



2023

IMPACT REPORT





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LET US INTRODUCE OURSELVES



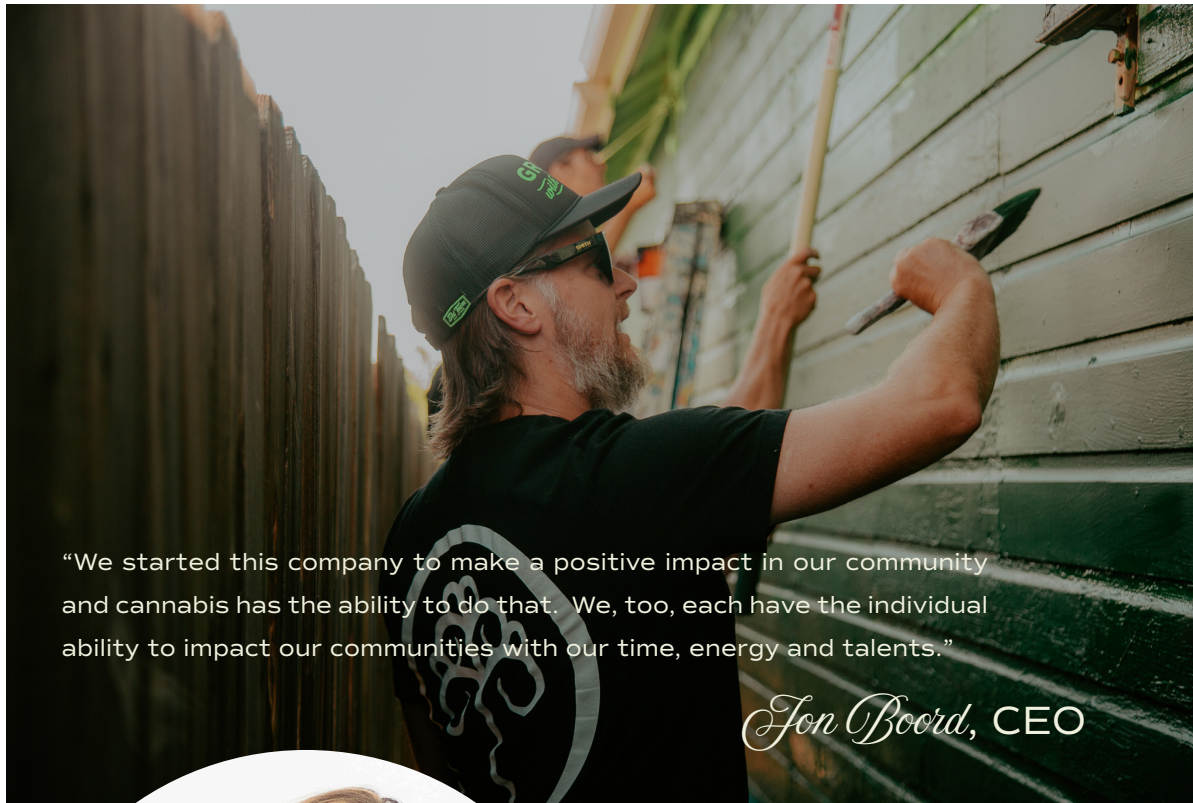
Founded by caregivers, Native Roots' north star is, and always will be, our customers and patients. We take pride in where we have been and where we are going. We have grown from one of the first professional cannabis companies to a leader in cannabis education and the premier cannabis destination in Colorado.

Working at Native Roots is bigger than us, it's bigger than our day-to-day tasks; it's showing up every day to make a difference; it's bringing passion to everything we do. We have contributed over 3,000 hours to community service and implemented a Volunteer Paid Time Off program. Our employee-led DEI committee is consistently looking for learning opportunities to keep employees engaged and hold us accountable to make sure we're practicing what we preach.

