



Responsible Advertising and Marketing Standards for the U.S. Cannabis Industry

Fall 2020 Edition

CRESCO
LABS®

A word from our founder

Since our founding in 2013, Cresco Labs has been guided by a vision to bring a level of professionalism, ethics, and hard-nosed business discipline to this emerging product category and industry. It has been our mission ever since to normalize, professionalize, and revolutionize cannabis.

That approach has guided us through seven years of incredible growth. Today, Cresco Labs is one of the most trusted and fastest-growing cannabis companies in the world. Our unrelenting attention to professionalism and discipline is a large part of why we have enjoyed success.

As our house of branded products and market reach grows, there is an increasing need to advertise, market and communicate with the public. Our overriding principle is to do so in a manner that is disciplined, ethical, and fact-based and upholds the high standards of conduct on which the company was founded.

These standards define what we stand for and how we conduct ourselves in our everyday marketing and advertising efforts. It details the principles and the codes of conduct that will guide us and holds us accountable in all our work in this area.

The cannabis industry is now crossing the Rubicon; from the obscure and misunderstood to center stage in mainstream American life. How we represent ourselves as an industry at this moment will set a tone for the future. This effort is part of setting that proper tone and we encourage all operators to join us in following these marketing and advertising standards as we build a responsible cannabis industry together.

Charlie Bachtell
Chief Executive Officer & Co-founder

Introduction

Currently, cannabis is legalized for adult use in 11 states, medicinally in 33 states and many more are discussing some form of legalization. This all happened in less than 20 years, and cannabis now represents one of the fastest-growing product categories in the United States.

Cresco Labs exists to make life better for its consumers by delivering solutions to meet their wellness needs. Our portfolio of trusted consumer and retail brands serves an array of consumer lifestyles, from those who are familiar with

cannabis to those who are new to it. While our brands cater to a range of different needs, each offers a trusted, quality, consistent experience, giving consumers the control they deserve. Advertising and marketing materials in support of these brands are legitimate efforts by Cresco Labs to inform consumers of the uses, formats, and attributes that are available to help them live better lives. Cannabis advertising and marketing also encourages transparency, legal, and responsible consumption, and fosters customer loyalty.

“ Cresco Labs exists to make life better for its consumers by delivering solutions to meet their wellness needs.”



Introduction continued

Currently in cannabis, there are no federally issued regulations that typically exist in other emerging categories. Compliance to regulations is entirely a state-by-state exercise, with the exception of federal laws on consumer protections. Each state that has legalized medical or recreational cannabis often has its own unique requirements.

As leaders in the industry, Cresco Labs established the following standards to guide our company, as a complement to existing

regulations. Naturally, any state guidelines on marketing and communications conduct will always supersede and override the standards in this document. Where a state does not require a standard contained in this document, we will conform to the standard voluntarily.

For questions regarding this document, please contact Jason Erkes, Chief Communications Officer, at je@crescolabs.com.





The Standards

Cresco Labs' Responsible Advertising and Marketing Standards represent our guiding principles and standards that will self-regulate our advertising and marketing efforts.



Part A

Guiding Principles

- A1 Cresco Labs' Responsible Advertising and Marketing Standards will strictly adhere to both the letter and spirit of all relevant state jurisdictional statutes and standards.
- A2 Cresco Labs' Responsible Advertising and Marketing Standards will be ethical, legal, and factually accurate.
- A3 Cresco Labs' Responsible Advertising and Marketing Standards will be targeted exclusively to consumers of legal age.
- A4 Cresco Labs' Responsible Advertising and Marketing Standards will adhere to commonly understood standards of good taste and professionalism.
- A5 Cresco Labs' Responsible Advertising and Marketing Standards must be sensitive to the diverse range of cultural norms in which the company operates.
- A6 Where Cresco Labs is licensed in a state that permits medicinal use of cannabis only, advertising shall not promote or encourage use by non-medical cardholders.



Part B

Promoting Responsible Consumption

B1

We will not show a consumer lacking physical or mental control over their behavior, movement, or speech as a result of consuming cannabis. We will never suggest that over-consumption is in any way acceptable, "fun" or desirable. On the contrary, we will make every attempt to showcase responsible behavior in all communications.

B2

We will not portray, encourage, or condone driving under the influence or over-consumption.

