

# HOUND LABS SOLUTION

*CALIFORNIA METALS COALITION REGIONAL MEETING 10.12.2023*



# AGENDA

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- ✓ Introductions
- ✓ Cannabis Legalization = New Workplace Challenges
- ✓ Why Recent Use Matters
- ✓ The HOUND<sup>®</sup> CANNABIS BREATHALYZER
- ✓ Use Cases
- ✓ Q+A

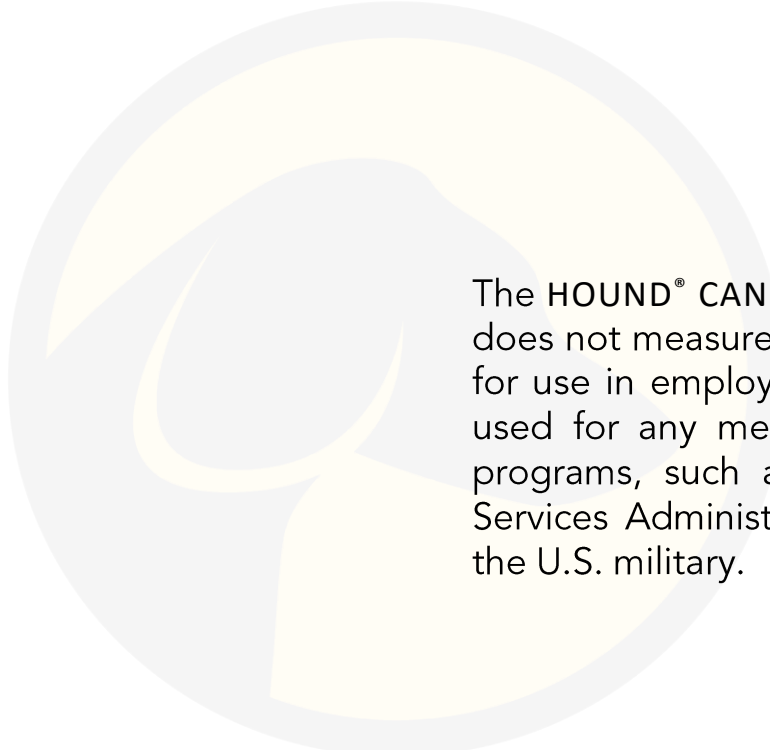
# PRESENTER BIO



## SAMMIE DABBS, C-SAPA, MBA

CHIEF REVENUE OFFICER

- 12+ years working with Fortune® 500 clients to help build solutions within employment screening programs
- Current President of the Substance Abuse Program Administrators Association (SAPAA) board of directors
- Previously served on the board of directors for the Drug and Alcohol Testing Industry Association (DATIA)



The HOUND® CANNABIS BREATHALYZER is intended to detect recent cannabis use. It does not measure whether, or how much, a person is impaired. It is intended solely for use in employment, law enforcement, and insurance settings. It should not be used for any medical or therapeutic purposes, or for any Federal drug testing programs, such as programs run by the Substance Abuse and Mental Health Services Administration (SAMHSA), the Department of Transportation (DOT), and the U.S. military.

# CANNABIS LEGALIZATION

NEW WORKPLACE CHALLENGES



# TOPPLING NORMS

## + WHERE DOES IT ALL STOP?



## HOUND® CANNABIS BREATHALYZER



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# STATE LEGISLATION HAS A BIG IMPACT

- Employers need to implement a solution by Jan. 1, 2024
- Eliminates the use of workplace urine and hair testing in CA
- Potential elimination of oral fluid testing (detection of off-the-job use)
- Likely bellwether for legislation in other states
  - WA passed similar legislation for pre-employment testing (S.B. 5123) in May 2023
- Some industry leaders believe it's only a matter of time before urine tests for cannabis are eliminated





# TIGHT LABOR MARKET

## BABY BOOMERS ARE RETIRING

- 41M workers (25% of workforce) are Baby Boomers<sup>1</sup>
- Great Resignation – 1.9% *decline* in workforce participation in workers 55+ during Covid-19<sup>2</sup>

