improve visibility of modern slavery risks inherent to our suppliers. We implemented a Supplier Code of Conduct which sets out the measures Bridgewater expects its Vendors to take to identify, address and remediate risks of modern slavery in their operations and in their supply chains. We have not had any suppliers identify instances of modern slavery and approximately 10 percent of respondents have identified that they have anti-modern slavery policies already in place. In future reporting periods, we will be exploring how to expand this data set and encourage our supply base to publish policies. Lastly, we expanded our modern slavery training footprint within our operations staff, namely our Central Sourcing and Tech Sourcing Teams, to increase awareness on our initiatives and obligations.

We are committed to the continued improvement of our efforts to address modern slavery risk across our business in future reporting periods. In Section 5 of this statement, we lay out our key priorities with respect to our operations, supply chains, and investment portfolios, as well as longer-term steps.

[2] International Labour Office (ILO) and Walk Free (2023), Global Estimates of Modern Slavery.
[3] Walk Free (2023), Global Slavery Index 2023.

# 3. Overview of Bridgewater

## Who we are and what we do

Founded in 1975, Bridgewater is a US-based, privately held asset management firm focused on delivering unique insight and partnership to the most sophisticated global institutional investors.

As of December 31, 2023, Bridgewater managed approximately $112 billion[4] for institutional clients globally, including public and corporate pension funds, university endowments, charitable foundations, foreign governments, central banks, family offices, fund of funds and similar third-party entities, and Union/Taft Hartley plans. Bridgewater provides discretionary investment management services to pooled investment vehicles, single investor funds, and managed account clients. Beyond managing portfolios for our clients, Bridgewater offers research insights to our clients on their most important strategic initiatives and questions. We also publish *The Bridgewater Daily Observations*, our flagship research publication.

## Bridgewater as an investment manager

Bridgewater's investment strategies are designed to be highly diversified, multi-asset strategies that invest based on fundamental macro-economic considerations and only trade the largest, liquid, public financial markets. Our investment approach is driven by a tireless pursuit to understand how the world's markets and economies work. This has led us to a distinctive philosophy for managing money in all of our strategies—a fundamental, systematic and diversified investment process—described below.

- **Fundamental:** The views we take are the result of a deep, fundamental understanding of the timeless and universal cause and effect linkages that drive global economies and financial markets.
- **Systematic:** We translate our fundamental understanding into a set of explicit rules for trading markets, which allows us to stress-test our logic, form explicit expectations for the performance of our ideas and evolve and compound on our understanding through time.
- **Diversified:** We spread our risk such that no one position, group of positions, or type of risk dominates our portfolios' performance.

Our fundamental understanding has led to what we believe is a core truth about investing: there are only two sources of return: "beta" and "alpha." One can hold risky assets and earn a risk premium (beta), or one can trade markets and generate alpha, either positive or negative. Many investments are an unclear mixture of those two things, but we believe that great gains can be made in portfolio design if alpha and beta are considered and designed separately before being brought together into a total portfolio.

This belief is the foundation for our investment strategies:

1. Pure Alpha, our optimal alpha strategy
2. All Weather, our optimal beta strategy - includes the All Weather Sustainability strategy, which applies balanced beta investing to assets aligned or on a clear and credible path to alignment to the UN SDG
3. Pure Alpha Major Markets, our global active investment strategy
4. Optimal Portfolio, which applies our best understanding of how to combine beta and alpha into a total portfolio

[4] AUM figures are estimated as of December 31, 2023 are in US$, and are inclusive of additions and/or withdrawals made as of the first business day of the following month.

5. Defensive Alpha, which is designed to generate high risk-adjusted returns that are negatively correlated to equities and equity-centric portfolios over time
6. China Total Return Strategy (CTRS), which is designed to provide the highest return-to-risk ratio in Chinese markets
7. Asia Total Return Strategy (ATRS), which is designed for investing in Asian markets ex China
8. Active Sustainable Equities (ASE), which is designed to optimize across return, risk, and impact dimensions in public equities.

## ESG integration in our investment process

Environmental, social, and governance ("ESG") integration into our investment process is a strategic priority for Bridgewater. Our approach to integrating modern slavery considerations into our investment portfolios is informed by our overall sustainable investing approach and is overseen by our Sustainable Investment Committee.[5]

[5] For more information on our sustainable investing governance, please see Section 6.

## Our approach to sustainability

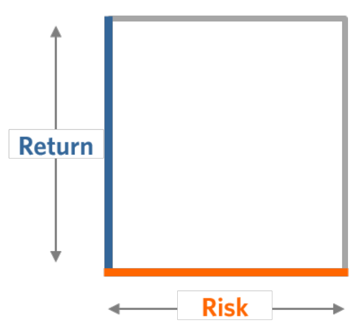
Our approach to ESG issues is shaped both by who we are as an investment manager—a global macro, multi-asset investor with a fundamental, systematic, and diversified approach—and by how we partner with clients.

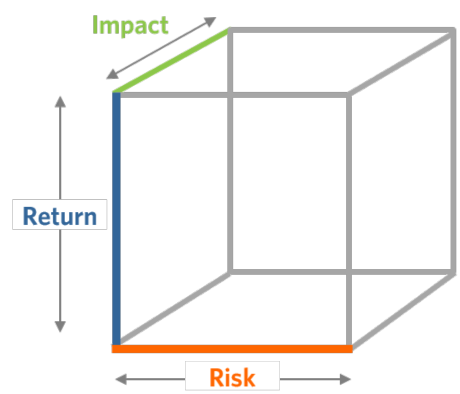
Our first investment goal is to build a deep understanding of how economies and markets work. Because ESG issues are important drivers of global economies and markets, we have explicitly made it a strategic priority to deeply research these issues and to integrate that research into our systematic investment process in a manner that is consistent with our systematic way of managing money. We believe our research approach is well-suited to explore the fundamental ESG-related linkages at play in the same way we study other cause-and-effect linkages in the global economy and markets.

Our second goal is to convert the understanding we have developed into high-quality solutions for our clients' most important investment objectives. The framework we use for integrating ESG considerations into our investment portfolios depends on the portfolios' objectives, which we describe as being either "two dimensional" or "three dimensional."