B3

We will not depict persons who choose not to consume cannabis in a negative light. Cannabis consumption is a choice that is not for everyone. Cresco Labs respects everyone's right to choose for themselves.

B4

All brand names, visual identity, packaging, labels, internet, and social media handles for our products will not imply any positive aspect of irresponsible consumption.



Part C

Preventing Underage Appeal

- C1 Our marketing and communications will take every reasonable measure to avoid contact with those under the legal age of consumption.
- C2 We will not employ any symbol, image, or language that is of primary appeal to those under the legal age. Cresco Labs shall not create a character, logo, celebrity endorsement, or any other depiction that targets an underage person or is commonly used to market products to underage persons.
- C3 We will not allow our brand logos or trademarks to be licensed for use on materials or merchandise intended for use primarily by persons below the legal age.
- C4 All members of brand promotions teams must be at least 21 years old.
- C5 Any photograph of people in our marketing and communications must reasonably appear to be at least 25 years old.



Part C

Preventing Underage Appeal

- C6 Targeted advertising will only be purchased against audiences that are expected to be of legal age. We will monitor media metrics to maintain compliance with our standards.
- C7 We will not sponsor or participate in community events where more than a majority of the audience is expected to be below legal cannabis consumption age.
- C8 Cresco Labs shall ensure any advertising or marketing involving direct, individualized communication, or dialogue controlled by Cresco Labs will utilize a method of age affirmation, and disclaimers when necessary, to verify that the recipient is not underage before engaging in that communication or dialogue.
- C9 Any outdoor media placements will avoid proximity to K-12 schools, playgrounds, or other locations that attract a high concentration of underage persons.
- C10 All Cresco Labs websites will include an age affirmation utility.



Part D

Benefits of Cannabis Claims

D1

Cresco Labs marketing and communications will never make unfounded product claims about the health and medical benefits of cannabis.

D2

Cannabis advertising and marketing materials will not convey the impression that cannabis has special or unique qualities if in fact it does not.

D3

Messaging should never mimic any brand of prescription drugs nor use specific words or symbols, or images commonly used in or by medical or pharmaceutical professions, including the word "prescription," the letters "RX," and a depiction of a caduceus, staff of Asclepius, bowl of Hygeia, or mortar and pestle.

D4

We will never make a claim that consumers can achieve any kind of social or professional status from cannabis usage.

D5

Conversely, we should never claim that health issues can ONLY be addressed with cannabis consumption.



Part E

Consumer-Facing Promotional Events and Merchandise

Promotional Events

E1

Cresco Labs will not participate in events where it is reasonably expected that a majority of attendees will be below the legal consumption age.

E2

A "21 and over" sign must be visible in a Cresco Labs booth at all events. Anyone appearing to be under the age of 21 or who cannot present a medical cannabis card who enters the Cresco Labs booth will be notified and not be engaged with (i.e., given collateral, swag, etc.). If a knowing adult over 21 wants to bring a minor to the booth, Cresco Labs will only engage with the adult and the adult assumes responsibility for minor.

E3

If a prospective patient/customer would like to learn more about obtaining a medical card or inquires more about symptom-specific information, a verified employee or staff member may further the conversation. If there is not one present, they are to be directed to relevant websites and/or a physician.



Part E

Consumer-Facing Promotional Events and Merchandise

Giveaway Merchandise

E4

Cresco Labs shall follow the rules of the jurisdiction in which Cresco Labs conducts business. If the jurisdiction does not prohibit the creation and dissemination of promotional products, then Cresco Labs may create such material in compliance with this code.

E5

Cresco Labs will make every effort to not offer, give, or sell branded merchandise or materials to underage persons.



Part F

Code Implementation, Reporting and Education

F1

Cresco Labs' compliance and legal departments are responsible for enforcing these standards. All marketing and advertising campaigns will be reviewed prior to public distribution.

F2

Written contracts and project briefs with all suppliers involved in the development of advertising and marketing materials, including any email and SMS/text messages, must review and adhere to these standards and receive ongoing training regarding the same.

F3

Where there is a disagreement regarding the application of these standards, the issue will be escalated appropriately to the Cresco Labs compliance and legal departments.

F4

The internal complaints process should be accessible through usual consumer communication channels such as the corporate website or contact us helpline.

F5

All relevant teams within Cresco Labs will receive ongoing training on the Code. New employees engaging in the marketing and advertising of Cresco Labs shall receive training within 30 days of commencing employment.

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