

Environmental Impact Plan

Executive Summary

Farmers NJ LLC (“Farmers”) is a proud New Jersey entity deeply committed to providing high-quality, affordable cannabis products to our community and mitigating our impact on the environment as a Class 5 Cannabis Retailer licensee. Our team has exhaustively assessed the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, N.J.S.A. § 24:6I-31 et seq. (“CREAMM Act”), the New Jersey Cannabis Regulatory Commission (“CRC”) Personal Use Cannabis Rules, N.J.A.C. § 17:30-1.1 et seq. (“CRC Rules”), and the Code of the City of Atlantic City (“Atlantic City Code”), and we are confident that our retail facility (“Facility”) will be a shining example of how to conduct compliant operations in New Jersey.

This Environmental Impact Plan describes how Farmers will minimize its environmental impact through the conservation of resources and the application of sustainable practices.¹ A commitment to minimizing Farmers’ carbon footprint is described and established through the implementation of best practices and the minimization of energy consumption. Farmers will implement a plan to increase sustainability in its operations, which will include: a waste reduction plan; a water usage reduction plan; a sustainable packaging plan that reduces or eliminates the use of single-use plastics and promotes the use of recyclable or green packaging; and a plan to use some amount of renewable energy to power operations.²

Energy-efficient operational practices are detailed in full, with a special focus on electricity use, use of light-emitting diode (“LED”) technology, Facility design, and use of renewable energy. In addition, this plan addresses material selection, recycling, pest control, and the minimization of water resources. Also included are plans to reduce single-use packaging, incorporate sustainable packaging, and minimize employee exposure to Volatile Organic Compounds (“VOCs”).

Retail Facility Design

A well-designed Facility contributes to sustainable practices and efficient operations. Farmers will maintain sanitary conditions throughout the premises.³ By strategically designing our Facility, Farmers can better regulate facility temperatures, increase productivity, and reduce the environmental impact of the Facility’s operations. Farmers’ hand-washing facilities will be conveniently located and will be furnished with running water at a suitable temperature, and Farmers will provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices throughout the Facility. In addition, the Facility will have sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of efficient and sanitary operations. Farmers will maintain storage areas pursuant to N.J.A.C. § 17:30-12.7 and will also maintain an additional quarantine area for recalled products pursuant to N.J.A.C. § 17:30-9.17(c).

Sustainable Packaging Plan

Farmers knows that a significant portion of the waste in the cannabis industry is generated from single-use packaging. In alignment with Farmers’ environmental plan and the best practices in the cannabis industry, Farmers will seek to utilize biodegradable and/or recyclable packaging for all

¹ N.J.S.A. § 24:6I-7.2(12)(d)(1); N.J.A.C. § 17:30-7.10(b)(16).

² N.J.A.C. § 17:30-9.4(k)(1)-(2), (k)(4)-(5).

³ N.J.A.C. § 17:30-9.4(i).

storage, handling, and packaging needs.⁴ Additionally, whenever possible, items will be purchased in bulk to reduce packaging, and supply chain management will be utilized to reduce environmental impact. Farmers will support supply companies that utilize environmentally friendly packaging, and throughout the Facility, Farmers will implement methods that reduce single-use packaging (i.e., reusable, recyclable packaging only—such as the utilization of reusable bins over single-use bags). These supplies will be reused after a sterilization process and will significantly reduce waste. Farmers will take measures to elongate the life of internal storage, labeling, and packaging products, such as sanitization. To reduce Farmers’ total packaging-related environmental impact, our team will flag any products that are shipped in excess and unnecessary packaging.

Odor Mitigation / VOC Reduction / Employee Safety

Farmers will make all efforts to prevent the escape of odors associated with cannabis over the boundary of the Facility property.⁵ Cannabis releases a distinctive range of odors that are made up of different types of VOCs called terpenes. VOCs contribute to ground-level ozone by chemically reacting to other types of pollution—specifically, nitrogen oxide. Ozone is a pollutant that is harmful to humans and negatively affects the environment. Therefore, VOC emissions must be mitigated.

Farmers plans to maintain superior air quality inside the Facility by investing in air-scrubbing technology. Farmers will also incorporate a negative air machine with a carbon filtration air-scrubber during operational activities that will reduce levels of air contaminants—including VOCs. Farmers will have equipment to mitigate cannabis-related odor and the Facility will be equipped with a ventilation system with carbon filters sufficient in type and capacity to eliminate cannabis odors emanating from the interior of the premises.⁶ Farmers will replace the carbon filters regularly for the best effectiveness to mitigate odor.⁷ Outside generators and other mechanical equipment used for cooling or ventilation will be enclosed and have appropriate baffles, mufflers, and/or other noise reduction systems to mitigate noise pollution.⁸

Farmers will also: utilize odor-absorbing neutralizers; optimize temperature and humidity controls; conduct regular reviews, inspections, and maintenance of the heating, ventilation, air conditioning (“HVAC”) / filtration systems; frequently replace filters, and conduct inspections with a “scentometer” to ensure compliance and reduce the potential for odor complaints.

In addition, by opting for natural fibers for all rugs and furnishings at the Facility, we are demonstrating our commitment to logical sustainability decisions. Natural fibers also offer added health benefits through a reduction of VOCs through absorption. Further, any new portions of the HVAC system will be insulated with closed-cell polyurethane spray foam insulation that does not contain VOCs.

