



Green Hygienics Holdings Inc.

First Annual ESG Report

ENVIRONMENTAL

SOCIAL

GOVERNANCE

For the year ended July 31, 2021



ABOUT GREEN HYGIENICS HOLDINGS INC.

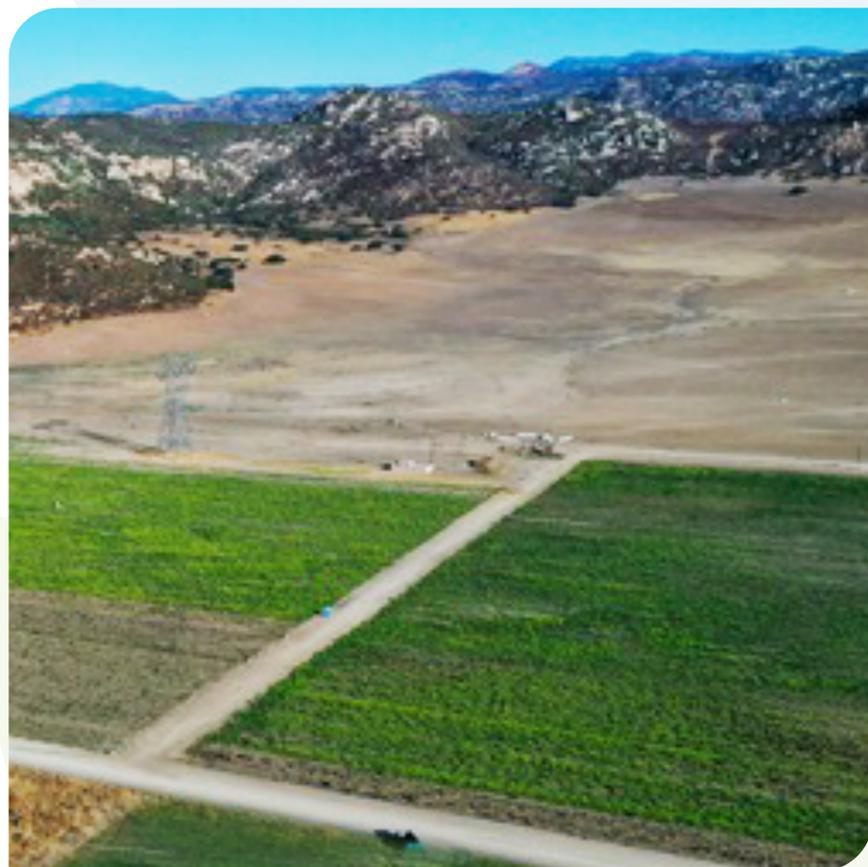
Green Hygienics Holdings Inc. (“the Company” or “Green Hygienics”) is an innovative, full-scope, science-driven hemp centered enterprise grounded in the cultivation and processing of industrial hemp for the purpose of extracting cannabinoids such as CBD, CBG, and CBN. “Hygienics” is the science that deals with the practice of preserving and promoting the health of individuals, communities, and the planet. This is and always will be the core focus of our mission to transform the industrial hemp product, the CBD landscape and to make full use of the whole plant.

The Company owns the largest single USDA Certified Organic Hemp for CBD farm in North America. The Company vision as a change-maker is to be one of the largest providers of industrial hemp-derived CBD products on the planet while adhering to the highest operational and environmental standards to consistently deliver safe and premium-quality products to customers.

We grow on-site at our 824-acre farm in California, which includes 392,000 square feet of greenhouse space. We maintain complete control over crop quality by managing the entire product chain of custody under our organic system plan through the CCOF. Our cultivation approach is based on years of experience combined with scientific measurement(s) and data analysis, transforming the cultivation environment into a laboratory environment.