## FACTORS DRIVING RESIGNATION

- Average quit rate increased monthly from 2009-2019<sup>2</sup>
- Five “Rs” impacting workforce participants
  1. *Retiring* in greater numbers
  2. *Relocating* less frequently
  3. *Reconsidering* work-life balance and care roles
  4. *Reshuffling* between industries
  5. *Reluctant attitudes* toward returning to in-person jobs<sup>2</sup>



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<sup>1</sup> [Pew Research](#)

<sup>2</sup> [Harvard Business Review](#)

## EMPLOYEES + EMPLOYERS WORRY ABOUT CANNABIS USE

- **42% of employees** in a safety-sensitive position have observed workplace cannabis use
- **53% of employers** who dropped cannabis testing experienced an increase in safety incidents and decline in performance
- **75% of employees** think recreational cannabis use during work affects performance



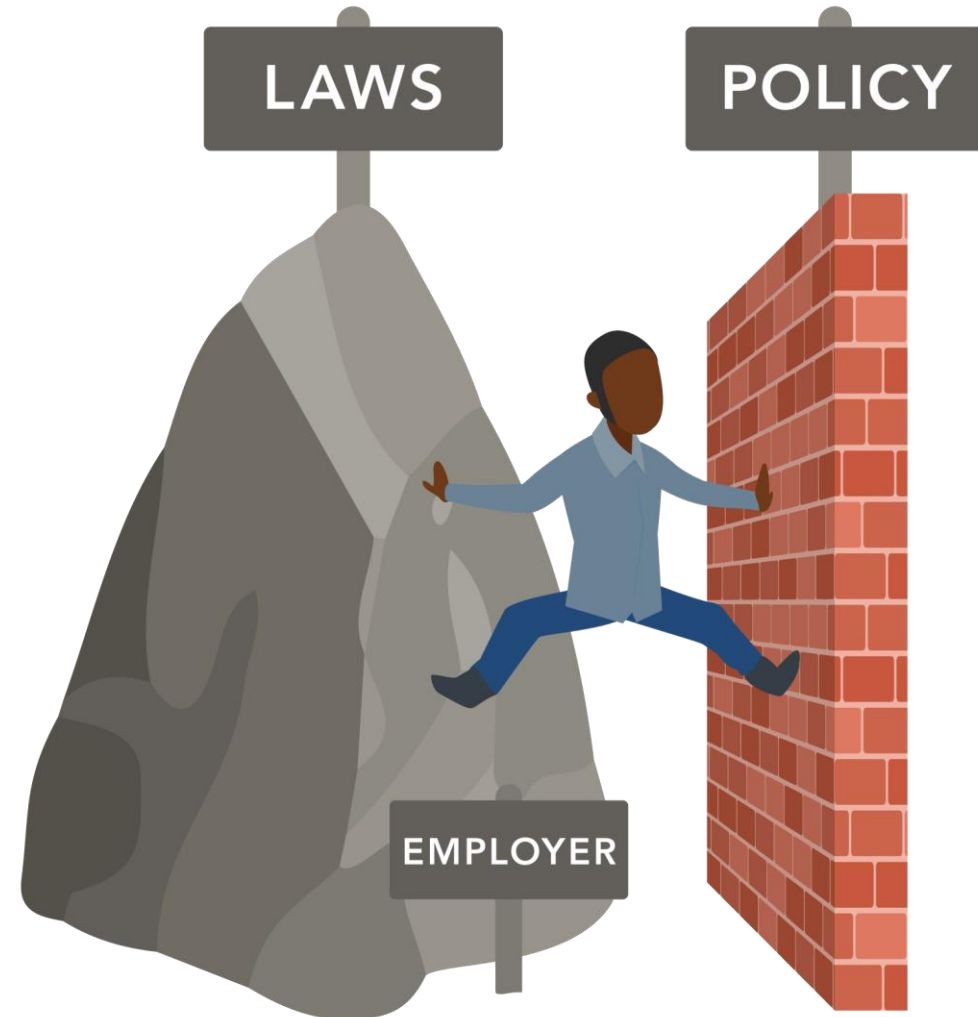
Source: [NSC](#)

*Cannabis testing is here to stay*

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# A ROCK AND A HARD PLACE

- ✓ Need to update policies to keep up with legalization...
- ✓ But need the tools to support those policies.

