

Responsible Cannabis Framework

A) Preamble

The Global Cannabis Partnership (GCP) is a collaboration of leaders in the government-sanctioned cannabis industry. With representation from government, private-sector and affiliate organizations, the Partnership promotes the safe and responsible production, distribution and consumption of legal cannabis.

Driving this initiative is a shared commitment with governments, community groups and other stakeholders to keep cannabis out of the hands of youth, keep profits out of the hands of criminals, and protect public health and safety by allowing adults access to legal cannabis.

We are also very conscious that our industry, like others, has a significant environmental footprint and we are committed to minimizing this impact throughout our supply chain.

Inspired by these commitments, the Responsible Cannabis Framework (RCF) defines the corporate social responsibility (CSR) standards to which all Members agree to adhere, beyond minimum compliance with all relevant and applicable laws in their jurisdictions. Using best practices from within and outside the industry, the RCF supports members to continually improve their performance over time as they evolve their CSR initiatives and programs. The goal is for the industry to be recognized for its thought leadership and practices in good corporate citizenship.

Guided by a set of four (4) Principles, the Framework articulates expectations of Members for evaluating, developing, implementing, measuring and disclosing environmental, social and governance initiatives covering twelve (12) impact areas, each of which has been validated through a multi-stakeholder dialogue. Note that this approach allows for specific Certification Categories and practices unique to each Member, depending on the nature of their business, legal or other legitimate constraints, and available resources.

All Members will be initially required to sign the Framework, thus committing to the Preamble and Principles, and will have up to one year to complete any work necessary to apply for certification according to one of four (4) desired Certification Categories. Following an assessment of their progress in the Impact Areas (an exercise that will be required every two years), Member applications will be submitted to the GCP's Independent Evaluation Panelⁱ for review.

Upon completion of these steps, Members will be assigned one of four (4) Certification Categories according to their performance. The GCP expects Members to make improvements when RCF standards are not met and to develop mechanisms to ensure ongoing compliance and continuous improvementⁱⁱ.

B) Principles

All Members of the GCP, as signatories of the RCF, will abide by the following Principles.

Responsibility

We believe in the responsible development, production, distribution and consumption of cannabis where it is legally sanctioned.

We therefore wholeheartedly support: the prohibition of all illicit sales to youth; public education and responsible advertising and marketing; research into health and social impacts of cannabis; policies and practices that minimize our environmental footprint; ethical conduct and good corporate governance; and social justice (addressing adverse impacts of prohibition among disadvantaged communities).

Collaboration

We recognize the value of collaborating with the full range of stakeholders who have an interest in, and are impacted by, the legal cannabis industry, and we will consider their views in the development, implementation and improvement of the RCF and in our daily operations. This multi-stakeholder approach is driven by our desire to be accountable and responsive to the public, including consumers, business partners, groups advocating for public health and security, researchers, regulators, educators, parents, investors, and employees. This commitment also informs our relationship with members of the communities in which we operate who need to understand the risks and benefits of our activities. We also recognize the value of the GCP as a convenor that seeks to build consensus from disparate views.

Transparency

We expect our actions to meet – and be judged by – the highest standards possible. To ensure this, we will subject our performance against our commitments to a review by our stakeholders (limited only by competitive considerations). This translates into Members setting clear, long-term objectives, developing and monitoring a common set of Key Performance Indicators, subscribing to international standards as appropriate, sharing information and best practices with others in the industry, and regularly disclosing accurate and balanced reports of results to the public. As an organization, the GCP will also report on the aggregate performance of Members and respond to questions from the public.

Continuous improvement

Recognizing the challenges inherent in implementing a world-class standard for responsibility in a nascent industry, Members will seek out and apply best practices appropriate to their business developed by organizations both inside and outside the cannabis sector. Members will regularly monitor their progress, report on results and, when faced by setbacks, develop and divulge remediation plans. Once milestones are met, Members will establish new objectives. Members will also, in collaboration with the GCP, track changing stakeholder perceptions and expectations to remain responsive and proactive. By doing this, we aim to have our industry recognized internationally as a leader in corporate social responsibility.

C) Impact Areas

The RCF is structured around three (3) Environmental, Social and Governance (ESG) elements. This ESG approach mirrors that used internationally by corporations, investors and analysts for evaluating CSR risks and performance. Within this, there are twelve (12) Impact Areas that have been identified as most material to those in the cannabis industry and to their stakeholders. Please see the section “Certification Categories” below for a summary of applicable Impact Areas according to the type of members.

While some criteria may seem more appropriate for those Members that supply, distribute or sell products, our intention is to encourage all Members to find ways to support good CSR practices within the industry, such as through procurement, promotion, information sharing, etc., as well as demonstrate good practices in general. A summary of Membership types follows.

Note on Membership types

GCP Members include:

- Government agencies charged with the distribution, sale and after-sales service of legal cannabis;
- Private-sector cannabis industry organizations that supply the legal market, in a B2B and/or B2C capacity, such as licensed producers and manufacturers of cannabis and/or ancillary products; and
- Affiliate organizations that directly or indirectly play a role in the legal cannabis supply chain. These organizations may be private-sector companies, government entities, research institutions or non-governmental organizations (NGOs).