As pioneers in the cannabis space, Native Roots has been educating and serving our community for over a decade. Our purpose is to enhance well-being and happiness within our community and our executives are committed to putting social impact at the forefront of all we do.

We work hard to provide a safe, judgment-free environment where we can share our passion for the plant and bring a touch of happiness to each of you.

WE ARE GROWN WITH LOVE — WE ARE GROWN IN COLORADO — WE ARE NATIVE ROOTS



"We started this company to make a positive impact in our community and cannabis has the ability to do that. We, too, each have the individual ability to impact our communities with our time, energy and talents."

Jon Boord, CEO



"Native Roots has always made it a priority to set the standard in the cannabis industry as a dedicated community partner and as such, we are committed to promoting significant positive change in our communities. It's just the right thing to do."

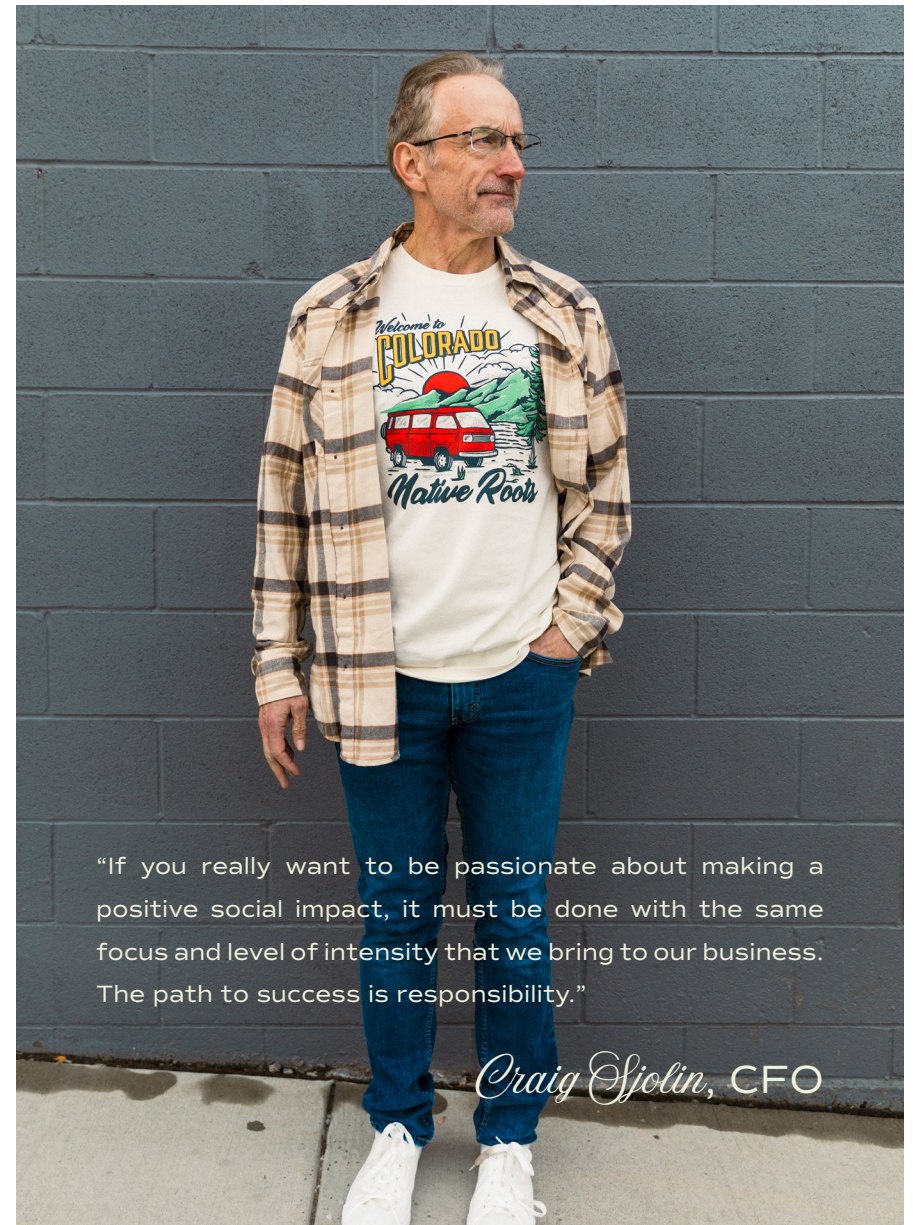
Kelly Archer, CLO



Buck Dutton,
VP of Marketing

"In order for Social Equity to come alive in an organization, we must all make a commitment to bring it to the forefront of our business decisions."

Adria Hamberger, VP of HR



"If you really want to be passionate about making a positive social impact, it must be done with the same focus and level of intensity that we bring to our business. The path to success is responsibility."

Craig Sjolin, CFO



"It is not enough for us just to be compassionate - we must act. No matter our cause, social justice issue, or mandate, creating a social impact business is a heightened degree of responsibility and opportunity to go beyond a bottom line mentality that we all must steer towards, together. This "more than just a bottom line" approach strongly resonates with consumers, future/current employees, as well as communities and should be thoughtfully integrated into our brand identity and marketing. The state of the economy has changed forever, but Native Roots will always have a leg up if it invests in a social impact program; one that embodies Native Roots' incredible ethos from beginning to end."

Alex Bitz, VP of IT

"I believe successful companies will be those that are able to integrate business and employees' personal values. The best people want to do work that contributes to society with a company whose values they share, and where their actions count and their views matter. At Native Roots, we want the best people and we want to be the best employer."

