

Garden Remedies

Environmental, Social, and Governance Report 2022



GARDEN REMEDIES
ESG REPORT

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About Garden Remedies

Garden Remedies Inc. (GRI) is a vertically integrated cannabis brand currently serving the state of Massachusetts, operating a cultivation center in Fitchburg, medical and recreational dispensaries in Marlborough, Melrose, and Newton and a warehouse in Westminster.

GRI produces cannabis flower, pre-rolls, edibles, vapes, concentrates, tinctures, and more.

Garden Remedies is the first woman-founded cannabis dispensary brand in Massachusetts and was among the earliest wave of combination adult-use/medical cannabis dispensaries to open in Massachusetts. We opened our doors in 2017 following state legalization in 2016.

Accepting the implicit responsibility that comes with each of those landmark achievements, Garden Remedies operates every aspect of its business towards fulfilling the inherent promise of the legal cannabis industry.

As the first woman-founded cannabis dispensary brand in Massachusetts, Garden Remedies considers diversity, equity, and parity to be of the highest importance, and ensures that each department prioritizes efforts that produce tangible results for social justice.

As the first physician-founded cannabis dispensary brand in Massachusetts, Garden Remedies provides cannabis products that are consistent, effective, and safe—creating an essential trust between local citizens and the emerging industry.

As one of the longest tenured combination adult-use/medical dispensary brands operating in Massachusetts, Garden Remedies fully owns the responsibility to improve community education about cannabis, its effects, and its history in our society.

GRI makes this level of cultural impact possible by directing every aspect of cannabis production and distribution from cultivation to retail, truly delivering cannabis from seed to sale, from plant to person.

Beginning in 2021, GRI took action to become a “house of brands,” creating new sub-brands to exist across different categories of cannabis products, including the flower, pre-rolls, and edibles. These sub-brands include Seconds, High Flavor, and Lotis Cannabis Gummies.

In 2022, we continued to expand upon these brands offering increased variety, accessible pricing, and new mindful experiences.

We also began developing two additional sub-brands that launched in quarter two of 2023 including Realm, a premium flower brand, and AERO extracts, a premium solventless concentrate brand.

Where being a vertically integrated cannabis brand has allowed GRI to advance from the pack in previous years, we believe that further developing the brand identities under the GRI umbrella will better position us to serve an emerging and increasingly loyal consumer base, at our own locations and via our retail partners, in the state of Massachusetts and potentially beyond.

Letter from the CEO

Garden Remedies was founded in 2013 with the commitment to be the best-in-class cannabis company in Massachusetts. Everyday we strive to put our people, our community, and sustainability in front of mind while offering the best products that embody creativity, skill, and passion. It is an honor to introduce our first Environmental, Social, and Governance (ESG) report.

We started our ESG journey back in 2021 when we decided to conduct a stakeholder assessment to determine what our internal and external stakeholders thought of our current business practices and what they perceived as possible areas of improvement. This guidance not only has allowed us to grow into the strongest position we can have but it allowed us to strive for more transparency on our ESG goals laid out in this report.

ESG directly refers to the overarching responsibilities at the core of the cannabis industry, to operate in our environment's sustainability, to maintain positive social impact in all our communities, and to ethically govern every stage of our business from seed to sale. By documenting our 2022 practices in the context of different ESG issues, we can identify issues we positively and negatively impact as well as share how we mitigate and address negative impacts.

Our people are the core of all Garden Remedies operations and are the most essential part of our company. We are extremely fortunate to employ the best individuals this industry has to offer while offering a space for our employees to grow and succeed. Most notably, in 2022 we increased all hourly and salary employee's pay to ensure a livable wage for employees. When conducting this pay increase, we also reduced our 2021 gender pay gap from 6.8% to 0%. We are proud to embody equality within our company and continue to look for ways to reduce barriers for employees' success and increase equality through our operations and the industry.



We also recognize the growing threat of climate change as an urgent global problem and the cannabis industry's negative impact on climate change. As a leader in the Massachusetts cannabis industry, we have set out to measure our emissions annually, offer product packaging recycling in all our retail locations, and we have founded the Massachusetts Cannabis Sustainability Coalition dedicated to lobbying for more sustainable regulations and sharing best management practices with other companies. In 2022, to address our own emissions, we began our LED retrofit which will be completed by summer of 2023 which is expected to reduce energy consumption by about 1.2 million kWh annually.

As this is such an important issue to internal and external stakeholders, we will continue to explore more ways to reduce our emissions and reduce our overall impact on the environment.

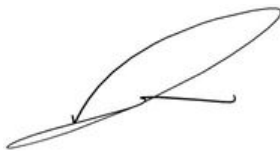
We hope that as a leader in this industry we can also help reduce the stigma associated with cannabis with the release of this report, continued transparency with all stakeholders, and with our community outreach programs. With a long history of prohibition and a disproportionate incarceration rate of people of color for using and selling cannabis, we pride ourselves on donating to groups like Freedom Grow that help people incarcerated for drug offenses. We also recognize that the public might have some misgivings or stereotypes about cannabis users, but we show through all our community outreach work, adherence to all state and federal regulations, and code of ethics that we are a strong business with respect for our customers, community members, and employees.

While we are immensely proud of the progress we've made thus far, we also recognize there is always more work to do, and so we present this report as part of a continuing effort to articulate specific and tangible goals for the future of this company, especially with regards to the environment, social practice, and governance.

