

**United Nations Global Compact  
Communication on Progress - Year: 2016**



**Commitment Statement by Chief Executive Officer:**

August 13, 2016  
H.E. Ban Ki-moon  
Secretary-General  
United Nations  
New York, NY 10017

Dear Mr. Secretary-General,

I am pleased to confirm that GWG Holdings, Inc. (GWGH) will continue to support the ten principles of the Global Compact in human rights, labor, environment and anti-corruption. I wish to renew the company's ongoing commitment to the initiative and its principals. With this communication, I am expressing our intent to implement those principles in our own company further. We are committed to making the Global Compact and its principles a continual part of the strategy, culture and day-to-day operations of our company, and will continue to engage in collaborative projects to advance the broader development goals of the United Nations, the World Bank, and particularly the Sustainable Development Goals.

GWG's mission is to empower policy owners, investors, shareholders and employees to financially prosper through the secondary market for life insurance. GWG repurposes individual's life insurance policies for their highest and best use through providing liquidity to the secondary life insurance market. This option to sell a policy is a better choice for many policyholders because it assures that the policy won't be surrendered or lapse.

I recognize that this expression of continual support by myself as the CEO of GWG is the first step in the requirements needed for continual participation in the Global Compact. Following this letter, the United Nations Global Compact will receive our annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency and will include a description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken or plans to undertake to implement the Global Compact principles in each of the four issue areas of human rights, labor, environment, anti-corruption. Additionally, a measure of outcomes will be presented in this COP in order to further disclose GWG's degree of which it has addressed its targets, the indicators that were met, and any other qualitative or quantitative measurement of results.

Kind Regards,

Jon R. Sabes  
Chief Executive Officer  
GWG Holdings, Inc.

## **Human Rights Principles**

### **Assessment, Policy, and Goals**

GWG's goal is to ensure that all of our employees and business partners respect and achieve the articles of the Universal Declaration of Human Rights. We believe every person in the world is entitled to freedom, justice, and peace.

GWG's stance on corporate social responsibility (CSR) is that, "GWG actively engages in philanthropic initiatives around the world through and with its partners, and our corporate social responsibility organization. Our aim is to empower staff, patients, partners, and clients to make positive changes in their communities at home and abroad." This is conveyed through presentations and dissemination of overall company orientations.

GWG is creating positive changes in its clients lives by focusing on helping individuals repurpose their life insurance assets for its highest and best client specific use as well as raising awareness about the secondary life insurance market. Many life insurance policies insurance companies write are never claimed by the policyholder, while GWG offers policyholders 5 to 8 times the surrender value life insurance companies offer.

GWG is committed to the highest standards of conduct in our relationships with each other, as well as with our clients, consultants, sponsors and others involved. This requires that we conduct our business in accordance with the highest standards of both personal and business conduct. Our employee training helps us in this endeavor by providing a statement of fundamental principles and key policies and procedures that govern the conduct of our employees with general information about employment with GWG.

All business partners, suppliers, and manufacturers are expected to adhere to the Principles on Human Rights. Any violation of the articles outlined in this universal declaration would lead to GWG's disassociation with this organizations and the reporting of the violations to the proper authorities.

GWG operates exclusively in the United States, which has a good track record for following human rights laws and standards. The laws concerning the secondary insurance market in the United States are strict to ensure that no policyholder is taken advantage of. GWG strictly complies with these laws in every state we operate in to ensure that the client's best interests are taken into account with any transaction made.

### **GWG's specific goals in the area of human rights in the upcoming year:**

- Helping people obtain the value of their life insurance policy by providing liquidity to the secondary life insurance market while being mindful of the individual's best interests.
- Maintaining services for all affiliations that is in compliance with the Universal Declaration of Human Rights.
- Aligning with the Sustainable Development Goals Number 16; Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

### **Implementation**

GWG has taken the following measures to prevent human rights violations at its work locations:

- A reporting structure has been implemented throughout the workplace which allows for any person to report a violation to their superior, or if uncomfortable with reporting that that individual, they can communicate directly with the upper management.

