Boardroom Briefing: Upleveling ESG Through Regenerative "Good Faith"

Purpose of This Briefing To offer an expanded perspective on ESG by integrating a regenerative interpretation of "acting in good faith" that enhances long-term value, ethical stewardship, and systemic balance. This does not constitute legal advice but is relevant contextual information to be considered now in boardrooms.

Context: Environmental, Social, and Governance (ESG) frameworks have become standard in assessing organizational responsibility and resilience. However, conventional ESG remains: - Centered on organizational risk and reputation - Bound to current legal and financial materiality standards - Focused on the present and the measurable

To truly meet today's polycrisis realities—climate instability, social fragmentation, ecological degradation—boards must move beyond ESG as compliance scaffolding and adopt a posture of **regenerative stewardship.**

This shift is anchored in a deeper interpretation of **"acting in good faith."**

Regenerative "Good Faith" — A Contextual Interpretation

Traditionally, "good faith" refers to a director acting honestly and without conflict of interest - With loyalty to the organization - In a manner believed to serve the organization's best interest

Regenerative good faith expands this by asking: "Are we acting with awareness, integrity, and care for the **living systems**, **communities**, and **futures** our organization is nested within?"

This broader view brings into scope: - Intergenerational wellbeing - Ecological coherence and planetary boundaries - Systemic equity and care - The integrity of social and relational capital

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Application Across Board Functions

Board Function	Conventional ESG Framing	Regenerative Good Faith Supplement
Strategy	Integrate ESG into long-term value creation	Align strategy with life-supporting systems and intergenerational outcomes. Reconfigure what is true value and contribution in a changing, challenged world.

Board Function	Conventional ESG Framing	Regenerative Good Faith Supplement
Risk Oversight	Monitor ESG-related risks and material disclosures	Attune to systemic thresholds and early signals of feedback from the field
Executive Compensation	Tie incentives to ESG KPIs	Reward regenerative leadership: foresight, stewardship, relational intelligence
Culture & People	Address learning, engagement, labour policies	Support adaptive capacity. Foster a culture of care, renewal, and inclusion
Disclosure	Align with ESG standards (TCFD, IFRS, ISSB, ESRS, GRI, SASB, SFDR, etc.)	Communicate coherently through a multi-capital, place-based, and qualitative lens.
Decision-Making	Consider ESG implications in major decisions	Apply multi-generational considerations and ethical discernment across ecological and social scales
Stakeholder Engagement	Respond to material stakeholder concerns	Build right relationships and ongoing dialogue with human (and those who can bring in non-human) stakeholders

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Conclusion: ESG, in good faith, becomes more than incrementalism and disclosure—it becomes stewardship. Boards acting in regenerative good faith evolve and protect long-term organizational value by contribution to the **ongoing viability of the living systems** on which all value depends. If not now, when.

Boardroom Reflection Prompts - Are our decisions in alignment with the **long-term vitality** of people and place? - What would it mean to take **intergenerational fiduciary duty** seriously? - Are we recognizing **early patterns of system change**, not just short-term risks? - In what ways are we meeting the letter but missing the **spirit** of ESG? What do we want to be **our legacy**?

Next Steps - Share this briefing with ESG committees and governance professionals. Include regenerative good faith in board ethics or stewardship training. Review strategic decisions with these questions and supplements in mind.