We thank our employees and other team members for their continued efforts towards making GRI such a forward-thinking company, and for maintaining our position as the home of cannabis in Massachusetts. We thank our communities for giving us a home and supporting us every step of the way. And we thank every stakeholder, every employee, every customer, and every community member that contributed to this report, for helping us to chart a map towards an even better future for GRI.

**Thanks to all of you, our
Garden keeps growing.**

Sincerely,



Jeff Herold
CEO, Garden Remedies



About This Report

Garden Remedies Inc. (GRI) expanded its Sustainability department in 2021 by hiring a Corporate Sustainability Specialist, forming an ESG team, and beginning the process of creating annual reports that communicate our progress. Recognizing that no other Massachusetts-based cannabis brand was directly tackling industry-wide sustainability issues, we became determined to provide transparency on the subject to an extent that is unprecedented for a private company operating on the state level.

With that in mind, this report is meant to provide a record of GRI's current standing on ESG-related concerns, as well as to articulate goals for the future, so that we all can reach a better understanding of the advantages we've cultivated, the risks we still carry, and the strategies we need to adopt moving into the future.

This ESG report focuses on GRI's 2022 fiscal year from January 1 to December 31, 2022, with additional context from prior years, as well as from 2023 when applicable. This report includes data and information from our Cultivation and Manufacturing Facility in Fitchburg, our warehouse in Westminister, and our three retail locations in Marlborough, Melrose, and Newton, MA, all of which are wholly operated by GRI.

To consider this data and information, this report utilizes different concepts from established reporting frameworks including the Sustainability Accounting Standards Board (SASB), and Garden Remedies has reported in accordance with the Global Reporting Initiative (GRI) Standards for the period January 1st, 2022, to December 31st, 2022.

The primary focus of this first report is to engage our internal and external stakeholders to determine ESG issues that are important to them, our business, and our surrounding communities. It is in our best interest to identify the ESG risks that are most concerning to our team, then to measure where we stand and determine next steps.

We are proud that, even as a small Massachusetts-based cannabis company, we can fulfill our commitment to cultivating greener and more sustainable practices.

Materiality Assessment

1 | ESG Preparation and Stakeholder Identification

We began our ESG journey by identifying our industry sector, our business relationships, and who our stakeholders are. As a vertically integrated cannabis company our industry falls into the Agriculture, Pharmaceutical, and Retail sectors and our business relations range from vendors to other cannabis companies to communities and regulators.

An ESG team was then created at Garden Remedies, including managers from more than 10 departments, additional executives, and the Sustainability Specialist. Working collaboratively, the group identified internal and external stakeholders that are impacted by our business operations, and invited representatives of both groups to speak for the sake of the assessment.

Employees and board members were engaged to speak regarding internal subjects, while customers and community members near our retail locations were invited to speak regarding external concerns. During this time, we also identified actual and potential impacts of our business and determined how we address those impacts.

2 | Preliminary Stakeholder Interviews

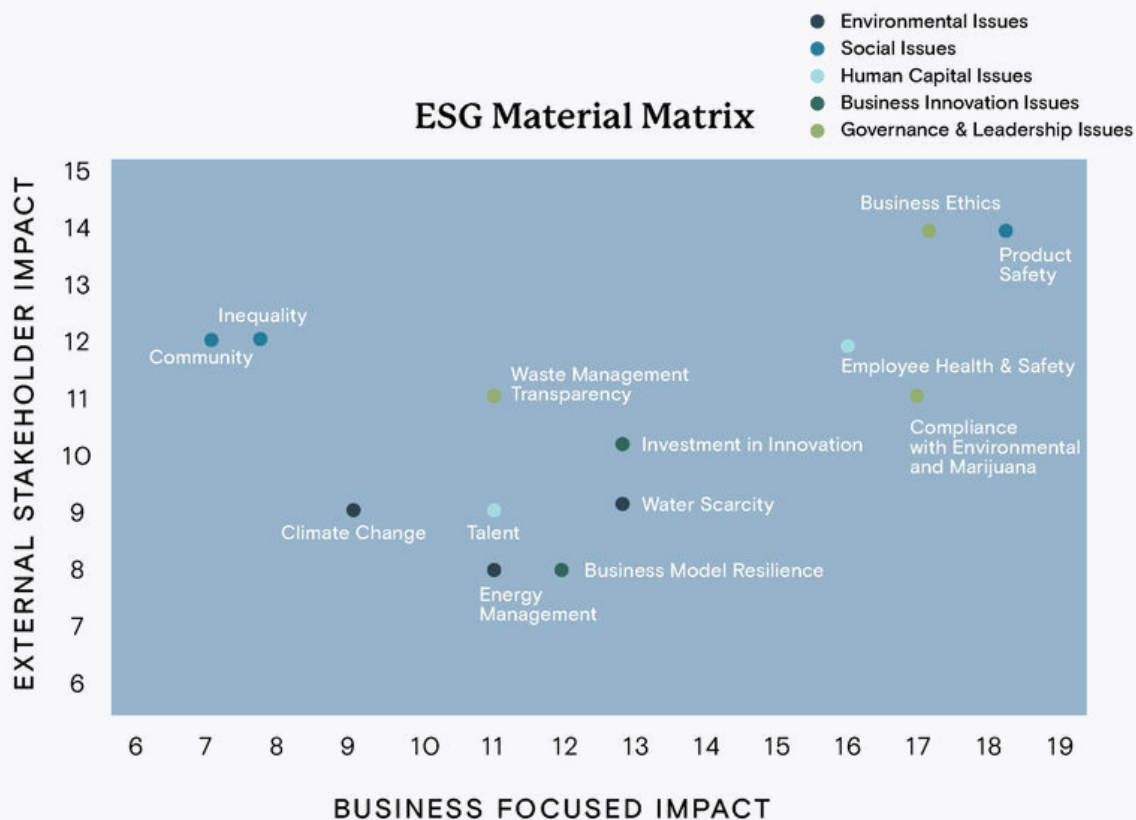
Our stakeholder interviews engaged 40 internal stakeholders and nine external stakeholders, including board members, employees, and customers. While we do hope to have larger sample groups in future studies, we feel this group of 49 provides a comprehensive portrait of currently prevailing viewpoints.

