



2019/2020 ANNUAL REPORT

In May 2019, Cresco Labs created the SEED program (Social Equity and Educational Development) to address the absence of people, businesses, and communities disproportionately impacted by the War on Drugs in the cannabis industry.

Specifically, Cresco Labs recognized the lack of Black and Brown participation in the cannabis industry and resolved to invest both time and resources to try to remedy that inherent inequality.

In our first annual report, we outline the mission of SEED, describe its goals and initiatives, and detail the efforts dedicated to the program's success. We are proud of SEED's first year successes but realize that there is a great deal of work to be done. We want to give special thanks to our community partners who trusted us to engage in these efforts with them. Finally, we would like to thank the Cresco volunteers who dedicated their time and energy to make this program a success.

Charlie Bachtell, CEO



"This commitment may mean viewing restorative justice as not only healing individual harm, but also as transforming social structures and institutions that are themselves purveyors of massive harm."

- *The Little Book of Race and Restorative Justice* by Fania Davis

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OUR MISSION

Our mission is to develop tangible pathways into the cannabis industry for communities impacted by the War on Drugs through the three pillars of SEED:



RESTORATIVE
JUSTICE



COMMUNITY
BUSINESS
INCUBATOR



EDUCATION &
WORKFORCE
DEVELOPMENT

Free Expungement Sealing Summit

at Kennedy-King College

Saturday, January 18

10:00 AM - 12PM

U Building Great Hall Meeting Room

Tickets required.

Register for free at bit.ly/KKC-Expungement





SEED PILLAR

RESTORATIVE JUSTICE

SEED PILLAR: RESTORATIVE JUSTICE

Cresco Labs recognizes the irreparable harm done to communities of color by this nation's drug policies. Through its restorative justice initiatives, Cresco desires to elevate people whose lives were impacted by the War on Drugs by working to remedy some of those harms. SEED's restorative justice programming includes:

Expungement events

Lobbying to change the nation's drug laws

Working to ensure that no person remains
in prison for a cannabis conviction



RESTORATIVE JUSTICE PARTNER SPOTLIGHT CABRINI GREEN LEGAL AID

SEED financially supports Cabrini Green Legal Aid (CGLA) to help expand its capacity to provide legal services to those in poverty. CGLA is a recognized statewide leader in supporting low-income individuals negatively impacted by the criminal justice system. CGLA's mission is to seek justice and mercy for those living in poverty by providing legal services that strengthen individual lives, families, and communities.

SEED provides funding to CLGA to help ensure that individuals with a criminal record as a result of the War on Drugs can get that record expunged.



RESTORATIVE JUSTICE PARTNER SPOTLIGHT

GET CLEARED CHICAGO

Get Cleared is a project to end the school to prison pipeline by empowering ex-offenders to obtain their “Rap Sheets”, identify opportunities to “clear” and seal their records, and connect them to resources that will assist them in staying out of the criminal justice system.

Cresco provided financial resources and volunteer staff for the Get Cleared Chicago Rap Sheet Day, a collaborative expungement effort between The Monroe Foundation, Teamwork Englewood, The North Lawndale Employment Network and The Rock Enterprise and Development Corporation.



RESTORATIVE JUSTICE PARTNER SPOTLIGHT

LAST PRISONER PROJECT

The Last Prisoner Project focuses on three key criminal justice reform initiatives: prisoner release, record clearing through clemency/expungement, and reentry programs.

In 2019, SEED provided financial support to the Last Prisoner Project and their social justice initiatives—helping to release incarcerated cannabis prisoners, donating unrestricted funds, and creating/staffing our own events at the organization's request.

ADDITIONAL RESTORATIVE JUSTICE INITIATIVES

Institute for Community Justice; Philadelphia, PA:
Sponsored expungement and mental wellness event

NDICA; Pasadena, CA: Sponsored expungement

City of Kankakee; Kankakee, IL: Sponsored and implemented expungement event

Prairie State Legal Services; Illinois: Sponsored walk-in expungement clinic

Alpha Kappa Alpha Sorority, Inc.; Chicago, IL:
Sponsored expungement event and career panel discussion

Youth Justice Coalition; California: Sponsored expungement event

The Solomon Group; Chicago, IL:
Sponsored expungement event and incubator information session

Los Angeles Reentry Partnership; Los Angeles, CA: Sponsored expungement event

Citizens Against Gun Violence; California: Sponsored gun exchange event



"...As a result of their partnership, we were able to service 102 individuals with expungement and an additional 43 persons received health screenings. The most valued component about our partnership with Cresco Labs is their genuine support of our mission (and our constituents) which is evidenced by their authentic engagement with members of our ICJ team."