## Measurement of Outcomes

As reported, GWG has maintained 100% accountability throughout its supply chain of various offerings without a single report of human rights violations.

## **Labor Principles**

### Assessment, Policy, and Goals

GWG's policy on labor principals acknowledges the freedom of association and the effective recognition of the right to collective bargaining; and stands behind the principals of eliminating all forms of compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation. Additionally, GWG has an open stance against discrimination ranging from traditional forms such as sex, race or religion, to newer forms based on age, sexual orientation, HIV/AIDS status and disability.

### Implementation

- The Company orientation manual highlights the assessment, policy and goals of our labor principals as well as standards on personal behavior, harassment, and discrimination.
- GWG has an open door policy allowing for individuals to bring forward any concern or complaint that they may have regarding their employment, or the employment of others associated with GWG. Any item that cannot be solved in this manner will be subject to arbitration before the executive team.

## Measurement of Outcomes

- GWG has hired, brought on associates, and conducted business with companies, individuals, countries, and foundations with equal opportunity and without discrimination.
- GWG has had zero reports of any form of compulsory labor or child labor in any of its operations in which it has had involvement.

## **Environment**

### Assessment, Policy, and Goals

GWG is fully committed to reducing our impact on the environment. A small carbon footprint is important for our company in the present, as well as our future. We will continually search for ways to increase efficiencies in our methodology, as well as support technologies that are not only better for the environment, but are representative of businesses who stand behind the same environmental principles as ourselves.

GWG is constantly seeking out strategies that ensure environmental protection, mitigate inputs that negatively impact the local ecosystem, and change the fundamental approach in many instances to make production and commerce as low-impact and sustainable as possible.

### Implementation

- GWG operates mostly digitally as often as possible with most paperwork, marketing tools and company materials being conducted and distributed online as often as possible.

## Measurement of Outcomes

- As reported, no laws or environmental concerns were raised by GWG's work, supply chain, and partners.

## **Anti- Corruption**

### **Assessment, Policy, and Goals**

It is the policy of GWG that corruption, fraud, theft, maladministration or any other dishonest activities of a similar nature will not be tolerated. In addition, such irregular activities will be investigated and followed up by the application of all remedies available within the full extent of the law(s) internationally, and in the country in which we are operating.

Outlined in our company handbook, employees are expected to uphold at all times, standards of integrity and behavior that will reflect positively upon themselves, their community, and GWG. All information and materials are regarded as confidential or proprietary. Employees should treat all of GWG business affairs, information, materials, plans and projects as confidential information.

GWG complies with all anti-corruption regulations set by the national government where we do business and international bodies worldwide. It is GWG policy to conduct business in an honest way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage, and the company does not tolerate or engage in any actions constituting corruption, fraud, theft and maladministration collectively such as: theft, misconduct while handling money or transactions, insider trading, false or misleading reporting, or the omission of any acts under similar contexts.

GWG makes a positive impact by helping unsophisticated life insurance market participants realize the full potential of their investment through providing immediate liquidity as well as making sure insurance companies deliver on their contracts they have no actuarial intention of paying out. This protects policyholders from being deprived of their benefits from their life insurance policy by insurance companies.

### **Implementation**

- GWG has an open door policy allowing for individuals to bring forward any concern or complaint that they may have regarding their employment, employment of others associated with GWG, or the business actions of the company. Any item that cannot be solved in this manner will be subject to arbitration before the executive team.
- GWG has a system of checks and balances between its divisions, executives, and managers that intends to disclose any concerning issue as they arise.
- Proper diligence into transactions and business proposals is mandatory between advisors, managers, lawyers, and executives involved in order to ensure that infractions do not occur.

### **Measurement of Outcomes**

- GWG has specific personnel to review and look into past transactions of the company to identify any irregularity.