



# Herbana

AU-R-000517

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

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# Social Equity Plan

## Promoting an Inclusive Marihuana Market

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*Kalamazoo Gallery, Inc.*

Proposed Adult-Use Marihuana Retailer Facility

2723 W Michigan Ave, Kalamazoo, MI 49006

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## 1 Introduction

Kalamazoo Gallery, Inc. (KG), has received prequalification status from the Michigan Department of Licensing and Regulatory Affairs' (LARA) Marijuana Regulatory Authority (MRA). KG now submits this Staffing Plan in support of its municipal application with the City of Kalamazoo for an Adult-Use Marijuana Retailer license to purchase marijuana products from licensed growers and processors for distribution to customers 21 years of age or older .

KG is committed to ending the stigmas associated with cannabis. This commitment includes support for the communities and individuals that have been disproportionately impacted by marijuana prohibition and enforcement. Although Michigan's social equity program is in its infancy, KG has consistently operated with an a focus on hiring from, and serving clients within, communities that faced the most significant consequences of cannabis prohibition since ever since opening our first establishment. Over the next year, KG plans to continually assess and update our activity in this area with a particular emphasis towards exploring additional opportunities for recruitment, employee training, and community outreach projects.

## 2 Recruiting

KG's has historically relied on word of mouth and referrals from current team members, which we would augment with local postings on national job boards (ex. Indeed, Glassdoor). However, KG's recruitment team has since identified additional recruiting opportunities that more narrowly focus on communities that satisfy the MRA's requirements for eligibility in the Social Equity Program (SEP). For example, KG has expanded the scope of our recruitment efforts to include and prioritize local news or other media sites that still maintain a job postings area and are willing to accept cannabis-related content. Social media platforms have also been a powerful recruiting tool for identifying prospective employees from SEP-eligible communities or backgrounds—particularly given the powerful data analytics that these platforms offer for narrowly tailoring media placements to reach members of SEP-eligible communities.

## 3 Hiring

KG has been—and continues to be—committed to maintaining a diverse workforce. We believe that upwards of 30% of our current team members would self-identify as part of a social group or community that was disproportionality impacted by marijuana prohibition. We take great pride in the diversity of our team; the lived experiences of each KG employee offers unique insights and perspectives that we seek to harness in service of our clients. Perhaps more critically, in an industry that has faced substantial criticism over the homogeneity of company owners and employees,

we also recognize that a diverse team is an asset many in the cannabis space are not yet fortunate enough to have.

Our company-wide commitment to an inclusive cannabis marketplace means that KG does not exclude prospective team members with prior criminal history from hiring consideration—particularly those with misdemeanor marijuana convictions. Though state law requires marijuana businesses to screen prospective employees for prior felony convictions, we treat each situation as unique. We ultimately strive to do all we can to help prospective employees whose convictions likely stemmed from the well-documented historical trends of selective enforcement and prosecution of drug offenses while ensuring that our hiring practices remain compliant with state and federal law.

At KG, we are deeply passionate about cannabis, and we are always eager to hire motivated individuals who share this passion. Accordingly, the company has also found that SEP-eligible individuals with prior experience as a registered primary caregiver or medical marijuana patient are often extremely well-qualified and knowledgeable team members. We continue to seek new opportunities to help SEP-eligible individuals and community members enter and find success within Michigan’s marijuana marketplace.

## 4 LIVING WAGES

All KG team members receive a living wage that starts well above the state and federal minimum hourly wage. Our team member compensation package also includes fringe benefits, like PTO and Sick Leave for all team members—including part time hourly staff. Please see the attached Staffing Plan for additional details.

## 5 INDUSTRY SUPPORT

Consistent with the vision articulated in the City’s Marijuana Social Equity Policy, KG, hopes to be a resource for prospective SEP-eligible community members that would like to own or operate a marijuana establishment in the future.<sup>1</sup> The KG management team is eager to share the insights gained through their success in the Michigan marijuana market to benefit communities that were historically disadvantaged under prohibition. To support the City in its efforts to realize this objective, KG plans to offer volunteer consulting/mentoring business resources to SEP applicants and licensees—either directly through the City’s broader social equity program, or through the MRA’s Social Equity Partnership program once participation details are released.

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<sup>1</sup> Kalamazoo City Commission Policy No. 30.9(C)(1)(a).

## 6 CORPORATE SPENDING PLAN

Kalamazoo Gallery, Inc. (KG) has committed to spending 5% of our qualified business expenses (excluding payroll and inventory produced by our affiliated businesses) with diverse suppliers, including women-owned, minority-owned, veteran owned, and businesses who were previously disproportionately impacted by marijuana enforcement.

After completing a survey of all of our current business partners, we have identified ongoing business relationships with over 22 diverse businesses across multiple expense categories. Examples include:

PRODUCT SUPPLIERS (Ex: Exclusive Brands, Trucenta, Brightmoore Gardens, Kassab Investments)

TRANSPORTATION (Ex: Emerald Transport)

INSURANCE (Ex: Roots Insurance)

In calendar year 2022, our spending with diverse businesses exceeded 27% of our (qualified) business expenses, exceeding our goals by over 500%.

With new mechanisms and supplier screening criteria now in place, we believe we are even better positioned to exceed our goals moving forward.

## 7 EDUCATION

The final component of KG's social equity plan is our commitment to honest and reliable education and informational resources about cannabis and participation in the cannabis industry. KG seeks to dispel negative and scientifically unsupported stigmas about marijuana use to promote genuine understanding of the potential risks and benefits of marijuana so consumers can make their own well-informed decisions about cannabis use. To support this objective, KG will offer informational sessions and other community learning events to both engage the broader community, and provide an opportunity to learn about the history of cannabis, the factors that contributed to its eventual prohibition, as well as the importance of strong product testing and quality controls. KG will also provide interested community members with information about the eligibility requirements and procedures for seeking the expungement of criminal records for marijuana related offenses.