For portfolios with traditional "two dimensional" return and risk objectives, we research ESG issues that we believe may have a material impact on financial performance and integrate that research into our broader investment research process. Alongside return and risk considerations, an increasing number of clients have added a third dimension to their investment objectives, namely impact. For these portfolios, we are partnering with clients to consider not only how ESG-related issues might affect return and risk, but also how aligned these portfolios are with environmental and social outcomes. In November 2023, we launched the Active Sustainable Equities strategy, our first equity-focused strategy that explicitly seeks to achieve return, risk, and impact, by including only companies that we assess to be aligned to the UN Sustainable Development Goals ("UN SDGs"). The UN SDGs are a broad-based set of global, social and environmental goals, including targets specifically pertaining to modern slavery, such as Goal 8.7 - "Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms."

| Our Approach | ESG Integration | Sustainable Investing |
|---|---|---|
| Investment Goals | **FINANCIAL**<br>**2-Dimensional Focus: Risk-Return** | **FINANCIAL + IMPACT**<br>**3-Dimensional Focus: Risk-Return-Impact** |



## Overview of our operations and supply chains

The core input for what we do and how we generate revenue—investment management—is the people we hire. As of December 31, 2023, we had approximately 1,259 full-time employees,[6] whom we refer to as our "direct workforce," with 94 percent of those employees based in our US headquarters. Given the nature of our industry, a significant proportion of our employees are highly skilled professionals. The employees who make up our direct workforce generally have responsibilities that are core to providing investment management services and are complemented by our "external workforce," which is primarily responsible for non-core support services.

We define "external workforce" to include (i) contingent workers engaged through staffing agencies to provide on or offsite services in a staff augmentation capacity (e.g., administrative assistants), (ii) contingent workers engaged through vendors to provide on or offsite services that are supervised by Bridgewater employees (e.g., software engineers and workers carrying out operational functions), (iii) consultants engaged through external consulting firms for a specific project or initiative (e.g., management consultants), and (iv) vendors that deliver people-based services, where the vendor is responsible for oversight and execution (e.g., food service and facilities management). We consider the last category of our external workforce to be most akin to what is commonly referred to as "outsourced labor."

To support our investment management business, we purchased goods and services from approximately 700 direct vendors during the 2023 calendar year. In addition to the vendors through which we engaged our external workforce described above, we contracted with vendors to purchase a range of goods, including office equipment, supplies, IT hardware and software, and analytical products. The vast majority—92 percent—of our direct vendors were located in the United States, United Kingdom, or Canada, and accounted for approximately **99** percent of our total vendor spend in 2023[7]

[6] This figure is inclusive of employees of Bridgewater Associates, LP and its wholly owned operating subsidiaries.

[7] See Section 4 of this statement for details of the risk assessment of the direct vendors of Bridgewater Associates, LP and its domestic, wholly owned operating subsidiaries, including Bridgewater Associates Singapore Management ("BASM") and Bridgewater Associates Spain S.L.

## Our structure

Bridgewater is a limited partnership formed under the laws of Delaware in the US, with a registered office located at One Nyala Farms Road in Westport, Connecticut. Bridgewater is registered as an investment adviser with the US Securities and Exchange Commission and as a registered commodity trading advisor and commodity pool operator with the US Commodity Futures Trading Commission. In addition, Bridgewater is registered with various foreign authorities, including the Australian Securities and Investments Commission (ARBN 143 483 416).[8]

While our only line of business is institutional investment management, Bridgewater has parent entities for governance and other corporate structuring purposes. Our ultimate parent company is Bridgewater Associates Holdings, LLC, a limited liability company. Bridgewater also owns and/or controls certain entities, including wholly owned subsidiaries, most of which were formed to (i) hold title to various assets (primarily real estate) that are independent of our investment management business, (ii) provide services or support for our operations, or (iii) expand our investment business geographically (including through Bridgewater (China) Investment Management Co., Ltd. ("BCIM"), our subsidiary located in Shanghai, within the People's Republic of China).

Bridgewater also has a subsidiary in Singapore (Bridgewater Associates Singapore Management ("BASM")) and a subsidiary in Spain, (Bridgewater Associates Spain S.L.), both of which provide support for our operations.

[8] Bridgewater Associates, LP's predecessor entity was licensed in Australia with the ASIC as an Investment Adviser and as a Futures Adviser in 1997. Bridgewater was granted exempt status by ASIC in 2004, and as of the date of this statement Bridgewater continues to be exempt from the requirement to hold an Australian financial services license.

# 4. Identifying Risks of Modern Slavery

During the reporting period, we continued to assess modern slavery risk in our business, including across our investment strategies.[9] Our risk assessment model aims to identify the potential for Bridgewater to cause, contribute to, or be directly linked to modern slavery practices through our operations, supply chains, and investment portfolios. In accordance with guidance provided by the Australian Attorney-General's Department, we define these terms as follows:

| | |
|---|---|
| **Cause** | Risk that our operations may directly result in modern slavery practices. |
| **Contribute** | Risk that our operations and/or actions in our supply chains may contribute to modern slavery, including acts or omissions that facilitate or incentivize modern slavery. |
| **Directly Linked** | Risk that our operations, financial products, or services may be connected to modern slavery through the activities of another entity with which we have a business relationship. |

First, we acknowledge the difficulty of this exercise. Modern slavery practices are often deliberately hidden, making oversight and accountability challenging. Accordingly, the availability and quality of data required for such analysis is imperfect, there is no one optimal way to assess risk and no single viewpoint can provide a complete picture of an entity's risk. Again, we are humble about the depth of our current understanding of this topic, and the approach below represents initial steps in assessing our modern slavery risks rather than definitive answers.

Drawing on guidance from a range of external sources, we used three lenses to assess risk: (i) high-risk geographies, (ii) high-risk sectors, and (iii) companies with high-risk business practices. Because no single indicator will paint a holistic picture, we triangulated our assessment across multiple indicators using data from different external providers.

**Lenses to Identify Modern Slavery Risk[10]**

| | |
|---|---|
| **High-Risk Geographies** | Countries reported to have weak rule of law, which may be due to corruption, conflict, or political instability, a poor track record on human rights protections, or inadequate protections for workers. |
| **High-Risk Sectors** | Sectors in which the primary players compete on price, the workforce is predominantly comprised of vulnerable populations such as migrants, there is reliance on unskilled, temporary, or seasonal workers, or use of short-term contracts and outsourcing. |
| **High-Risk Business Practices** | Companies that rely on outsourcing significant labor needs or have complex supply chains, indicators of substandard working conditions, or unclear public commitments to human rights. |

[9] Our assessment includes those investments managed by BCIM, a Bridgewater subsidiary located in Shanghai, China that conducts its investment management operations on a largely independent basis.

[10] The descriptions of these high-risk criteria were based on the RIAA Investor Toolkit *(Modern Slavery Reporting – Guide for Investors)*, the ACSI Modern Slavery Risks, Rights and Responsibilities Guide for Companies and Investors, and the Responsible Sourcing Tool.