Beth Kotarba, COO



ABOUT

Our story began in 2010, when we opened a small cultivation and extraction facility in Denver that produced medical marijuana products for patients under Colorado's original caregiver model. Eventually, Native Roots opened a medical dispensary on the 16th Street Mall in downtown Denver in order to better serve its patients. In 2013, we merged with The Dandelion in Boulder to create better access to medical marijuana for all our patients. During this time, we also kicked off construction of our state-of-the-art grow facility, The Mothership. At over 173,000 SQFT, this facility enables us to cultivate world-class cannabis, develop concentrated raw goods through CO2 and BHO extraction, and manufacture a variety of finished goods for our customers. Today, we have two state of the art grow facilities and more than 21 locations across Colorado.

As pioneers in the cannabis space, Native Roots has been educating and serving our community for over a decade. We didn't just want to build a great cannabis company, we wanted to build one that put the customer and patient at the center of what we do. A

company that sets the gold standard for the cannabis industry. We work hard to provide a safe, judgment-free environment where we can share our passion for the plant and bring a touch of happiness to each of you.



OUR MISSION

Together, we provide quality cannabis products and personalized education for our communities to enhance well-being and happiness.

WE ARE GROWN WITH LOVE.
WE ARE GROWN IN COLORADO.
WE ARE NATIVE ROOTS.





“
WE STAND BEHIND THE WORK
WE DO, THE CONTRIBUTIONS WE
MAKE, AND THE HIGH BUSINESS
STANDARDS WE MAINTAIN.
”

VALUES

INTEGRITY

We stand behind the work we do, the contributions we make, and the high business standards we maintain while being respectful, accountable, and encouraging responsible use of our products.

PASSION

We embrace the unique reasons that unite us including our enthusiasm for the plant, a desire to help people, and being a part of a great place to work in an evolving industry.

COMMUNITY

We collaborate as a team to improve the communities where we live and work making them a better place through awareness, education, support and volunteerism.

FUN

We encourage everyone to be their unique most authentic selves; finding joy in what we do and sharing that joy with those we engage with whether it be our customers, vendors, the community or each other.