Note on KPIs

The RCF is designed to articulate basic requirements for membership, as well as expectations for actions related to the Preamble, Principles and Impact Areas, and to encourage the establishment of an adequately high-performance bar and continuous improvement.

To the extent that Members are required to take action (e.g. “identify risks, impacts and opportunities; develop goals, policies, programs and metrics”), the Framework is prescriptive.

The Framework does NOT, however, specify the nature nor scope of initiatives undertaken by Members, nor does it prescribe particular goals, metrics or KPIs. This approach is due, primarily, to the diversity of GCP membership (nature of business, development stage, strategic priorities, culture, available resources, etc.).

Initially, at least, our approach focuses on ensuring that Members have done the research, made clear commitments, have policies in place, are implementing real and robust programs, and are measuring progress against goals. The specific KPIs and targets will, for now at least, be left up to Members.

1) Environmental element

Members recognize their role in minimizing negative environmental impacts and shall identify material environmental risks, impacts and opportunities for their operations, and develop goals, policies, programs and metrics to continually improve results in the following Impact Areas:

- A. **Greenhouse Gas Emissions (GHG)** management systems that measure and minimize volume and intensity of emissions.
- B. **Water** management, including improvements in consumption, recycling and quality.
- C. **Packaging** materials and/or **waste** reduction strategies to reduce consumption of raw materials and related environmental impacts.
- D. **Agricultural practices** to reduce human and environmental health impacts, including soil and pest management.

2) Social element

Members recognize the important role they play in society and shall identify material social risks, impacts and opportunities for their operations, and develop goals, policies, programs and metrics to continually improve results in the following Impact Areas:

- A. **Responsible use** education that is shared with the public (within regulatory limits), consumers, customers/suppliers or internally, using evidence-based information on products' properties, effects and risks, and responsible marketing practices.
- B. **Community** engagement/investment, including stakeholder outreach and provision of financial and in-kind support (e.g. volunteering) – within regulatory limits – that aligns the needs of local communities with the corporate mission.
- C. **Product safety** and quality assurance protocols to build consumer and other stakeholder confidence, to ensure quick response to manufacturing and other issues (e.g. recalls), as well as traceability systems to control the supply chain from “seed to sale.”
- D. **Research** supported and/or disseminated to build a body of peer-reviewed scientific research into health-related effects and social impacts of cannabis consumption.
- E. **Social Justice** to address unbalanced impacts of prohibition through access to economic opportunity or other strategies.

3) Governance element

Members recognize the importance of good corporate governance in protecting their legal and social licence to operate, improving financial results and enhancing their reputation, and shall identify material governance risks, impacts and opportunities for their operations, and develop goals, policies, programs and metrics to continually improve results in the following Impact Areas:

- A. **Ethics** guidelines that define and reinforce acceptable conduct, guard against corruption and conflicts of interests, and promote good corporate citizenship.
- B. **Compliance** to ensure Members follow applicable laws and regulations in each jurisdiction in which they operate, including platforms for monitoring, measurement and remediation.
- C. **Diversity/inclusion** to promote equal opportunity and non-discrimination on the basis of recognized standards, such as the UN Declaration on Human Rights.

D) Certification Categories

Members will be certified according to four (4) Certification Categories that reflect the extent to which they have implemented programs in support of the ESG Impact Areas.

Given the diversity of GCP membership, Categories are designed to reflect the nature of the Member's business (e.g. government agencies, suppliers, and affiliates) to encourage continuous improvement. In all cases, Members will complete an application that will be reviewed by an Independent Evaluation Panelⁱⁱⁱ before certification will be granted. In all cases, certification will be valid for two (2) years from the date granted.

The Categories include:

1) Core

- All Members of the GCP, including government agencies, the cannabis industry and affiliates, must subscribe to the Preamble and Principles of the Responsible Cannabis Framework. Each Member must also complete an assessment to determine the status of their commitment and actions related to each of the Impact Areas. From this, each Member must develop and implement goals, policies, initiatives and metrics for 6 Core Impact Areas and apply for Core category certification within one year of signing the Framework. Affiliate Members may remain within the Core category certification.
 - **Environment:** GHG Emissions, plus one other from Water, Agricultural practices, and Packaging/Waste
 - **Social:** Education, plus one other from Community, Safety, Research, and Social Justice
 - **Governance:** Ethics, plus one other from Compliance, Diversity/Inclusion

2) Core Leader

- As above, but with independent third-party verification (approved by the GCP Board of Directors) of metrics and annual public reporting of results.

3) Comprehensive

- Government agencies and the cannabis industry (exclusive of affiliates) Members of the GCP must – in addition to meeting the basic Core requirements – develop and implement goals, policies, initiatives and metrics for all 12 Impact Areas (above). Any other Member may also apply for certification in the Comprehensive category. Each will have up to two (2) years to complete the work needed to apply for the Comprehensive category certification once they have achieved the Core category certification in year one.

4) Comprehensive Leader

- As above, but with independent third-party verification (approved by the GCP Board of Directors) of metrics and annual public reporting of results.

ⁱ Terms of Reference for the Independent Evaluation Panel are being developed by the Responsible Cannabis Framework Working Group.

ⁱⁱ Evaluation criteria for initial certification and renewals are being developed by the Responsible Cannabis Framework Working Group.

ⁱⁱⁱ See above

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