

Cannabics Pharmaceuticals Inc.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY

August 2021

ABOUT THE COMPANY

Cannabics Pharmaceuticals Inc. (“Cannabics” or the “Company”) is a U.S. public company and a global leader in the development of cancer related cannabinoid-based medicine. Cannabics has been conducting research on the antitumor effects of cannabinoid formulations on cancer since its establishment in 2012. The Company’s R&D is based in Israel, where it is licensed by the Ministry of Health to conduct scientific and clinical research on cannabinoid formulations and cancer.

RESPONSIBLE BUSINESS PRACTICES

Cannabics is committed to incorporating Environmental, Social, and Governance (ESG) criteria into how we manage our business. The Company’s strategy is governed by the Board of Directors, which, in collaboration with the Company’s CEO, reasonably ensures that ESG considerations are factored into how the Company is managed. Cannabics is committed to assessing the environmental, social, and governance factors that impact our business, managing the risks associated with such factors, and striving to improve the way the Company operates its business in accordance with these factors. This includes identifying opportunities to reduce the Company’s own environmental footprint, enhancing the diversity of the organization, having a positive impact on the communities in which the Company operates, and operating with a strong culture of compliance.

ESG GOALS

Cannabics strives to operate its business with integrity, and building a diverse and inclusive workplace where our employees can thrive. This also motivates us to volunteer and provide resources for organizations that strengthen the communities where we live and work as well as our global community. We believe we are contributing to a successful future – for our partners, employees, the industry, our communities, and potential end users of the treatments that we are developing, which we hope will substantially increase their quality of life.

Cannabics believes that incorporating ESG factors into our business management and decision-making can help mitigate risk and enhance quality of our work. We define ESG as a set of standards for the Company’s operations as follows:

Environmental - assessing how a Company’s activity overlaps with broader environmental considerations, with the focus on environmental impact of our activities, especially with regards to energy consumption, printing and paper use.

At Cannabics, we recognize the positive and negative impacts of our operations on the environment. We consistently strive to improve resource conservation and energy efficiency through the implementation of environmentally friendly technologies and manufacturing processes.

Social - how do we manage relationships with a variety of stakeholders (employees, suppliers, customers), with a focus on wellbeing and development of our employees.

At Cannabics, we believe that our employees, researchers, collaborators and advisors are our biggest assets and a key stakeholder for ensuring our success as a responsible business. We have implemented employee-centric policies and procedures, which enable a conducive workplace and help employees voice their concerns and aspirations. We also work closely with the community to understand the relevant concerns and provide support through various educational and health-focused programs.

Our workforce diversity by gender is 43% female and 57% male and by age is 10% less than 30y.o.; 33% 30-50; and 57% 50+ and we strive to improve our overall diversity.

We have adopted health and wellbeing initiatives for our employees – including social benefits programs; part time work policy; flexible working hours and parental leave.

At Cannabics, we have a strategy for a sustainable supply chain. On average, more than 85% of our procurement budget was spent locally.

Governance - factors such as firm leadership, executive pay, internal controls, and shareholder rights.

Corporate governance at Cannabics is defined by transparency and integrity. The major pillars of our corporate governance are Board structure and effectiveness, ethics and compliance, and risk management.

Our Board of Directors comprise of our leaders, who provide strategic direction, capitalize on sustainable opportunities and provide keen insights into the Company's management. Our Board has deep expertise in the fields of strategy, finance, operations, science, human resources, information technology and economics. The diversity in perspectives supports us in understanding varied stakeholder concerns.

Our Code of Business Conduct establishes an environment for acceptable behavior and actions, applicable to all directors and employees. Additionally, the code also covers corruption and bribery, discrimination, confidentiality of information, conflicts of interest, anti-trust/anti-competitive practices, money laundering and/or insider trading, environment, health and safety, and whistleblowing amongst others.

EXTERNAL COLLABORATION

Cannabics is engaged in multiple partnerships with organizations committed to enhancing integration of ESG factors and driving greater industry transparency.

IMPLEMENTATION OF ESG POLICY

In order to address and monitor our key ESG issues, the company CEO is reporting to the Board on a regular basis on the Company's ESG initiatives and progress made in achieving ESG goals. We believe in and promote active participation in and engagement with ESG at all levels of our business. Cannabics will ensure that this policy is reviewed and updated, if necessary, on an annual basis.