



BRIDGEWATER

Modern Slavery Statement

2020

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Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Identifying the Risks of Modern Slavery	8
Describe the actions taken by the reporting entity and entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Actions Taken to Address Modern Slavery Risks	17
Describe how the reporting entity assesses the effectiveness of these actions	Assessment of Effectiveness of our Actions	21
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1. A Message from Our Executives

Our mission at Bridgewater¹ 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 today. We support the goals of the Australian Modern Slavery Act to bring about concrete action in the private sector to combat these practices.

The following statement describes our initial actions to identify and address the risk of modern slavery in our operations, supply chains, and investment portfolios. We 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 humble about the depth of our current understanding of this topic and are committed to improving our processes for addressing modern slavery risk in our business over time. In this statement, we describe our key priorities for evolving our approach to risk identification, mitigation, and remediation in future reporting periods. We look forward to the opportunity to report on our progress in the coming years.

David McCormick
Chief Executive Officer

Karen Karniol-Tambour
Co-CIO for Sustainability

Carsten Stendevad
Co-CIO for Sustainability

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 40.3 million people were victims of modern slavery in 2016,² and as of 2018, more than \$350 billion of at-risk products were 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 first statement that Bridgewater Associates, LP has prepared in accordance with the requirements of the Act. This statement covers the actions taken during the year ending December 31, 2020 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*.

In 2020, we developed initial processes for identifying and addressing modern slavery risks in our operations, supply chains, and investment portfolios. We assessed modern slavery risk using three lenses: high-risk geographies, sectors, and business practices. For this initial reporting period, we prioritized 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 our operations and supply chains, we focused on identifying the subset of our direct vendors with multiple risk indicators, as those vendors were considered highest potential risk for modern slavery.

We then took action to develop our mitigation and remediation approach. For our investment portfolios, we began developing our approach to engagement, with plans for both individual company engagements and collaborative engagements aimed at shaping industry dialogue. For our operations and supply chains, we took initial actions to minimize the risk of contracting with high-risk vendors: we introduced modern slavery questions in our vendor due diligence process and formed a cross-disciplinary team of professionals from our procurement, technology, finance, security, and legal departments to begin developing a more comprehensive modern slavery risk mitigation framework.

We are committed to improving 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, as well as longer-term steps. These steps include expanding our risk identification capabilities, implementing a more comprehensive due diligence process for our vendors, and initiating engagements.

² International Labour Office (ILO) and Walk Free Foundation (2017), *Global Estimates of Modern Slavery*.

³ Walk Free Foundation (2018), *Global Slavery Index 2018*.

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, 2020, Bridgewater managed approximately \$154 billion⁴ for nearly 300 institutional clients globally, including public and corporate pension funds, university endowments, charitable foundations, foreign governments, and central banks. 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 three flagship strategies:

1. Pure Alpha, our optimal alpha strategy (launched in 1991)
2. All Weather, our optimal beta strategy (launched in 1996)
3. Optimal Portfolio, which applies our best understanding of how to combine beta and alpha into a total portfolio (launched in 2015)

⁴ AUM figures are estimated as of December 31, 2020, are in US\$, and are inclusive of additions and/or withdrawals made as of the first business day of the following month.

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

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.

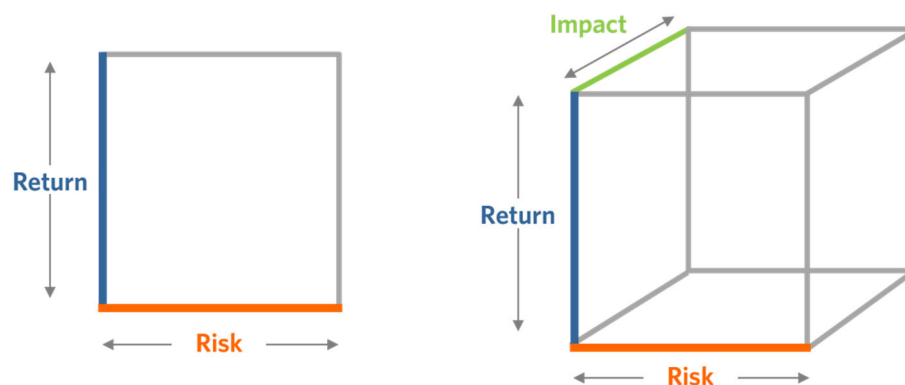
Our first investment goal is to build a deep understanding of how economies and markets work. Because ESG issues are important drivers of global economies and markets, we have made it a strategic priority to deeply research these issues and to integrate that research into our systematic investment process. Since our investment logic is predominantly driven by macroeconomic views, much of our ESG research takes a similarly macro-oriented approach that spans across economies, markets, and asset classes. For example, we research social issues such as inequality and populism and have incorporated this research into our investment process.

