



SUSTAINABILITY POLICY

Resscapital AB

Approved by the Board of Directors of Resscapital AB

November 28, 2023

Next annual update: November 2024

Responsible for the document: Johan Jonson

1 BACKGROUND

Resscapital is dedicated to actively and responsibly contribute to a sustainable development. Our guiding principle is to ensure that our business activities align with the company's values and demonstrate respect for people, society, environment, natural resources, and climate.

Resscapital aim to exceed stakeholders' expectations and judiciously balance their interests, acknowledging our responsibility for common financial, social, and environmental well-being. In the realm of corporate responsibility, stakeholders encompass clients, owners, employees, business partners, and the broader community.

This policy provides guidance to all employees on how sustainability efforts align with Resscapital's values and business processes, offering transparency to investors and stakeholders regarding the commitment to sustainability. The sustainability efforts are clearly linked to the business activities and the value-creating processes of the company.

2 SUSTAINABLE FINANCE REGULATIONS

At Resscapital, we are convinced that the future challenges we face will place new demands on us as managers of our clients' capital. The business of Resscapital is influenced by the priorities of stakeholders, external laws, regulations, and ultimately by the company's aspiration to contribute to the advancement of a sustainable society.

As a financial institution, Resscapital is subject to the transparency requirements of the EU Disclosure Regulation (EU) 2019/2088, also known as the Sustainable Finance Disclosure Regulation ("SFDR"). Ress Life Investments A/S, the fund that Resscapital manages, is classified in accordance with Article 8 under SFDR. In compliance with the regulation, this classification means that the fund promotes environmental or social characteristics but does not have sustainable investment as its objective.

In the document Sustainability Information available on the company's website, more detailed information can be obtained on Resscapital's commitment to sustainable investment and the company's position relative to the EU Disclosure Regulation (EU) 2019/2088 on the sustainability-related disclosure in the financial service sector. The document also describes how sustainability is integrated in the management of the fund Ress Life investments A/S

3 INTERNATIONAL STANDARDS AND COMMITMENTS

3.1 United Nations Principles for Responsible Investments (PRI)

As an additional step in our commitment, Resscapital signed the United Nations Principles for Responsible Investments (PRI) in 2017. The PRI encompasses six principles, to which

Resscapital has committed through its endorsement. In this way, Resscapital supports an approach where sustainability should be an integral part of asset management.

More information about PRI's six principles can be found on the organisation's website www.unpri.org. In brief, these principles entail the following:

1. We will incorporate Environmental, Social and Governance (ESG) issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

3.2 UN Global Compact

Aims to encourage the adoption of sustainable and socially responsible policies and practices. Encompassing ten principles in the areas of human rights, environment, labor rights, and anti-corruption (www.unglobalcompact.org).

3.3 OECD Guidelines for Multinational Enterprises

Are a set of recommendations or standards for responsible business conduct, including aspects such as human rights, disclosure of information, employees, environment, bribery and anti-corruption, consumer interests, competition, etc. (www.oecd.org).

4 SUSTAINABILITY IN THE INVESTMENT PROCESS

4.1 Promoting social factors

Resscapital only promotes social characteristics and works with responsible investments through two strategies: 1) *Exclusion* and 2) *Impact*.

Resscapital only promotes social characteristics and does not consider environmental factors. For our investors, we purchase US life insurance policies from individual consumers. This purchase involves a transaction where the fund becomes the owner and the beneficiary of the specific policy. Thus, the transaction will only result in a change of contracting parties.

Consequently, the transaction will not lead to any activity that can have either negative impact on the efforts to mitigate climate change through the emission of greenhouse gases, and negative effect on other environmental factors like biodiversity, water, and waste.

4.2 Improved financial situation and social support

Resscapital manages a portfolio of US life insurance policies. Life insurance policies are purchased from US households who no longer need life insurance coverage. Resscapital enable senior individual households to obtain a cash payout for an unneeded insurance policy or in cases of inability to afford premiums. Instead of stop paying premiums and letting the policy lapse, the transaction may contribute to elderly individuals maintaining a long-term comfortable standard of living after retirement or retaining ongoing healthcare. Therefore, Resscapital propose to be a socially sustainable and responsible investment alternative.

4.3 Corporate governance and regulation

The secondary market for US life insurance policies is regulated in most US states. The legislation regulating the market is there to safeguard the individual policyholder's, i.e., the consumer's interest. The legislation aims to protect the consumer's freedom of choice and ensure that the sales process is transparent and correct.

When Resscapital purchases life insurance policies, the company uses intermediaries/brokers who facilitate the sale of life insurance policies from policyholders to financial investors. Resscapital only transacts with brokers who are registered and authorised by the regulator in each State, often the State Insurance Commissioner.

4.4 Transparency

To enable the individual household to make an informed decision, it is important that the sales process is transparent. Brokerage fees must be reported in a clear and transparent manner to the seller/consumer. In addition, the seller must receive information about the possible repurchase price that the life insurance company is willing to pay for the insurance policy.

For most life insurance policies, it is usually the policyholder's spouse or children who are beneficiaries. It is a requirement that these beneficiaries' consent in writing to the sale of the life insurance policy. In addition, the policyholder must certify that he, or she, makes a conscious choice to sell the life insurance policy. The legislation aims to protect the consumer's freedom of choice and ensure that the sales process is transparent and correct.

4.5 Data management and integrity

Resscapital will also receive personal data and health information about the individual policyholders. It is imperative that this information is treated in a confidential manner and with outmost respect for the integrity of each individual. All personal data is stored on protected servers and no documents containing any personal data are stored in paper format.