By combining scientific methodologies and sustainable farming practices, we achieve optimal nutrient-rich soil conditions that produce a consistent and compliant product with superior quality at higher yields in a cost-effective manner. We are also executing a risk mitigation strategy to protect the cultivation operation, and we have implemented budgeting, forecasting, insurance and logistical measures buffering any potential financial impacts. Our approach to securing the large-scale secure supply chain uniquely positions Green Hygienics to deliver product efficacy to a broad range of industry customers, and to leverage these strategic advantages within its own industry and consumer brand portfolio.

Maintaining all levels of quality through processing is essential. We are currently developing a new post-processing facility that goes the extent of meeting FDA approval standards. At this facility the Company will launch a biotech division to develop novel formulations and bio-delivery technologies, solving issues of stability, pharmacokinetics, biological tissue penetration and bioavailability.



Green Hygienics’ base business objective is to provide a safe, secure supply chain of premium quality products to consumers and partnering CPG (consumer-packaged-goods) and pharmaceutical companies. The supply chain is secured by first controlling all levels of the supply chain operations: cultivation, processing and post processing, branding and marketing, and sales and distribution.

LETTER FROM OUR CEO



Ron Loudoun

Chief Executive Officer

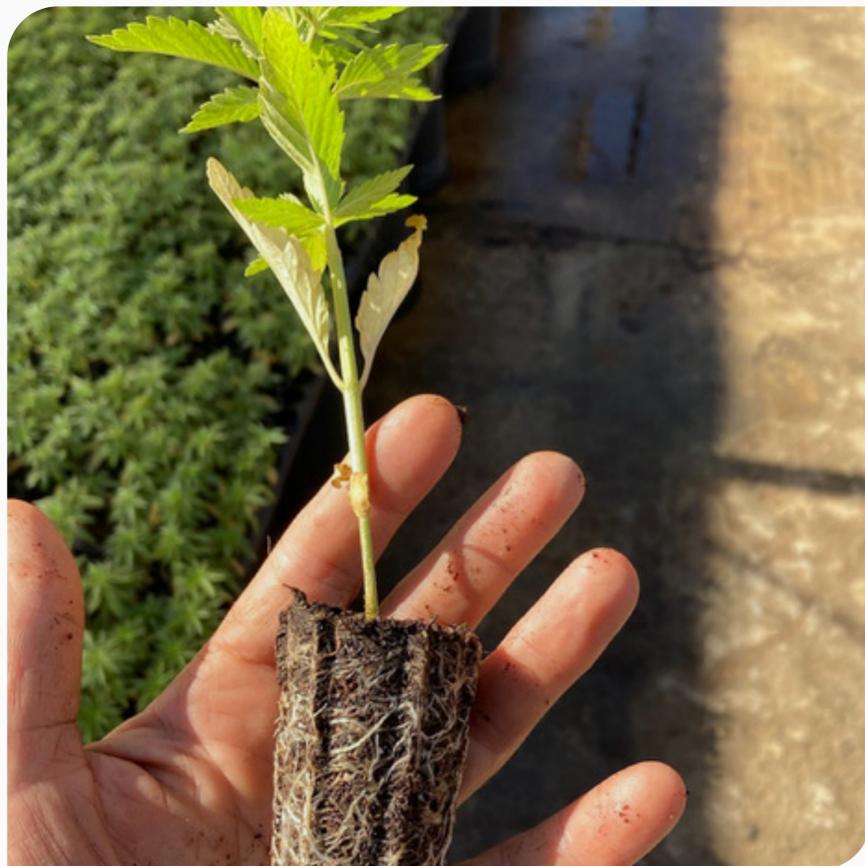
Green Hygienics Holdings Inc.

Green Hygienics Holdings Inc. operates in an evolving industry. In 2018 the Agricultural Improvement Act (or Farm Bill) authorized the production of hemp and removed hemp and hemp seeds from the DEA's schedule of controlled substances. With the emerging industry looking so promising, considering a multitude of uses and health benefits the hemp plant offers, many farmers and entrepreneurs flooded the space.

What followed was the demise of many promising companies simply because they did not understand the basics for successful hemp cultivation or further did not control their own supply chain and could not deliver products with any efficacy. The costs associated with entering the hemp industry as a fully vertically integrated entity are immense and time-intensive, therefore many companies relied heavily on outsourcing certain stages of production.