2019/2020 MILESTONES & ACHIEVEMENTS

- Facilitated 22 restorative justice initiatives
- Led activations in three states - Illinois, California & Pennsylvania
- Contributed over 90 hours staffing expungement events
- Helped provide expungement opportunities to over 1,200 individuals
- Contributed nearly \$425,000 including direct contributions and staff hours to execute these initiatives.



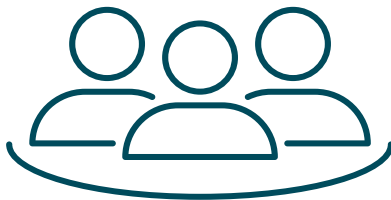


SEED PILLAR

COMMUNITY BUSINESS INCUBATOR

SEED PILLAR: COMMUNITY BUSINESS INCUBATOR

SEED recognizes that the current cannabis industry is largely homogeneous with respect to race and seeks to partner with Black and Brown entrepreneurs to help remedy that inequality. The Community Business Incubator is designed to help create and empower minority-owned cannabis businesses. SEED provides both the technical and financial assistance necessary to apply, open and operate a cannabis business.



The Community Business Incubator serves entrepreneurs interested in starting their own cannabis business or expanding their current business into the cannabis industry. SEED offers entrepreneurs a two-phase program, which supports them in writing technical applications, gaining the necessary operational knowledge and providing financial assistance.

COMMUNITY BUSINESS INCUBATOR SESSION 1: DISPENSARY

Cresco Labs supported 210 individually qualified cannabis dispensary applicants, representing 42 groups, through its inaugural Community Business Incubator. The Cresco Labs corporate team volunteered their time to guide each candidate through the application process and helped write their applications. Incubator participants received instruction from professionals in Retail, IT, Security, Public Affairs, and Human Resources, and extensive assistance from Cresco's legal team.





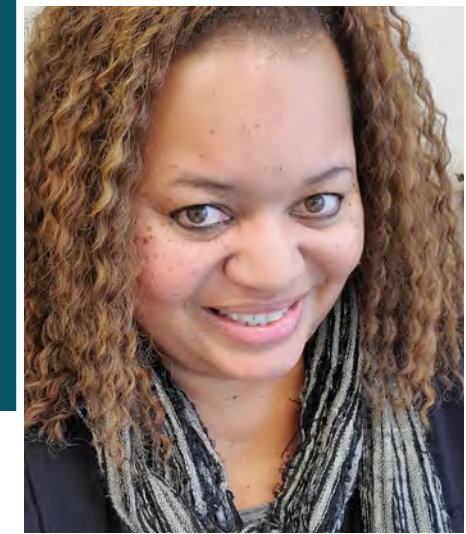
COMMUNITY BUSINESS INCUBATOR PARTICIPANT SPOTLIGHT NAKISHA HOBBS, JESSICA SANGUMA AND GWENDOLYN HARRIS, CANNIFEM

Cannifem was formed as a Limited Liability Company (LLC) and will be led and owned by Nakisha Hobbs, Jessica Sanguma and Gwendolyn Harris. Cannifem is a company that will be built on a solid foundation. Ms. Harris and Ms. Hobbs are the co-founders of three Chicagoland early childhood learning centers. Ms. Harris is a Chicago native and third generation educator. Ms. Hobbs is a native Chicagoan, North Lawndale resident and fourth generation educator. She began her journey in community activism as an undergraduate student at the University of Illinois at Chicago and she continued her passion to address inequities by co-founding It Takes A Village Early Learning Centers in 2004 and VLA in 2007. Jessica Sanguma has been a resident of Chicago for over 20 years. Ms. Sanguma is a veteran, having served in the US military for eight years.

If Cannifem is awarded a license, their plan for community engagement will utilize a three-pronged approach:

1. **Equity:** Work to address the inequity within the bail system by partnering with the Chicago Bond Fund.
2. **Education:** Create a cannabis apprenticeship program which will serve as a gateway for women and ex-offenders to enter the cannabis industry.
3. **Empowerment:** Empower young people by developing a grant program that supports youth-led advocacy projects.

