



### **Statement regarding Novel Foods and hemp extracts / CBD**

Thank you for your question about Novel Foods and how it applies to Kannaway products with hemp extract containing CBD. Based on qualified legal advice from leading European law firms, we are confident that our products are fully legal. We base it on the following.

The Novel Foods catalogue is not legally binding. It contains the current consensus opinion of European Union Member States on various foods or food ingredients and whether they are considered to be “novel” or not. Novel Foods are foods that were not in use in Europe before 1 May 1997 and require a pre-market authorisation before they can be sold. The database on Novel Foods is a living document, subject to change at any time, as we saw in January 2019 when the Novel Foods catalogue changed the description on cannabinoids or hemp derived products again. Interestingly, the description changed several times in a short period of time. This despite the European Commission back in 1998 stating that all parts of the hemp plant are “non-novel” on a direct question.

There was pressure from a few EU countries that led to the current description in the Novel Food catalogue. It was partly since their authorities struggled to understand the previous description and to deal with the rapid development of the CBD and hemp market and also to monitor products which may contain THC. We can also suspect other political or financial interests behind the desire to control the market of one of our culture’s oldest and most beneficial plants.

The fact that the Novel Foods database can change from week to week makes it unworkable and most courts would not place much importance to the actual entries but refer to the actual regulation instead. No food operator, especially a small company, can invest in a business based on its descriptions to just suddenly see the rules change the next day. It creates unfavourable trading conditions and disrupts the freedom of movement of goods within the EU with the confusion it creates among Member States. This is just one of many legal arguments under which we mean that the Novel Foods opinion on hemp extract is not correct.

Furthermore, the current opinion on hemp extract is discriminatory and aimed at one specific plant. Hemp has been used for thousands of years and CBD has been declared safe by the World Health Organization. So, picking out hemp extract as a Novel Food among thousands of other plant extracts is wrong. If an extract from a traditional plant in Europe was by default “novel” – then thousands of products on the European market would be “novel”. Most food supplements contain extracts from fruits, berries, herbs and other plants without being considered “novel”. Recital 20 of Regulation 1925/2006/EC as well as the regulation in Article 8 shows that ***foodstuffs which have been produced by an extract from a well-known foodstuff shall not fall under the Novel-Food-Regulation.***



These are only a few of the legal arguments we have for the supply of products containing hemp extract. The only consideration we would advise you to take if you reside in a country where authorities are actively trying to obstruct the sale of hemp extract based products, is not to sell products physically to an end customer, such as in a retail shop. But we remind you that every EU citizen is free to order products legally from another EU country under the Single Market principle of free movement of goods.

At Kannaway, a company of firsts that built the first international pipeline of CBD products, we are used to meeting regulatory challenges. We were actively part of changing legislation in Federal states in the USA before the Farming Bill of 2018 legalised hemp. We brought the first legal CBD products to Mexico and Brazil. We were part of presenting CBD to the World Health Organization, presented expert opinions at the FDA hearings in the USA last year as well as presented in the European Parliament. We will continue to pioneer the international community and support initiatives to establish the legality of hemp across the world.

In Europe, we are currently working with top European cannabis lawyers, industry experts and the European Industrial Hemp Association to develop responses and strategies for hemp companies, growers, refiners, retailers, to develop a strong European hemp industry. This is in all our interest and in the interest of European citizens. We also engage with politicians to increase the understanding among law makers about hemp and CBD through initiatives such as our Hemp for Humanity symposiums.

We are confident that we are on the right side of the law and we welcome you to join us.

Kannaway Europe BV

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