Relying on outsourcing a particular stage to a company that has no track record means that some companies will fail, potentially putting other reliant companies at risk.

Green Hygienics recognized this early on, setting out to create a large-scale secure supply chain as a fundamental premise to our business model. We conducted a thorough risk analysis to identify and mitigate environmental, social and governance risks in all stages of our supply chain and see this as the foundation to long-term sustainability. As a company with a dynamic growth model we are constantly evolving, but we are crystal clear on our vision and responsibility to our shareholders and stakeholders, as well as our mission to preserve and promote the health of individuals, communities, and the planet.



Providing the safest, most effective organic hemp-derived product portfolio to consumers starts with treating our environment with respect. Sustainability is woven into the very fabric of our business principles which empowers our team to genuinely address economic viability, eco-responsibility, and social equity in our growth model.

This inaugural report demonstrates our progress and outlines our goals of advancing a more sustainable future.

Green Hygienics is establishing the benchmark as we set out to change the landscape of our emerging industry. We are leading by example to clean up the industry in coordination with governing bodies like the USDA and FDA. We have our sights set on becoming one of the most highly accredited hemp companies on the planet, both on the production side as well as through our initiatives that will ensure long-term environmental sustainability.

We are on track to being Carbon Neutral by 2025 through offsetting our carbon footprint and reducing our carbon footprint with precise logistics strategies and efficiencies. For example, our equipment procurement strategy is to select state of the art, efficient, green friendly technologies, including alternative energy.

We participate in eco-friendly initiatives such as the Healthy Soils program through the California Department of Food and Agriculture (CDFA) and have installed both beehives and owl nests at our farm property to promote a sustainable local ecosystem. We use some of the most efficient drip irrigation systems available and we have pilot projects ongoing with technology that monitors many soil and weather analytics.

Through these certifications and initiatives, our company will ensure product efficacy and reliability that consumers, nutraceutical, and pharmaceutical companies alike can trust, while reducing the environmental impact resulting from a mainstream hemp operation.



In 2021, the Company conducted a materiality analysis in line with the SASB Standards recommended by the Value Reporting Foundation to identify our core sustainability priorities. Our ESG reporting standards are implemented into every new project and recognizing the importance of these factors, we continue to develop and build on ways to improve our operations.

This report is prepared using a bespoke table of SASB disclosures that cuts across related industries to best align with Green Hygienics' material topics. The report and data cover the period of 1 July 2020 to 31 July 2021.