## Our investments

We continue to focus our efforts on identifying modern slavery risk in our investment portfolios, as we believe that developing a rich understanding of our risks will help us better manage and mitigate them. Below, we describe our research approach and initial findings across each of the major asset classes we trade: equities, sovereign bonds, and commodities.

## Our approach

We acknowledge that assessing modern slavery risk in investments is a challenging exercise. Further, for highly diversified portfolios like ours, with tens of thousands of individual holdings across multiple asset classes and geographies, the analytical and data challenges of assessing each entity (and its supply chains) are significant. In light of these challenges, we have applied the same principles we use to assess markets and financial risk to assess modern slavery risk. Our approach starts with deep fundamental research, which we triangulate across multiple perspectives and then rigorously systemize.

Our starting point for understanding modern slavery risk was to construct a framework to analyze the relationship between investing in assets and modern slavery outcomes for each asset class, which we triangulated with external research. We then systemized our logic so we could apply it across the individual holdings within each asset class. Since no single method of assessment can be comprehensive, we triangulated across multiple data sources and methods to arrive at an aggregate modern slavery risk assessment for each asset class.

While we have focused on building a robust initial approach, our assessment process will continue to evolve as both our understanding and the availability of data and tools improve.

## Findings

Our assessment continues to be that Bridgewater's investments are not concentrated in high-risk geographies, sectors, or individual entities with high-risk business practices**.** However, modern slavery risk is present in our portfolios, just as it is present in other globally diversified public market investments.

**Equities**
The majority of our equity investments are in highly diversified equity indices that represent the largest liquid public markets. As a result, we may hold thousands of public companies at any point in time across many geographies and sectors. For equity investors, investing in companies with modern slavery risk may support businesses with suboptimal practices that cause harm to people.

Modern slavery risk is challenging to assess in individual companies, as these practices are often deeply buried in complex supply chains and frequently occur where oversight and accountability are limited. We have developed a range of tools to probabilistically determine the companies most likely to be linked to modern slavery practices across three risk indicators—high-risk geography, sector, and individual company business practices. We recognize that this still leaves the possibility that modern slavery risk may be buried deeper in company supply chains than we were able to identify in our initial assessment, and we are prioritizing building capabilities to look deeper into company supply chains in future reporting periods.

To address some of these challenges directly, several years ago we launched a collaboration with leading global modern slavery experts that emerged from a "Room 17" working group in the 2021 "17 Rooms" initiative – an initiative convened by the CSD at The Brookings Institution and The Rockefeller Foundation. In 2021, Co-CIO for Sustainable Investing Carsten Stendevad co-chaired a group with Kristen Abrams, Senior Director of Combatting Human Trafficking at the McCain Institute, aimed at developing quality data and tools for estimating modern slavery risks in company operations and supply chains. In 2022, we continued to make important progress on our risk estimation tool, which included developing a conceptual framework for our model in consultation with various stakeholders (which we formalized in a white paper) and conducting an extensive due diligence of publicly and privately available data sources. In 2023, we completed a prototype of the tool, and published preliminary findings referred to in a speech by NSW Anti-Slavery Commissioner Dr. James Cockayne, consolidated our partnerships with data and technology providers, and hosted a major event in New York with the Rockefeller Foundation that brought together global institutional investors, forced labor experts, and other stakeholders. Please see the end of this section for further details on this collaboration.

Our current approach starts with individual company business practices; we assess our equity holdings using data from Moody's ESG, which analyzes companies based on the extent to which they commit to respecting and promoting fundamental human rights as well as monitoring the social standards of their suppliers. A weak rating does not necessarily indicate modern slavery incidence, as companies can be given a weak rating based on limited public disclosure. However, a lack of transparency may make a company more susceptible to modern slavery risk. We then overlay an additional level of analysis based on high-risk sectors (as classified by the Responsible Investment Association of Australasia, Australian Council of Superannuation Investors, and the Responsible Sourcing Tool) and high-risk geographies (as classified by the Walk Free initiative and the US Department of State) to our holdings.

In 2021, we performed a detailed analysis of the modern slavery risks in our equity investments, finding that approximately five percent of our equity holdings were classified as high-risk across all three dimensions: having "weak" business practices, being in a high-risk sector, and domiciled in a high-risk country. In 2023, the overall profile of our investment activities remained largely unchanged, with only small changes in the relative assets under management between our strategies, and the majority of our equity investments continuing to be in highly diversified equity indices (rather than individually selected companies). As a result, we assess our 2023 exposure to modern slavery risks as broadly unchanged from when we did our initial analysis.

**Sovereign Bonds**

We trade sovereign bonds in the largest liquid markets across developed and emerging countries and implement our trades both directly and through diversified indices with multiple constituent countries. As a result, at any point in time we may hold the bonds of many sovereign nations either directly or indirectly through our index holdings.

Modern slavery is often reported in regions with ongoing conflict, political instability, poverty, corruption, or weak political institutions. Investing in the sovereign bonds of a country with reported incidents of modern slavery could mean funding a government that implicitly or explicitly allows modern slavery, but it could also mean providing funding to a government to help build the institutions for eliminating modern slavery.

To try to differentiate between cases where investing in sovereign bonds is more likely to contribute to modern slavery and cases where such investments are more likely to assist in combating modern slavery, we assessed sovereign bonds based on each issuer's outcomes, actions, and commitments. Outcomes provide a current perspective on risk, and actions and commitments provide a forward-looking perspective on a government's progress in eliminating modern slavery.

In our detailed analysis of the modern slavery risks in our sovereign bond investments in 2021, we found that the majority of our sovereign bond exposure is in countries that have a low indication of modern slavery risk and, as in the case of equities, we assess our 2023 risk profile to be broadly unchanged since we did our initial analysis. Within the subset of countries indicated as higher risk, the majority have made commitments to eliminate modern slavery (e.g., by signing international treaties), but have taken more limited action to do so (e.g., through domestic legislation and law enforcement).

**Outcomes:** We use data from the Walk Free Initiative's Global Slavery Index to indicate the likelihood of modern slavery occurring within a country's borders. The majority of our exposure is in countries with low modern slavery prevalence, consistent with other globally diversified benchmarks, with Turkey, Indonesia, and the Philippines representing some of the countries we had exposure to with a higher prevalence of modern slavery.

**Commitments:** We assessed governments' commitments to join the landmark conventions and treaties on modern slavery, which signals the governments' intentions to actively reduce modern slavery risk within their borders. The majority of sovereigns we trade have signed and ratified these conventions, with a few exceptions such as China, Singapore, Japan, and Korea. These conventions include:

- **The 1957 International Labour Organization ("ILO") Abolition of Forced Labor Convention:** Signatories commit not to make use of any form of forced labor and to take effective measures to secure the immediate and complete abolition of forced labor.
- **The 1999 ILO Worst Forms of Child Labor Convention:** Signatories commit to take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labor.
- **The 2000 UN Optional Protocol to the Convention on the Rights of the Child (Slavery and Prostitution):** Signatories recognize the right of children to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with their child's development, and agree to prohibit the sale of children, child prostitution, and child pornography.

