



ESG Glossary of Key Terms

Key Environmental, Social, and Governance Terms and Issues

This glossary was created to educate and inform the cannabis industry on fundamental ESG issues and concepts critical to the industry and the global business community at large.

To learn more about Regennabis and our ESG Accelerator & Advisory Services, please contact info@regennabis.com



Overview of Key ESG Terms

ESG is a framework for managing the risks and opportunities of changing environmental, social, and economic systems



Environmental

The environmental impacts of a company's operations, products, and general business activity



Social

The ways in which a company creates value for its stakeholders



Governance

The approach to leading and managing a company



Materiality Assessment

The process for determining the issues most important to the company and its key stakeholders



Stakeholders

Any individual or entity who is affected by or can affect the business - Investors, customers, employees, suppliers, communities



Shared Value Creation

The process of engaging, collaborating with, and creating mutually beneficial outcomes with your stakeholders



ESG Report

A document describing your ESG positions, efforts, and outcomes



ESG Disclosures

How a corporation responds to regulations regarding greater information transparency and detail on ESG issues



ESG Integration

A term referring to how a company integrates their ESG strategy into their daily operations



Greenwashing

Misleading information about how a company's products and operations are more environmentally sound



Wokewashing

Misleading information about how a company's products and operations are more socially impactful

Overview of Key Environmental Terms & Issues



Scope 1 Emissions

Direct emissions from company-owned and controlled resources



Scope 2 Emissions

Indirect emissions from the generation of purchased energy from a utility provider



Scope 3 Emissions

All indirect emissions – not included in scope 2 – that occur in the value chain of the reporting company, including both upstream and downstream emissions



Greenhouse Gases (GHG)

Gases that trap heat in the atmosphere-Carbon dioxide, methane, nitrous oxide, fluorinate gasses



Environmental Management System

A framework that helps an organization achieve its environmental goals through consistent review, evaluation, and improvement of its environmental performance



Climate Change

The result of the buildup of greenhouse gases in the atmosphere from the burning of fossil fuels for energy and other human activities.



Biodiversity

Refers to all of the species in one region or ecosystem



Deforestation

The purposeful clearing of forested land for agricultural and industrial purposes



Resource Stewardship

The efficient use of finite natural resources



Closed Loop System

An industrial system that is restorative and regenerative by intention or design



Regenerative Agriculture

Regenerative agriculture is a conservation and rehabilitation approach to food and farming systems

Overview of Key Social Terms & Issues



Employee Engagement

The extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work



Diversity, Equity, & Inclusion (DEI)

How diverse the workforce is, how equitable its policies are, and how inclusive the corporate culture is



Human Capital Management

The approach to enhancing the capabilities, knowledge, and effectiveness of your workforce



Community Impact

The approach to supporting the welfare of your and your supply chain's local communities



Human Rights

Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and more



Stakeholder Engagement

The approach to engaging your stakeholders to identify, prioritize, and support their objectives



Labor Management

The policies, systems, and protocols for ensuring productive unions and collective bargaining between the labor force and the corporation.



Social Impact

Refers to the broader societal impacts of a company's products, services, and operations.



Product & Service Safety

The quality and safety of the product and/or service



Responsible Sourcing

The traceability, sustainability, and transparency of supply chain management

Overview of Key Governance Terms & Issues



Board Composition & Corporate Governance

Refers to the board structure, diversity, effectiveness, executive compensation, and shareholder rights



Lobbying & Political Contributions

Refers to the actions a company takes to influence policy decisions



Enterprise Risk & Crisis Management

The organization and practices used to identify and mitigate emerging risks and crises situations



ESG Policies & Protocols

The policies and oversight measures surrounding environmental, social, and governance-centric policies



Climate Management

The enterprise approach for reducing contributions to and reducing risk exposure from climate change



ESG Supply Chain Management

The integration of ESG due diligence criteria into supplier selection and supplier capacity building



Corporate Conduct & Transparency

The transparency and intention behind corporate decision-making and external information sharing



Vendor Code of Conduct

The behavioral expectations for vendors



Corruption & Bribery

The company's code of conduct and compliance practices designed to prevent bribery and corruption in the organization