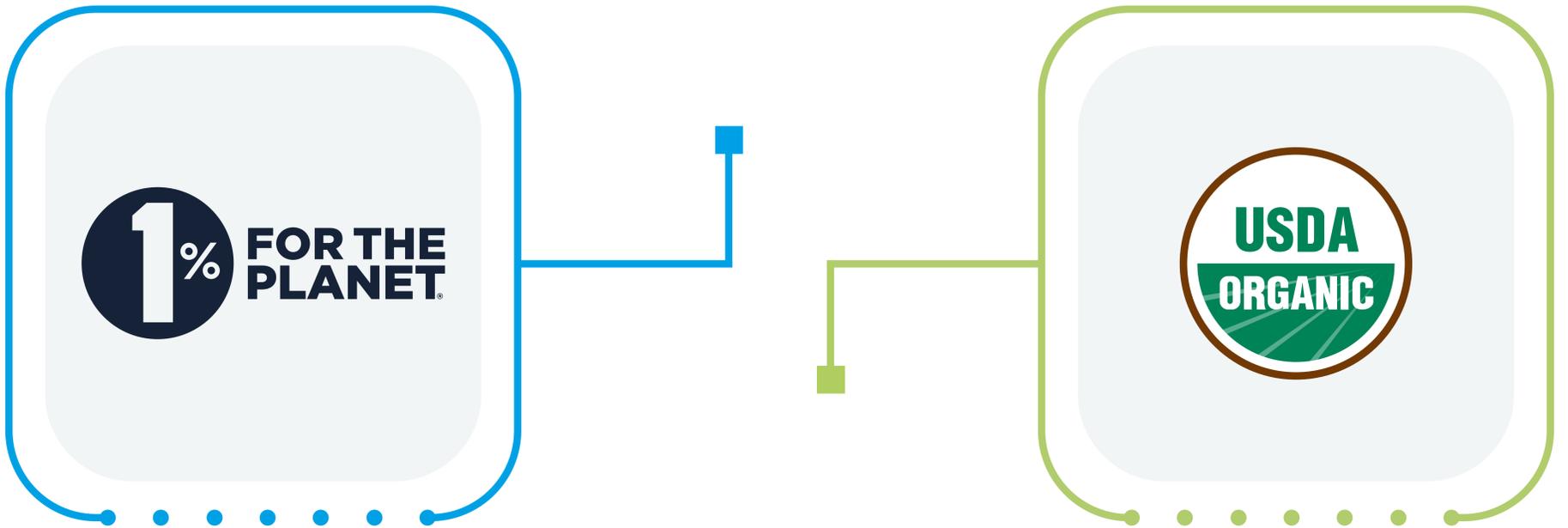
LEADERSHIP & GOVERNANCE

Topic	Accounting Metric	Unit Of Measure	Data	Code
Business Ethics	Description of efforts to minimize conflicts of interest and unethical business practices	Found on page 6	na	HC-DI-510a.1
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption, or other unethical business practices	Reporting currency	\$0	HC-DI-510a.2



In an age where pharmaceuticals and the food supply are contributing factors in destroying our collective health, it is critical that we look to change this. Our objective is to be part of creating a solution.

- Ron Loudoun



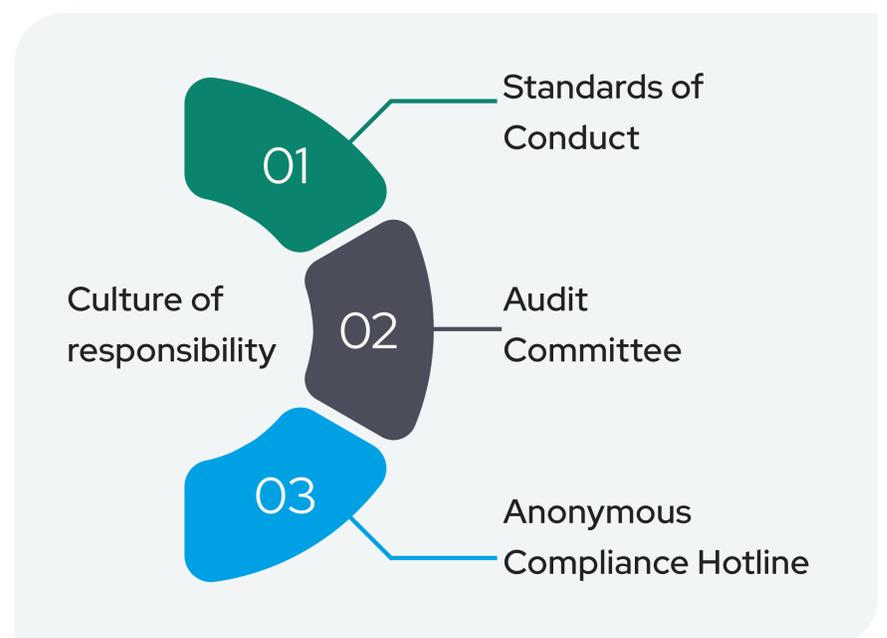
*Hygienics is the practice of preserving and promoting the health of individuals, communities, and the planet. It's our commitment to create and promote innovative and lasting solutions that positively impact the world and the people within it. Green Hygienics embodies that responsibility in engaging with stakeholders and involving our communities, forming lasting partnerships that derive benefits for every individual involved, from our employees to our customers, to the non-profits we will donate to through our membership with the **1% for the Planet program.***

LEADING BY EXAMPLE



To promote a culture of responsibility and ethics, we implemented a Standards of Conduct, which sets forth the expectations for ethical behavior in financial, interpersonal and community matters that all our employees currently uphold.