"The existence of this incubator program helps to level the playing field for social equity applicants. In most cases, individuals who have been directly impacted by the war on drugs or live in communities that have been disproportionately impacted, do not have access to the same resources as their more affluent counterparts. The support that Cresco provided - financial resources to cover application fees, seminars with industry experts, the sharing of their trade secrets, access to technical assistance, and individualized feedback during the writing process, made a world of difference! The incubator program made it possible for us to successfully complete and submit a competitive application."



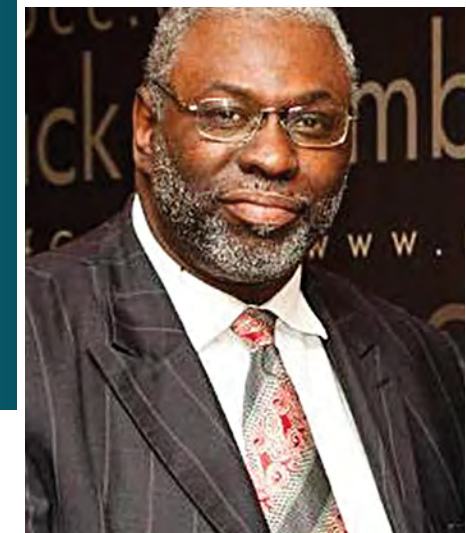
COMMUNITY BUSINESS INCUBATOR PARTICIPANT SPOTLIGHT

ALICE CARTER, HERBAL SOLUTIONS

While growing up in Chicago's Cabrini Green, Alice yearned to become a community leader. To that end, Alice earned a Master's Degree in Criminal Justice and Social Work. If awarded a license, Ms. Carter will use the dispensary to provide jobs and community service for individuals whose lives were torn apart by the War on Drugs. In particular, Ms. Carter plans to use her dispensary business to help support local social service agencies that provide resources for substance abuse treatment, housing and employment.

"I never dreamed that owning a dispensary was possible, but with SEED's help we have a real opportunity to change our neighborhood for the better."

- Alice Carter



COMMUNITY BUSINESS INCUBATOR PARTICIPANT SPOTLIGHT LARRY IVORY, ILLINOIS BLACK CHAMBER OF COMMERCE

Mr. Ivory is the president of the National Black Chamber of Commerce and Illinois Black Chamber of Commerce—the largest, most active voice for black businesses in the State of Illinois. The Illinois Black Chamber of Commerce “exists to empower Black enterprises in order to strengthen Black communities.” Its primary objective is to help promote job creation and growth among black businesses. Through Mr. Ivory’s participation in the SEED Community Business Incubator, he hopes to win a dispensary license and continue the mission of the Illinois Black Chamber of Commerce via the cannabis industry.

“The Cresco Labs SEED Initiative assisted us with submitting a competitive dispensary application to the state of Illinois. The education and assistance that the Cresco staff provided helped us critically consider our business plan and answer the challenging questions throughout the application.” - Larry Ivory

COMMUNITY BUSINESS INCUBATOR SESSION 2: CRAFT GROW

As follow up to our first incubator in Illinois for adult-use dispensaries, SEED hosted a second incubator in January 2020 for Illinois Craft Grow applications. In its second session, SEED assisted eight businesses made up of 45 people in applying for cultivation licenses.

The Craft Grow session included a three-day application writing workshop where participants learned firsthand from Cresco Labs experts across areas of cultivation, manufacturing, and food/beverage departments. SEED also provided hundreds of hours with each group to assist them in preparing their applications.



COMMUNITY BUSINESS INCUBATOR PARTICIPANT SPOTLIGHT PHILLIP CHANDLER, THE FLOWERSHOP DISPENSARY

Phillip Chandler grew up in an environment plagued with multiple challenges, including addiction- and justice-involved family members. At age 14, Mr. Chandler was arrested for selling cannabis and fell victim to gun violence when he was shot in the face. With the help of local black businessmen, Mr. Chandler turned his life around. Now, Mr. Chandler hope to win a dispensary license so that he can bring jobs and economic opportunity to his community.

