

Mendocino Co. Selects SICPA for Medical Cannabis Control System Program aims to deter illegal medical cannabis trade and protect Mendocino appellations

SPRINGFIELD, VA, June 8, 2017- Following a competitive bid process, Mendocino County, California selected <u>SICPA</u>, a global leader in security solutions, as their partner to implement a medical cannabis control solution to comply with MCRSA regulations well in advance of the California-mandated January 1, 2018 deadline. Mendocino will benefit from SICPA's proven track and trace offering, the SICPATRACE[®] Cannabis Control and Compliance System, which was successfully piloted in Humboldt County and is in production in Yolo County.

The solution combines counterfeit-resistant stamps, traceability and enforcement tools, and data management services to create a platform that ensures easy regulatory compliance and supports public health and safety priorities. By making it easy to separate legal product from illicit product, the program will help confirm medical cannabis in Mendocino County complies with local government regulations including MCRSA.

Mendocino County Chief Executive Officer Carmel J. Angelo explained, "SICPA's program will allow the County to track and trace medical cannabis products throughout the supply chain. This will assist the County's code enforcement program and provide the County with a unique brand identifier for Mendocino County cannabis products. In addition, the travel manifest feature of the program will enable the County's permittees to have verification that the product is legitimate during the transportation process." She continued, "We are pleased to partner with SICPA, a global leader in track and trace with extensive experience in California."

SICPA's experience in track and trace ensures Mendocino's solution will stand the test of time. SICPA Vice President and Director of Business Development Alex Spelman explained, "The solution is flexible enough to meet the needs of a mature market like California at the state, county and local municipality level. In fact, SICPATRACE[®], the core technology used with this solution, has been used since 2005 by the <u>California Board of Equalization</u> to effectively track and trace approximately 900 million packs of cigarettes annually, representing more than \$835 million in annual excise tax collections."

SICPA has a long history of partnering with local governments to provide secure track and trace solutions that enable comprehensive oversight of tobacco, alcohol, pharmaceuticals and cannabis in order to promote public health, address public safety concerns, safeguard proof of origin and, where applicable, ensure appropriate tax revenue collection.

In addition to expertise in partnering with local governments, SICPA invested the time to understand the workflow of the existing medical cannabis industry in California in order to design a traceability solution that would create a simple on-ramp to compliance for participants. Indeed, these efforts have been noticed by Mendocino businesses. Founder of Mendocino Appellations Project Justin Calvino explained, "The Mendocino appellations project is looking forward to working with SICPA. We believe track and trace will help identify the cannabis not only produced in Mendocino County, but also born in this region. We want to protect and preserve our heritage genetics. Unique plant identifiers can be a tool we use to help us on this mission."



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 throughout the supply chain.

Through a combination of anti-counterfeiting stamps and the secure online system, products are tracked from the individual plant level all the way to point of sale. As a product moves through the supply chain—from cultivator to manufacturer to distributor to dispensary—more information is added to the online system and associated with a particular stamp, this essentially creates a map of a product's journey through the system.

The stamps will also connect patients to product information through a smartphone app and website. Patients can use these tools to make sure a stamp is valid, retrieve product details, see test results, and more.

Program Benefits

SICPA's medical cannabis control solution provides many benefits to program participants. For government officials and law enforcement, the solution offers:

- Visibility across the entire supply chain
- Ability to quickly authenticate products and ensure they are produced legally
- Ability to identify suspicious behavior and investigate possible threats

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

- Simple and efficient on-ramp to compliance
- Supply chain visibility
- An app and website that connects them with patients

Patients can count on the solution to:

- Validate medical cannabis stamps
- Ensure they are getting the right products for them

For more information on: SICPA's Medical Cannabis Control and Compliance Solution http://us.sicpa.com/CannabisControl

SICPATRACE[®] - <u>http://www.sicpa.com/government-security-solutions/sicpatracer</u>

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 ensuring product authentication, traceability and protection as well as tax reconciliation. <u>www.sicpa.com</u>

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