

White Lotus Dispensary, LLC

Diversity and Workforce Development Plan

Goals

White Lotus Dispensary, LLC's (the "Company") Workforce Development Plan ("WDP") goals are to increase employment in the community, develop job skills, and address employment inequality in Jersey City. The plan includes training, recruiting, and retention strategies to hire and retain employees from socio-economically disadvantaged communities, from all ethnic, religious, LBTQ plus, gender neutral identifications, individuals with criminal convictions for Marijuana or juvenile justice system (North Jersey Legal Services re-entry program) and people with disabilities.

Training

Each owner, principal, employee, volunteer, and any management services contractor will complete at least eight (8) hours of ongoing training that meets or exceeds the requirements of NJAC § 17:30-9.8 (page 149) each calendar year. Unless expressly authorized in advance by the CRC, no person will begin working at the Company before completing training per NJAC § 17:30-8.1(b) (page 133) as discussed below.

Building worker skills is essential for the operation of the business and the long-term success of the employees and the Dispensary. The WDP includes fundamental job skills evaluation and development strategies, including the use of technology and equipment, effective communication, time management, and more. In addition to fundamental skills training, the Company will provide all employees with basic workplace training related to safety, harassment, cannabis, regulations, and more:

- Workplace safety training is essential for all employees. The Company will provide job-specific safety training for all employees that meets the standards established by the New Jersey Department of Health and the Occupational Safety and Health Administration (OSHA). Training will include preventing injuries, safe use of equipment, proper use of personal protective equipment, cleaning spills, safe use of chemicals, and more. The Company will implement training materials published by state and federal regulators, material data sheets published by equipment and chemical manufacturers or vendors, credible online resources, on-the-job training and other reliable sources.
- All employees will receive anti-harassment training to help prevent all forms of harassment or oppression in the workplace, with a special focus on sexual harassment.
- All employees will receive information regarding the Company's alcohol, drug, and smoke-free workplace policies per NJAC § 17:30-9.9 (page 150), which will include a written smoke-free workplace policy; a written policy prohibiting cannabis business

personnel from possessing, consuming, or being under the influence of an illicit controlled dangerous substance or alcohol; and a written policy prohibiting cannabis business personnel from consuming or being under the influence of cannabis at the workplace, provided that no cannabis business shall infringe upon the rights of qualifying patients under P.L. 2019, C.153 (C.24:6I-5.1 et al.).

- The Company will train all employees in the topics required under NJAC § 17:309.8(b) (page 149) related to cannabis laws, privacy, developments in the cannabis industry, security measures and controls, and responding to emergencies.

In addition to other training provided by the Company, each employee and management contractor will be trained in the topics listed below per NJAC § 17:30-8.1(b)(2) (page 133) as part of their registration with the CRC to obtain a Cannabis Business Identification card (additional information follows). Training per NJAC § 17:30-8.1(b)(2) includes a history of cannabis use and law, [cultivation techniques], varieties of cannabis, packaging, labeling, advertising, cultivation/manufacturing/retail processes, health and safety information, dependency, medical cannabis use, and cannabis laws and regulations.

The Company also needs employees trained for job-specific tasks. The skills and knowledge required for cannabis employees vary based on the job title. The WDP calls for the Company to develop specific training procedures and materials for each position. Lilia Diaz CEO and the COO are responsible for ensuring that managers and designated employees develop, collect, and implement job-specific training procedures.

The Chief Compliance Officer (“CCO”) will create and maintain a training matrix and individual training records per the Company’s staffing and training procedures outlined in the WDP. Per NJAC § 17:30-9.6(i)(8) (page 144), the sheet should include, at a minimum, documentation of all required training and the signed statement of the person indicating the date, time, and place that individual person received such training and the topics discussed, including the name and title of presenters. The training matrix will include each training topic to be covered and the date on which the training was completed. The records related to individual training will be incorporated into the personnel files of each employee per NJAC § 17:30-9.7(i) (page 145) and other applicable state laws and regulations.

White Lotus Dispensary, LLC is responsible for ensuring that all training required by procedures and regulations is provided at no cost to employees. Additionally, the COO will evaluate and identify areas where specified training is lacking, create or advise on providing new training as needed, and assist in modifying procedures.

Recordkeeping is an essential aspect of the training provided under the WDP. In addition to the records specified above and in state regulations, the Company will maintain detailed personnel records for all owners, principals, management services contractors, employees, and volunteers that include all of the items listed in NJAC § 17:30-9.7 (page 145):

- An application for employment or to volunteer;
- Current Cannabis Business Identification Card;
- Driver's license or other state or federally issued photo identification;
- Certification confirming the person's or entity's submission to the jurisdiction of the courts of the State and agreeing to comply with all of the requirements of the laws of the State pertaining to the CRC;
- Documentation of verification of references;
- Documentation of submission of fingerprint impressions for compliance with a criminal history record background check;
- Job or role description or contract that includes the duties, authority, responsibilities, qualifications, and supervision of the job or role;
- Documentation of all required training and the signed statement of the person indicating the date, time, and place that individual person received the training and the topics discussed, including the name and title of presenters;
- • Documentation of periodic performance evaluations; and
- • Documentation of any disciplinary action taken.