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. We are increasingly partnering with clients who have added a third dimension to their investment objectives, namely impact. For these “three dimensional” portfolios, we consider not only how ESG-related issues might affect return and risk, but also how aligned these portfolios are to environmental and social outcomes.

Modern slavery, as defined in the Act, represents the risk to *people*. Accordingly, we have assessed modern slavery risk across all of our investment portfolios—those that are explicitly focused on impact and those that are not—to focus on the risk to people.

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



⁵ For more information on our sustainable investing governance, please see section 6.

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, 2020, we had approximately 1,350 full-time employees, whom we refer to as our “direct workforce.” 98 percent of those employees are based in our US headquarters.⁶ 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-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). 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 nearly 750 direct vendors during the year ended December 31, 2020. 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—approximately 93 percent—of our direct vendors were located in the United States, United Kingdom, Canada, or Australia and accounted for approximately 99 percent of our total vendor spend in 2020.

Our structure

Bridgewater is a limited partnership formed under the laws of Delaware in the United States, with a registered office located at One Glendinning Place in Westport, Connecticut. Bridgewater is registered as an investment adviser with the U.S. Securities and Exchange Commission and as a registered commodity trading advisor and commodity pool operator with the U.S. Commodity Futures Trading Commission. In addition, Bridgewater is registered with various foreign authorities, including the Australian Securities and Investments Commission (ARBN 143483416).

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, Inc., a Delaware corporation. 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.

⁶ As described below in section 5, the majority of our employees have worked remotely since the outbreak of the COVID-19 pandemic in March, 2020.

4. Identifying Risks of Modern Slavery

We have undertaken an initial modern slavery risk assessment 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 Border Force, we define these terms as follows:

Cause	Risk that our operations 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 are imperfect, there is no one optimal way to assess risk, and no single viewpoint can provide a complete picture of an entity's risk. We are humble about the depth of our current understanding of this topic, and the findings below represent a first step in assessing our modern slavery risk, rather than a definitive answer.

Drawing on guidance from a range of external sources, we used three lenses to assess risk: (1) high-risk geographies, (2) high-risk sectors, and (3) 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 Risk⁷

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 predominantly comprises 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

⁷ The descriptions of these high-risk criteria were based on the RIAA Investor Toolkit, the ACSI Modern Slavery Risks, Rights and Responsibilities Guide for Companies and Investors, and the Responsible Sourcing Tool.

Our investments

For the first reporting period, we focused our efforts on identifying modern slavery risk in our investment portfolios, as we believe that first 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 and ambiguous 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 challenge of assessing each entity (and its supply chains) is significant. In light of this challenge, we have applied the same principles we use to understand markets and assess 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, we acknowledge that we are still in the early stages of understanding our risk and expect that our assessment process will evolve as both our understanding and data availability improve.

Findings

Our initial findings are that we do not have concentrated investments 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.