We also have an Audit Committee, an appointed Compliance Officer, and an anonymous Compliance Hotline where employees may report suspected financial and accounting concerns.



As we grow, we will build on the principle of Leadership and expand company-wide policies that provide guidelines for doing our jobs in compliance with the laws and regulations applicable to each unit's operations. From our cultivation facility to our processing centers to our sales and marketing teams, these policies require detailed procedures to ensure appropriate review and approval of various regulated activities, including the CCOF, FDA and GACP.

We regularly seek guidance from outside legal experts and consultants to make continuous improvements in antibribery, anticorruption and ethical business practices.

ENVIRONMENT

Topic	Accounting Metric	Unit Of Measure	Data	Code
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Metric tons (t) CO2-e	144.63	FB-AG-110a.1
Greenhouse Gas Emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets	Found on page 8	na	FB-AG-110a.2
Greenhouse Gas Emissions	Fleet fuel consumed, percentage renewable	Gigajoules (GJ), Percentage (%)	2074.72	FB-AG-110a.3
Energy Management	(1) Operational energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	Gigajoules (GJ), Percentage (%)	(1) 251999.9 , (2) 100, (3) 0	FB-AG-130a.1
Water Management	(1) Total water withdrawal, (2) Total water consumed, percentage of each in regions with High or Extreme Baseline Water Stress	Thousand cubic meters (m3), Percentage (%)	(1) 251999.9,0, (2) 103,412.09, 0	FB-AG-110a.1
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	Found on page 8	na	FB-AG-110a.2
Water Management	Number of incidents of non-compliance associated with water quality and/or quality permits, standards, and regulations	Number	0	FB-AG-110a.3

Since our beginning, Green Hygienics has sought out traditional regenerative farming techniques and novel technologies to not just reduce negative impact on the environment but to improve our impact on the environment. We take great pride in sharing our progress in these topics.

CARBON NEUTRAL

Our goal is to be Carbon Neutral by 2025 by investing in the most efficient farming technology where possible, controlling our power grid, and offsetting our emissions with hemp production. We are on track to meet this goal. We are currently designing a 3 MW solar photovoltaic system and 6.0 MW storage system that would cover all our current energy needs and will be scaled to meet our future energy needs. Our objective is to install it within the next 24 to 36 months.

The cultivation of hemp delivers excellent carbon sequestration. One hectare of industrial hemp can absorb between 8 and 15 tonnes of CO₂ per hectare. Hemp's rapid growth makes it one of the fastest CO₂-to-biomass conversion tools available, more efficient than agro-forestry.

Industrial hemp has been scientifically proven to absorb more CO₂ per hectare than any forest or commercial crop and is therefore the ideal carbon sink. As a cover crop, hemp enhances soil health by shading out weeds reducing the need for synthetic herbicides and adding diversity to crop rotations, improving soil health. During this reporting year we cultivated 77 acres of land, sequestering 467.4 tonnes of CO₂. Currently, 120 acres are in full production, and we are on track to produce 480 acres in 2024, sequestering 2,913.74 tonnes of CO₂.



We are also discussing strategies to reduce the environmental impact of packaging throughout its lifecycle. For example, we are exploring compostable and hemp plastic packaging, and working towards manufacturing our packaging from our own hemp.

REGENERATIVE FARMING AND NOVEL TECHNOLOGY SYNERGY

Green Hygienics' hemp cultivation process is based on coupling the hemp plant's natural biology and ecology with aligned, non-polluting USDA Certified Organic farming practices that include nurturing the soil, minimizing water use, and continuously controlling and monitoring the quality of our plants.

Hemp is a naturally regenerative agriculture crop, meaning it organically replenishes nutrients in the soil throughout its lifecycle. We have and maintain the ideal soil conditions for hemp. Our Sol Valley Ranch property is an ancient alpine lakebed, boasting 12 to 16 feet of nutrient-rich soil. We are also enrolled in the Healthy Soils program through the California Department of Food and Agriculture, a voluntary program that promotes sustainable farming practices and helps the resiliency of our operation and safeguard the basis of our cultivation for the indefinite future.