CSR PILLARS

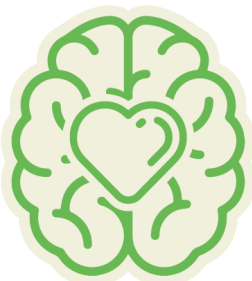
Our purpose is to enhance well-being and happiness within our Colorado community, and for our employees, customers and patients. Our four pillars are Diversity, Equity & Inclusion; Sustainability; Wellness; and Community.



Diversity, Equity
& Inclusion



Sustainability



Wellness



Community

“
WE VALUE A DIVERSE, INCLUSIVE
& EQUITABLE SOCIETY THAT
WELCOMES ALL PEOPLE.
”

SOCIAL IMPACT

We recognize our responsibility to address the social and economic impacts of cannabis legalization and also want to do our part to repair the harms caused by the failed War on Drugs that primarily targeted Black Americans and other people of color. More broadly, we value a diverse, inclusive, and equitable society that welcomes all people. We are also committed to addressing environmental sustainability and reducing our carbon footprint at every level and in every department of our company; from the energy that powers our large cultivation and production facility to the everyday behaviors and habits of our employees. Promoting health and wellness has always been the core mission of Native Roots. As society's definitions and interpretations of wellness evolve, we have continued to promote health and wellness in our communities by building relationships across the spectrum of health-based nonprofit organizations, including those dedicated to improving the health of vulnerable populations, curbing drunk and drugged driving, and advocating for patient access to medical marijuana.



DIVERSITY, EQUITY & INCLUSION

Native Roots provides a diverse, equitable and inclusive work environment for all of our employees; a place where everyone can be their unique most authentic selves.

We embrace the unique qualities of each customer and patient that walk through our doors.

Employees are trained on equitable hiring and how to ensure an inclusive work environment.

We work with community partners to better the lives of women, veterans, LGBTQ+ individuals, and people of color.

DIVERSITY, EQUITY & INCLUSION

INITIATIVES & ACCOMPLISHMENTS

- Our **DEI Committee** was established in 2021 and has 15 active members
- Increase representation of women and underrepresented minorities in workforce:
 - 3 out of 7 executives' women
 - 71.4% of senior leaders are women
 - 23% of management is Hispanic or Latino (exceeds state levels)
- In April, we partnered with **The Color of Cannabis** to host a voter registration event at our Speer store ahead of the local Denver Mayor and City Council election. Nationwide, 70.9% of white voters cast ballots in 2020, while just 58.4% of nonwhite voters participated. Further, turnout is consistently lower in local elections compared to statewide races.
- Executives participated in mentorship programs and business courses with **The Color of Cannabis** and **Marijuana Industry Group** designed to increase minority ownership in the cannabis industry.
- Executives and Senior Leaders participated in mentorship programs through the **CWCC** to increase female representation in business .
- All new and current employees are required to complete Unconscious Bias training upon hiring and annually thereafter.

“

EVERYONE CAN BE THEIR UNIQUE
MOST AUTHENTIC SELVES.

”



PARTNER ORGANIZATIONS

DIVERSITY WINDOW Diversity Window is a black and women-owned business that provides industry leading DEI training for organizations that want to equip employees and leaders to bring their DEI initiatives to life. NR has partnered with the company since 2022.

THE COLOR OF CANNABIS NR was a founding social equity partner in The Color of Cannabis. Since then, NR has donated \$10k annually and provides mentorship to support TCC's efforts to increase ownership diversity in the CO cannabis industry, specifically through TCC's 10-week business course for social equity applicants and licensees.

COLORADO WOMEN'S CHAMBER OF COMMERCE CO Women's Chamber of Commerce is the leading non-profit in Colorado that advances women's leadership. Native Roots joined in 2022.