Cannabis Business Identification Cards

Each owner, principal, management services contractor, employee, or volunteer will obtain a Cannabis Business Identification Card ("CBIC") per NJAC § 17:30-8.1 (page 133). The Company will retain copies of each unexpired CBIC as part of the personnel file or other documentation related to each individual required to have a CBIC. The process of obtaining a CBIC ensures that each person holding a card meets the criteria specified in NJAC § 17:30-8.1 (page 133):

- Each CBIC holder will be at least twenty-one (21) years old.
- Each CBIC holder will complete the training required under subsection NJAC § 17:30-8.1(b) (page 133), described above as basic workplace training.
- Each owner, principal, management services contractor, employee or volunteer will complete a criminal history background check pursuant to NJAC § 17:30-7.12(d) (page 114) demonstrating that they do not have any disqualifying convictions that have not been rehabilitated under the regulations.

Employee Retention

The Company's employee retention strategy serves to preserve the benefit of hiring and training talented staff members. The goals are to decrease employee and staff turnover of high-value staff, decrease training and recruitment costs, and prevent the loss of organizational knowledge. The Company's retention strategies include onboarding, orientation, on-the-job training and support, continuous constructive feedback, inclusivity, non-discrimination, and a harassment and oppression-free workplace.

Planned Job Creation and Diversity

The WDP and Diversity Plan calls for recruiting and developing a staff that is diverse, talented, community oriented, and from Jersey City. Our WDP/Diversity Plan is tailored, in part, to recruit and retain employees from our socio-economically disadvantaged community, and primarily minority groups in Jersey City.

Our business model anticipates starting salaries that meet the criteria for a living wage in the Hudson County and Jersey City metropolitan statistical area in which the Company's Dispensary is located based on the Living Wage Calculator developed by Amy K. Glasmeier, at the Massachusetts Institute of Technology.

White Lotus Dispensary, LLC is committed to providing equal employment opportunities. The Company will not discriminate against employees or applicants on any legally recognized basis of a protected class, the perception of membership in a protected category, religious preference, or an individual's association with an actual or perceived member of a protected category.

Diversity and equity are priorities of the Company's recruitment and hiring strategies. White Lotus Dispensary, LLC will implement strategic outreach initiatives to recruit from a diverse, qualified group of potential applicants to secure a high-performing workforce drawn from all segments of society and the Jersey City community by building relationships with local Jersey City officials, vendors, service providers, and charitable organizations that share in our diversity objectives.

The Company will follow these steps as its action plan for recruiting a diverse workforce:

- The Company will audit job ads and develop strategies to speak to a broader range of candidates.
- The Company will place advertisements in locations where diverse candidates will find them.
- When advertising a position, the Company will emphasize potential benefits that may be available in the future such as health related activities/clubs.
- The Company will be flexible regarding time off and scheduling policies to include more religious holidays, community events, working parents, etc.
- The Company will use a system when evaluating candidates in which we remove all personal information on resumes (i.e., "blind resumes") to reduce conscious or unconscious bias.
- The Company will participate in a cannabis industry apprenticeship program established by an academic medical center as defined in Section 18 of P.L.2021 C.24:6I-3 (page 7) if that program offers apprenticeships related to the Company's commercial activity and in the region in which the Dispensary is located.
- The Company will work with the Department of Labor and Workforce Development to recruit and hire qualified applicants, including participation in The New Jersey

Apprenticeship Network (NJAN) to the extent that the program is available to businesses in the cannabis industry.

- The Company will contact the New Jersey Division of Vocational Rehabilitation Services (DVRS) regarding hiring opportunities for qualified job candidates with physical, mental, cognitive, or other forms of disability.
- The Company may enter into a partnership with the Hudson County and/or North Jersey Legal Services re-entry programs to identify and promote employment opportunities for individuals with prior entanglements/convictions in the criminal justice or juvenile justice system who are qualified for employment. The Company will submit the information required per NJAC § 17:30-7.10(b)(22) (page 104) to the CRC.

Resources for Employees

The Company will provide resources to help its employees succeed in the workplace:

- On-the-job Training and Support - Employees who need additional training or skills development will have access to training materials. The goal of ongoing on-the-job training is to reduce frustration, improve performance and relative efficiencies.
- Employee Resource Group (“ERG”) - An ERG is a voluntary group of employees who join in the workplace for the purposes of mutual support, problem solving, or innovation. The Company encourages participation in ERGs to promote inclusivity, wellness, and workplace development.
- Health Insurance – The Company will introduce a health benefits reimbursement plan and will evaluate and implement a Group Insurance Plan if warranted or feasible.