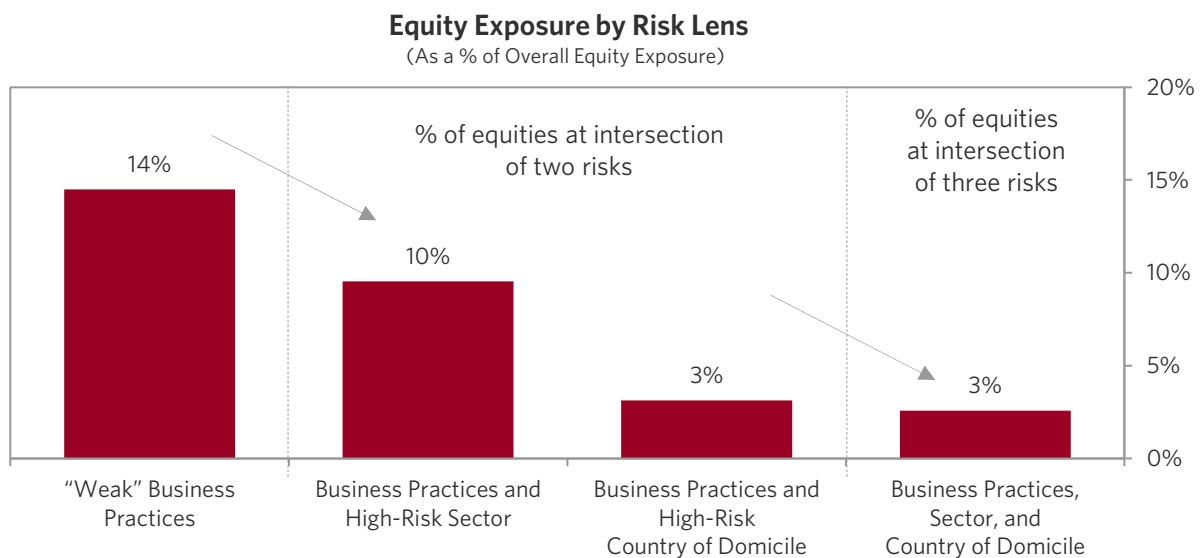
Equities

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. As an equity investor, 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. To try to probabilistically determine the companies most likely to be linked to modern slavery practices, we triangulated across three risk indicators: high-risk geography, sector, and individual company business practices and assessed the highest-risk companies to be where these risks overlapped. **We found that the majority of our equity exposure is in companies that have limited indication of modern slavery risk.** We recognize that this still leaves the possibility that modern slavery risks 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.

Starting with individual company business practices, we assessed our equity holdings using data from Vigeo Eiris, 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. Within our equity holdings, 15% of our exposure was rated as having “weak” business practices. 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 risks.

We then overlaid a second level of analysis based on high-risk sectors and geographies. When we filtered our equity holdings for companies that were also in a high-risk sector (as classified by the RIAA), our exposure dropped to 10%. Comparatively, when we filtered our equity holdings for companies also domiciled in a high-risk country (as classified by the Walk Free Foundation or the U.S. Department of State), our exposure dropped to 3%. Looking at the highest-risk subset of companies—those at the intersection of all three risk lenses—we found that just under 3% of our equity holdings were classified as having “weak” business practices, being in a high-risk sector and domiciled in a high-risk country.



Sovereign bonds

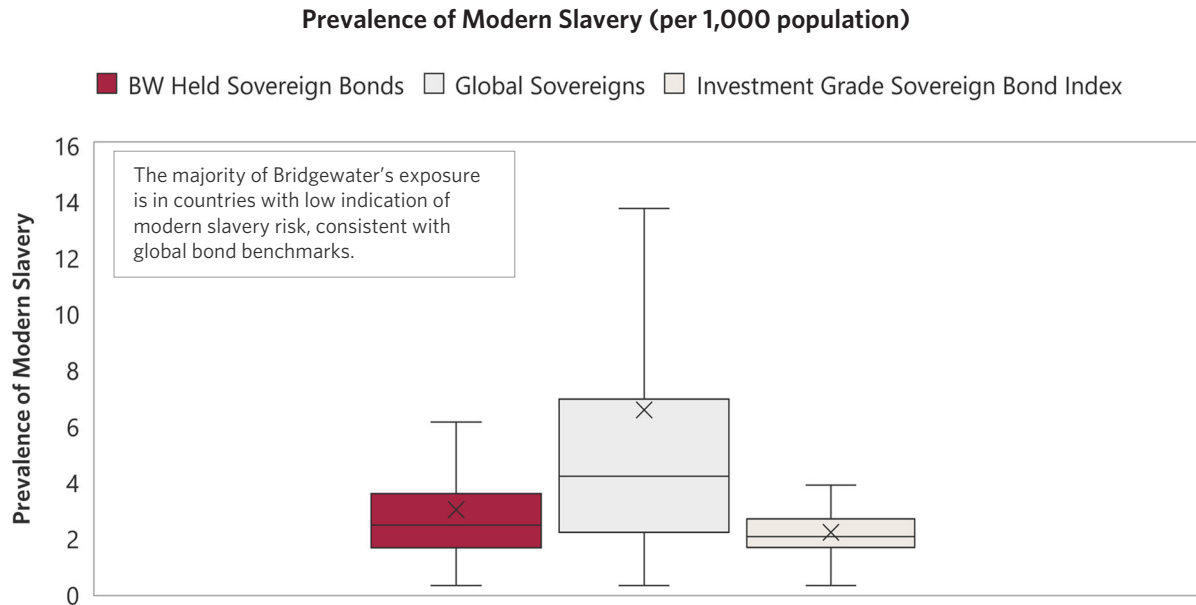
We trade sovereign bonds in the largest liquid markets across both developed and emerging countries and implement our trades both directly and through diversified indices with multiple constituent countries. As a result, at any point in time we may hold the bonds of many sovereign nations either directly 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 combatting modern slavery, we assessed sovereign bonds based on each issuer’s outcomes, actions, and commitments. Outcomes provide a current perspective of risk, and actions and commitments provide a forward-looking perspective of a government’s progress in eliminating modern slavery.