Individuals were asked to identify which issues they believe are most important to our business, and to identify any potential solutions they may suggest. Pulling concepts from SASB, we divided each interview into segments dedicated to individual dimensions: (1) environment, (2) social capital, (3) human capital, (4) business model and innovation, and (5) governance. Stakeholders were asked to rank their top 2-3 concerns per category across the five subjects.

3 | Evaluation of Material Issues

The stakeholder interviews allowed us to determine perception of the highest priority issues in each dimension, from both the internal and external perspective.

To evaluate these issues our ESG team was asked a series of questions, both business priority-facing as well as external priority-facing, to identify which issues displayed higher risks or opportunities. Asking these questions allowed us to connect the issues that arose during the stakeholder interviews to our actual and potential, negative, and positive, impacts.



4 | Determining Future Actions

Based on the evaluation, we identified our highest priority issues, and then articulated the following for each:

- Current Approach
- 2022 Performance
- Goals for 2023 and Beyond

Interviews were utilized to provide context on each individual concern, as well as to identify any potential solutions.

Governance

Business Ethics

Given developing standards across the entire cannabis market, all businesses must reconsider their ethics on both an internal and public-facing basis to ensure that values are properly aligned with the wider culture. At Garden Remedies we believe that radically honest ethical practices are both a business necessity and a consumer expectation, and constantly innovate in order to keep pace with those needs.

Given the long history of cannabis prohibition in the United States, and the role that criminalization of cannabis has played in the disproportionately high levels of incarceration for people of color, a company like GRI must be more than ethical—it must take proactive steps to address the stark inequalities that precede us.

Our HR team, executive team, and board are staffed with individuals who have broad experience across numerous different sectors, ensuring well balanced and informed practices. All employees, as well as the board, are required to take a wide range of ethics training courses on a yearly basis and our ethics policy and guidelines are available within the employee handbook.

Our finances are reviewed annually by the board and disclosed in quarterly investor reports.

Board and Investors

Our board includes five individuals representing a wide range of diverse backgrounds. They attend quarterly board meetings, monthly board updates, and interact with our executive suite about the health of the business and their investment on an increasingly regular basis, as well as submitting annual financial reviews.

A governance goal for 2023 is to continue to define our brands, culture, and mission and vision statements to further grow our business and better command our home turf. We also have plans to develop a flower brand in 2023 that targets our core user base.

Business Model Resilience

Garden Remedies is a fully diversified and integrated business, in terms of channels and revenue streams. We cultivate and manufacture for retail, wholesale, and delivery, while operating at the state maximum level of three medical locations and three adult-use locations. This diversity as a business makes us a stronger, more adaptable, and better set up for scaling future success.

Resilient organizations continuously reflect and objectively assess past and current performance with an eye towards refining the future vision and plan. In 2022, we assessed our current performance and products and developed brands that can best serve our array of customers. We created brands such as Lotis, High Flavor, and Seconds and over the course of the year, we defined each of these brands and their target audiences.

Our Brands

SECONDS

lotis
CANNABIS GUMMIES

HIGH FLAVOR

Our goal is to continue increasing our market share as the industry continues to expand by improving product quality, elevating our brands, and speaking directly to our core user base with exciting new products that directly target specific demographics.

Transparency

Garden Remedies was founded with a philosophy to put people first, from our medical patients and customers to our employees, colleagues, community members. This commitment to people has allowed us to constantly improve transparency and communication with internal and external stakeholders over time.

Externally, we share most of our information through our website www.gardenremedies.com. Information regarding products, sub-brands, education on cannabis, community outreach, sustainability work, local events, and more are provided on the website, as well as all press clips regarding our company. We also have a list of loyalty customers who have signed on to receive more frequent information through emails.

We receive external feedback through emails, phone calls, and through our Cannabis Advisors direct discussions with customers. From this direct feedback we recognized cost as a major concern of customers which helped guide our decision to develop our affordable Seconds line.



Internally, we have numerous ways of sharing information through different levels of the company. Our company-wide announcements are shared through all-employee emails and slides on internal television screens. More department specific updates are shared by management.

In 2022, we created an all-employee communication survey to help determine some of the largest issues we face as a company. From this survey we reevaluated our culture and determined we need a concrete mission and vision statement to help collectively drive us to the same end goal. Although we have not created a mission and vision statement yet, we determined what helps drive us as a company.

- **Protect our Home Turf of Massachusetts**
- **People First**
- **Sustainability**

Our goals for 2023 are to create a mission and vision statement that unite our company and provide a set of values to work by to attain our company goals.

