



## OUR CORPORATE SOCIAL RESPONSIBILITY PLEDGE

### I. SUMMARY

**Mission Statement.** The National Cannabis Roundtable (“NCR”) is committed to bringing **social justice** to, expanding the **social equity** of and increasing **diversity and inclusion** within the regulated cannabis industry. NCR represents a group of companies on all points of the supply chain and we pledge our common cause to the pursuit of these values. We will contribute time, talent and financial resources to this nationwide campaign – and to the utmost of our respective abilities - as socially responsible corporate leaders in a dynamic business environment.

### II. Core Values

As the basis for its Corporate Social Responsibility Program, NCR members acknowledge the following core values as intrinsic to the development of a thriving cannabis industry in the United States:

1. **Social Justice** is defined as acts taken to correct historic injustices. In the cannabis industry, it means correcting the harms of cannabis legislation and the disproportionate enforcement of those laws in minority communities and ensuring past or present cannabis involvement does not create current or future harm. It also includes reforming aspects of the criminal justice system that have been used to harshly and unjustly penalize minority and low-income communities.
2. **Social Equity** is defined as fair access to livelihood, education and resources. In the cannabis industry, it means providing more job opportunities, educational programs and financial resources to groups disproportionately impacted by the war on drugs.
3. **Diversity and Inclusion in Business** means a workforce that has a wide range of abilities, experience, strength and knowledge due to its peoples’ differences in race, ethnicity, sexual orientation, gender identity and expression, age and background and that those qualities are valued and staff are full and equal members of the company workforce because of their individual experiences. In the cannabis industry specifically, it means having a workforce that hires and includes minority candidates from areas disproportionately impacted by the war on drugs.

### III. MEMBER ACKNOWLEDGEMENT

NCR has set forth the following corporate social responsibility pillars and accompanying objectives for each NCR member company to adopt, with the understanding that these pillars and objectives may be revised as is appropriate upon the development of future iterations of the CSR

program. Each NCR member affirmatively acknowledges that it will engage in at least one objective within each pillar and will report the efforts and outcome of their activity as a condition of maintaining their NCR membership in good standing. As each company is significantly different in its size, scope and maturity within the industry, NCR member companies may adopt alternative activities consistent with the overall purpose and mission of NCR's corporate social responsibility pillars.

## **IV. PILLARS**

NCR's Corporate Social Responsibility Program is comprised of four pillars of equal importance. These pillars provide both actionable objectives and ways to measure performance and accountability. The key pillars of this program are not all-inclusive of the diversity and inclusion efforts an individual member company may undertake, but are meant to provide a baseline for all participants in NCR.

The pillars are 1) Criminal Justice; 2) Equity in Business Opportunity; 3) Jobs & Employment; 4) Health Education and Health Disparities.

### **Pillar One: Criminal Justice Reform**

**Scope:** This pillar looks specifically at reducing the size of the population that has a criminal record related to cannabis offenses. Specifically, it looks at providing resources for expungements, the sealing of records and other mechanisms related to reducing the burden placed on individuals convicted of drug offenses by courts and prisons.

#### **Objectives for NCR Members:**

- Member companies should provide resources for expungement/record sealing initiatives including, but not limited to, sponsoring expungement clinics and engaging with national, state and local bar associations to deploy resources for post-conviction relief efforts; funding level to be based upon an agreed upon a percentage of total annual gross revenue;
- Advocate for decriminalization efforts in states that continue to incarcerate individuals for cannabis offenses;
- Advocate to remove non-violent cannabis offenses from the list of deportable offenses; and
- Work to repeal laws that prohibit individuals with prior convictions from working in the regulated cannabis industry.

### **Pillar Two: Equity in Business Opportunity**

**Scope:** This pillar seeks to ensure the cannabis industry is being served by a broad group of interests by creating partnerships for goods, services and employment talent from a diverse set of providers. This pillar also will provide ownership opportunities in the cannabis industry for those directly impacted by the war on drugs, as well as ownership opportunities for classes of individuals who are currently underrepresented in the cannabis industry.

#### **Objectives for NCR Members:**

- Engage with a diverse range of suppliers including - but not limited to - Small Business Enterprises, Minority-Owned Businesses Enterprises, Veteran Owned Business Enterprises (including service-disabled veteran small businesses), Women-Owned Businesses and LGBTQ+ Owned business enterprises that have been certified by a third party;

- Ensure contracts are entered into - and transactions conducted - for goods or services with diverse groups with a specific emphasis on M/WBE contractors
- Create community incubators that provide the capital and training needed to ramp-up operations for minority owned cultivators, dispensaries and retailers.
- Identify and employ minority, women and veteran-led vendors as our business partners;
- Work with minority, women and veteran-connected nonprofits and other agencies to provide cannabis-related small business development and support events such as hiring fairs and community workforce programs;
- Partner with universities to develop cannabis-focused curriculums in business, agriculture and plant science;
- Partner with the higher education community to develop “pathways to employment” in the cannabis industry, including internships, job training/placement assistance, career services, scholarships and entrepreneurship support targeted to low-income, minority, women, veteran, LGBTQ+ candidates;
- Provide management and ownership opportunities to women, minorities and those adversely impacted through the war on drugs either through direct control, or through the issuance of shares if the company is organized as a corporation;
- Promote economic empowerment in communities disproportionately impacted by the war on drugs through activities such as business incubators, hiring fairs, mentorship programs and other opportunities in both cannabis and ancillary community businesses.