We found that the majority of our sovereign bond exposure is in countries that have a low indication of modern slavery risk. 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 used data from the Walk Free Foundation’s 2018 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. Further, we do not directly trade sovereign debt in 46 of the 50 countries indicated as having the highest prevalence. The four we do trade—Malaysia, Thailand, Philippines, and Turkey—represent about 2% of our total sovereign bond holdings.

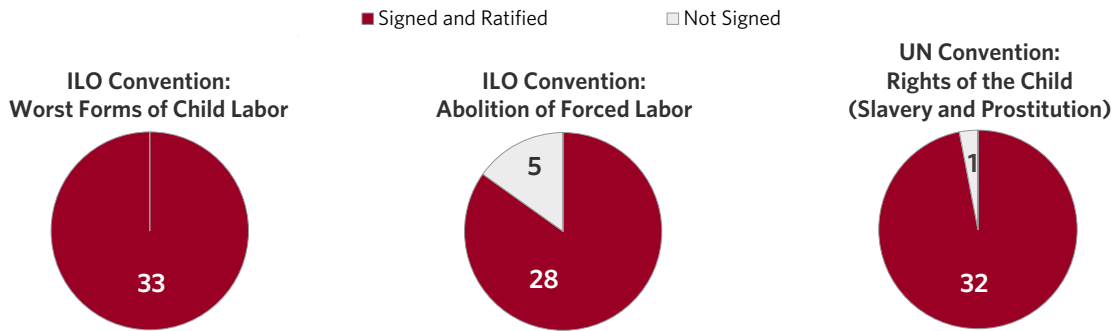


Commitments. We assessed governments’ commitments to join the landmark conventions and treaties on modern slavery, which signals governments’ intentions to actively reduce modern slavery risks within their borders. As shown below, the majority of sovereigns we trade have signed and ratified these conventions. These conventions include:

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

As shown below, of the 33 sovereigns we trade, the majority (28) have signed and ratified these conventions. The countries that have not signed one or more of these conventions are China, Japan, Malaysia, Singapore, and South Korea.

Human Rights Conventions Signatory Status for Bridgewater’s Sovereign Bond Holdings



Actions. The U.S. Department of State’s 2020 Trafficking in Persons Report classifies governments into tiers based on their efforts to combat human trafficking. The majority of our sovereign exposure (89%) is in countries categorized as Tier 1 or Tier 2, representing countries whose governments have either fully met the minimum standards for the elimination of trafficking in persons or are making “significant efforts” to do so. Within the remaining (11%) exposure to countries categorized as Tier 3 or Tier 2 watchlist, 9% was in China.

Commodities

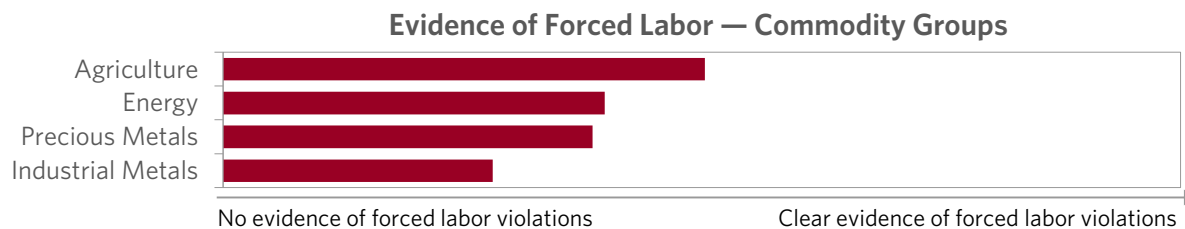
We trade a diversified mix of commodities, including precious and industrial metals, agriculture, and energy, and implement our trades primarily using futures contracts.

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, which are not tied to an individual lot of production, but rather support the function of the commodity market overall. Knowing some of the physical commodities traded on futures exchanges comes 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 specific producers or regions, we assessed risk based on the average evidence of modern slavery for all regions of production for each commodity. **We found that modern slavery risk was mixed for the commodities we trade; some commodities had on average low evidence of modern slavery, while others had higher evidence.**

Looking across commodities, we found that, on average, agricultural products tended to have a higher incidence of modern slavery, consistent with the reliance in some jurisdictions on vulnerable populations to harvest crops, while industrial metals on average had a lower incidence.

