



License Holder

82994 Newfoundland & Labrador Inc. d.b.a. KRFT

License Site

169 Ryder's Brook Rd. George's Brook-Milton, NL Canada A0C 1K0

Waste Management Plan

Overview

KRFT incorporates a waste management plan to maintain and track its output of waste and other disposed materials in a sustainable and environmentally responsible manner that complies with all guidelines set by its governing bodies.

The micro-cultivation and processing facility works to use appropriate channels of waste removal that are reliable and safe, with regular review and assessment of the procedures.

Categories of waste

Production waste

At the KRFT cannabis production facility, “production waste” refers to waste generated through the cultivation and processing of cannabis flower, which is regulated by governing bodies specific to cannabis.

The production waste primarily encompasses cannabis plants, their stalk, branches, stems, leaves, and flower. The waste removal of these products is highly controlled and has full instruction outlined in the facility’s standard operating procedures (SOPs).

These procedures adhere to all regulations outlined by the Cannabis Act, as well as being compliant with any other regulations set out by Health Canada and the Canada Revenue Agency.

The process carried out at KRFT is known as mechanical destruction. The waste products are collected, weighed, recorded and entered into an inventory software which generates relevant reports on a monthly basis or for periodic audits. The procedure was chosen and refined based on the production processes, quality assurances, and compliance regulations available to the facility.

These records are also retained for purposes of further review.

Mechanical destruction consists of denaturing the products by mixing with used coco-coir grow medium, and water. This makes the products compliant with regular disposal methods.

No cannabis products, denatured or not, are disposed of in traditional waste removal services.

From here, the denatured products can be composted on-site. The waste material is added to above ground coco piles to decompose and form compost.

This compost can be used for gardening purposes, and employees have taken quantities for their home gardens.

While there are additional methods of destruction that are approved by Health Canada, such as incineration, these methods have their own limitations. For example, while burning, the process must

comply with any local limitations on open fires as well as ensuring no individual is exposed to cannabis smoke or vapour.

Estimated volume: 100-150kg pre-dried weight per month. Once dry, this total is significantly less than the weighed value.

Liquid waste and runoff

KRFT employs a Service NL-approved septic tank and field, designed by a qualified engineer specifically for a cultivation facility of this nature. The system receives regular maintenance and monitoring, in addition to any other necessary upgrades.

Waste water recovery is not an option for the KRFT facility, as it presents issues with infrastructure and the quality standard within the facility.

The facility's washroom is also incorporated into the system and is regularly maintained to ensure there are no issues with their functionality. There is a very small staff at the facility with one washroom.

No hazardous materials are disposed of in the system, as they are considered "chemical waste" and treated as such.

The runoff water from cultivation processes is tested regularly to ensure that both the procedures and waste management plan are adhered to.

Estimated volume: The liquid waste for a small micro cultivation facility is minimized by used water being taken in by the plants themselves, and therefore is estimated to be less than 100,000 litres per year.

Chemical waste

For any and all chemicals used on-site at KRFT, for both production and non-production purposes, their disposal must be carried out in a compliant manner.

These chemical waste items include any commercial cleaners, potential pesticides and fungicides, additive spray chemicals and expired chemical products, including their containers.

The disposal of these items must be conducted in accordance with all proper guidelines of disposal, as stated on individual product labels and safety data sheets (SDS).

KRFT works in conjunction with its local waste collection body—the municipality of George's Brook-Milton to coordinate the proper method of disposal for these types of waste.

Estimated volume: This waste stream is not habitual for the facility and typically only occurs when a product expires. Therefore a small quantity usually once or twice annually.

Non-production waste

"Non-production waste" refers to regular waste created in areas of the facility which are not directly involved in the production of cannabis. This includes waste from the lunchroom area, bathroom, office or garage—which are known as "non-production areas" of the building, as they are not designated cultivation, processing or cannabis storage rooms.

This type of waste does not differ from regular residential waste that is collected regularly on a weekly basis by the Town of George's Brook-Milton. It can include single-use paper waste that is not recyclable, food waste that is not compostable, plastic materials from packaging and other sources, and more.