5 SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS

Resscapital's goal is to invest through companies whose operations have a long-term positive impact on the society in which they operate. To ensure that the insurance companies in the fund, where the US life insurances are held, do not violate any convention or other international agreement, or in case of suspicion of, for example, environmental violations or human rights abuses, the fund is screened four times a year.

Screenings are conducted through sustainability risk data from an external and independent provider. In this screening, compliance includes, among other things, adherence to global norms for environmental protection, human rights, labor standards, and anti-corruption. This aids Resscapital in evaluating sustainability-related risks within the fund, while also playing a crucial role in mitigating these potential risks. Addressing sustainability risks aligns with the long-term commitment, cultivating trust, and fostering confidence among the stakeholders.

6 SUSTAINABLE ORGANISATION

Resscapital is dedicated to creating a sustainable organisation across various dimensions of the business. This includes:

6.1 Financial aspects

Resscapital has a principle of conducting business in a responsible and prudent manner. The company seeks to avoid financial decisions which could endanger the company's long-term survival. Resscapital upholds honesty, transparency, and high ethical standards in business relationships. Employees honor their commitments and consider clients and suppliers as vital partners, deserving respect. The company actively opposes bribery, payoffs, and corruption that could potentially affect these relationships. As a market participant, Resscapital strives for honest, and open competition while observing good sales and marketing practices. The information provided by the company to the market must always be clear, transparent, and never intentionally deceptive.

6.2 Environment and climate

Resscapital are committed to actively reducing environmental, climate, and health-related risks associated with our business activities and the products and services we provide. This includes conscientiously managing factors like energy consumption, water usage, and waste disposal in the operations. Resscapital promotes sustainable travel, prioritising telephone, and video conferences whenever feasible. To offset our business activities' CO2 footprint, Resscapital use the services of Atmoz Consulting (former Tricorona Climate Partner). Moreover, the company implement efficient office waste sorting practices to enhance recycling efforts.

6.3 Social aspects

Resscapital shall be a responsible social actor. The company will uphold human rights, denounce corruption, bribery, and payoffs, as well as money laundering. The company shall also strive to create good health and well-being regardless of whether this pertains to their employees, customers, owners, or other stakeholders. The company will refrain from making any direct or indirect contributions to political parties or political organisations.

6.4 Legal aspects

Resscapital shall comply with applicable legislation and international conventions on all markets where the company is active. The company shall comply with environmental legislation, agreements, safety requirements and other binding requirements and regulations.

6.5 Employer and workplace

As part of its employer responsibility, Resscapital shall ensure a positive work environment, ensuring a safe and secure workplace. Processes shall be implemented to foster employees' ideas and initiatives. The company shall strive for a healthy balance between work and personal life among the employees. Clear and well communicated guidelines and policies regarding equality and diversity shall be put in place. The company shall support and encourage its employees' civic participation. Emphasis shall be placed on promoting the employees' health and wellbeing. The company shall allocate resources to further develop and enhance its employees' competences.

6.6 Investors

The investor relationship and client needs shall always be at the forefront for Resscapital. A high degree of transparency, dialogue and clarity shall guide the company's relationship with its customers. Complaints procedures and investor support shall be efficient, thorough, and handled with professionalism. Continuous efforts to improve the quality should be made.

7 SUSTAINABILITY INITIATIVES

Resscapital actively engage in numerous international conferences within the life insurance industry, attended by managers, brokers, and service providers. In this context, Resscapital endorse initiatives that strive to improve ethical guidelines within the industry.

Resscapital is a member of ILMA (The Institutional Longevity Markets Association). ILMA is a trade association comprised of several of the world's leading institutional investors and intermediaries in the mortality and longevity marketplace. ILMA is formed to encourage the prudent and competitive development of a suite of evolving mortality and longevity related financial businesses, including the businesses of life settlements.

ILMA acknowledges that prudent regulation of the life settlement market is critically important to a consumer’s ability to acquire such assets and to realise all the economic opportunities associated therewith. To help bring consensus among the various life insurance companies, life settlement providers, brokers, banks, financial institutions, and other participants in the life settlement market and to facilitate the promulgation of appropriate regulation and the development of industry “best practices,” ILMA has formulated guiding principles to be considered when conducting business in this market. More information about ILMA and the guiding principles can be found on www.lifemarketsassociation.org.

8 ORGANISATION AND RESPONSIBILITY

The strategic direction for Resscapital’s sustainability efforts shall be determined by the company’s Board of Directors based on the company management’s strategic planning and business planning processes. The Managing Director is responsible for this policy, and that it is updated yearly. The Managing Director also plans, reviews and follow-up regarding the company’s sustainability efforts on an ongoing basis. The strategy will be developed based on relevant analyses and an assessment of the current situation. Head of Portfolio management is responsible that sustainability is integrated into the investment process.

The company’s management shall perform an annual follow-up based on this policy. The work includes a systematic approach to reporting.

Risk management checks that the funds' holdings comply with current investment instructions. Deviations must be reported to the responsible manager and the Managing Director. The portfolio managers shall liquidate holdings that contravene the Fund's investment instruction as soon as possible, considering the common interest of unitholders.

9 RESOURCES

The primary approach in formulating and assessing the company's sustainability strategy involves internal analysis. Additionally, external consultants have been engaged to conduct assessments on various ethical dimensions related to the life insurance market and provide recommendations on appropriate handling procedures.

10 CONTACTS

An employee, an investor, or other stake holder who has questions or concerns about this sustainability policy can contact one of the following persons.

Role	Name	Telephone number	E-mail
Managing Director	Gustaf Hagerud	+46 (0)73-660 72 42	gustaf.hagerud@resscapital.com
Founder	Jonas Mårtenson	+46 (0) 70 663 08 45	jonas.martenson@resscapital.com