

LEADERSHIP *is* RESPONSIBILITY

Increasing Brand Awareness and Market Share  
through Corporate Social Responsibility (*CSR*)



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# Overview

## I. Corporate Social Responsibility (CSR) Program

Take advantage of California state law, SB-34, and the capability of charity pioneers to create a best-in-class CSR program that can deliver several direct benefits.

## II. Scientific Research & Medical Marketing Data

As the market consolidation continues, it's essential to diversify a company's spectrum of potential customers. Working from the premise that many adult-use or "recreational" consumers are purchasing for medical effects (primarily for aid with sleep, pain, and anxiety) and many patients (the largest individual consumers) are unaware of what the legal market holds.

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# About Us

The leadership team of Value Integrators brings together experts from several key industries that make up the management consulting capabilities that a program of this complexity level requires -from CSR programming to compliance and regulations, and PR-communications to marketing and revenue growth strategies.

*"We can help align all these efforts in a multi-disciplinary and forward-thinking way that can give cannabis operators an edge in a market that is increasing in competitiveness every day, while positioning them for future opportunities."*

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# About Us

**Sarah D. Patterson, MBA, PMP** is the Founder of Value Integrators. Sarah brings over 15 years of experience across a variety of industries including healthcare, technology, financial services, fitness, compliance, forensics, and intelligence. Sarah has provided program management and growth strategy services to domestic and international clients, driving high value and growth, and solving the most complex and uncharted assignments.

**Eric Goepel** is a nationally-recognized grassroots organizer, non-profit administrator, and advocate. Leveraging the VI team and his network that stretches from local patient groups, to the cannabis industry, to members of Congress, Eric is able to deliver a holistic practice that integrates public and government affairs, communications, marketing, and project management. Eric is also the founder and CEO of the non-profit, Veterans Cannabis Coalition.

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# Scope and Roadmap

## I. SB-34 Corporate Social Responsibility (CSR) Program

- Save money on retesting or destroying soon-to-expire products through donations
- Build relationships with different patient communities and non-profits to generate broad goodwill
- Tap into program success and metrics to create the foundation for advantageous distribution and retail partnerships
- Develop a direct-to-consumer model that can integrate donations and sales
- Establish strong and durable differentiators that can also serve as a regular hook for PR opportunities

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# Scope and Roadmap

## II. Scientific Research & Medical Marketing Data

- Create patient focus groups, tracking surveys, and other means to gather feedback on products
- Explore potential arrangements with private and public academic institutions to participate in research and education efforts
- Investigate how incentive programs with both healthcare providers and retailers could increase consumer and patient awareness
- Build out long-term engagement plan to take advantage in upcoming changes in federal law that will create increased demand for high-quality cannabis from researchers

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***Senate Bill No. 34***

***CHAPTER 837***

*Sections 26001, 26153, 26161, and 26162.5 of, the Business and Professions Code, and to add and repeal Sections and 34012 of, and to add and repeal Sections Revenue and Taxation Code, relating to cannabis.*

*nor October 12 2016*



# Value Proposition

- Save money immediately by eliminating costs around product retesting or destruction through Senate Bill No.34
- Build brand value through a SB-34 based corporate social responsibility program
- Cultivate relationships with major stakeholders: non-profits, elected officials, and press/media/influencers

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# Value Proposition

- Position company to pursue tax and regulatory relief
- Establish sector leadership in compassion and patient/consumer focus
- Create public record of goodwill to assist in future licensing and tax/regulatory discussions





# SB-34

- “The Dennis Peron and Brownie Mary Act”
- A California state law that provides a legal pathway for licensed cannabis operators to donate cannabis products at no cost to eligible patients.
- Went into effect on March 1, 2020.
- While the law provides no tax incentive, it eliminates the previous disincentive in donating legal products by excusing license holders from the state cultivation, use, and excise tax.