Additionally, the facility incorporates a sustainability plan to help reduce the amount of waste it produces, alongside other initiatives of community engagement and business development.

KRFT adheres to all guidelines for garbage collection set out by the municipality, as well as the Eastern Regional Service Board's waste management.

Estimated volume: About two standard-size black garbage bags per week.

Recycling and reusing

In addition to the regular waste streams at the KRFT micro-cultivation facility, the staff also has methods in place to help reduce the amount of waste produced and be more sustainable regarding its process.

Regular recycling of all applicable materials is conducted throughout the facility. This includes drinkable containers, paper and cardboard, and other eligible objects. This is completed through partnership with the Eastern Regional Service Board and George's Brook-Milton.

KRFT also goes to great lengths to repurpose other safe, non-hazardous materials in an effort to shrink its overall waste load. For example, much of the used coco-coir grow medium cannot be re-used at the facility for continual cannabis cultivation. However, the used coco is an integral part of the denaturing process of other waste, as well as the composting of the waste itself during burial. Portions of coco are retained for further use in gardening and hobby plant growing by staff members.

Estimated volume: Usually one standard-size blue recycling bag per week.

Compliance

While having developed the waste management plan for the KRFT cannabis facility to comply with all regulatory requirements, there are also internal levels that must be met to achieve the standards of Good Production Practices and Good Agricultural and Collection Practices.

With these standards in place, KRFT not only meets all benchmarks set out, but surpasses them. The standard operating procedures in place at the facility must be read, understood and signed by all staff, including every revision that is completed on the SOP. There are also discussions and learning opportunities with staff, supervisors and managers regarding anything that may be unclear. If there is a low level of comprehension amongst staff, then further revisions can take place to clarify the point.

Staff is also trained on all procedures through hands-on instruction with more experienced staff and supervisors.

Included within KRFT's SOPs are important aspects of its waste management plan. This includes proper personal protective equipment (PPE) is worn at appropriate times, proper labeling of containers, and fitting circumstances for different types of waste disposal.

Staff is also educated on all sustainability targets and reasoning for the waste management plan itself. Through full understanding, complete compliance with all standards set out for waste management is achieved.

Sustainability and waste reduction

KRFT is committed to sustainable business development and operating in a manner that is responsible and profitable in the long term. It is the belief that sustainability is essential to the success of the business and the cannabis industry as a whole.

To achieve sustainability goals, KRFT has implemented a range of initiatives, such as minimizing the environmental footprint, supporting local communities, investing in research and development, and

maintaining transparency and accountability. KRFT engages with the local community to promote sustainability, and raise awareness of its practices.

The facility also works towards setting targets for its waste reduction to ensure it becomes even more sustainable in the future.

Through operating in an environmentally sustainable manner, using energy-efficient lighting and HVAC systems, drip irrigation systems to conserve water, and composting plant material, a comprehensive waste management plan is complemented by an environmentally sustainable framework.

Future planning and revisions

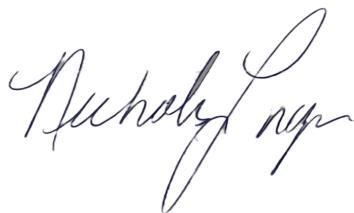
KRFT's waste management plan is always open for change, as altering the plan is a positive way to ensure the correct path is being taken.

Amounts of each waste stream, as well as any potential risks associated with each waste category, must be continuously addressed to maintain an effective plan.

If an unsustainable amount of waste is produced, proper actions would be warranted for the future of the waste management plan. These changes take the form of procedure revisions to better suit the direction of the facility.

By tracking quantities, identifying maintenance issues, addressing added costs, staff feedback, concerns and bottlenecks, the waste management plan can evolve to be the best it can be while also continuing to comply with any requirements set out by governing bodies.

KRFT strives to be a reliable, sustainable business which does everything it can to not only provide a quality product to its clients, but also complete proper protocols within its industry. With this waste management plan, KRFT looks to ensure its proper waste disposal continues to not only be compliant but to evolve and grow as the business does the same.

A handwritten signature in black ink, appearing to read "Nicholas Langor".

Nicholas Langor

Director of Operations
KRFT Cannabis