**Actions:** The US Department of State's Trafficking in Persons Report classifies governments into tiers based on their perceived efforts to acknowledge and combat human trafficking. The majority of our sovereign exposure is in countries categorized as Tier 1 or Tier 2, representing countries that either have fully met the standards for combating trafficking in persons or are making "significant efforts" to do so. Our remaining exposures include countries like South Africa (Tier 2 Watch List) and China (Tier 3).

**Commodities**
We trade a diversified mix of commodities, including precious and industrial metals, agriculture, and energy, and we implement our trades primarily using futures contracts.

The production of many commodities involves vulnerable populations, and modern slavery is prevalent in certain regions where commodities are sourced. Futures exchanges do not currently have robust mechanisms for governing human rights standards in production. Accordingly, some of the physical commodities underlying futures contracts could be from producers or regions with higher modern slavery risk.

As an institutional investor, we do not take delivery of physical commodities. We trade financial futures that are not directly tied to an individual lot of production and support the function of the commodity market overall. Knowing that some of the physical commodities traded on futures exchanges could come from producers or regions with modern slavery risk means we have indirect exposure to these risks by supporting the market overall.

To try to understand probabilistically which commodities are most likely to be associated with modern slavery, we looked at data from Verisk Maplecroft, which aggregates evidence of modern slavery in commodity production. Because the financial futures we trade are not tied to producers or regions of production, we assessed risk based on the average evidence of modern slavery for all regions of production for each commodity. In our detailed 2021 study, we found that modern slavery risk is mixed for the commodities we trade; some commodities have on average low evidence of modern slavery, while others have higher evidence. The overall profile of our commodity trading activity was largely the same in 2023 and broadly unchanged from when we did our initial analysis, and so we assess our exposure to modern slavery risks from commodity trading to be similar as well.

Looking across commodities, we found that, on average, agricultural products and livestock tended to be sectors less aligned with best practices to address modern slavery risk, consistent with the reliance in some jurisdictions on vulnerable populations to harvest crops, while industrial metals on average tended to be most aligned. For each commodity, however, whether production was likely to be associated with modern slavery practices depended on geography. For example, copper production in the United States is indicated as having limited modern slavery risk, whereas production in the Democratic Republic of the Congo is associated with clear evidence of human rights violations.

## Looking ahead

We plan to continue to stay on top of new data providers that have developed innovative approaches to mapping and measuring modern slavery risks, as well as continuing to monitor companies that have recently faced allegations of labor rights and forced labor violations.

In addition, we plan to continue to improve our risk identification capabilities for our investment portfolios, including through participation in “17 Rooms”- an initiative convened by the Center for Sustainable Development (CSD) at The Brookings Institution and The Rockefeller Foundation. As co-Chair of “Room 17 our Co-CIO for Sustainable Investing, Carsten Stendevad worked with a group of institutional investors, modern slavery experts, NGO representatives, and ESG data providers to identify actionable priorities that could help stakeholders identify and mitigate modern slavery risks.[11]

Through our discussions, we found that even as institutional investors increasingly focus on the issue of modern slavery, the lack of reliable and comparable data remains a fundamental barrier to effective investor engagement. We are continuing to collaborate with leading global modern slavery experts aimed at developing quality data on potential modern slavery risk hidden in company supply chains. We designed this project to transform institutional investors’ access to and use of reliable forced-labor risk data. Access to such data is crucial for two reasons: (i) to

[11] The full concept note from “Room 17’s” modern slavery project is available on the Brookings Institution’s website, as well as a podcast with our Co-CIO for Sustainable Investing Carsten Stendevad discussing the project.

allow market participants to better factor forced-labor risks into capital allocation and management decisions and (ii) to allow regulators and standards setters to calibrate expectations on market behavior to incorporate consideration of such risks.

While some early movers are incorporating such data into decision making, the lack of systematic access to reliable, comparable information has impeded system-level gains. Following on from the "17 Rooms" initiative, we have established a working group of institutional investors, industry practitioners, and forced-labor experts to build and promote a differentiated forced-labor risk estimation tool to be made available as a financial utility. We expect this tool to help investors—as well as other stakeholders such as companies and regulators—to better understand some of the risk factors that contribute to modern slavery across context (e.g., location of a company's operations), business (e.g., purchasing practices) and people (e.g., reliance on temporary workers). We adopt a human centric approach to modelling (risk to people) that is mapped to dimensions of relevance to investors (i.e., companies, sectors, geographies). We follow best practices in research from our work, building investor-focused sustainability indicators at Bridgewater and partnering with investors around the world.

In 2023, we continued to make important progress on our risk estimation tool which included completing a prototype of the tool, publishing our preliminary findings that were included in a speech by NSW Anti-Slavery Commissioner Dr. James Cockayne, consolidating our partnerships with data and technology providers and hosting a major event in New York with the Rockefeller Foundation that brought together global institutional investors, forced labor experts, and other stakeholders. Following this progress, we have begun uploading a prototype of the Forced Labor Risk Estimation Tool onto a custom platform hosted by our partners.

Looking forward, we have a clear roadmap of necessary improvements and expansions, including supply chain data, richer company-specific information, triangulation against incidence data and additional validation. The team is also considering various business models to sustainably bring FLORET to market. The FLORET tool is currently in the prototype phase. Before our next release, we will close the known gaps in our process and complete the improvements needed to publish our findings.

We will continue to provide updates on the progress of our work in subsequent statements.

## Operations and supply chains

### Our operations

As described above and in previous statements, our only line of business—institutional investment management—is driven by highly skilled employees who are predominantly located in the US. Our employees are hired on an at-will basis, meaning that they are free to resign at any time, and they sign written employment agreements that clearly set out the terms of their employment.

The composition of our direct workforce, the at-will nature of their employment, the industry in which we operate, and the location of our headquarters in a low-risk jurisdiction all factor into our assessment that our direct operations have a low risk of modern slavery.

