



HAWTHORNE



About The Scotts Miracle-Gro Company:

Scotts Miracle-Gro provides innovative products and solutions to create beautiful and healthy lawns and gardens. Our trusted brands meet our consumers' unique needs – whether its products that are based on natural and organic ingredients or solutions for indoor and urban gardening, we are constantly listening to our consumers to develop the products they need. Scotts Miracle-Gro's Canadian wholly owned subsidiary Scotts Canada Ltd. employs over 700 Canadians across 9 facilities in 5 provinces.

Scotts Miracle-Gro is a full solution provider of safe and effective horticultural products, including products that can be used in Canadian cannabis cultivation. Hawthorne Canada Limited, another wholly owned Canadian subsidiary of Scotts Miracle-Gro, is focused on hydroponic solutions, and is the leading provider of liquid nutrients, plant supplements, growing media, and lighting used for hydroponic growing. Scotts' Fafard brand is the industry leading substrate partner for technical services, quality control, and innovation – an ideal partner for Medical Cannabis growers.

Cannabis Accessory:

Bill C-45: *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts defines cannabis accessory as follows:*

Definition of Cannabis Accessory (Section 2(a)): a thing, including rolling papers or wraps, holders, pipes, bong, and vaporizers, that is represented to be used in the consumption of cannabis, or a thing that is represented to be used in the production of cannabis.

Deeming (Section 2(3)): For the purposes of the definition cannabis accessory, a thing that is commonly used in the consumption or production of cannabis is deemed to be represented to be used in the consumption or production of cannabis if the thing is sold at the same point of sale as cannabis.

Implications:

If Sec. 2(1) and 2(3) are permitted to apply to fertilizers, pesticides, soils, growing media and hydroponic products, Scotts is concerned that Part I, Division 2 (which addresses prohibitions related to promotion; packaging and labeling; display; and, selling and distributing) would apply to these same products -- general purpose products to which customers already have access in regular retail stores.

Our position:

We do not believe that imposing restrictions on the marketing and sale of general horticultural products was the intent of this legislation. This sentiment was echoed in Health Canada's *Summary of Comments Received During the Public Consultation*, which included a commitment to consider what measures are required to address this stakeholder feedback about unintended consequences.

Interpretations and enforcement of new and existing policy related to cannabis must be consistent with the intent of the applicable legislation and regulations and commensurate with the risk related to the specific activity, eg. Cultivation and processing of cannabis have differing

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risks. All agencies must interpret and apply policy consistently across the industry. Policy, legislation, definitions, and regulations need to clarify the definition of Cannabis Accessory so as not to disrupt the current market use and marketing of general purpose horticultural products. We are open to either a legislative or a regulatory fix to this inadvertent problem. However, we feel that a legislative solution is more definitive and provides greater certainty.

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