To improve communication, which remains a top employee issue, we plan to develop a work group to target what information is and is not translated to all employees and how we can best communicate that information more consistently and effectively.

Compliance with Environmental and Marijuana Regulations

At GRI, the first overriding priority is to rigorously follow all environmental and marijuana regulations that apply to our business. Environmental regulations consist of both Environmental Protection Agency (EPA)[GR1] and Massachusetts Environmental Protection Department (MassDEP) regulations on hazardous waste and air quality control. Marijuana regulations are state mandated by the Cannabis Control Commission (CCC).

In 2021, we hired an environmental consulting firm Woodard & Curran to help determine all necessary regulations we would need to comply with. To work on CCC regulations, we employed a Director of Compliance that was dedicated to regulations including horticulture lighting, construction permitting, and label compliance.

Upon their hire, our Director of Compliance began a complete audit of our labels and packaging, and found multiple places where labels, packaging designs, and advertisements were not up to standard. Those issues have been corrected, and subsequently GRI developed a streamlined process of approving our advertisements and labeling. These new processes were fully implemented by January 2022.

We maintained good standing with the CCC and all state regulatory agencies in 2022 and our goal for 2023 is to continue to maintain that good standing.

Environment

Energy Management and Climate Change

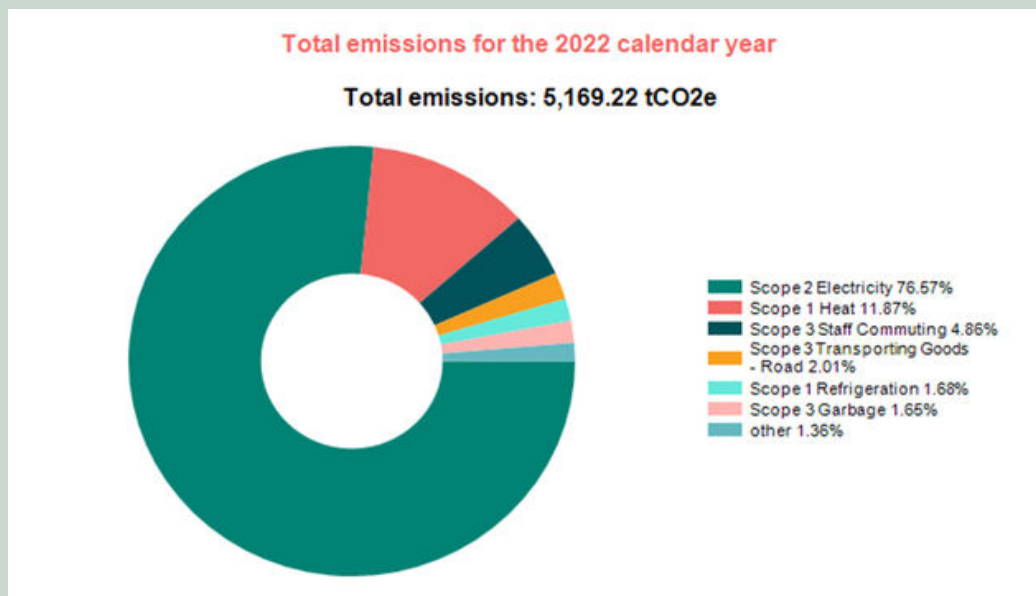
Garden Remedies acknowledges that every business is responsible for accounting for its contribution of CO2 emissions and must take actionable steps to reduce their effect on climate change. The cannabis industry requires many natural resources such as water, soil, and for indoor growing, energy. As an individual company, we must be mindful of the risks that come with relying on natural resources, while also working to reduce our need levels and our impact on the environment. One company alone cannot change the industry's environmental impact which is why we founded the Massachusetts Cannabis Sustainability Coalition to work with other companies to address sustainability risks and lobby for sustainable regulations.

Carbon Reduction

In 2021, we joined Radicle's Climate Smart program to help measure our Scope 1, 2, and 3 emissions for our 5 locations during 2020. We performed our second inventory in 2022 to see how our operational growth affected our emissions.

We expected our 2022 emissions to be higher due to internal expansion of 3 new flower rooms and a new built-out packaging and kitchen area. We saw an increase of 1,888.93 tCO2e. Scope 2 emissions remained the highest emissions scope and therefore our main focus for emissions reduction.

Emissions reductions took place within the scope 3 category under garbage and transporting goods. Garbage emissions decreased by 87.32 tCO2e, likely a result of our waste reduction initiatives. The transporting goods emissions reduction was 19.15 tCO2e we believe because of an internal work group focused on cost reduction by switching to bulk purchasing practices and less ordering.



Energy Management

In early 2021, we began compiling energy data (Scope 1 and 2 emissions) from our Fitchburg Cultivation and Manufacturing Facility, as well as from retail and warehouse locations, to better understand our usage and began looking into plausible energy reductions practices.

For 2022, our total electricity consumption (Scope 2) for our Fitchburg location was over 10 million kWh. With scope 2 being our highest source of emissions, due to Fitchburg's electrical demand, we decided to start working on plans for an LED retrofit of our current HPS fixtures scheduled for quarter two of 2023. We expect this retrofit to reduce energy consumption by about 1.2 million kWh annually after implementation.