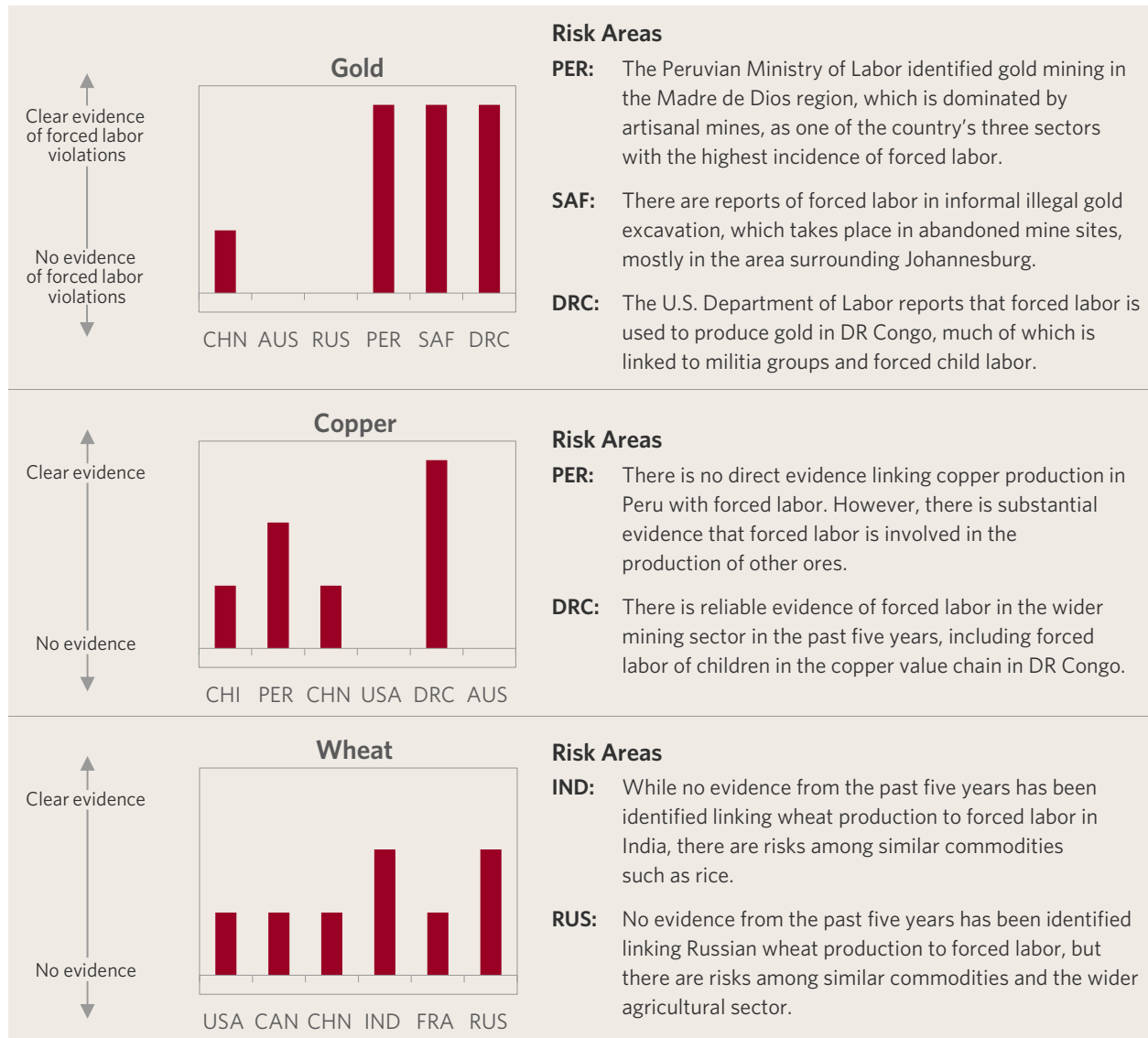


Exposure represents average exposure across Bridgewater strategies as of 3/31/21.

For each commodity however, there were geographies where production was more or less likely to be associated with modern slavery practices. For example, copper production in the United States and Australia is indicated as having limited modern slavery risk, whereas production in the Democratic Republic of Congo is associated with clear evidence of human rights violations.

In the charts below, we have considered evidence of forced labor in the production of three commodities in which we invest (gold, copper, and wheat) across a number of jurisdictions.