Farmers acknowledges that representatives of the City of Atlantic City may inspect the Facility for compliance with odor mitigation requirements.⁹

⁴ N.J.A.C. § 17:30-13.2(h).

⁵ N.J.A.C. § 17:30-9.4(j).

⁶ Atlantic City Code § 163-78.2(D).

⁷ Atlantic City Code § 163-78.2(D).

⁸ Atlantic City Code § 163-78.2(E).

⁹ Atlantic City Code § 163-78.2(D)-(E).

Renewable Energy Plan

If agreeable to the property and landlord, Farmers plans to utilize solar roof panels at the site to reduce Facility energy requirements and the overall carbon footprint of the operation. The use of solar energy generation will be maximized by an on-site renewable energy/battery energy storage system and supplemented, where needed and available, by the purchase of community-based solar, off-site clean power supply source selection (if available), and by the purchase of carbon offsets to mitigate greenhouse gas emissions from Farmers' electricity use, transportation, and other sources.

Emission Reduction Plan

Energy-efficient equipment and appliances (Energy Star seal, in particular) can reduce energy consumption and reduce operating costs significantly, especially over time. Farmers recognizes that there are opportunities to reduce energy consumption, and Farmers will use the following best practices, equipment, and tools to maximize efficiency, minimize greenhouse gas emissions, and minimize energy consumption.

LED Lamps

LED lamps use only 6 to 9 Watts and can reduce electricity use up to 70% compared to the traditional high-pressure sodium or metal-halide lamps. LED lamps do not experience degradation and are easy and safe to replace because they do not contain vapors, mercury, or glass. Farmers will use high-efficiency compact fluorescent lamps or LEDs throughout the Facility.

Reflective Material

Farmers plans to use and reuse reflective materials inside the Facility as a tool to improve light distribution and subsequently reduce the need for additional lighting. Reflective materials will allow a reduction in energy consumption regulating the temperature of the Facility.

Energy Management Program

To further minimize energy usage, Farmers will implement an energy management program that includes, but is not limited to, utilizing: automated HVAC controls; automated interior and exterior lighting controls; preventative maintenance programs designed to ensure technology is operating at peak performance; multi-metering of equipment usage to identify potential savings; and smart-metering across the Facility to record, track, and communicate the consumption of energy at a particular location to identify potential inefficiencies.

Carbon Footprint Minimization Practices

Farmers will further reduce the overall carbon footprint of the Facility by implementing the following measures: conducting retail operations using energy-efficient equipment and processes; reduction of Scope 1, 2, and 3 emissions, by managing and shortening supply chains of procured materials and operational supplies, as well as creating incentives for employees to reduce carbon footprints associated with commuting; participation in the New Jersey Clean Energy Program, if allowed; and investigating energy savings that could be realized by replacing equipment or by upgrading building systems.

Heating, Cooling, and Dehumidification

Climate control consists of multiple components such as HVAC and dehumidification. Proper climate system design, installation, commissioning, and maintenance are crucial for efficient and comfortable retail operations. High-efficiency HVAC and air filtration will be installed by a licensed professional and maintained in the Facility as needed. The Facility will use filtration systems, including pre-filters and particulate matter air filters. HVAC and air filtration systems in

the Facility will be designed and installed for efficient utilization of energy in accordance with the International Energy Conservation Code. All HVAC equipment (including odor control equipment) will be maintained according to the manufacturer's recommendations.

Water Conservation and Wastewater Plans

Water Conservation

Farmers is committed to employing sustainability initiatives to conserve water at the Facility, including the incorporation of the latest technology in eco-friendly faucet and flush mechanisms, such as EPA-approved WaterSense labeled products, in order to reduce flush volume and minimize water waste.

Wastewater

Farmers will utilize best practices to minimize contaminants in wastewater, including: cleaning products will be used as directed and concentrated products diluted according to the intended cleaning purpose on the label; environmentally friendly cleaners will be utilized, such as those rated by Green Seal, Eco Logo, or Safer Choice; and Farmers will not dump or discharge any liquids into storm drains.

Waste Disposal

Farmers will strive to operate a Facility that produces as little waste as possible, and Farmers plans to minimize environmental impact by selectively choosing sustainable and local materials and encouraging sustainable practices throughout the operations of the Facility. Farmers will maintain sanitary conditions throughout the Facility.¹⁰ Any waste created at the Facility will be disposed of pursuant to applicable laws and regulations and in an environmentally conscious manner. Farmers will dispose of any cannabis in accordance with N.J.A.C. § 17:30-9.14. Waste and recycling bins will be provided throughout the Facility with clear signage indicating the proper method for sorting recyclable materials—including paper, plastic, glass, and food waste. Farmers will engage with local waste management to schedule recycling services and pick-up. Farmers will also ensure the proper disposal of all regulated materials, including lamps and electronics.

Environmental, Social, and Governance Tracking

Prior to the commencement of operations, Farmers will retain a consultant to develop a holistic Environmental, Social, and Governance strategy, enabling Farmers to track, benchmark, and report on a variety of environmental, social, and governance topics. By undertaking this commitment, Farmers will identify inefficiencies and create a path for continuous improvement and opportunities to provide net-positive impact to various stakeholders.

Conclusion

Farmers will not only mitigate and address potential adverse environmental impacts associated with operating as a cannabis retailer but will also make efforts to become a positive and contributing presence within our community. As responsible operators, we are dedicated to reducing our impact on the environment and implementing energy-efficient business practices.

¹⁰ N.J.A.C. § 17:30-9.4(i).