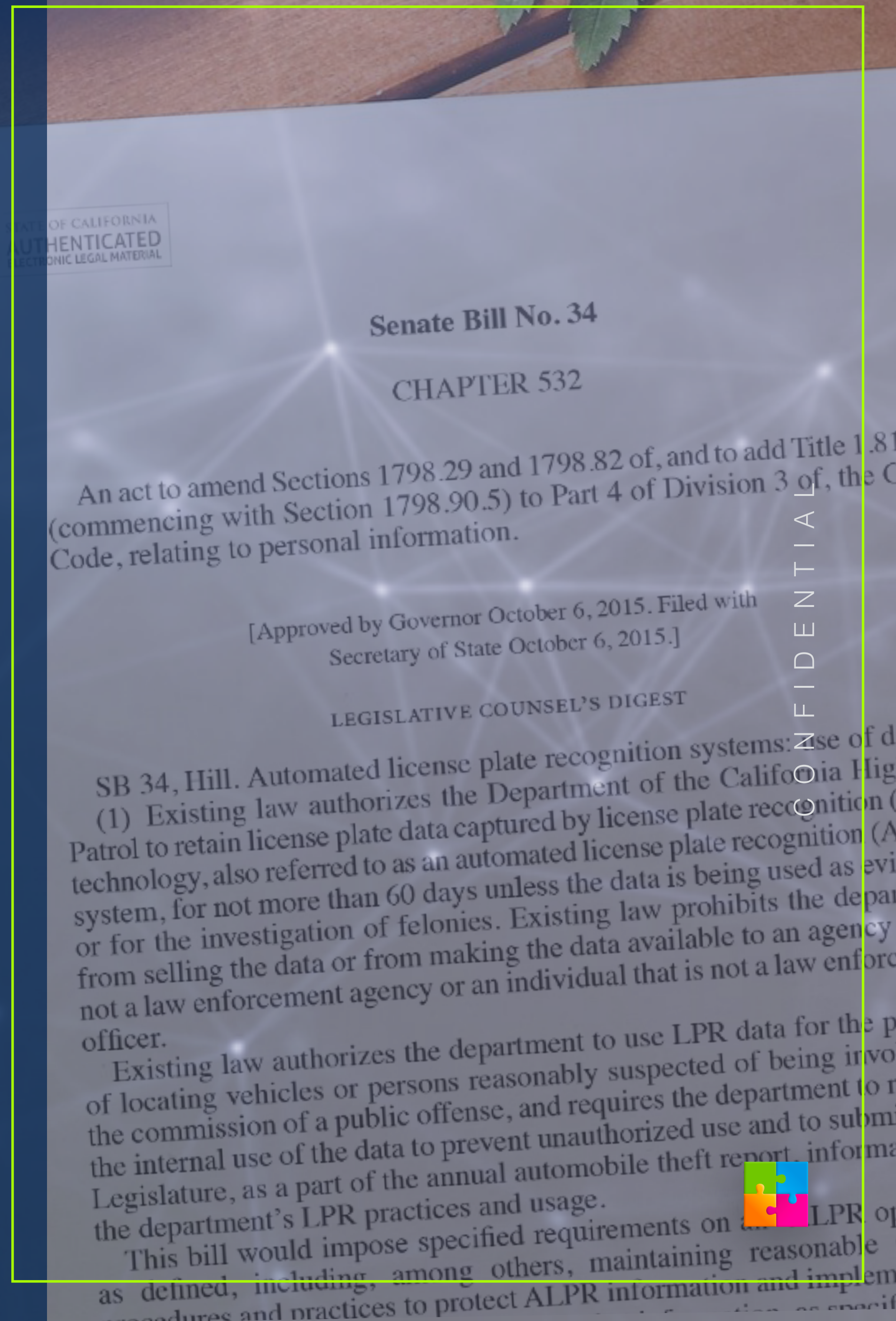
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# SB-34

- Provisions require certain compliance measures, including verifying doctor recommendations and retaining patient and donation records.
- SB-34 donations also require commitment of staff time and coordination with other brands per event on tasks ranging from identifying and registering patients to inputting donations into METRC.





# SB-34

There are relatively few license holders participating in SB-34 activities state-wide, due to the inherent material & labor costs, lack of awareness of the law, and upfront difficulty in implementing a program.

However, despite its difficulty, there are multiple compelling reasons for license holders to heavily lean into SB-34 programming.



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- Provides an easy, legal exit point for soon-to-expire products that would otherwise have to be retested or destroyed at some cost.
- Serves as the primary means of demonstrating corporate social responsibility and provides an interesting media **hook**. (*"Company X just donated \$XXX of product to patients in need."*)
- Fulfills the legal requirements present in municipal operating agreements to take positive action in the community.
- Creates goodwill with patients, consumers, and elected officials interested in public health and harm reduction. (e.g. current overdose crisis)



