



Redbud Roots Lab II, LLC

AU-G-C-000132

AU-G-C-000969

AU-G-C-000153

AU-G-C-000503

This entity qualifies for the Gold level tier of
the Social Equity All-Star Program

REDBUD

Roots

BUCHANAN | MICHIGAN

EST. 2017

- *Michigan's Premier Craft Cannabis Company* -

REDBUDROOTS.COM

Social Equity and Diversity Plan

Introduction

Redbud is a vertically integrated cannabis company headquartered in Buchanan, Michigan. Our mission is to provide the highest quality cannabis and cannabis infused products through safe, friendly, and community focused cannabis dispensaries.

Our team of business leaders and cannabis entrepreneurs have over 20 years of combined expertise in cannabis cultivation and processing, retail and sales, economic development, government & political affairs, real-estate development and customer service. We are determined to increase community awareness of the medicinal benefits of cannabis, while reducing the stigma often associated with use of cannabis.

Our passion and subject matter expertise are evident across the industry supply chain in Michigan, where we have embraced industry best practices as a licensed cultivator, processor, and retail facility. We believe the communities we have facilities in have and will continue to benefit greatly as we leverage our industry expertise to form alliances with statewide partners and bring the absolute highest quality cannabis in a safe and friendly environment.

Since opening our doors in 2019, Redbud has continued to deliver on our mission to positively impact individuals as well as communities. Redbud sells the safest, highest-quality products, featuring rigorous cultivation, processing, and secure professional packaging that meet or exceed state requirements. Additionally, Redbud continues to focus on legally compliant, financially sound, and community responsive operations. We use the diverse backgrounds and combined experience of our team of highly skilled professionals in patient education, customer service, business operations, and compliance to manage all aspects of this highly regulated industry with consumer's needs and safety in mind.

Approach to Social Equity

Redbud understands the value of diversity. It strives to impact areas and individuals disproportionately impacted by prior cannabis prohibition across the state through concerted execution of the company's Social Equity and Diversity Plan. This plan utilizes an affirmative action policy, establishes employee diversity goals and workforce utilization report policy, diversity-oriented outreach and events, policy for contracts with diverse groups, and mentoring and professional development programs. Redbud will apply its social equity and diversity plan to positively impact communities of all locations in the state of Michigan.

The company will implement business practices aligned with its quality-forward, social-entrepreneurial mission to maximize the socio-economic benefits that legal cannabis potentiates. Foremost among these practices is inclusion at every opportunity, from geography to personnel to vendor selection.

The company's Social Equity and Diversity Plan will be applied in all markets where it operates; it will produce, for one example, a workforce that is notably diverse in race/ethnicity, gender identity, sexual preference, and veteran status —moreover, these workforces will be local to and reflect the unique communities in which we operate.

The company will create economic opportunity for diverse individuals, specifically people of color from communities most harmed by cannabis prohibition, by implementing a diversity focused hiring strategy. Out of the ten full-time employees that will work at each facility, at least two of the employees must be women and two must be minorities. Also, apart from managers, all employees must have resided in a 25-mile radius of the facility

within the past 6 months. The company's employees will earn competitive wages and receive a full benefits package and enjoy internal promotion and career advancement opportunities in a growing company.

Our leadership team seeks to be generous and transparent with institutional knowledge and serve as a resource and steward of the nascent cannabis industry— and consider that effort, while less measurable, to be one of the most valuable contributions the company can make towards rectifying harms against communities of color and others disproportionately impacted by cannabis prohibition.

Social Equity Plan

Employment Opportunities

Redbud strives to be an inclusive company made up of talented and diverse individuals from many ethnicities and cultures. The Company will prioritize residents of each community it operates in during the hiring process for open positions. Redbud has developed an action plan to inform, hire, and educate minorities, women, veterans, state residents, and disabled persons. The Company's executive team is committed to building a company with fair treatment, access, opportunity, and advancement for people of all demographic backgrounds, and believes deeply that it is the company's responsibility to take care of the people that take care of them.

Communities Disproportionately Impacted

Redbud currently employs people across its company from several communities that have been disproportionately impacted by marijuana prohibition and enforcement. Redbud has employees who reside in the following cities:

- Benton Harbor
- Berrien Springs
- Dowagiac
- Eau Claire
- Edwardsburg
- Kalamazoo
- Muskegon
- Niles
- Watervliet

Diversity & Inclusion

It is the policy of Redbud not to discriminate against any employee or any applicant for employment because of age, race, religion, color, handicap, sex (including sexual orientation or gender identity), physical condition, developmental disability, or national origin. This policy shall include, but not be limited to, the following: recruitment and employment, promotion, demotion, transfer, compensation, selection for training including apprenticeship, layoff, and termination.