Although there is a year-round lake on the property, as part of the Company's risk reduction strategy, we recently installed a water monitoring and control system to evaluate how much water we consume annually and have planned accordingly to both reduce those needs and exceed our water needs with storage capabilities. To minimize our water use, we currently use a drip irrigation that directly waters the plant root. Drip irrigation systems lose 25 % less water to evaporation and runoff than rain or sprinkler systems. We are in the process of installing hard PVC with spray heads, which is the most efficient method available. We are also engaged in a pilot project with technology that monitors many soil and weather analytics, allowing us to know when and in what part of the field nutrients and/or hydration is needed. We own our water rights and have 13 wells on site that supply all our irrigation, fire and domestic water. We have a deep well that fills two 1000 cubic liter reservoirs with bladder systems to prevent evaporation and are in the process of building two one-acre rubber lined 10 to 15 feet deep ponds to capture rain run-off. The property is designated by the San Diego County as a fire safety zone because of its unique geological structure.

As a result of exceptional growing conditions, our 824-acre farm produces the highest quality plants. We use non-GMO seeds, zero pesticides, and have programs in place to ensure no degradation or erosion of the soil occurs. An independent third-party lab also conducts semi-annual testing to monitor changes in nutrients, pH and potential contaminants. Our sustainable farming practices adhere to all guidelines set out under the National Organic Program governed by the USDA.

SOCIAL

Topic	Accounting Metric	Unit Of Measure	Data	Code
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) Fatality rate, and (3) Near miss frequency rate (NMFR) for (a) Direct employees and (b) Seasonal and migrant employees	Rate	(1a) 1, (1b) 0 (2a) 0, (2b) 0 (3a) 0, (3b) 0	FB-AG-350a.1

HEALTH AND WELLBEING OF OUR PEOPLE

We are aware of elevated risk to employees in agriculture industries. Green Hygienics is proactively managing to safeguard employees' health and wellbeing and has a zero-accident ambition and operates according to the principle that no serious injury is acceptable. All accidents, incidents and near misses shall be reported and proactive measures taken to ensure employees are supported and comfortable reporting these to their managers. A detailed analysis of the incidents, fatalities and near misses for all direct employees and seasonal and migrant employees identified only one minor accident in 2020, and zero lost workdays.

The Company's Code of Ethics and Employee Handbook aims at providing Green Hygienics employees a work environment free from harassment, discrimination, and unprofessional behavior, and to cultivate a culture of mutual respect and high employee engagement. Employees are aware of EthicsPoint, an anonymous hotline where they can report any ethical concerns or issues. As we grow, we are considering how to further integrate safety and wellbeing practices and policies through all aspects of our operations.

COMMUNITY

Labeling compliance is a critical process and very important task for our company. It is important to ensure it is done correctly for both consumer protection as well as mitigating any liabilities that may present from non-compliance. Therefore, Green Hygienics Holdings Inc. retains legal counsel from a leading firm specializing in the Cannabis industry for labeling compliance.