In late 2022, we began our LED retrofit project by retrofitting our mother room to include 108 LEDs as well as our R&D room and have also switched over a few rows in a flower room to help us determine which LEDs to use for the rest of the flower rooms.

After performing our 2022 emissions inventory with Climate Smart, we noted that heat emissions also significantly increased therefore, a goal for the end of 2023 is to research heat trapping solutions for our Fitchburg and Westminster facilities.

Waste Reduction

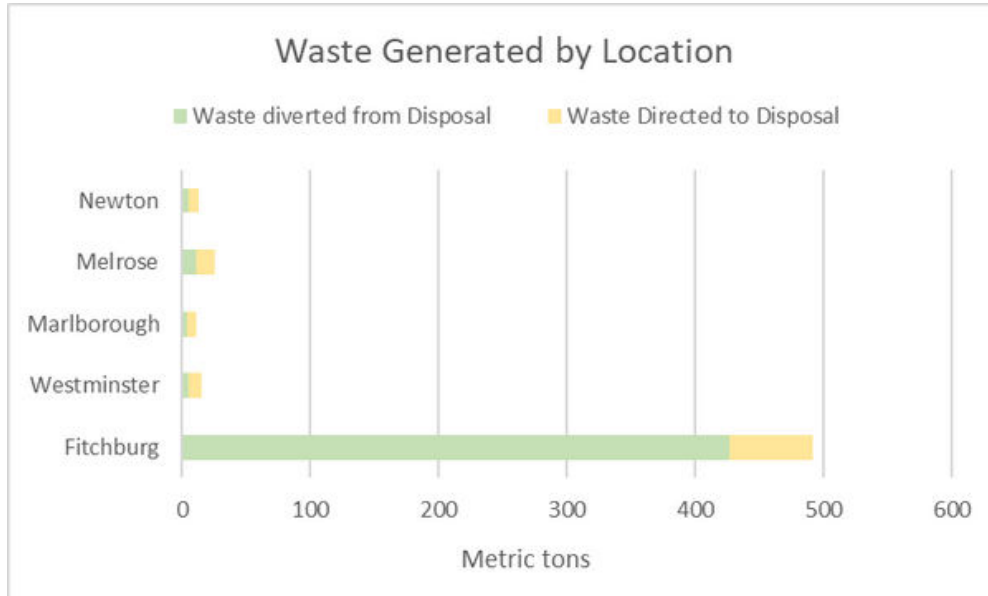
Waste generation is a large byproduct of producing cannabis both internally and externally. When assessing the impacts of our waste generation we noted that most of our waste was going to incineration or landfills internally and externally most of our customers did not know how to dispose of our packaging.

Throughout 2022, we performed two waste audits at our Fitchburg facility to determine the types of material inputs and outputs that are going into the waste stream. From these two assessments we determined that empty plastic bags, PPE, Metrc tags, food waste, labels, and bathroom trash were our highest sources of waste that was not diverted to compost or recycling.

A few projects were implemented to reduce these major sources of waste including switching to using racks over plastic bags for our transportation of flower products to the dry room. For food waste, much of the waste mixed into the food waste generated by employees was recyclable bottles and food containers. We conducted several educational training courses to work to reduce food waste packaging and divert it to recycling. To reduce bathroom waste and more food waste we set a goal to implement composting by quarter two of 2023.

We continue to make consistent revisions to our business practice to reduce waste across all operations. For example, in 2022, we switched our personal protective equipment (PPE) from single-use Tyvek suits to machine washable coveralls, significantly reducing our waste in our cultivation and manufacturing facility by about 7100 lbs of PPE waste annually. We also researched ways to recycle gloves, but it was not feasible at this time.

In 2022, we produced 555.92 metric tons of trash and 449.98 metric tons of waste diverted from disposal including onsite reuse, compost, and recycling between all locations. Of the 449.98 metric tons of waste diverted, 49.61 metric tons were recycled while the rest was compostable material or reused ethanol for extractions.



In our retail locations, we were also only recycling cardboard at the start of 2021. However, by the end of the year, 2 of our 3 retail locations had full single-stream recycling, with the last store's recycling being implemented in March 2022. At our Westminster warehouse location, we also improved from no recycling in 2021 to a single-stream recycling dumpster, added in early 2022.

To reduce customer waste, in early 2022 we launched packaging recollection bins in three retail locations, allowing customers to bring in select packaging to be recycled. We know that not all municipalities and apartment buildings make it easy to recycle, therefore this collection program gives people the opportunity to recycle their single-use packaging. Since its implementation, we have offered promotions for people to bring in their packaging at different points throughout the year as a thank you to those customers who keep sustainability in mind.

We introduced a Deli Style shopping experience in mid-2022, alongside the Deli Style Growler, a reusable child resistant mason jar that enabled customers to buy and refill it, reducing packaging waste. However, only 10% of purchased growlers were utilized before discontinuing Deli Style by the end of 2022. While not successful in promoting packaging recirculation, it was a good experience to learn from for future waste circularity projects.

As we continue to evaluate ways to reduce waste internally and externally, we have set a few goals for ourselves in 2023.

- 1. Begin composting food and bathroom waste in Fitchburg.**
- 2. See a 25% reduction in incineration waste in Fitchburg on the day of our June 2023 waste audit.**
- 3. Convert more packaging to a sustainable alternative.**

Water Scarcity

Water is an essential resource to produce cannabis, therefore we must be fully aware of the risks that water scarcity poses to us on a business and climate level. For instance, many cannabis companies on the west coast deal with drought and wildfires as significant business risks. While these risks are not frequent on the east coast, there are other comparable risks like dry spells and the potential of new state regulations pertaining to water use.