As detailed in Section 3, in addition to our direct workforce, which is primarily made up of highly skilled workers with responsibilities that are core to our investment management business, our "external workforce"[12] provides

[12] As described above, we define "external workforce" to include (i) contingent workers engaged through staffing agencies to provide on- or off- site services in a staff augmentation capacity (such as administrative assistants), (ii) contingent workers engaged through vendors to provide on- or off- site services that are supervised by Bridgewater employees (such as software engineers and workers carrying out operational functions), (iii) consultants engaged through external consulting firms for a specific project or initiative (such as management consultants), and (iv) vendors that deliver people-based services, where the vendor is responsible for oversight and execution (such as food service and facilities management vendors). We consider the last category of our external workforce to be most akin to what is commonly referred to as "outsourced labor."

non-core support services, which include outsourced food service and facilities management. Given that we engage these workers through our vendors, we have assessed the modern slavery risks associated with our external workforce as part of the assessment of our supply chains.

### Our supply chains

For our assessment of modern slavery risk in our supply chains in this reporting period, we evaluated approximately 700 direct vendors from which we purchased goods and services in 2023.[13]

We began our risk assessment by identifying the subset of our direct vendors that fell into each of the high-risk categories: high-risk geographies, sectors, and business practices.[14] We assessed the highest-risk vendors to be where those risks overlapped.

We acknowledge that assessing modern slavery risk is a complex exercise and remain humble about our findings. As described in previous reporting periods, we had focused our resources on the implementation of a Procure-to-Pay tool that facilitates the systematization of our modern slavery screening for vendors. We were able to successfully implement the Procure-to-Pay tool in 2022. Moving forward, we plan to continue to leverage this tool to improve our processes for collecting, storing, and reporting on vendor data, including the results of our modern slavery diligence questions, as well as monitoring our existing channel for vendor communication. We consider our risk assessment findings most useful for identifying the group of direct vendors with the greatest potential risk of modern slavery. We therefore plan to focus our efforts on improving processes to identify and engage with those vendors.

## Findings

During the reporting period, none of our direct vendors were in the highest risk group (i.e., classified as high-risk across all three risk categories identified above).

Our direct vendors with the greatest potential risk of modern slavery are those that fell into two high risk categories: vendors with high-risk business practices (i.e., the vendors through which we engage our external workforce) that also operate in a high-risk sector. This group of vendors represented approximately seven percent of our total 2023 vendor spend.

We found no other meaningful overlap between the high-risk categories of our direct vendors. For example, of the vendors operating in a high-risk sector, approximately 92 percent were in the United States, the United Kingdom or Canada, accounting for more than 99 percent of total 2023 spend on that group of vendors.

We recognize the limitations of the findings from our risk assessment. For example, the classification of our direct vendors by geography includes a mixture of data reflecting the location of vendors' operations and corporate headquarters, which may not provide a complete picture of geographical risk. This is because a subset of those vendors may employ individuals or otherwise operate in other parts of the world, which may include high-risk geographies. We also acknowledge that our risk assessment is limited to direct vendors; modern slavery risks may also exist in our vendors' supply chains, such as raw materials sourced in high-risk geographies to manufacture goods that we ultimately purchase.

[13] The findings in this section are based on our assessment of the direct vendors of Bridgewater Associates, LP and its domestic, wholly owned operating subsidiaries, including BASM, and BW Spain. As described in Section 7 of this statement, we separately carried out a high-level assessment of the modern slavery risks of the operating entities that are owned and/or controlled by Bridgewater but operate on a largely independent basis and found that the risk profile of those entities is by and large consistent with the risk profile of the group as a whole. We plan to carry out a more comprehensive assessment of modern slavery risk in those entities' operations and supply chains in future reporting periods as we further develop our modern slavery risk mitigation framework.

[14] Given the risks associated with third-party labor arrangements, the "high-risk business practices" lens focused on direct vendors that provide our external workforce.

We describe below our methodology and findings with respect to each high-risk category.

**Geography:** To identify vendors in high-risk geographies, we mapped the locations of our direct vendors against the countries designated as (i) "Tier 2 watchlist" or "Tier 3" in the US Department of State's Trafficking in Persons Report and/or (ii) a top 50 country in the Global Slavery Index prepared by the Walk Free initiative.

Of the direct vendors from which we purchased goods and services during the year ended December 31, 2023, the vast majority—approximately 92 percent—were located in the United States, United Kingdom, or Canada (each a Tier 1 country), accounting for approximately 99 percent of our total vendor spend in 2023. As these jurisdictions are lower risk for modern slavery, we consider that a relatively low-risk of modern slavery is associated with the geographical location of the majority of our direct vendors. As we continue to expand the scope of data from vendors through our modern slavery specific diligence, including with respect to the locations of their operations and services, we expect to have greater confidence in the results of our high-risk geography analysis.

**Sectors:** To identify vendors in high-risk sectors, we drew on guidance from a range of external sources, including the RIAA Investor Toolkit, the ACSI Modern Slavery Risks, Rights and Responsibilities Guide for Companies and Investors, and the Responsible Sourcing Tool, to define a list of sectors associated with a higher risk of modern slavery.

We found that we have relationships with direct vendors in sectors associated with a higher risk of modern slavery, including IT manufacturing, recycling and hardware, food and other hospitality services, and facilities management. Our exposure to high-risk sectors was most concentrated in the IT manufacturing recycling and hardware industry, which is in line with the fact that a significant amount of technology is utilized in our systematic investment approach**.** Overall, our IT manufacturing recycling, and hardware vendors represent a small portion of our total 2023 vendor spend – less than three percent.

Vendors in all sectors are subject to our enhanced due diligence measures, the results of which will help to inform the risk profile of individual vendors in this category.

**Business practices:** Given the risks associated with third-party labor arrangements, the "high-risk business practices" lens focused on direct vendors that provide our external workforce.

We again found that half of our 2023 vendor spend was with vendors through which we engage our external workforce. The five largest external workforce vendors (based on 2023 spend) were NYSE-listed companies that have made their anti-slavery policies public. This data point suggests, but does not confirm, that the level of modern slavery risk associated with these vendors is relatively low. We nevertheless recognize the inherent risks of third-party labor arrangements and plan to focus our comprehensive modern slavery diligence efforts on vendors through which we engage our external workforce.

Within that subset of vendors, particular attention will be paid to those that intersect with either high-risk sectors, such as food and other hospitality services, or with high-risk geographies through the location of their workers (regardless of the location of their company headquarters).

In 2023, we continued leveraging our new Procure-to-Pay Tool to include new anti-modern slavery questions in our Supplier Onboarding form. We collected 450 form responses all identifying no prior modern slavery incidents and 10 percent of those respondents also identified having anti-modern slavery policies in place.

## Looking ahead

Moving forward, we continue to improve our risk identification capabilities for our operations and supply chains by:

- Conducting vendor due diligence for certain existing legacy vendors. We recently reviewed one of our most strategic vendors. During the review, this strategic vendor demonstrated their commitment to preventing human trafficking by sharing with Bridgewater their Anti-Slavery Statement, internal policies, their Supplier Code of Conduct which covered Anti-Slavery in their Labor Standards section; and
- Continuing to collect modern-slavery specific data through our new vendor platform to improve the accuracy of our risk assessment.