DiversityWindow



NATIVE ROOTS CHARITY GOLF TOURNAMENT

Native Roots Charity Golf Tournament is a yearly golf tournament which was created by Native Roots in 2022. Each year, we partner with different brands, companies and vendors in the industry to raise funds for an organization of our choice. In 2022, with the help of our partners we raised **\$30,000** for **EL PASO COUNTY COLORADO PROGRESSIVE VETERANS**, an organization formed to help Veterans, Active Duty Military and their families in El Paso County.

In 2023, Native Roots held our 2nd annual charity golf tournament and raised **\$80,000** for the **LAST PRISONER PROJECT**, a nonprofit organization dedicated to reforming our criminal justice system through progressive drug policy.

LAST
PRISONER
PROJECT



**\$80,000 DONATED
IN 2023**

**\$30,000 DONATED
IN 2022**

SUSTAINABILITY

Native Roots is committed to improving the environmental footprint of cannabis operations in our communities through sustainable practices such as a commuter incentive program and supporting community-serving organizations that have a positive environmental impact. We take pride in being a leader in sustainability practices in the cannabis industry by partnering with community organizations whose primary mission is to reduce climate and environmental impact from business practices.

Native Roots has invested heavily in LED lighting, automated irrigation for better power and water usage, Quastar® Photonic Decontamination technology (Radsource) to inactivate microbes on flower, state of the art trimming and weighing equipment and much more. These changes have allowed us to process at a high volume while maintaining the focus on top-tier quality standards. Native Roots is the first dispensary in Colorado to implement an off-premise storage facility license which serves as the central distribution center for our retail stores. This first of its kind facility allows single point delivery for our vendors and keeps thousands of shipping hours off the Colorado roads.



PARTNER ORGANIZATIONS

DRCOG WAY TO GO A regional partnership between DRCOG and commuter consultants who work with employers to reduce traffic congestion, improve air quality, and make life better for all residents.

COLORADO CANNABIS SUSTAINABILITY WORK GROUP A Marijuana Enforcement Division workgroup created to promote sustainability in the cannabis industry through education, development of best practices, and facilitation of dialogue between the cannabis industry, community, and technical experts.

SHE GROWS A woman-owned small business flower farm with a goal to create a farm with a Closed Loop Fertility system.

HIGH COUNTRY CONSERVATION CENTER (HC3) A Summit County nonprofit promoting practical solutions for waste reduction and resource conservation in our mountain community.

MIDDLE CO WATERSHED COUNCIL A nonprofit dedicated to enhancing and protecting the water for all uses and for the environment in the watershed from Glenwood Canyon to De Beque.



“
WE TAKE PRIDE IN
BEING A LEADER
IN SUSTAINABILITY
PRACTICES IN THE
CANNABIS INDUSTRY
”



SUSTAINABILITY

INITIATIVES & ACCOMPLISHMENTS

- Sponsored **HC3's** Party for the Planet for the 3rd year in a row.
- Began a partnership with **SHE GROWS**, an Arvada small business in 2020. Since then, we have donated approximately 5 tons of coco coir cubes, which supports this local business while also diverting growing medium from landfills.
- **CANNABIS CONTAINER RECYCLING PROGRAM** Established in 2022 as a pilot through the Denver Cannabis Sustainability work group, the program allows consumers a sustainable option to return cannabis packaging that otherwise could not be recycled through municipal waste streams. To date, we have collected over 225 pounds of cannabis packaging across 4 Denver stores and diverted those materials from the landfill.
- Clean Commuting Incentives are offered to Native Roots employees by providing ride share and bike to work opportunities in partnership with **WAY TO GO**. Native Roots has completed 39,000 trips with over 416,679 miles, reduced 94.4 tons of CO2 emissions and awarded over \$19,000 in gift cards for Native Roots employees participating in the commuting program.
- In June, we participated in **COLORADO BIKE TO WORK DAY** by hosting 2 rest stations near our facilities. We partnered with CDOT's Northeast Transportation Connections for 1 station near the Central 70 Corridor. More than 100 cyclists visited these 2 stations.
- Replaced 100% of lighting with LEDs at our secondary production facility.
- **COLORADO GREEN BUSINESS NETWORK** conducted a facility audit to assist with energy efficiency at our grow operations.