Currently, we record water usage through billed metering. We also know how much water we provide to the plants from mother to flower stages, but it varies based on the strain. We also have a hydroponics grow for three of our flower rooms which use more water than our soil grows, with a daily water need of around 2L per day.

In the next 2 years, we hope to continue retrofitting to hydroponics and become more conscious of our water consumption with the retrofit goals. We will continue researching water recollection processes that would allow us to reduce our overall water intake, and to recycle current water used across the building and in our grow rooms.

Water is such an important resource for our business and the materiality assessment overwhelmingly revealed that our stakeholders consider taking preemptive steps to understand our water consumption to be a primary concern.



During our materiality assessment, our employees and customers recognized the importance of water, and highlighted the demand to pay attention to its risks. Our commitment is to focus on water more going forward, and to find ways to limit water use and/or implement water reuse.

Social

People First

“Our people are our biggest strength. We aren’t a robotic corporation; we’re a family.”
– The Executive Team

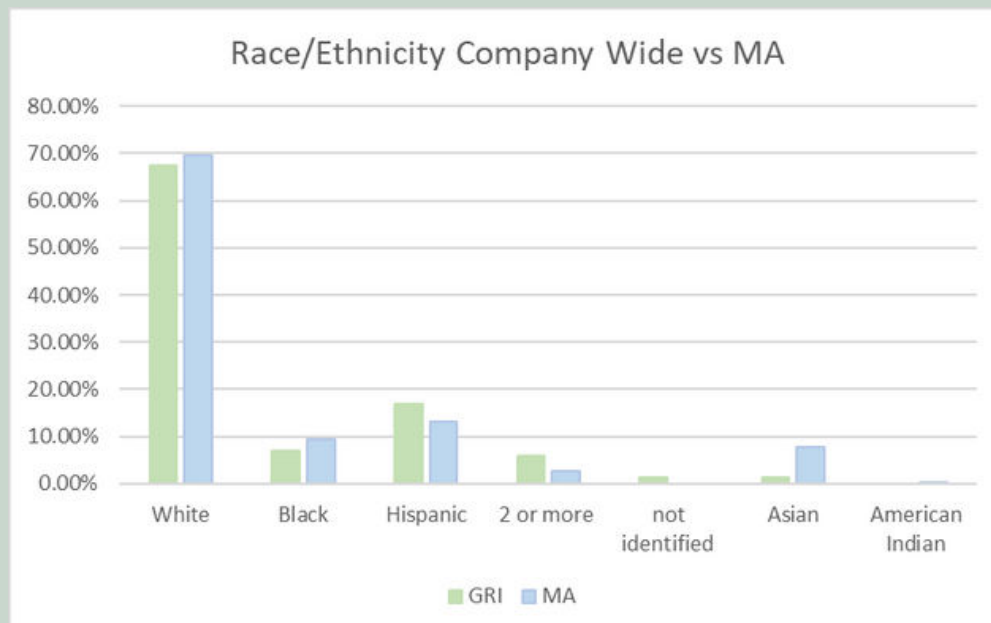
Inequality

GRI’s policy and philosophy is to provide equal opportunity in all areas of employment, including recruitment, hiring, training and development, promotions, transfers, termination, layoff, compensation, benefits, social and recreational programs, as well as with regards to all other conditions and privileges of employment, in accordance with applicable federal, state, and local laws.

GRI makes reasonable accommodations for qualified individuals with known disabilities, in accordance with applicable law.

We are dedicated to attracting and supporting a diverse faculty and staff population, and to developing enhanced multicultural learning opportunities. We value the opportunity to work, learn, and develop in a community that embraces the diversity of individuals and ideas—including but hardly limited to race, ethnicity, religion, spiritual beliefs, national origin, age, gender, marital status, sexual orientation, physical ability, political affiliation, and intellectual perspective.

GRI is committed to recruiting and hiring a diverse group of employees while promoting equity and equality among all staff. We closely monitor progress and proudly represent a diverse group of employees, with state-level underrepresentation coming in the Asian, Black, American Indian, and White groups.



Hiring managers are trained to identify biases and barriers for diverse applicants at every step of the recruiting and hiring process. Additionally, recruiting efforts are focused on areas disproportionately impacted by the failed war on drugs, and the communities in which we're located. GRI monitors exit interview data and anonymous employee surveys to identify areas of opportunity and strives to continuously improve.

GRI's gender pay gap was eliminated after a 6.8% gap in 2021 through the implementation of a pay band. Of all employees in 2022, 59% were male, 40% were female, and 1% were undefined.

Employee Health and Safety

Garden Remedies views employee health and safety as the highest priority. Our COVID response team closely monitored changing guidance and implemented several measures to keep our team safe throughout 2021 and 2022, in accordance with developing guidance at both the state and national level.

In 2022, we hired a full-time Employee Health and Safety Officer. We then identified employee health and safety risks including but not limited to air quality, hazardous materials, tripping and lifting hazards, and eye safety. To address these risks, our Employee Health and Safety Officer trained employees on OSHA, hazard communication, PPE, emergency evacuation, lifting practices, and more. Our Head of Security offered training on disasters, robbery, and active shooter situations as well.