# 5. Actions Taken to Address Modern Slavery Risks

We recognize that assessing our risk is only the first step in addressing the issue of modern slavery, this must be followed by action. Accordingly, we describe below the actions that we have taken thus far to address modern slavery risks in our investment portfolios, operations, and supply chains, as well as the key priorities and next steps that we have identified for future reporting periods.

## Investments

Modern slavery is a complex issue and eliminating these practices will require coordinated action between many stakeholders, including policy makers, companies, investors, and consumers. As an institutional investor, our approach to engagement is to identify and take action in the forums where we believe we have the greatest potential and likelihood to shape change.

Through our risk assessment, we identified risks in each of the major asset classes in our portfolios:

1. **Equities:** the subset of companies at the intersection of all three risk lenses: high-risk sector, geography, and business practices.
2. **Sovereign bonds:** the subset of countries issuing sovereign bonds that either have a higher prevalence of modern slavery or have taken limited action to mitigate modern slavery.
3. **Commodities:** the commodities associated with a higher incidence of forced labor violations.

To help address some of these risks, we have continued to engage with individual companies we identified as higher risk and to pursue collaborative engagements aimed at shaping industry dialogue (see Section 4 for a description of our work with the Brookings Institution). We have also begun implementing learnings from our work on the Forced Labor Organization Risk Estimate Tool into our assessment process for business behavior and risk associated with individual companies. This helps enable us to engage in targeted collaborations with the goal of maximizing the impact of these conversations. We expect to start leveraging this data in our investment process soon. Over time, we expect our approach to engagement will evolve as we build a deeper understanding of the risks in our portfolios and learn from our initial engagements, which began in 2021.

### Company engagements

We believe in the value of constructive engagements between companies and investors to drive both financial and sustainability objectives, including progress on modern slavery. We have spent the last several years developing a systematic process to assess the sustainability of securities, both in terms of the sustainability of the companies' products and services and their business behavior. This capability underpins our impact-oriented strategies like Active Sustainable Equities and is foundational for our ability to credibly and constructively engage with companies.

Because we generally have highly diversified equity portfolios with small ownership stakes, we have chosen to engage thematically and partner with other investors to push forward positive change across key industries. In addition, we engage in targeted discussions with companies that have recent controversies related to modern slavery and support their remediation efforts by sharing learnings from our thematic engagements. This is in line with our overall approach to stewardship and engagement, which emphasizes collaboration across multiple stakeholders. By approaching these engagements thematically, we aim to think broadly and deeply about the challenges that companies are facing, play a role in helping to shape industry standards and best practices, and be more targeted in specific conversations. Since we initiated our corporate engagements in May 2021, one of our main themes of focus is modern slavery.[15]

To help supplement and facilitate our engagements, we work with an engagement services provider—Sustainalytics—to effectively scale our engagement operations (company outreach, meeting coordination, and documentation) and align our focus areas with other investors to strengthen our collective messaging. Our work with Sustainalytics is centered on a rigorous and constructive approach to engagement, which is aimed at "encouraging companies to improve their approach to themes identified and agreed to by the parties, resulting in reduced reputational and operational risks and raising standards at the sector level."

We take a hands-on approach to working with Sustainalytics. At the strategy level, we have shared our Sustainable Investing and ESG Policy with their leadership team and hold regular executive-level conversations regarding our philosophy, approach, and priorities. At the operational level, we also hold direct, active discussions with Sustainalytics' engagement managers, in which we share our list of target companies (based on our systematic analysis of ESG behavior), discuss appropriate KPIs, assess the progress of existing engagements, and discuss potential areas for improvement. We have found it valuable to engage with a broad range of companies from industry leaders to laggards, both because all companies have potential to improve on an absolute basis and because it gives us valuable insights into relative strengths and weaknesses. Members of our Sustainable Investing Team (including our Co-CIO for Sustainable Investing and Head of Sustainable Investing Research) actively participate in the dialogues with companies. We have met with a range of company representatives from board members, CEOs, company secretaries, and C-suite executives to investor-relations and sustainability executives.

On the modern slavery theme, we have worked closely with Sustainalytics both in terms of the identification of relevant sectors, geographies, and companies to target, and in terms of scoping the key objectives of these engagements. Our engagements to date have focused on apparel and construction, which are sectors with a demonstrated risk of forced labor. Our objectives in these engagements have aimed to, among other aspects:

- Strengthen strategic human rights integration at the senior leadership level;
- Ensure focus is afforded to responsible purchasing practices, including throughout the supply chain;
- Seek progress on payment of a living wage for all workers; and
- Improve the robustness of relevant grievance mechanisms and remediation.

In 2023, we continued our focus on industries identified as having a high-risk of modern slavery, including retail, apparel, mining, and construction companies. In addition, we continued to engage cleantech companies regarding a variety of sustainability issues relevant to their supply chains to help mitigate social-related risks and ensure the responsible production of products and services necessary for a net zero world. In addition to our regular engagements, we also worked with Sustainalytics to conduct a roundtable discussion between a global auto manufacturer, various institutional investors, and the Initiative for Responsible Mining Assurance to better understand the challenges and developments in responsible sourcing, not just within the auto sector but also for the broader products and services needed for the climate transition (e.g., wind turbines, solar panels), many of which are reliant on the procurement of raw materials. Some examples of these engagements are:

- **Engaging fashion companies on modern slavery in their supply chains**: In 2023, we engaged with three fashion companies to better understand modern slavery exposures in fashion supply chains. With these companies, which include a Danish jewelry company, a British fashion company, and a Swedish apparel company, we discussed evaluation of living wages, legal wages, and incomes across the manufacturing chain. Moreover, we discussed establishing worker inclusion programs and auditing mechanisms for

[15] Another one of our core themes focuses on ensuring that the products and services needed for a net zero emissions world are produced responsibly across both environmental and social dimensions, including modern slavery.

modern slavery reporting, as ~33% of global fashion companies do not meet minimum reporting standards.

- **Engaging mining companies on human rights risks**: In 2023, we engaged with four mining companies. With metal supply being necessary for the green transition, understanding the business behavior of these companies is critical to our portfolios. We have helped these companies engage with labor rights, rights of indigenous people, and scoping of the impact on local communities. Additionally, we have discussed their monitoring of ongoing projects' impact on these human rights.