WELLNESS

We support our employees through robust health benefits and financial resources.

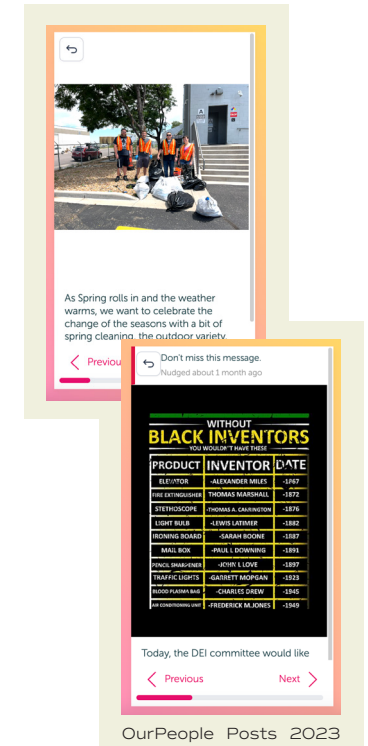
We offer a workplace that focuses on an employee's mental and physical well-being through free yoga; meditation breaks; and free, easily accessible resources to promote stress reduction.

A focus on wellness is critical for an enhanced quality of life that may include improved mood and focus.



INITIATIVES

- Formal wellness program introduced in 2023
- Organized an employee-led walk team for the **Susan G. Komen More Than Pink Walk** on October 8. Team members exceeded their fundraising goal by collecting \$2,492 from community members to support the organization's mission to save lives by meeting the most critical needs in our communities and investing in breakthrough research to prevent and cure breast cancer.
- Introduced wellness to the entire company and discussed its importance and impact to overall wellbeing for employees and customers.
- Continued our Volunteer Paid Time Off Policy, which provides an extra 1/2 day (or 4 hours) for full and part time hourly employees, of paid time off, to have the flexibility to volunteer during the workday while still getting paid.
- 100% of employees have access to **CALM APP** (75% active users)
- Monthly meditations and at-work yoga sessions open to all employees
- Events such as yoga-in-the-park, paint-in-the-park, hikes, and more!
- Benefits that support mental and physical wellness for the NR team



PARTNER ORGANIZATIONS

CU BOULDER Continued our partnership with the University of Colorado, Boulder CUChange Lab to support medical research initiatives on the health effects of cannabis for the 3rd year.

THE CHANDA CENTER FOR HEALTH Expanded our partnership with the Chanda Center for Health to include Wana Brands in the Cannabis Cares Program. The program provides monthly product vouchers to Chanda Center clients to reduce financial barriers to accessing cannabis products that provide relief from ailments related to individuals' physical disabilities. Native Roots also makes an annual contribution to the organization in support of their Big Event fundraising gala.



COMMUNITY

We improve our communities through awareness, education, support and volunteerism.

Native Roots educates our patients and customers on the benefits of cannabis and how it can positively impact the communities in which we live and work.

We are committed to bringing awareness to the social inequity in our industry and bringing a voice to uplift those who have been negatively impacted by the War on Drugs.

We partner with vendors, community partners and other organizations that are aligned with our mission, values and purpose.

Community engagement among residents and community businesses is most successful when stakeholders can focus around a shared value and collaborate on a program, policy, or project that highlights the shared value and leads to demonstrable improvements in the neighborhood. Cannabis businesses have a unique opportunity to create a positive impact, and as a leader in a growing industry, Native Roots is working to set the standard for civic engagement and corporate responsibility.

We strive to meet people where they are at and show up to do the work required to make our communities a better place.

From addressing hunger in our communities to donating to organizations that assist vulnerable populations, to partnering with organizations working to make a more diverse and inclusive cannabis industry, and providing ongoing patient and community education on cannabis, we invest people and capital resources to help empower others.