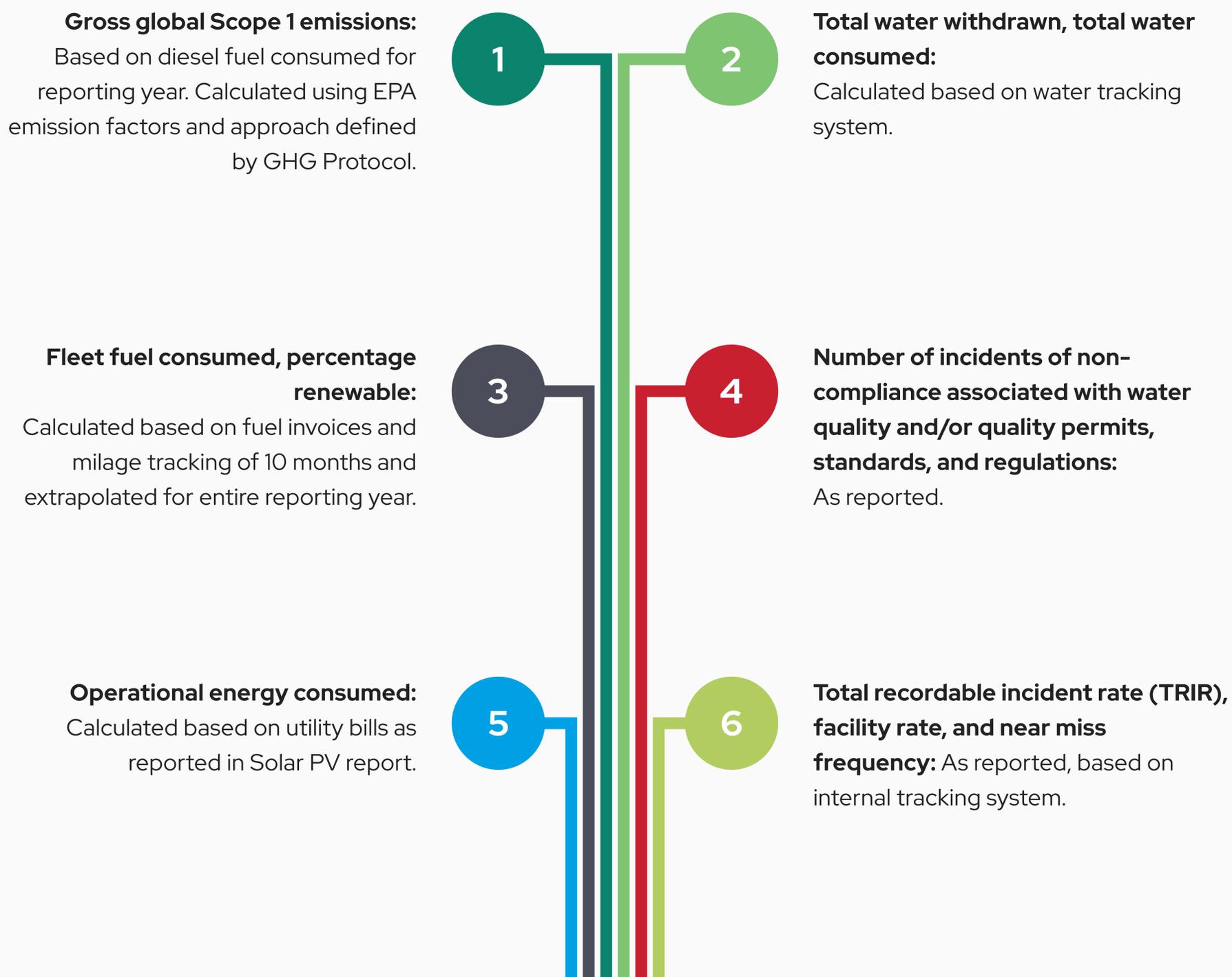


TABLE OF SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURES

Activity Metric	Unit Of Measure	Data	Code
Production by principal crop	Metric tons(t)	54.4	FB-AG-000.A
Number of processing facilities	Numbers	0	FB-AG-000.B
Total land area under active production	Hectares	31.2	FB-AG-000.C
Units of product sold, travel weight of products	Number, Metric tons(t)	0	CG-HP-000.A

DISCLAIMER & ASSUMPTIONS FOR SASB REPORTING

The information provided is based on the best data available at the time of reporting. The ESG disclosures should be used to understand the overall risk management of sustainability related issues, however, in some areas data are based on estimates. Please see comments below.





green
hygienics

A Clear Path To Growth.

“ *Hygienics is the science of preserving and promoting the health of individuals, communities, and the planet.* ”

For questions and feedback, please contact our
Corporate Communications Officer **Heidi Thomasen**
at heidi@greenhygienics.com

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