Looking ahead, we expect many such conversations to continue to shift from learning about companies' existing modern slavery governance mechanisms—which has been the focus of most of our engagements to date—to sharing our takeaways on industry best practices and supporting targeted action to identify and mitigate modern slavery risks. On this front, we have been encouraging Sustainalytics (via bilateral sessions with their engagement managers) to think more about leading indicators of modern slavery risk, which we believe would help companies better understand the risks "hidden" in their supply chains that do not show up in their internal audits. To close the loop, we also expect to incorporate some of these learnings into our own risk assessment process, as we improve our understanding of higher risk sectors and business practices.

Additionally, our Co-CIO for Sustainable Investing, Carsten Stendevad, has played an important role in helping to shape the development of a new thematic engagement focusing on human rights risks across sectors with large supply chains, such as the ICT manufacturing supply chain, which covers modern slavery as well as related risks such as living wages and fair remuneration. Carsten participated in a kick-off panel with Sustainalytics to help garner collective support and has been closely involved with shaping the objectives of this theme, developing KPIs, and providing input on the target companies to engage. We expect to continue to broaden our engagement efforts across new companies and issues relating to modern slavery.

## Operations and Supply Chains

### Our operations

During the 2023 reporting period, Bridgewater continued to implement a robust framework of internal policies and processes that were designed to ensure that any ethical concerns are reported, investigated, and appropriately addressed.

Bridgewater employees are encouraged to be deeply compliance conscious. Our unique culture is built upon the principles of transparency, problem identification, and constant improvement. Employees do not simply have the "right" to speak up, they have a responsibility to do so. We encourage employees to report discrimination, harassment, or retaliation immediately and prohibit retaliation against any individual who, in good faith, reports discrimination or harassment or participates in an investigation. More broadly, our policies prohibit behavior that would violate the law, including laws related to unfair labor practices, and require employees to report, among other things, actual or perceived violations of law or Bridgewater policies and procedures by employees, consultants, or service providers. Importantly, Bridgewater enables people to raise issues through a variety of channels—including an employee's management chain, our Employee Relations group, our Legal and Regulatory group, or Bridgewater's anonymous reporting hotline. In our view, the most important thing is not *how* someone raises an issue, but that the process is clear and enables people to speak up.

We review our policies throughout the year to make any changes that may be necessary to ensure compliance with applicable state and federal law, and to ensure that the policies align with our principles and values. We also conduct a formal annual review of certain policies, including our code of ethics and employee handbook.

Bridgewater employees are required to review our corporate policies, including policies concerning the fair treatment of employees on at least an annual basis and to certify their compliance. In this reporting period, Bridgewater engaged experts and provided an annual modern slavery awareness training to employees working directly on modern slavery initiatives, as well as a broader group of employees across the firm, including from our human resources, technology, operations, client service, legal and sustainable investing teams. As part of their assessment of Bridgewater's modern slavery risk mitigation framework, those teams consider, on an ongoing basis, whether changes or additions to our existing set of company policies and processes are appropriate.

**Our supply chains**

Our standards for excellence apply to our vendors as well as our employees. We expect our vendors to operate ethically and in compliance with all applicable laws and regulations, as provided in our master service agreements. Our agreements with vendors require compliance with all applicable laws, regulations, and orders of any governmental, judicial, or administrative authority, including anti-bribery and anti-corruption laws, export control laws, and all laws regarding anti-discrimination, anti-harassment, and equal employment opportunity in hiring and employment practice. In 2021, our master service agreement for vendors also began specifically requiring compliance with anti-slavery and human trafficking laws. Since February 2021, all new vendors that have been presented with the revised agreement have agreed to its expanded scope. As of the date of this statement, none of Bridgewater's vendors have reported issues pertaining to modern slavery.

Bridgewater has long maintained a due diligence program designed to identify risks associated with our third-party vendors. This review process is carried out by a dedicated team of security, legal, and procurement professionals who use systematized processes to understand and address the risks posed by vendors. Depending on the nature of the engagement, review components may include questionnaires, open-source information searches, independent company assessments, and litigation and sanctions screening, among others.

In 2020, we began explicitly screening for risks of modern slavery and human trafficking. Our aim was twofold: (i) minimize the risk of engaging vendors that cause, contribute to, or are directly linked to modern slavery practices, and (ii) communicate, at the outset of our vendor relationships that combatting modern slavery is important to Bridgewater. Specifically, we modified the questionnaire used to screen potential new vendors to identify (i) if the company has any policies, procedures, or statements regarding anti-modern slavery practices, and (ii) if there have been any concerns, reports, or investigations of modern slavery risks or incidents relating to the business or its suppliers. At the end of 2020, we expanded from screening a subset of potential new vendors to screening all potential new vendors for modern slavery risks and have found a willingness among vendors to comply with this additional screening process.

In April 2022, we implemented a Procure-to-Pay tool that facilitates the systematization of our modern slavery screening for vendors. This tool is designed to seamlessly enable the collection, storage, and reporting on vendor data, including the results of our modern slavery diligence questions. Any potential new vendor is required to respond to our modern slavery diligence questions in order to complete the onboarding process; the automation of this process eliminates the possibility of a vendor being onboarded without having completed the modern slavery screening. As stated above, 450+ suppliers have responded to the onboarding questionnaire, and all have indicated no prior modern slavery incidents and 10 percent of those respondents state that they do have an anti-modern slavery policy. Additionally, as of May 2023, all but two of our top 10 spend suppliers have modern slavery policies or statements publicly available on their websites.

## Remediation

With respect to our operations, all reports of discrimination, harassment, or retaliation are promptly and thoroughly investigated. If appropriate, immediate corrective action is taken. In the event that our supplier onboarding process and/or due diligence process identifies a potential or existing vendor suspected of engaging in modern slavery practices, our dedicated team of security, legal, and procurement professionals would investigate, engage with the vendor as needed, notify key stakeholders, and determine the appropriate remedial measures. Such measures may include deciding against entering into an agreement with the vendor, working with the vendor to address the identified risks, or terminating an existing agreement. In the event that an actual or potential incident of modern slavery in our operations or supply chains is reported through Bridgewater's anonymous tips program or reported by Suppliers to the Bridgewater business or Bridgewater's legal department, the Chief Compliance Officer would be notified, triggering an investigation of the incident. In either case, remedial measures may be triangulated with outside counsel and other third-party advisors prior to implementation. During this reporting period, we developed a comprehensive Supplier Code of Conduct.