Evidence of Forced Labor — Breakdown by Geography for Selected Commodities



Looking ahead

In 2021, we plan to improve our risk identification capabilities for our investment portfolios by:

- Exploring contracts with new data providers in the equities space that have developed innovative approaches to mapping and measuring modern slavery risks in company supply chains; and
- Partnering with clients, consultants, and third-party experts to triangulate our analytical methodology.

Operations and supply chains

Our operations

As described above, our only line of business—institutional investment management—is driven by highly skilled employees who are predominantly located in the United States. 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”¹⁰ provides 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 initial assessment of modern slavery risk in our supply chains, we evaluated the nearly 750 direct vendors from which we purchased goods and services in 2020.¹¹

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.¹² We assessed the highest-risk vendors to be where those risks overlapped.

We acknowledge that assessing modern slavery risk is a complex exercise, and we are humble about our initial findings. We therefore consider our risk assessment findings most useful for identifying the group of direct vendors with the greatest potential risk of modern slavery. That group of vendors will be the initial focus of our enhanced due diligence and other anti-slavery measures in future reporting periods.

¹⁰ As described above, we define “external workforce” to include (i) contingent workers engaged through staffing agencies to provide on-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.”

¹¹ We note that this initial assessment did not include two of our owned and/or controlled entities; however, based on our preliminary engagement with those entities, we believe our findings are by and large representative of the risk profile of the group as a whole. We plan to carry out a more comprehensive assessment of those entities’ modern slavery risks in future reporting periods as we further develop our modern slavery risk mitigation framework.

¹² Given the risks associated with third-party labor arrangements, the “high-risk business practices” lens focused on direct vendors that provide our external workforce.

Findings

None of our direct vendors were in the highest risk group (i.e., at the intersection of all three risk categories identified above).

Our initial finding is that 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 operate in a high-risk sector. This group of vendors represented approximately three percent of our total 2020 vendor spend. More than 80 percent of the total 2020 spend on this group went to companies listed on the New York Stock Exchange (NYSE) that have publicly disclosed anti-slavery policies (including through supplier codes of conduct and human rights policies); however, additional data would be helpful to determine the extent to which those vendors' practices were in line with their policies.

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 99 percent were located in the United States or the United Kingdom, accounting for more than 99 percent of total 2020 spend on that group of vendors.

We recognize the limitations of the findings from our initial risk assessment. For example, while we have considered the risks associated with our direct vendors' employees working in their respective headquarters, this may not provide a complete picture of geographical risk. This is because a subset of those vendors employs individuals or otherwise operates in other parts of the world, which may include high-risk geographies. We also acknowledge that our risk assessment in this first reporting period was 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.

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 headquarters of our direct vendors against the countries designated as (i) "Tier 2 watchlist" or "Tier 3" in the U.S. Department of State's 2020 Trafficking in Persons Report and/or (ii) a top 50 country in the 2018 Global Slavery Index prepared by the Walk Free Foundation.

Of the direct vendors from which we purchased goods and services during the year ended December 31, 2020, the vast majority—approximately 93 percent—were located in the United States, United Kingdom, Canada, or Australia (each a Tier 1 country), accounting for approximately 99 percent of our total vendor spend in 2020. **As these jurisdictions are low risk for modern slavery, we consider that a relatively low risk of modern slavery is associated with the geographical location of our direct vendors.** In future reporting periods, we will work to validate this preliminary finding based on the data gathered through a more comprehensive due diligence process.

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 concentrated in the IT manufacturing, recycling, and hardware sector, 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 represented a small proportion of our total 2020 vendor spend—approximately seven percent.

Vendors in high-risk sectors will be subject to our enhanced due diligence measures in future reporting periods, 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 found that the largest concentration of our 2020 vendor spend was with vendors through which we engage our external workforce. The two largest external workforce vendors (based on 2020 spend) were NYSE-listed companies based in the United States 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).

Looking ahead

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

- Partnering with third-party experts to triangulate our analytical methodology;
- Engaging first with potential new vendors, and later with existing vendors, through our modern slavery questionnaire; and
- Integrating the data we gather from vendors through our modern slavery questionnaire to improve the accuracy of our risk assessment in future reporting periods. With this data, we will be able to take into consideration a vendor’s policies, procedures and actions to address modern slavery risks, in addition to public reporting on a vendor’s modern slavery initiatives.

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 initial actions that we have taken to address modern slavery risks in our operations, supply chains, and investment portfolios, 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 policymakers, 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.