Redbud has an Equal Employment Opportunity Officer, and they are responsible for planning and implementing the Company's affirmative action plan, as well as for its day-to-day monitoring of affirmative action-related decisions and activities. All personnel who are responsible for hiring and promoting employees and for the development and implementation of programs or activities are charged with supporting this. They shall provide leadership in implementing affirmative action goals and initiatives.

The Company shall abide by all state regulations and federal laws relating to equal employment opportunities and affirmative action. The Company shall continue to work cooperatively with government and community organizations to take affirmative action to ensure equal employment and advancement opportunities for all individuals.

More specifically, Redbud will ensure that at least 25% of its employees are of minority and/or female.

Positive Impact Plan

The company recognizes the disproportionate impact the war on drugs has had firsthand on communities. That is why it embraces diversity and plans to have a positive impact within its community by offering educational resources on cannabis, fostering the destigmatization associated with cannabis use, and partnering with and supporting organizations at the local, state, and federal levels that provide services to individuals and communities disproportionately harmed by cannabis prohibition through contribution of financial resources, education, and/or subject matter expertise. With Redbud able to provide professional and technical consulting services and mentoring for individuals and business this will help reduce systemic barriers to entry in the cannabis industry.

Corporate Spend

Redbud aims to have up to 5% of its operational expenses be with diverse suppliers that are at least 50% owned and operated by an individual or group in one of the following categories: minorities, women, veterans, tribal, LGBTQ, and people with disabilities. A short list of current suppliers who meet this criterion are:

- TreeTown;
- Narvono;
- Primitiv;
- Viola;
- Premiere Provisions;
- Noble Road; and
- 1st Quality Medz

Corporate Re-Investment

At Redbud, we believe action speaks louder than words. While most cannabis company's *talk* of "partnering" with municipalities, Redbud has a history of integrating and, more importantly, employing local residents. Redbud has established Be a Bud, which is a program designed and led by multiple Redbud administration members and employees from multiple Redbud facilities.

Throughout the years Redbud has been privileged to give back to its communities in several ways such as volunteer labor hours, education opportunities, collecting donations for those in need, or sponsorship.

Education

Redbud, in conjunction with Fresh Thyme CBD, worked with Western Michigan University for a Cannabis Marketing during the spring 2023 semester. This is a course that is designed to equip the student with the

necessary tools and background to successfully enter the cannabis industry. As the push to legalize recreational marijuana nationally continues, coupled with the increased popularity of other cannabis products, it is necessary to focus on the history, development, overlap of cannabinoids, effects on homeostasis and the Endocannabinoid System, the THC and CBD culture, uses, etc., to better prepare the student to prosper in the cannabis industry. This class will help certify the student in the basics of cannabis marketing, plus the basics in provisioning center expertise.

Donations and Sponsorships

Redbud has taken up donations and/or provided sponsorships to several organizations throughout the state of Michigan. Some of them have been:

- Purses with a Purpose – Sexual Assault Awareness
- Food Donations for Hunger Action Month
- Arbor Day with Tree Friends
- Puff n' Putz Charity Golf Outing;
- Sponsored a local biking event in which participants rode in an effort to raise awareness of Parkinson's disease;
- Annual participation in "Movember" fundraisers to raise donations for and awareness of men's health issues, such as prostate cancer, testicular cancer, and men's suicide;
- Annual participation in "Pink-Outs" where employees are permitted to wear their favorite pink gear to raise awareness of breast cancer;
- Sponsored and provided t-shirts for a 5K run.
- Regularly partners with other license holders in the state for charity drives where a portion of proceeds of product sold is sent to different charities.
- Coat drive for Women's Shelters

Volunteer Hours

Redbud employees love to give back to their communities by volunteering their time to help local organizations and causes. While Redbud does not offer official Volunteer Time Off (VTO) hours at this point, Redbud does pay its employees for any volunteer time done during their regularly scheduled workday when done in conjunction with Be a Bud. Because of this, more employees have become active in their communities and have brought forth causes that are important to them to be involved in. Some of the organizations and ways employees have volunteered their time are:

- Food delivery and hand out with Love, Inc.
- Memorial Day Flag Planting;
- Blues'd and Infused Cannabis Festival;
- Fernwood Lights;
- Community Garden Clean Up;
- Redbud Motocross Lucas Oil Championship;
- Cleaning up and planting trees at local dog parks;