"The Incubator program made it possible for our group to submit a quality application. Our group did not have (the state's) required previous cannabis industry experience so it would have been near impossible to obtain the information we gathered without SEED's Incubator program." - Phillip Chandler



COMMUNITY BUSINESS INCUBATOR PARTICIPANT SPOTLIGHT RON MILLER, NAVĀDA LABS

Navāda is located in the North Lawndale community just minutes away from Chicago's West Loop. With SEED's incubator assistance, Navāda's mission is to create and consistently deliver a superior cannabis experience through its best-in-class dispensary and its innovative craft cultivation gardens and infusion kitchens. Navāda intends on being an example of how to best operate an adult-use cannabis supply chain in Illinois while leveraging the cannabis industry to make substantial and sustainable improvements to the socio-economic status of North Lawndale.

"The Cresco SEED Program is OUTSTANDING! The Cresco Team's knowledge depth, patience, and professionalism made for a successful and rewarding mentorship experience for the Navāda Labs Team! The SEED Program helped our team evolve from a group of highly experienced business leaders to a qualified and confident cannabis license applicant." - Ron Miller



COMMUNITY BUSINESS INCUBATOR ILLINOIS ADULT USE DISPENSARY: PHASE TWO

Once dispensary licenses are awarded in 2020, Cresco will begin Phase Two of the Incubator.

For anyone awarded a license, Phase Two will consist of those participants working closely with Cresco Labs subject matter experts to further refine and enact their business plans. SEED will assist the applicants with finding retail locations, construction of their facilities, and setting up initial operations.

SEED will also assist these groups financially without taking a long-term ownership interest in the company. Specifically, Cresco will continue to provide operational help in the following areas: Compliance, Operations, Security, Marketing, Retail, Construction, Engineering & Human Resources.

The second phase of the incubator will also include numerous minority-owned businesses ancillary to the cannabis industry. SEED will provide minority-owned businesses in areas like Information Technology, Accounting, Maintenance, and Security, with the information necessary to successfully support cannabis operation. SEED will also provide these ancillary businesses with the opportunity to directly connect with new dispensary and craft grow license holders so that they can develop relationships and grow their businesses together.



2019/2020 MILESTONES AND ACHIEVEMENTS

- Organized **13 incubator events**
- Incubated **50 businesses and 255 individuals** in total over two application periods in Illinois
- Volunteered **2,062 staff hours** across every Cresco discipline to work with incubator candidates
- **Contributed over \$775,000** to facilitate the incubator and sponsor participants application fees.