Focusing our engagement around social issues prevalent in our communities today provides a grounding point for our company to make decisions about key community partnerships, philanthropic giving, and volunteer opportunities.



COMMUNITY



INITIATIVES

- 2023 was the 7th consecutive year of a unique government, nonprofit, and business partnership with **CDOT and MADD Colorado** to ensure our customers are making safe driving choices and raise awareness. Native Roots has trained all 100+ retail employees across its 20+ locations using CDOT's Cannabis Impaired Driving Course.
- Partnered with the **K.I.M. Foundation** to organize a Holiday Food Drive benefiting the **Community Food Bank of Grand Junction** as part of our grand opening in December.
- Over the summer, we hosted the 3rd annual **Native Roots Paint-A-Thon** event with Brothers Redevelopment, Inc. The Paint-A-Thon program offers income-eligible homeowners the chance to save 100% of the cost to paint their home's exterior, so they're able to devote their savings to other important costs, such as medication, groceries, and bills, while still maintaining their most important investment—their home.
- Contributed an additional \$50,000+ to nonprofit organizations serving communities where we operate, such as:

Alamo Placita Neighborhood Association | Brothers Redevelopment, Inc.

Capitol Hill United Neighborhoods | The Color of Cannabis

Chanda Plan Foundation | Colorado Women's Chamber of Commerce

Community Food Bank Grand Junction | Denver A.I.D. Center

Denver Park Trust | El Paso County Progressive Veterans

Expunge Colorado | High Country Conservation Center

Middle CO Watershed Council | Trinidad Historic Preservation Commission

- Joined **Colorado Proud**, a CO Department of Agriculture program designed to help consumers, restaurants, and retailers identify and purchase Colorado food and agricultural products.
- Overall, we completed 150 hands-on volunteer hours with organizations such as:
Brothers Redevelopment, Inc. | City of Aurora Global Fest
City of Longmont Parks, Open Space, and Trails (POST) Division | CO Bike to Work Day
CO Korean Festival | Denver Park Trust | Sloan's Lake Park Foundation

COMMUNITY



“
WE STRIVE TO MEET PEOPLE WHERE
THEY ARE AT AND SHOW UP TO DO
THE WORK REQUIRED TO MAKE OUR
COMMUNITIES A BETTER PLACE.
”



PARTNER ORGANIZATIONS

COLORADO DEPARTMENT OF TRANSPORTATION Encourages all people in the state to actively make a conscious decision to pay attention and be safe every time they drive, including not driving impaired.

MADD COLORADO A nonprofit organization that works tirelessly to support victims of impaired driving, advocate for stronger laws, and create a future of No More Victims®.

BROTHERS REDEVELOPMENT, INC. A Denver-based nonprofit organization that provides housing and a variety of housing-related services for the region's low-income, elderly and disabled residents.

DENVER PARK TRUST As Denver Parks and Recreation's official nonprofit, the Denver Park Trust works closely with community leaders, neighborhood associations, and residents to expand and improve parks in a thoughtful, equitable, and sustainable way.



CLOSING STATEMENT

For Native Roots, doing good is a part of doing business. We're on a mission to support our people, nonprofit organizations, and the neighborhoods and communities who have been and are part of our story.

Our purpose is to enhance well-being and happiness within our Colorado community, our employees and our customers and patients. We are committed to improving the communities we live and work in, which is why we partner with local nonprofits in every location where we operate. Our commitment comes in the form of volunteer hours, dollars donated, and our professional skills applied to support community challenges. The results of our efforts have been tremendously positive. We've won many awards in every category of business that we play, including Denver Post Top Workplaces, Colorado Civic 50, Green Entrepreneur Top Companies, Herb Magazine Top 10 Interior Design, High Times Cannabis Cup Winner and Best Dispensary more times than we can count.

*Thank
you!*