## Looking ahead

A cross-disciplinary group of professionals from our security, legal, procurement, technology, and finance departments has evaluated the progress made against our initial goals for improving the ways in which we systematically identify, mitigate, and address modern slavery risk in our supply chains. This group has identified the following next steps for future reporting periods:

| | |
|---|---|
| **Expanded Scope** | ▪ Continue expanding the modern slavery specific screening process to include additional existing suppliers that have not yet been through the screening process, beginning with suppliers that meet high-risk criteria and have contracts that are subject to renewal or extension. |
| **Vendor Code of Conduct** | ▪ Monitor the engagement by Suppliers of the comprehensive Supplier Code of Conduct implemented this reporting period, which sets forth the standards that we expect our suppliers to adhere to on modern slavery issues.<br>▪ Continue targeting engagement, particularly with high-risk vendors, by clearly communicating expectations for our vendors' anti-slavery measures. |
| **Training** | ▪ Continuing to increase the number of employees who have completed training on modern slavery. |

# 6. Assessment of Effectiveness of Our Actions

In line with the requirements of the Act, on an annual basis, our modern slavery working groups covering our operations, supply chains, and investment portfolios will provide reporting and transparency to the senior leaders who comprise our principal governing body. This reporting will include the progress of our modern slavery initiatives, an assessment of the effectiveness of measures to date, and suggested actions moving forward.

To provide this reporting, our modern slavery working groups will collaborate to track our commitments described above in Section 5 and evaluate our effectiveness in assessing and addressing modern slavery risks in our operations, supply chains, and investment portfolios.

## Investment portfolios

As with our broader ESG integration approach, our Sustainable Investing Committee is responsible for ensuring processes are in place for assessing the effectiveness of our actions to assess and address modern slavery risks in our investment portfolios. This committee includes our Co-CIO, Karen Karniol-Tambour, Co-CIO for Sustainable Investing, Carsten Stendevad, and our Head of Sustainable Investing Research, Daniel Hochman, and is supported by a full-time, dedicated research staff.

We assess the effectiveness of our approach across both risk identification and mitigation.

For risk identification, we will continue to triangulate our methodology and capabilities with industry best practices both by working with experts in the field and by canvassing the internal and external data landscapes for potential risk indicators that we may be missing.

For risk mitigation via engagement, we set objectives at the outset of each engagement and monitor our progress relative to those expectations. Our assessment of the effectiveness of our engagements takes into account quantitative measures, such as the number of entities we have engaged with, and qualitative measures, such as the extent to which entities evolve their practices.

Specifically, this means:

- Prior to each engagement, we review all preparatory materials from Sustainalytics and evaluate the company against our systematic sustainability assessment drawn from multiple data providers and sources to inform our picture of their strengths and gaps on managing sustainability risks.
- During the engagement, we ask the company about the priority areas that we have identified for that company via our systematic process, taking note of commitments and KPIs to follow up on in future discussions. In every engagement, we have encouraged companies to improve their sustainability disclosures relating to sustainability objectives and KPIs, risk mitigation strategies, and—for our sustainability-focused strategies—actions and objectives such as breaking out green capex from brown capex, or more emphasis on real-world outcomes.
- After the engagement, we integrate learnings from the dialogue into our systematic assessment, seeking to answer three questions in particular: 1) Has the company made quantifiable progress? 2) Did we learn anything from the dialogue that would change our internal assessment of the company's management of sustainability risks and opportunities (for better or worse)? 3) Did the company respond constructively to our engagement?

Looking ahead, we aim to increase both the frequency and the depth of our engagements and continue to integrate active engagement into our risk mitigation processes. Our sustainability oversight process allows us to systematically track each engagement and how it is integrated back into our overall company assessments.

## Operations and supply chains

Responsibility for non-investment risk at Bridgewater, such as modern slavery risks in our operations and supply chains, sits with our Chief Executive Officer, Nir Bar Dea, and the principal governing body, which includes a broader group of key senior leaders.

Our assessment of the effectiveness of our modern slavery initiatives takes into account quantitative measures, such as the number of employees who have participated in modern slavery awareness training, as well as qualitative measures, such as the quality of engagement with our vendors on issues of modern slavery and feedback from third-party experts. As our approach to modern slavery matures and we further develop the data collection capabilities of our new Procure-to-Pay tool, we plan to define additional performance measures to better monitor and evaluate the impact and effectiveness of our initiatives.

In line with our principles of transparency, problem identification, and constant improvement, our modern slavery working group covering our operations and supply chains is empowered to modify the design of our modern slavery risk framework and risk assessment methodology in order to maximize impact and effectiveness. In addition, the group may reassess its membership—which currently consists of professionals from our security, legal, procurement, technology, and finance departments—as additional stakeholders and representatives from across Bridgewater and its owned and controlled entities are engaged.

# 7. Consultation with Our Owned and/or Controlled Entities

Our owned and/or controlled entities fall into three categories: (i) entities that are subject to our key company policies and procedures, including those relevant to modern slavery, (ii) entities that have no employees or operations to assess for modern slavery risk (such as our wholly owned subsidiaries formed to hold title to various assets (primarily real estate) independent of our investment management business), and (iii) entities that operate their business on a largely independent basis. The vast majority of our owned and/or controlled entities fall into categories (i) and (ii).

With respect to the entities that operate on a largely independent basis, including our subsidiary located in Shanghai, China (BCIM),[16] we carried out a high-level modern slavery risk assessment in 2021 and found that the risks were broadly in line with that of the corporate group, as reported in our modern slavery statement for that year. This has remained true for this reporting period as there have been no material changes to the scope or business of BCIM or the other entities described herein.

We have also continued collaborating with stakeholders from those entities to develop appropriate policies and procedures for those entities as part of our broader modern slavery risk mitigation framework.

[16] As described in Section 4 of this statement, our findings with respect to each of the major asset classes we trade (equities, sovereign bonds, and commodities) were based on the consolidated long exposure across all Bridgewater strategies, including those managed by BCIM, as of December 31, 2023.

# 8. Approval

The body properly considered the principal governing body of the reporting entity comprises a group of key senior leaders, which includes our Chief Executive Officer and three Co-Chief Investment Officers. This body is responsible for setting the overall strategic direction of the reporting entity, as well as overseeing governance and the implementation of its modern slavery risk mitigation framework.

This statement has been approved by the principal governing body of Bridgewater Associates, LP on behalf of Bridgewater and all entities it owns and/or controls.

Signed:

*Nir Bar Dea*

Name: Nir Bar Dea

Title: Chief Executive Officer, Member of Principal Governing Body

Date: June 30, 2024

# 9. Disclaimers

The purpose of this statement is to provide general information only. Information included in this statement is current only as of the date of this statement, unless otherwise indicated. This statement has been prepared solely for informational purposes and is not a recommendation to enter into any trading strategy or an offer to buy or sell or a solicitation of an offer to buy or sell any security or to participate in any trading strategy.