To address increased air quality concerns, we installed a voluntary respirator program for workers in areas which test environments with higher-than normal air particulates like cannabis dust. Cannabis dust has caused health issues and even a fatality at another company in 2022 therefore, air quality became a high priority issue for us.

We had four injuries in 2022, and 35 lost days. To reduce injuries and lost days, our goal for 2023 is to build a health and safety committee with senior and lower-level managers. We plan for this committee to meet quarterly and discuss monthly department safety walkthroughs.

Talent and Employee Retention

Keeping with our People First mentality, we focus heavily on training and development to ensure a fair, approachable, and well-trained leadership team as well as growth opportunities for all employees. Our goal for 2023 is to revitalize the Management and Leadership Development Program (MLDP) to make it more concise and add modules and/readings that directly to GRI management philosophies.

We continue to offer tuition reimbursement up to \$5,250 per employee per year for approved programs of study. We have employees in this program ranging from Certification programs to PhD level. In 2023, we hope to have more entry level and mid-level employees apply for this program. To increase engagement and accessibility for this program our goal is to house this program on our website in an employee only portal.

Garden Remedies' 2022 turnover rate was 39.06%. Exit interviews are attempted with every voluntary resignation. Based on those interviews, reasons for leaving included compensation, commute/schedule, and communication.

In 2022, salary employees received a 3% merit increase and hourly employees received 4% merit increase across the board. Annual compensation surveys will ensure our pay and benefits remain competitive and attractive to our employees.

We hope to provide a happy and fulfilling workplace to all our employees. In early 2023, we plan to take a temperature check through a survey to see engagement as well as issues of concern we need to address. what is the national turnover in 2022.



Employee
Appreciation
Events



Community Engagement

Garden Remedies Inc. (GRI) recognizes the social responsibilities that come with our presence in host communities, and the important role we've been selected to play as one of the longest tenured cannabis and dispensary companies in Massachusetts.

Our focus on protecting our home turf of Massachusetts is directly seen in our community clean-ups. In 2022, we had 15 community clean-ups throughout Fitchburg, Marlborough, Melrose, and Newton. For a few of these clean-ups we were lucky enough to partner with Keep Melrose Beautiful and North County Land Trust.

In 2022, we donated over \$32,000 to 15 different local and national organizations through our "Puff, Puff, Give" charity program which donates a portion of each pre-roll to a selected charity. A few of those groups can be seen here.



GRI is dedicated to supporting causes and charities that we feel best reflect the values of our teams, and the responsibilities faced by our industry. On the latter point, we consider it crucial to support individuals who have been harmed, prosecuted, and/or incarcerated as a result of previous cannabis laws. One of the groups we partnered with was Freedom Grow which provides aid and assistance to people incarcerated for cannabis offenses, helps cannabis prisoners with commissary money, books, magazines, family outreach, and public education.

We also have worked with Circle of Hope which provides food, clothing, furniture, and other items to family shelters and we have given aid and donated time to North Star Family Services, an organization that serves families living in the Fitchburg area. We also participate in their quarterly meal weeks where our team donates time to cook or buy meals for the shelter for the week.

In addition to the "Puff, Puff, Give" program, we established Jim's Honor Roll in memory of Jim Comber, GRI's first Director of Marketing, who passed in 2021 due to cancer. A portion of each Jim's Honor Roll pre-roll was donated to a selected cancer charity in honor of Jim including National LGBT Cancer Network and Project Just Because.

It is a core belief of GRI that we must dedicate constant energy to community events, donate to organizations close to our culture and hearts, and engage in other philanthropic efforts to support our host communities.

Our goal to increase community engagement in 2023 is to establish our own way of directly engaging with people who have been disproportionately affected by the war on drugs. We also want to engage more with community members either through attending community events and/or inviting community businesses for pop-ups or other engagement opportunities.

Product Safety and Quality

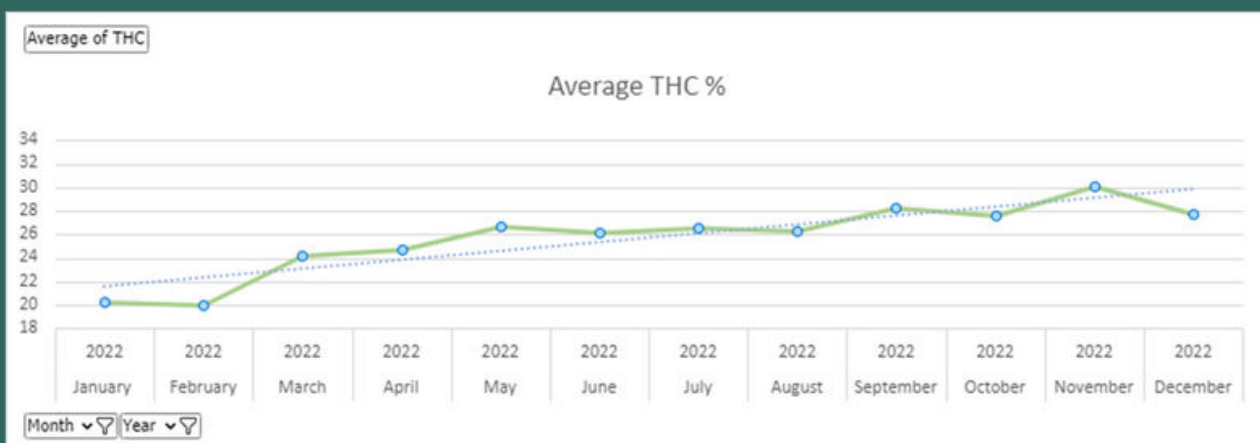
As a cannabis company, our greatest responsibility to consumers is to make safe cannabis products of the highest possible quality. Product safety and quality is directly impacted by all departments of GRI, but most of all by the three departments that are directly responsible for producing our range of cannabis products: Cultivation, Laboratory, and Kitchen.