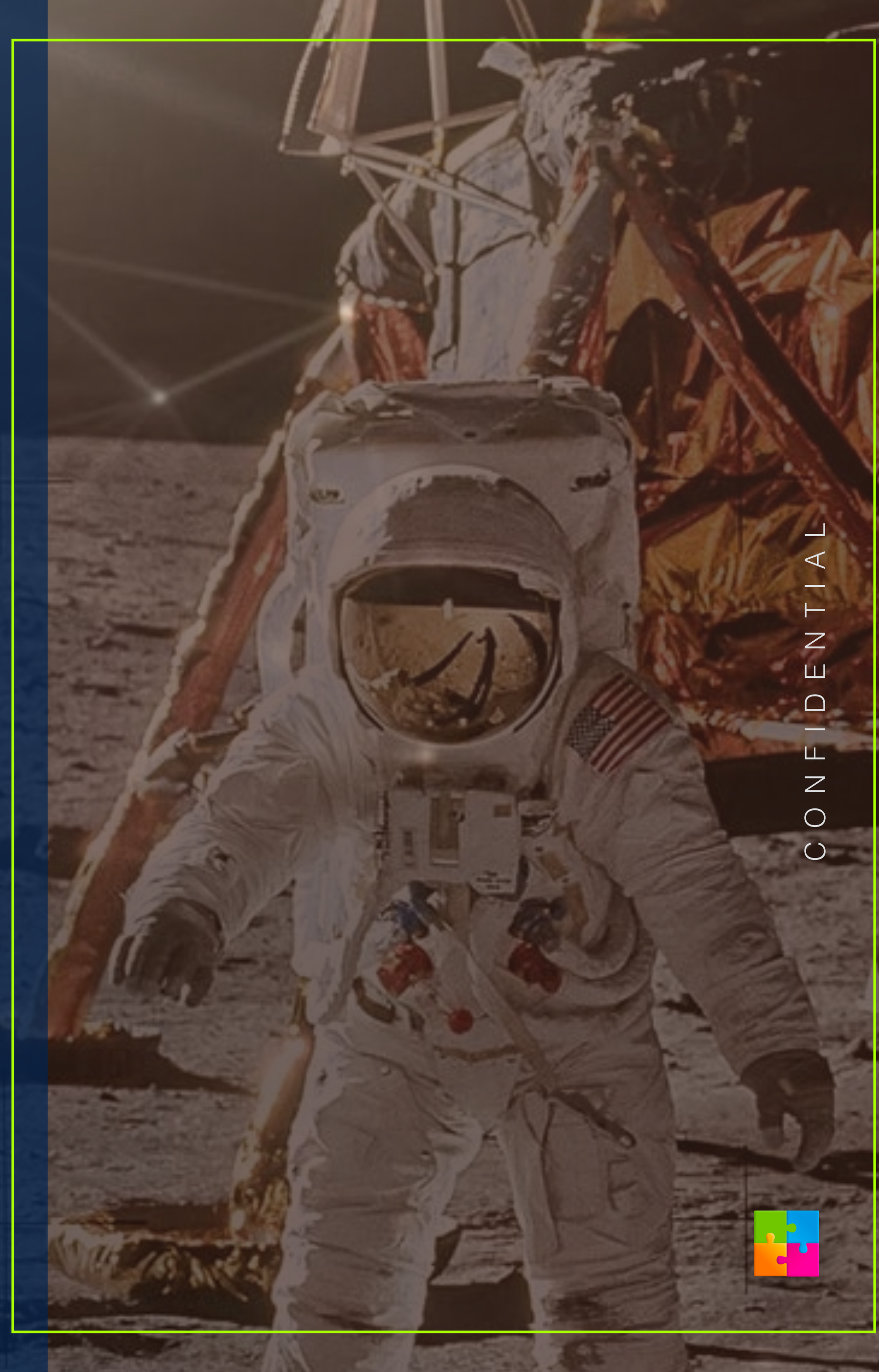
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- Bringing together licensed operators across the supply chain;
- Ensuring compliance with state laws, and;
- Developing and sustaining programs serving dozens *and eventually hundreds of patients across multiple sites and regions*  
*is no simple task...*

- It must also be approached with sensitivity and commitment, as disruptions in donations can create negative impacts in patients that rely on them.
- But it is also an elegant solution to several problems facing every legal cannabis operator and one that could change the narrative for the industry entirely.



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# Components

- SB-34 donation event planning & execution
- Press/public/government relations & marketing
- Staff education & training
- Record keeping, document creation & auditing

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# SB-34 Donation Events

## PRE-EVENT

### **Marketing** [est. 8 hours]

- • Create social media assets and copy for the event [~5 hrs.]
- • Coordinate social media sharing with internal and external marketing departments [~3 hrs.]

