



AQR CAPITAL MANAGEMENT (EUROPE) LLP

UK MODERN SLAVERY ACT STATEMENT 2019

1. OPENING STATEMENT

- 1.1 This statement is made voluntarily by AQR Capital Management (Europe) LLP (“**AQR Europe**”, “**we**”, “**us**” and “**our**”), to be transparent about our efforts to ensure that, in so far as we can be aware, modern slavery does not take place in our business or supply chains.
- 1.2 AQR Europe is a subsidiary of AQR Capital Management, LLC (together “**AQR**”). To the extent applicable, AQR is committed to eliminating modern slavery from its business and supply chains.
- 1.3 This statement relates to the financial year ending 31 December 2019. In this statement, we use the term “**modern slavery**” to include slavery, servitude and forced or compulsory labour and human trafficking, all of which are abuses of a person’s freedoms and rights.

2. OUR BUSINESS AND ORGANISATION

- 2.1 AQR is an employee-owned, global investment management firm. We invest in alternative and long-only strategies in commingled vehicles as well as segregated managed accounts. All investment decisions are made using a series of systematic global asset allocation, arbitrage and security selection models and are implemented using proprietary trading and risk-management systems.
- 2.2 AQR carries out business in the United Kingdom through AQR Europe which is an alternative investment fund manager (“**AIFM**”) regulated by the Financial Conduct Authority (“**FCA**”).
- 2.3 AQR Europe employs approximately 50 skilled professionals in its London office.
- 2.4 Given the nature of AQR’s business (asset management services), and our workforce (skilled labour), we believe that there is no material risk of modern slavery in our workforce. Further, as is discussed in more detail below, we also believe that the risk of modern slavery in our vendor base is minimal.



3. POLICIES AND PROCEDURES

- 3.1 We are committed to adhering to the highest standard of business conduct; compliance with the law and regulatory requirements; and best practice.
- 3.2 As a firm authorised and regulated by the FCA, we adhere to the eleven Principles set out in the FCA Handbook, which include conducting business with: ‘Integrity’ (Principle 1); ‘Skill Care and Diligence’ (Principle 2); and with effective ‘Management and Control’ (Principle 3).
- 3.3 We have policies in our AQR Europe Employee Handbook that provide for the fair treatment of employees and are committed to a policy of equal opportunities. These policies apply to recruiting, hiring, placement, promotions, training, discipline, terminations, layoffs, transfers, leaves of absence, compensation and all other terms and conditions of employment.
- 3.4 AQR has a complaint procedure that employees should follow in the event any employee feels that he or she has been the subject of any type of impermissible harassment or discrimination (details of which can be found in the AQR Europe Employee Handbook). Any employee found to have violated this policy will be subject to such disciplinary action as AQR deems appropriate, up to and including immediate termination of employment.
- 3.5 As part of AQR’s commitment to ethics and compliance, it encourages all employees to escalate any issues or concerns they may have to their manager, Compliance, Legal or Human Resources. To provide our employees with an additional means to report their issues or concerns, AQR also offers an anonymous telephone hotline. The AQR Compliance Hotline is independently administered by a third-party compliance solutions company. Employees may submit their issues or concerns via the telephone hotline anonymously and without fear of reprisal.

These policies are incorporated in AQR Europe Employee Handbook and AQR’s Business Conduct Manual and Code of Ethics. It is a requirement for all staff to read these documents and certify that they have done so.

- 3.6 Further, AQR expects companies which it invests in to comply with all relevant laws and regulations, including those relating to modern slavery and human trafficking.
- 3.7 We are committed to helping our clients achieve their Environmental, Social, and Governance (ESG) objectives. AQR’s approach to ESG includes both responsible asset selection and responsible ownership. Concerning the former, we incorporate ESG-related signals as standard into the security selection models used in most of our strategies and also offer dedicated ESG solutions (both negative screens and positive tilts in our Sustainable strategies, and carbon-aware implementations of our equity strategies). Our responsible ownership includes both Sustainable-oriented proxy voting where applicable, and a comprehensive firmwide engagement program (proactive and

reactive direct engagement, as well as collective engagement). Please refer to aqr.com/ESG for more details.

4. OUR VENDORS AND VENDOR MANAGEMENT

- 4.1 Our primary third-party vendors are professional services firms, for example legal accounting and other consulting firms, as well as information technology, software and data analytics services. In light of the nature of the services provided by those third-party vendors, we believe that the risk of modern slavery and human trafficking is minimal in relation to the services that they provide to us.
- 4.2 To a lesser extent, our service vendors include airlines, hotels and restaurants and food, cleaning and car services. We also purchase retailers' off-the-shelf goods such as office equipment and supplies. We believe that the risk of modern slavery at these vendors is low with respect to the goods and services we purchase from them due to the particular vendors and/or the location of performance. We have a large vendor base and given the nature of our business relationships with these vendors, and we have limited ability to assess their employment practices or supply chains.
- 4.3 On behalf of the segregated managed accounts and funds that AQR manages for its clients and investors, we maintain trading relationships with counterparties that include US and non-US banks, broker-dealers, central counterparties and other regulated financial institutions. All counterparties are reviewed by AQR's Counterparty Risk Committee ("CRC") on a periodic basis. Responsibilities of the CRC include maintaining a list of approved counterparties, assessing all counterparties on a periodic basis, and reviewing exposure to counterparties on an ongoing basis. Assessments generally include an evaluation of overall management quality, noting any corporate governance or regulatory issues that may be important.
- 4.4 In order to set an appropriate risk-based approach and to minimise the risk of modern slavery in our third-party vendor chains, we endeavour to include an anti-slavery and human trafficking clause in all our vendor contracts (this includes new as well as existing contracts).
- 4.5 This statement is published on AQR's website in order to make our clients and vendors aware of AQR's policies and expectations in relation to modern slavery and human trafficking.

5. TRAINING

- 5.1 We educate relevant internal and compliance personnel about the risk of modern slavery and human trafficking. We will also provide copies of this statement to the AQR Europe senior management.
- 5.2 We believe in investing in and educating all personnel. Personnel are trained on relevant policies and procedures including those referred to above and are encouraged to bring



any questions or concerns to designated internal personnel. We will keep under review the need for any further training.

- 5.3 We intend to continue to consider and review the risk of modern slavery taking place in our business or supply chain, including through considering the business that we engage in; the services we provide; the procedures that we use for selecting and approving third-party vendors, and the ongoing monitoring of compliance with existing policies and procedures.

This statement is made voluntarily but with reference to section 54 of the Modern Slavery Act 2015.