As initial steps, we plan to engage with the individual companies we identified as higher risk and to pursue collaborative engagements aimed at shaping industry dialogue. We are at the beginning of our journey and expect our approach to engagement will evolve in the coming years as we build a deeper understanding of the risks in our portfolios and learn from our initial engagements.

Company engagements. We have developed our strategy on corporate engagement working in partnership with our newly appointed engagement advisor, Sustainalytics. We have selected modern slavery as a core theme for engagement and will engage a mixture of companies, including those we have identified as having greater modern slavery risk and those with the potential to shape and influence industry standards. Our engagements will target many of the sectors identified as “high-risk” by the RIAA, including construction and building materials and apparel. We will also monitor companies that have recently faced allegations of labor rights and forced labor violations.

The goal of these engagements is to influence companies to take action to minimize the risk that their business models contribute to the exploitation of workers, meaningfully engage relevant stakeholders, put in place robust due diligence efforts, empower workers, and provide victims remedy. At the outset of each company engagement, we will work with Sustainalytics to identify specific objectives, which will enable us to evaluate the efficacy and monitor the progress of our dialogue with each company on an ongoing basis.

Industry engagements. For modern slavery, we are initially pursuing a few different collaborative engagements. We are working with the Brookings Center for Sustainable Development as part of their 17 Rooms initiative, which is designed to generate traction with key global stakeholders such as policy makers, companies, and investors on issues related to the UN's Sustainable Development Goals. This year, we are chairing one of the 17 rooms on the topic of modern slavery and will be convening a group of world-leading experts, including NGOs, academics, policy makers, companies, and institutional investors. The focus of this room will be on the role institutional investors can play in the fight against modern slavery, how to build a quality risk assessment approach, what are the most effective steps institutional investors can take, and how we can use the case of modern slavery to build a framework for multi-stakeholder coordination.

We are also exploring ways to potentially engage with key stakeholders in the commodity supply chain, such as commodity producers and exchanges, to better understand their sustainability strategy.

Finally, we recognize that the industry and academic understanding of modern slavery is continuously evolving, and to this end, we are exploring ways to extend and improve our knowledge of the subject. For example, we are exploring contracts with new data providers in the equities space that have developed innovative approaches to mapping and measuring modern slavery risks in company supply chains.

Operations and Supply Chains

Our operations

Bridgewater has 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 require employees to report discrimination, harassment, or retaliation immediately, whether it affects themselves or others. 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. We have multiple avenues available for reporting such issues, including an anonymous tip line, as well as protections against retaliation for those making good faith reports.

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. Additionally, awareness training, which includes reminders to employees to report instances of non-compliance, is released periodically to employees throughout the year. In future reporting periods, Bridgewater plans to engage experts to provide training on modern slavery, beginning with our teams working on modern slavery initiatives. As part of their assessment of Bridgewater's modern slavery risk mitigation framework, those teams will consider whether changes or additions to our existing set of company policies and processes are appropriate.

Our supply chains

In 2020, we built on our general risk management framework to address modern slavery risks in our supply chains. We began by considering the life cycle of our vendor relationships and identifying initial actions that could have the greatest immediate impact to minimize the risk of contracting with a vendor involved in modern slavery practices. As a first step, we reviewed our vendor due diligence process.

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 implemented changes to our vendor due diligence process to explicitly screen for risks of modern slavery and human trafficking. Our aim was twofold: minimize the risk of engaging vendors that cause, contribute to, or are directly linked to modern slavery practices, and communicate, at the outset of our vendor relationships, that combating modern slavery is important to Bridgewater. Specifically, we modified the questionnaire used to screen certain potential new vendors to require (i) information on company policies and procedures regarding anti-modern slavery and anti-human trafficking practices, (ii) disclosure of any raised or reported risks of modern slavery within the vendor's business or supply chains, and (iii) confirmation of whether any of the vendor's employees, officers, or subcontractors have been investigated in connection with modern slavery or human trafficking laws. Our questionnaire additionally requires companies to identify any affiliates that would perform services for Bridgewater and their country of operation. In 2020, we began screening a subset of potential new vendors for modern slavery risks with our revised questionnaire. As described below, in future reporting periods we plan to begin screening all potential new vendors.

Our standards for excellence apply to our vendors as well; 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.

Remediation





In the event that our 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, 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. As of the date of this report, Bridgewater does not have a formal remediation policy for modern slavery incidents. As described below, we plan to develop that policy in future reporting periods as part of a new Vendor Code of Conduct.

