



SICPA Announces New Cannabis Tracking Program Contract with Humboldt County, California
Premier Partnership Result of Successful Pilot in California's Emerald Triangle

SPRINGFIELD, VA, October 10, 2017—Following a successful six-month pilot program, SICPA, a global leader in security solutions for regulated products, today announced that it has signed a contract with Humboldt County to provide a comprehensive track and trace solution for locally-produced cannabis. SICPATRACE® Cannabis provides increased transparency and accountability in the cannabis supply chain from seed to sale. The county will require all permittees, with more than 1,800 applicants to date, to be active in the track and trace solution.

SICPATRACE® Cannabis provides the County with a complete track and trace reconciliation of the cannabis supply chain from seed to sale. The solution combines counterfeit-resistant stamps, traceability and enforcement tools, customizable data management services, and consumer engagement for proof of origin and product details. “The customizable SICPATRACE® Cannabis solution – combined with SICPA’s ongoing implementation support – provides government officials, cultivators, distributors, and consumers greater visibility into the supply chain for cannabis products. This forensic trail, stretching from cultivator to dispensary, helps identify and reduce the spread of illegal cannabis, supports public health and safety goals, and increases consumer confidence,” said SICPA Vice President of Business Development Alex Spelman.

SICPA’s solution combines ease of implementation with the flexibility to meet the needs of a mature market like California at the state, county and local municipality levels. This solution also uniquely provides consumers with insight into product origin, growing techniques, and safety testing – helping Humboldt County continue to build its reputation as one of the country’s highest quality, largest and most mature cannabis-producing regions.

“We chose to work with SICPA because they understand the importance of getting it right when it comes to track and trace. Their product is sound and has been successful both at a state and national level,” said Humboldt County’s Agricultural Commissioner Jeff Dolf. “SICPA’s track and trace product gives industry leaders and officials the flexibility and customization we need to manage proof of origin – allowing local businesses to build Humboldt’s brand of safe, high-quality cannabis products – while also combating distribution to minors, identifying diversion to other states, preventing revenue from supporting criminal enterprises and addressing growing on public lands.”

This contract will continue to build on the successful Humboldt County pilot program, where more than 30,000 stamps were applied to nearly 2,000 pounds of medical cannabis and medical cannabis products originating in Humboldt County. The pilot demonstrated the value SICPATRACE® Cannabis provides to regulators and industry stakeholders by reducing the burden of compliance, enabling consistent regulatory enforcement and helping protect tax



revenue. In addition to positive feedback from officials and industry stakeholders, the program was formally recognized in the 2017 Excellence in Tax Stamps awards in the category of Best Tax Stamp Program and the California Association of Counties (CSAC) 2017 Challenge Awards for Innovation.

The successful pilot positioned Humboldt County to implement a full-scale track and trace program. The new contract ensures continued access to the proven SICPATRACE® Cannabis solution, which helps protect public safety, enables regulation, and builds on Humboldt's reputation as a preeminent cannabis-producing region. Humboldt is the third major California county to join forces with SICPA for cannabis solutions. Mendocino and Yolo counties launched similar programs with SICPA earlier this year.

How it works

Once government regulators approve cannabis business licenses, licensees are given access to a secure, online system that allows them to share key information with other system users across the supply chain.

Through a combination of counterfeit resistant stamps and the secure online system, products are tracked starting with individual plants, through various product transformations, and all the way to point of sale. As a product moves through the supply chain—from cultivator to manufacturer to distributor to dispensary—additional detail is added to the online system in association with each unique stamp. This creates a map of a product's journey through the supply chain in a secure online system.

The stamps also connect patients and consumers to product information through the CalOrigin smartphone app and website (www.calorigin.org). Patients and consumers use these tools to make sure a stamp is valid, retrieve product details, see test results, and more.

Program Benefits

SICPATRACE® Cannabis provides many benefits to program participants. For government officials and law enforcement, the solution offers:

- Public Safety – Capture and rendering of product creation methods and testing information to ensure products are safe for consumption
- Compliance – Ability to quickly authenticate product source and provenance to prevent transfer of products between legitimate operations and the illicit market.
- Revenue Reconciliation – Detailed volumetric and sales information to enable tax calculation and reconciliation at multiple points in the supply chain



For growers, manufacturers, distributors, and dispensaries, the solution offers:

- Simple and efficient toolset to enable quick compliance with regulations
- 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 cannabis products have been legally produced, tested and are appropriate for consumption
- View product information such as potency and appropriate use instructions and receive notification of unsafe or recalled products
- Confirm product production methods and operator third party certifications

About SICPA

SICPA is a trusted global provider of security inks as well as secured identification, traceability and authentication solutions. With high-technology security inks at the core of its expertise, the company protects the majority of the world's banknotes, security and value documents, and a wide range of consumer and industrial products. It offers solutions and services to governments and industry, ensuring product authentication, traceability and protection as well as tax reconciliation. www.sicpa.com

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