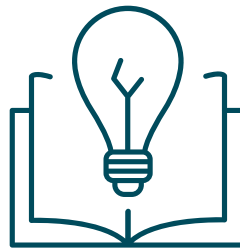


SEED PILLAR

EDUCATION & WORKFORCE DEVELOPMENT

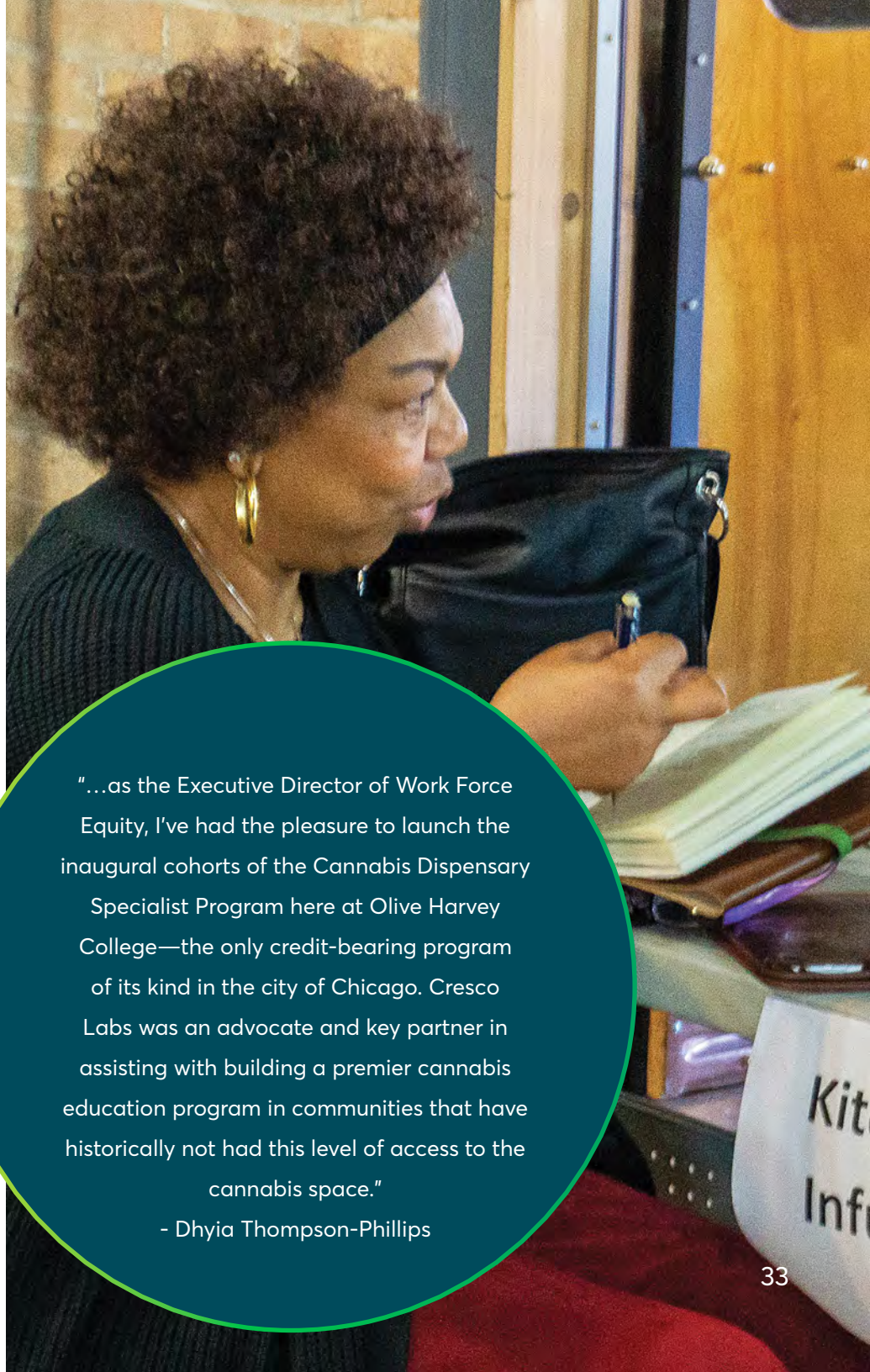
SEED PILLAR: EDUCATION & WORKFORCE DEVELOPMENT

SEED's Education and Workforce Development Pillar develops cannabis educational programming tailored to communities disproportionately impacted by the War on Drugs. SEED designed the program to help individuals develop the skills needed to successfully enter the cannabis industry. SEED builds collaborative relationships with colleges and universities to develop curriculum and course work to educate and prepare students for careers in the industry. The SEED Education and Workforce Development Program also provides work-readiness education to develop the talent necessary for the rapidly growing cannabis industry.



EDUCATION & WFD PARTNER SPOTLIGHT OLIVE HARVEY COLLEGE, ILLINOIS

The SEED Initiative and Olive Harvey College have been working together on several fronts. Cresco Labs staff serve on their Cannabis Advisory Council, as adjunct faculty, and as a community partner. The SEED Initiative assisted Olive Harvey in developing Chicago's first a Cannabis Specialist credit-bearing program. Cresco assisted Olive Harvey College by drafting coursework and providing a series of cannabis education workshops for both current students, alumni, and community members. The Cresco Labs recruitment team also works with the Olive Harvey career development team to assist students with applying and interviewing for open positions available at Cresco.



"...as the Executive Director of Work Force Equity, I've had the pleasure to launch the inaugural cohorts of the Cannabis Dispensary Specialist Program here at Olive Harvey College—the only credit-bearing program of its kind in the city of Chicago. Cresco Labs was an advocate and key partner in assisting with building a premier cannabis education program in communities that have historically not had this level of access to the cannabis space."

- Dhyia Thompson-Phillips



EDUCATION & WFD PARTNER SPOTLIGHT

STRIVE, NEW YORK

Founded in 1984 in the basement of an East Harlem Housing Project, STRIVE provides a groundbreaking approach of intensive attitudinal training and long-term support proved to be an extraordinarily successful model for helping people stuck in poverty gain sustained employment. SEED financially contributes to STRIVE occupational skills training, career coaching, job placement assistance, and lifetime services.