Actions taken in response to COVID-19

COVID-19 has heightened the risk of modern slavery for certain vulnerable populations. Following the outbreak of the pandemic, we formed a cross-departmental working group dedicated to understanding the virus and developing tools and expertise to inform our business operations. While a significant proportion of our workforce has been able to work remotely since March 2020, we recognized that the shutdown would have a disproportionate impact on certain members of our external workforce, namely workers who were employed by our vendors to provide cleaning, food, and other hospitality services to Bridgewater. We therefore decided to maintain our pre-COVID staffing levels with these vendors in order to provide ongoing employment to these workers, even if they were not asked to provide any in-person services.

Looking ahead

In 2021, a cross-disciplinary group of professionals from our security, legal, procurement, technology, and finance departments formed a modern slavery working group. This working group aims to improve the ways in which we systematically identify, mitigate, and address modern slavery risk in our supply chains, and has identified the following next steps for future reporting periods:

<p>Expanded Scope</p>		<ul style="list-style-type: none"> ▪ Developing a screening process specific to modern slavery for all potential new vendors using a tailored questionnaire ▪ Designing a systematic approach to conduct comprehensive checks for vendors that meet high-risk criteria
<p>Reassessment Plan</p>		<ul style="list-style-type: none"> ▪ Establishing a plan to assess existing vendors that meet high-risk criteria in future reporting periods, beginning with vendors whose contracts are subject to renewal or extension
<p>Vendor Code of Conduct</p>		<ul style="list-style-type: none"> ▪ Developing a Vendor Code of Conduct to outline the standards that we expect our vendors to adhere to, including on modern slavery issues ▪ Establishing, as part of the Vendor Code of Conduct, a formal remediation policy for modern slavery incidents
<p>Training</p>		<ul style="list-style-type: none"> ▪ Engaging experts to provide training on modern slavery, beginning with our teams working on modern slavery initiatives

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 will be 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-CIOs for Sustainability, Karen Karniol-Tambour and Carsten Stendevad, and our Head of Sustainability Research, Daniel Hochman, and is supported by a full-time, dedicated research staff. More broadly, Bridgewater's Investment Committee is responsible for all aspects of the firm's investment research process, and Karniol-Tambour is also a member of Bridgewater's Investment Committee, ensuring visibility at the top of the firm.

We will assess the effectiveness of our approach across both risk identification and mitigation. For risk identification, we plan to leverage the analytical assessment process described in section 4 to monitor our portfolios on a regular cadence. For our engagement strategy, we will set objectives at the outset of each engagement and monitor our progress relative to those expectations. Our assessment of the effectiveness of our engagements will take 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.

Operations and supply chains

In 2020, we built off our general risk management framework to take steps to address modern slavery risks in our operations and supply chains. Our framework reflects the belief that ultimate responsibility for risk management should sit at the top of the firm with owners and stakeholders. Responsibility for non-investment risk at Bridgewater, such as modern slavery risks in our operations and supply chains, sits with our Chief Executive Officer (David McCormick), with support from our corporate engagement function, Chief Administrative Officer (Richard Falkenrath), and the principal governing body, which includes a broader group of key senior leaders.

Our assessment of the effectiveness of our modern slavery initiatives will take into account qualitative measures, such as the quality of engagement with our vendors on issues of modern slavery and feedback from third-party experts, as well as quantitative measures, such as the number of employees who have participated in modern slavery awareness training. As our approach to modern slavery matures, 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 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

During our first reporting period, we prioritized the development of a modern slavery risk mitigation framework for Bridgewater and the owned and/or controlled entities over which we have the greatest influence. 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).

We have consulted with each operating entity that is owned and/or controlled by Bridgewater. With respect to the entities that operate on a largely independent basis, we carried out a preliminary assessment of their modern slavery risk and understand that the risks in these businesses are broadly in line with the corporate group as a whole. We have also begun collaborating to develop appropriate anti-slavery policies and procedures for those entities. We plan to integrate stakeholders from those entities into the process of developing and implementing the next phase of our modern slavery risk mitigation framework, which will include a more comprehensive assessment of these entities' modern slavery risks.

8. Approval

As a Delaware limited partnership, the reporting entity, Bridgewater Associates, LP, is not required to have a board of directors. 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, Chief Legal Officer, and two Co-Chief Investment Officers. This body is responsible for setting the overall strategic direction of the reporting entity, as well as overseeing 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:

David McCormick

Name: David McCormick

Title: Chief Executive Officer, Member of Principal Governing Body

Date: June 28, 2021

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.