### **Operations** [est. 18-28 hours]

- Solicit and follow-up with brands for donations [~3 hrs.]
- Coordinate with operations to intake donated products [~1 hr.]
- Patient intake process: [ ~10-20 hrs.]
  - Create shared “SB-34 Record Retention” file to comply with state 7-year record retention requirements
  - File must include:
    - Verified photo ID, physician’s recommendation, and any additional eligibility information, all recorded in store POS and copied to shared file
  - Best practice on timing: check and update patient files 8 hours prior and following event
- Additional operations record keeping [~5 hrs.]
  - Must include: vendor invoices, certificates of analysis (COAs), METRC data, and CDTFA “Cannabis Donation Certificate”

### **Public Relations/Affairs**





# SB-34 Donation Events

## EVENT

### Marketing

### Operations

- Divide and create individual inventories for each bag of donated products [3 hrs. X 3 people - 9 hours total]
- Provide educational information to small groups patients and field questions [14 hours]
- Scan orders into POS - SB 34 METRC requirement - Gift Donation [Staff cashier 14 hours]

## POST-EVENT

### Marketing

### Operations

- Audit records to ensure all patient ID and medical information is retained alongside past donated items - recs must be verified [8 hrs.]
- Verify hard-copy and digital records match
- Calculate important metrics: number of patients served, estimates of value of products, kinds of products donated; share metrics with internal operations and marketings and participating brands





# Considerations

## Keys to Success:

- Dedicated labor and other resources
- Positive relationships with vendors and brands
- Superior organizational and communication skills

## Challenges to Implementation and Sustainability:

- Product Procurement on a steady basis
- Expired products must be first to go
- Staff compliance - needs oversight - rec verification and recording of ID/Rec
- POS - software glitches - need backup drive for records
- Growth of program requires more staff on day of event
- Product storage





# TIMELINE

## **Phase 1** (Month 1-3)

- Create a comprehensive staff workflow for intaking, disbursing, and recording SB-34 donations as well as a lead staff member responsible for overseeing the program
- Train staff to the workflow, educate them about legal requirements
- Identify patient requirements and develop an identifiable program concept with branding
- Recruit brand participation and determine potential patients served per month
- Conduct at least one “soft launch” donation prior to publicly announcing the program

## **Phase 2** (Month 3-6)

- Refine workflow processes, continue to train staff
- Onboard additional brands and set sustainable program goals (e.g 100 patients served an average \$300 donation a month)
- Conduct a monthly audit of state-required documents
- Gather and share patient and donation metrics with brand partners, publicize and plan events around milestones in giving (e.g. first \$100,000 donated)

## **Phase 3** (Month 6-indefinite)

- Staff training, brand on-boarding and coordination, record audits, publicizing donation metrics, and high-impact event planning continue





# Retail Component

- Patients are often the heaviest consumers and most sensitive to cost and/or quality; patients are often people with chronic conditions, so look to demographics that suffer from those disease states at high rates (e.g. veterans, seniors, people who do physical/repetitive labor)
- Targeting: since many patients are uninterested in legal storefronts because of price, stigma, or physical accessibility, it is essential to break down those particular barriers.
- Gaining trust and goodwill: Combining community partnerships with relevant organizations (like veterans and seniors groups), patient education, and compassionate donation support for those in financial need, you can differentiate yourself from the rest of the market and demonstrate a new standard in industry-led education and compassion.



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# Retail Component

## How to Influence Sales:

- Backed by strong word-of-mouth, patient testimonials, and clinical research, selling into a now-educated patient community, you stand to dominate what is an underappreciated and valuable market segment of patients with need, often with resources, and who will stick with products that they think work.
- Retain Your Customers: collect patient input and feedback about ease-of-use, perceived effects and quality, and more to help guide ongoing sales and marketing; establish incentives like customer loyalty programs; develop a patient ambassador program.



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# Company Snapshot

Tikun Olam possesses several unique strengths that should be leveraged to the greatest extent possible.





# Opportunity

- One-of-a-kind IP in the form of several high-quality human clinical trials that can be an entry point for academic research partnerships,, and forging relationships with an array of community stakeholders and elected officials.
- Capacity to make supported medical claims about specific products that can be the basis for marketing to known patient populations who are looking for medical credibility in the products they use, which includes many veterans and seniors.
- Deep portfolio of medical-scientific literature and other materials with the capacity to develop public awareness/ outreach campaigns aimed at press and local/state government.



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# Potential

- Public/government affairs & communications: Create a wide-ranging engagement plan that would position Tikun Olam as a key medical cannabis authority at the local and state level and a convener of academic, patient, business, and government entities.
- Corporate social responsibility: Tikun can lean into its medical cannabis strengths by building a best-in-class SB-34 compassionate cannabis donation program, backed by metrics and on-going surveys that may serve as the basis for future research. By liaising and supporting credible non-profits focused on serving different patient populations, Tikun can distinguish itself from competitors and create organic brand loyalty.



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