



HEMP CONTROL AND TRACEABILITY SOLUTION

The U.S. hemp market is growing rapidly. Today, 41 states have or are considering hemp bills. Across the country more than 75,000 acres of land are being farmed for hemp compared to 25,000 acres just 3 years ago. With the 2018 Farm Bill creating a federal legal framework for hemp, federal and state regulators must determine how to manage the cultivation and sale of hemp and hemp-derived CBD products.

The ability to effectively regulate hemp is going to be a significant challenge. Similar in appearance and smell to marijuana, hemp is nearly indistinguishable from its sibling plant and can only be differentiated through time consuming laboratory testing of THC content. Hemp and marijuana generally should not be grown in close proximity due to the potential for cross-pollination. And while the hemp plant can be used for a variety of non-consumer-oriented industrial uses, CBD extracted for infusion into consumer goods will also compete with CBD derived from state-regulated marijuana activities – but at a significant cost advantage to the fees and taxes imposed on marijuana operators.

Regulators and consumers will need to know which entities are conducting business activities with hemp products, where and what they are generally producing and more specifically where CBD-derived from hemp is being used in consumer products to ensure that hemp activity does not provide a pathway for illicit activity and authorities can quickly remove

unsafe consumer products before they impact public health.

SICPA's track and trace solution and past performance with regulated products such as tobacco, alcohol, cannabis, and pharmaceuticals makes SICPA well-positioned to partner with government in establishing appropriate control of hemp, particularly as it relates to food-based CBD.

SICPATRACE® FOR HEMP

SICPATRACE® for Hemp provides regulators with visibility into the hemp supply chain from cultivation to sale. At the cultivation level, SICPATRACE® provides entity and harvest registration leveraging batch and lot tracking capabilities to assist governments in identifying and managing large scale hemp growing consistent with common agricultural practices for reconciliation. For CBD-derived from hemp that is intended for consumer products, SICPATRACE® provides more detailed traceability down to the individual product unit to facilitate visibility in movements and inventory and ensure all CBD products are sourced from legal hemp and can be quickly recalled in the event of a public health concern.

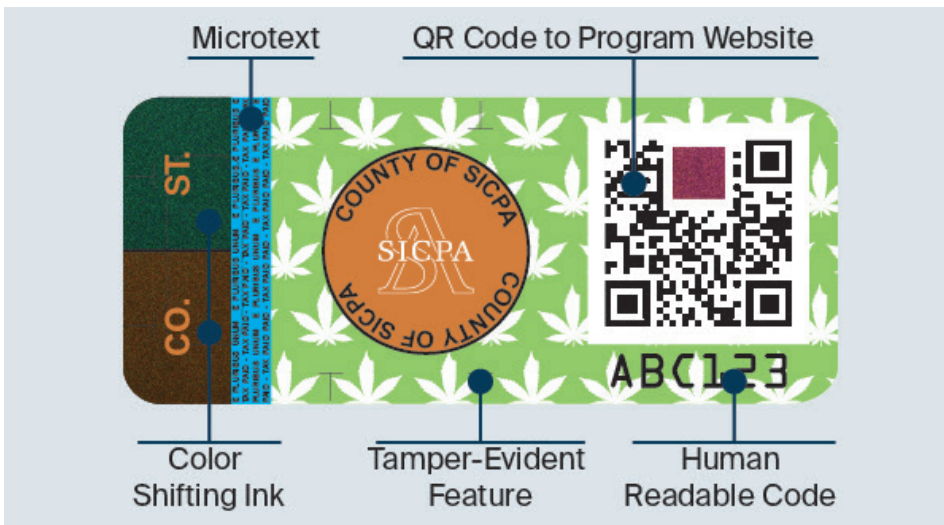
The solution uses counterfeit-resistant retail product stamps, traceability and enforcement tools, customizable data management services, and optional consumer engagement module for proof of origin and product details. SICPA's solution combines ease of implementation with the flexibility to meet the needs a variety of market types, from mature to emerging.

CONSUMER ENGAGEMENT APP

Consumers need access to information about safe use of products. The consumer engagement app:

- Helps consumers select properly tested legal products
- Allows consumers to check product recall status
- Supports consumer education on product usage

LAYERED SECURITY PREVENTS COUNTERFEITS & FRAUD



PROGRAM BENEFITS

For government officials and law enforcement, the solution offers:

- Captures growing activity to ensure hemp activity is not a conduit for marijuana
- Makes it easier for law enforcement/auditors to differentiate legal from illicit products
- Discourages black market activity and product diversion

For industry, the solution offers:

- Enable regulatory compliance using methods consistent with common agricultural practices.
- Supply chain visibility aligned to regulatory reporting requirements
- An app and website that connects them with patients and consumers

Patients and consumers can count on the solution to:

- Validate hemp/CBD products have been legally produced and tested for safety
- View product information such as dosage and appropriate use instructions and receive notification of unsafe or recalled products
- Confirm product production methods and operator third party certifications

ABOUT SICPA

Founded in 1927, SICPA is a global leader in authentication, identification and secure traceability solutions and services. With billions of products secured every year, SICPA partners with industries, security printers, governments and financial institutions on matters related to security.

SICPA

8000 Research Way
Springfield, VA 22153
USA

Tel. 703 455 8050
Fax. 703 455 4518

securitysolutionsUS@sicpa.com
www.sicpa.com

Technical information in this document is subject to change without notice.
For additional information, please contact your sales or technical representative.
© 2019, SICPA, USA

All material in these pages, including text, layout, presentation, logos, icons, photos and all other artwork including any derivative work, is the intellectual property of SICPA (for the purpose of this document the word "SICPA" shall mean SICPA HOLDING SA or any of its parent or affiliate companies) unless otherwise stated, and is protected by trademark, patent or copyright. No reproduction, derivative, or commercial use of any material is authorized with-out the prior express written permission by SICPA. Information contained in, or derived from, these pages shall not be used for development, production, marketing of any product or service, or for any other purpose, without the express prior written permission of SICPA.