EDUCATION & WFD PARTNER SPOTLIGHT MORAIN VALLEY COMMUNITY COLLEGE, ILLINOIS

Cresco Labs staff serves on the Moraine Valley curriculum committee and assisted with the development of their Retail Cannabis Retail Specialist Certificate.

"Cresco Labs played a crucial role in the development of Moraine Valley's Cannabis Retail Specialist Certificate program. The program was designed side-by-side with Cresco Labs. Their expertise in the field led to curriculum reflective of real-world needs. Cresco Labs has become an invaluable partner, and we look forward to creating more workforce development opportunities with them."



EDUCATION & WFD PARTNER SPOTLIGHT

THE DOE FUND, NEW YORK

Founded in New York in 1985, the Doe Fund's innovations in social services have transformed the lives of tens of thousands of people with histories of homelessness, incarceration, poverty, substance abuse, and HIV/AIDS. Designed to provide economic opportunity to homeless men, the program quickly proved equally effective in transitioning formerly incarcerated men into mainstream society. Cresco Labs financially contributes to the Doe Fund in support of the Ready, Willing, and Able program with the goal of bringing formerly incarcerated men into the cannabis industry.



EDUCATION & WFD PARTNER SPOTLIGHT BROOKLYN WORKFORCE INNOVATIONS, NEW YORK

SEED provides financial assistance to Brooklyn Workforce Innovations. Brooklyn Workforce Innovations fights poverty and empowers low-income New Yorkers by creating living-wage employment opportunities. Moreover, they aim to break the cycle of poverty and connect graduates to not just work, but to careers with long-term potential and the chance for growth and advancement. SEED believes that the cannabis industry can provide many of these opportunities.



EDUCATION & WFD PARTNER SPOTLIGHT
THE ACADEMY GROUP AMPLIFY INTERNSHIP PROGRAM, ILLINOIS

The Academy Group “unlocks opportunity for young people from the most resilient communities to realize their full potential.” They identify and develop a diverse national pipeline of future leaders, employers, and change agents. The SEED Initiative placed two interns at Cresco Corporate Headquarters to begin to develop future leaders in the cannabis industry.

2019/2020 MILESTONES & ACHIEVEMENTS

- Organized 8 community and workforce development initiatives
- Consulted and wrote curriculum with 5 universities and colleges
- Supported 8 workforce development organizations
- Contributed over \$325,000 to college programs and workforce development initiatives including direct contributions to workforce organizations and salaries for curriculum development at colleges and universities.

SEED 2019/2020 PROGRAM SUMMARY

RESTORATIVE JUSTICE



SEED invested \$397,931 to cover the cost of expungement events in multiple states and other justice-oriented programming and events. In all, SEED financially supported over 1,000 individuals seeking expungement of their records.

COMMUNITY BUSINESS INCUBATOR



The majority of SEED financial contributions went to the Community Business Incubator program for 2 sessions with 255 participants. For example, SEED paid the application fee for each group in its program. In all, SEED covered \$135,000 in application for those groups.

EDUCATION & WORKFORCE DEVELOPMENT



SEED contributed financially to established workforce development programs. Most of SEED's educational contributions come in the form of in-kind donations through volunteer staff hours. Cresco Labs staff donated time and expertise to write curriculum, teach classes and host workshops at local colleges.

ACTIVATIONS & ASSOCIATED INVESTMENT

In 2019/2020, Cresco Labs invested in 43 SEED activations across five states.

TYPE OF ACTIVATION

OF ACTIVATIONS

RESTORATIVE JUSTICE

22

COMMUNITY BUSINESS
INCUBATOR

13

EDUCATION &
WORKFORCE DEVELOPMENT

8



CRESKO VOLUNTEER COMMITMENT

**15 STAFF MEMBERS.
8 DEPARTMENTS.
2,271 HOURS.**

In 2019, Cresco Labs hired a full-time team to implement the SEED initiative in each of our active markets. In addition to dedicated staff, programs such as the Community Business Incubator and partnerships with colleges and universities would not be possible without the volunteer hours provided by Cresco Labs staff that do not work on the SEED team.

In all, Cresco corporate employees donated over 2,271 hours to SEED programming.

FUTURE FOCUSED

After our inaugural year, SEED has continued its important work in 2020.

As we shift our focus to the future, be sure to stay connected with us. To learn more about our current programs or to get more involved, please visit us online.



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