### **Pillar Three: Workforce Utilization**

**Scope:** This pillar is focused on diversifying the workforce within the cannabis industry itself and making it more inclusive. This pillar seeks to expand diversity within the cannabis industry’s workforce to include: racial and ethnic minorities, women, individuals with disabilities, veterans, LGBTQ+ individuals, as well as those with prior cannabis convictions (hereinafter referred to as “designated beneficiaries”). This pillar ensures that each member company’s workforce composition, including pay bands, reflects a diverse composition of designated beneficiaries and provides an inclusive workplace for those employees. It is critical that NCR members maintain transparency and create opportunity for upward mobility within their companies for designated beneficiaries.

### **Objectives for NCR Members:**

- Participate in or develop workforce training programs to ensure that a diverse talent pool is prepared to enter the cannabis industry;
- Provide or participate in workplace diversity and inclusion trainings;
- Provide and report on achievable metrics of diverse representation at every level of business, from entry-level hourly workers to C-suite executives;
- Provide employment opportunities for those with prior cannabis convictions or arrests;
- Document and provide equivalent pay for substantially similar employees regardless of their gender, race or other characteristic consistent with federal legislation like the Equal Pay Act;
- Commit to the goal of hiring a diverse workforce with disproportionate hiring of minority groups (see attached Diversity worksheet);
- Collaborate with civic leaders and community-based organizations to develop community education activities to help individuals better understand cannabis industry employment opportunities; and
- Create internal process to improve efforts to reach out to and recruit diverse participants for employment, including executive and managerial positions.

#### **Pillar Four: Health Disparities**

**Scope:** This purpose of this pillar is to increase access to cannabis for health reasons for populations disproportionately affected by certain conditions. This pillar also focuses on advocacy for policies and programs that support research – particularly through partnerships with historically black colleges & universities (HBCUs) – on the benefits and efficacies of cannabis on health issues, conditions and diseases that specifically impact minority populations.

#### **Objectives for NCR Members:**

- Retailers shall develop sales strategies to provide products to low-income patients and consumers who receive some form of public assistance through discounts, cost reductions, promotions or loyalty programs;
- Support and advocate for policies and programs for expanded research on health issues, diseases and conditions that adversely and disproportionately affect minority populations;
- Provide resources for community health clinics and education programs for physicians on how medical cannabis can be used as a tool in treating conditions that adversely and disproportionately affect minorities; and
- Partner with universities, including but not limited to, historically black colleges and universities (HBCUs) to research the effects of cannabis on health issues that impact minority populations.

## **V. REPORTING**

**Initial Benchmark:** As a first deliverable, on or before **31 May 2020**, each NCR member shall submit a narrative describing their company’s current corporate social responsibility policies. Members may highlight efforts outside of the pledge’s pillars that espouse principles enumerated above. As members are preparing this narrative report, members should also include a self-assessment of areas in which their operations can improve.

These initial narrative reports will serve as a preliminary internal benchmark, as well as a roadmap for future internal accountability. Reports will be shared only with NCR’s third party auditor to help assess the impact of our CSR pledge. Information contained in the reports will only be shared externally in an anonymous, aggregated way and will not reference any specific member company’s report.

**Annual Reporting:** Each company will report the following information by **31 December 2020** and annually thereafter. Note that the information will be used for internal benchmarking and analysis and will be aggregated and made anonymous for external reporting purposes.

- The diversity status of operators and employees via the Diversity Analysis worksheet developed by the Social Equity Task Force
- An official diversity and inclusion plan;
- Internal diversity goals;
- A plan for diversity-orientated outreach or events;
- Materials from mentoring, training or professional development programs for diverse groups;
- Any other information the shows the company’s commitment to workforce and employment diversity and inclusion practices;

- What efforts they have taken within each of the four above pillars in narrative form, along with any measurable metrics of implementation;
- A Diversity Analysis Report including the following information for each job category within the member company:
  - Total number of persons employed in each job category,
  - Total number of members of each racial minority employed in each job category,
  - Total number of veterans employed in each job category,
  - Total number of service-disabled veterans employed in each job category,
  - Total number of women employed in each job category, and
  - Total number of men employed in each job category
  - Total number of LGBTQI-identified employees in each job category.
- A narrative description of the company's ability to record and report the components of the diversity plan;
- Evidence of the company's use of M/WBE contractors.

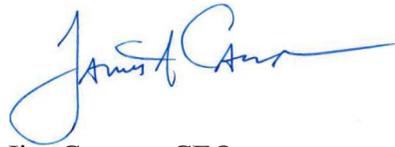
## **VI. AUDITING, OVERSIGHT & TRANSPARENCY**

NCR will engage an independent entity to audit the information provided by members thus ensuring the integrity of the Corporate Social Responsibility Program. This audit function will be built into NCR's 2020 budget and an aggregated summary of the auditors' final report will be made available to members.

NCR will engage subject matter experts from minority, adversely impacted and designated beneficiary communities to advise the organization on the effectiveness and impact of this program to ensure that NCR's CSR measures reflect the needs and priorities of the communities that they seek to assist. These subject matter experts will work with NCR members and staff to ensure the integrity of each program pillar, as well as to measure performance and accountability as an organization.



Kevin Murphy, CEO  
Acreage Holdings



Jim Cacavo, CEO  
Flora California



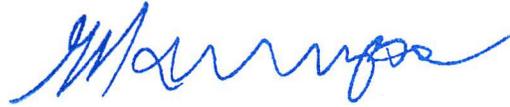
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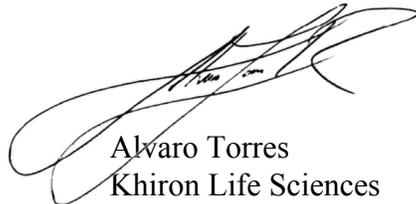
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