All Garden Remedies products are stringently tested by third party organizations, as well as being subject to several varying internal tests during the manufacturing process. External testing scans for harmful materials and toxins, as well as registering exact levels of cannabinoids and terpenes, ensuring full compliance with CCC regulations.

Cultivation

We currently grow flower with both soil and hydroponic mediums. Our soil is meticulously selected for its low concentration of heavy metals to ensure product safety. We also now utilize Light-emitting diodes (LEDs) in our mother room, R&D room, and one flower room, with the rest using High Pressure Sodium (HPS) fixtures, improving our sustainability while simultaneously increasing the quality of plant material.

In 2021, we gathered consumer feedback on our flower and began to address the concerns about bud size. At the end of 2021 and early 2022 senior management tested hand-packing flower (rather than machine-based packing) to analyze the potential differences. Hand-packing subsequently landed very well with both our employees and customers and has since become standard practice given the full removal of those machines around quarter one of 2022.



Over goals for 2022 were to improve flower quality by increasing bud size, THC percentage, and provide more strain variety. We went from an 18% THC average in 2021 to a 26% THC average in 2022! Bud size increased with our new packing method and strain variety also improved throughout the year.

Cultivation goals for 2023 and beyond include to continuously improve flower quality through increased yields of flower per room, breed new crosses that our core user base will love, and reduce cultivations environmental footprint through our planned LED retrofit and water consciousness.

Laboratory

Product quality and safety is rigorously tracked across the GRI lab. Much like with flower by Cultivation, all products made by the GRI lab are tested by certified third parties in order to confirm both safety and quality.

These outside tests can screen for pesticides, cannabinoid profiles, terpene profiles, microbial materials, Mycotoxin, heavy metals, volatile organics, and Vitamin E acetate, and are a huge factor in allowing us to maintain and track product quality while simultaneously ensuring product safety and CCC compliance.

To track product quality across various metrics on an internal basis, the GRI lab also keeps an electronic notebook to track every process that is run, and every product that is produced by this department, with records. This allows us to easily pull older data in order to better analyze the quality of our process and our products within the context of larger production histories and previous benchmarks. We also include detailed pictures and notes on the quality and yields of the products we produce.

Additionally, we utilize an in-house HPLC (high pressure liquid chromatography) machine. This allows us to internally test samples of products, and products still in process, for cannabinoid and potency data. This also contributes to the quality of what we are producing.

In-house quality control measures also contribute towards product safety and quality at GRI. In the lab, we make small-size samples for the sake of quality control, disperse these samples to a number of employees, and create a survey to get feedback on the quality of the product. This allows us to check the product quality from a more personal standpoint and get feedback from real people that will help us determine the next steps.

In 2022, to improve product quality we also focused on increasing product taste, potency, and yields. Our rosin has evolved the most out of the lab product categories in 2022. In 2021, we had at most 2 to 3 strains in each of our stores at a time while in 2022 we increased production to have at least 4 to 7 strains at a time in the stores. We also focused on the taste of rosin using our quality control methodology as a way of comparing our older strains to our newer ones.

With the creation of our High Flavor line, we expanded into tastes we have never used before. Our goal is to expand upon our High Flavor brand in 2023 making all the flavors exciting and surprising.

Our lab goal for 2023 is to create new products like brick hash, live rosin vapes, cake batter, and higher quality shatter and crumble. We are also exploring the idea of a new premium concentrate brand for 2023 to house all our distinguishable concentrates.



Kitchen

As with Cultivation and Laboratory, all products made by the Kitchen are put through rigorous internal and third-party testing in order to ascertain they are fully compliant, properly dosed, and otherwise ready for sale.

All distillate used for GRI edibles is tested prior to use, both internally and by third parties, ensuring accurate representation of input and other values. Our chefs prepare rounds of early batches for each product to create exact specifications for infusions and dosing.

To further ensure product safety, our entire kitchen staff is Serve Safe certified (the state only mandates one person per shift being certified, but we believe it is important for all our kitchen staff to have the training).

In 2022, our kitchen produced chocolate and gummy products. We decided to end our chocolate production come 2023 to focus more specifically on our Lotis gummy brand. We received feedback around the end of 2022 that there were concerns of stickiness with the gummies which we will resolve in 2023. For quality control we check chews by hand before putting into the package.

Goals for 2023 include:

- Dose recreational gummies to be more accurate (5mg). Right now, they can range in mg which is shown on the labels.
- Create a High Flavor Gummy
- Reduce stickiness of the gummies



Data

GRI Content Index

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Disclaimer

All information in this report was gathered by Garden Remedies employees. In no way is this report meant as a form of advertisement. All goals are made in good faith but are not legally binding. We hope that the data shown in this report and the GRI content index demonstrate our commitment to sustainability goals and transparency within the Massachusetts cannabis industry.