



# CTA - ESG Toolkit for Members

This ESG toolkit is designed to support Cannabis Trades Association (CTA) members across various sectors—growers, manufacturers, processors of hemp, pharmaceutical companies, formulators, retailers, clinics, distributors, and brands—in adopting and enhancing their Environmental, Social, and Governance (ESG) practices. Each section provides detailed action points, examples, and measurable metrics to guide CTA members in improving sustainability, ethical business practices, and social responsibility. By embracing ESG, members can contribute to a better-regulated and more sustainable cannabis and hemp industry.

## 1. Environmental (E)

### 1.1. Sustainable Sourcing and Farming (For Growers, Processors of Hemp)

**Action:** Embrace sustainable agricultural practices, including organic farming, regenerative agriculture, and water conservation techniques. Growers should minimise pesticide and synthetic fertiliser use by rotating crops and using natural soil amendments like compost or biochar. Processors should source hemp from organic or regenerative farms with verified practices.

**Example:** A processor partnering with certified organic hemp growers to produce CBD products labelled as 'sustainably sourced' would appeal to environmentally conscious consumers.

**Metric:** Track the percentage of hemp sourced from certified sustainable farms, aiming to source 100% organic or regeneratively farmed hemp by a target year.

### 1.2. Energy Efficiency and Carbon Footprint Reduction (For Growers, Manufacturers, Pharmaceutical Companies, Clinics)

**Action:** Implement energy-efficient technologies, such as LED lighting for indoor cultivation, and adopt renewable energy sources like solar or wind. Manufacturers can reduce their carbon footprint by upgrading HVAC systems and switching to low-emission transport for logistics.

**Example:** A grower might reduce their facility's energy consumption by installing energy-efficient LEDs, while manufacturers could cut carbon emissions by investing in electric delivery vehicles.

**Metric:** Track energy use per kilogram of product produced and set a goal to reduce energy consumption by 10% annually.



### 1.3. Waste Management and Circular Economy (For Processors, Manufacturers, Brands)

**Action:** Implement comprehensive waste management practices, focusing on reducing, reusing, and recycling materials. Processors should find uses for hemp by-products like fibres (for textiles) and seeds (for food products).

**Example:** A processor repurposing hemp stalks for construction materials (e.g., hempcrete) contributes to the circular economy. Manufacturers could recycle packaging waste and repurpose production by-products.

**Metric:** Measure waste diversion rates by tracking the percentage of waste diverted from landfills and the volume of recycled materials.

### 1.4. Sustainable Packaging (For Brands, Retailers, Distributors)

**Action:** Transition to eco-friendly packaging materials, such as compostable, biodegradable, or fully recyclable options. Brands and retailers should aim to eliminate single-use plastics.

**Example:** A retailer could introduce a 'refill station' for CBD oils and encourage consumers to bring reusable containers, while brands may switch to biodegradable packaging made from hemp.

**Metric:** Track the percentage of products using sustainable packaging and aim to achieve 100% eco-friendly packaging within three years.

## 2. Social (S)

### 2.1. Community Engagement and Social Equity (For Clinics, Distributors, Pharmaceutical Companies, Retailers)

**Action:** Engage with local communities through outreach programs, education initiatives, and job creation. Prioritise social equity by investing in areas impacted by cannabis prohibition.

**Example:** A pharmaceutical company could sponsor community health fairs that provide free consultations, while retailers might hire from underrepresented groups disproportionately affected by previous cannabis laws.

**Metric:** Track the number of community outreach hours and monitor hiring statistics to ensure representation from diverse backgrounds.

### 2.2. Employee Wellbeing and Labour Standards (For Growers, Processors, Manufacturers, Retailers)

**Action:** Create a safe, inclusive work environment with competitive wages, health benefits, and professional development opportunities. Implement strict safety standards in high-risk environments (e.g., processing



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facilities).

**Example:** A manufacturer might offer wellness programs like mental health support and provide ergonomic equipment to reduce workplace injuries.

**Metric:** Track employee satisfaction through surveys, monitor retention rates, and assess the impact of wellbeing initiatives by reducing workplace accidents.

## 2.3. Diversity and Inclusion (For All Categories)

**Action:** Develop and enforce diversity and inclusion policies that promote equal opportunity across all business areas. Provide training on unconscious bias and create pathways for underrepresented groups to advance in the company.

**Example:** A clinic could offer scholarships to underrepresented medical professionals to gain cannabis-specific qualifications, while retailers can increase diversity at the managerial level.

**Metric:** Track diversity metrics in recruitment, promotions, and board appointments, aiming for 40% representation of women and minorities in leadership roles within five years.

## 2.4. Consumer Education and Transparency (For Brands, Clinics, Retailers)

**Action:** Provide clear, transparent labelling on products, detailing the ingredients, extraction methods, and environmental impact. Launch educational campaigns on the benefits of cannabis and hemp.

**Example:** A brand could launch a blog or video series educating consumers about the benefits of full-spectrum CBD and how the company ensures sustainability.

**Metric:** Monitor customer engagement and satisfaction through feedback, aiming for a 95% transparency rate across all product lines within two years.

# 3. Governance (G)

## 3.1. Ethical Business Practices (For All Categories)

**Action:** Implement a Code of Ethics that covers fair competition, anti-corruption policies, and regulatory compliance. Ensure all staff understand and adhere to these standards.

**Example:** A distributor could ensure transparency in pricing and anti-bribery measures when negotiating contracts with international partners.

**Metric:** Conduct regular audits and monitor the number of ethical violations and resolutions within the company.



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### 3.2. ESG Reporting and Accountability (For All Categories)

**Action:** Develop an ESG reporting framework to track sustainability metrics, social impact, and governance practices. Use industry frameworks like GRI or SASB to guide reporting.

**Example:** A manufacturer could report on energy consumption, waste reduction efforts, and board diversity in an annual ESG report for stakeholders.

**Metric:** Publish an annual ESG report with specific goals for improvement, such as reducing carbon emissions by 15% over three years.

### 3.3. Board and Leadership Diversity (For Brands, Manufacturers, Pharmaceutical Companies)

**Action:** Increase diversity at the board and leadership levels, ensuring representation from underrepresented groups. Create mentorship programs to support women and minorities in leadership roles.

**Example:** A pharmaceutical company might launch a leadership program targeting underrepresented groups, promoting diversity in its executive team.

**Metric:** Track the percentage of leadership roles held by underrepresented groups, aiming to increase diversity by 20% within three years.

### 3.4. Supply Chain Transparency (For Growers, Manufacturers, Retailers, Distributors)

**Action:** Audit your supply chain for compliance with ethical labour practices and sustainability goals. Partner with suppliers who meet your ESG standards.

**Example:** A retailer could source products exclusively from suppliers with ethical labour certifications and fair trade practices.

**Metric:** Track the number of suppliers audited for compliance with ESG standards and aim for 100% compliance within three years.

## Conclusion

By adopting the ESG practices outlined in this toolkit, CTA members can improve their environmental sustainability, social responsibility, and governance structures. Implementing these strategies not only strengthens business resilience but also contributes to the growth of a sustainable, ethical, and transparent cannabis and hemp industry.



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