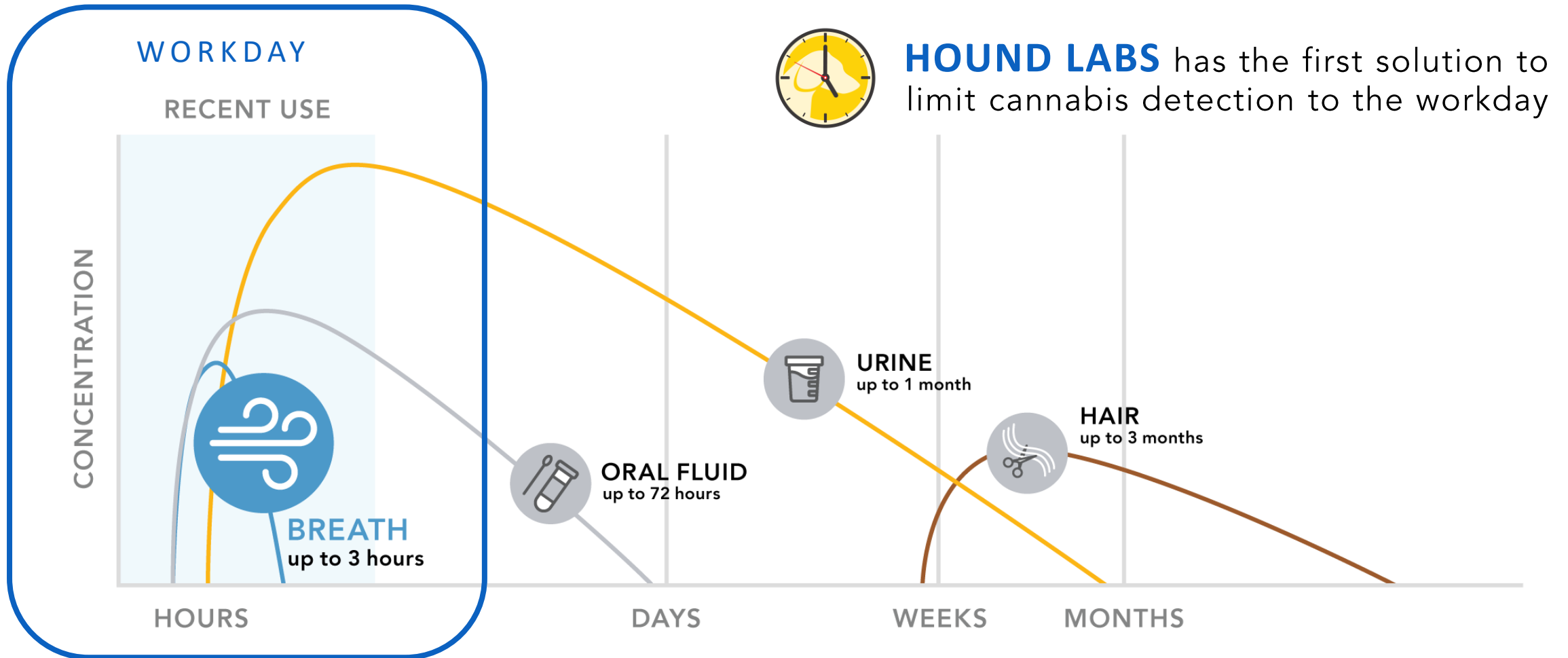


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# WHY RECENT USE MATTERS



# ONLY WORKDAY USE SHOULD MATTER



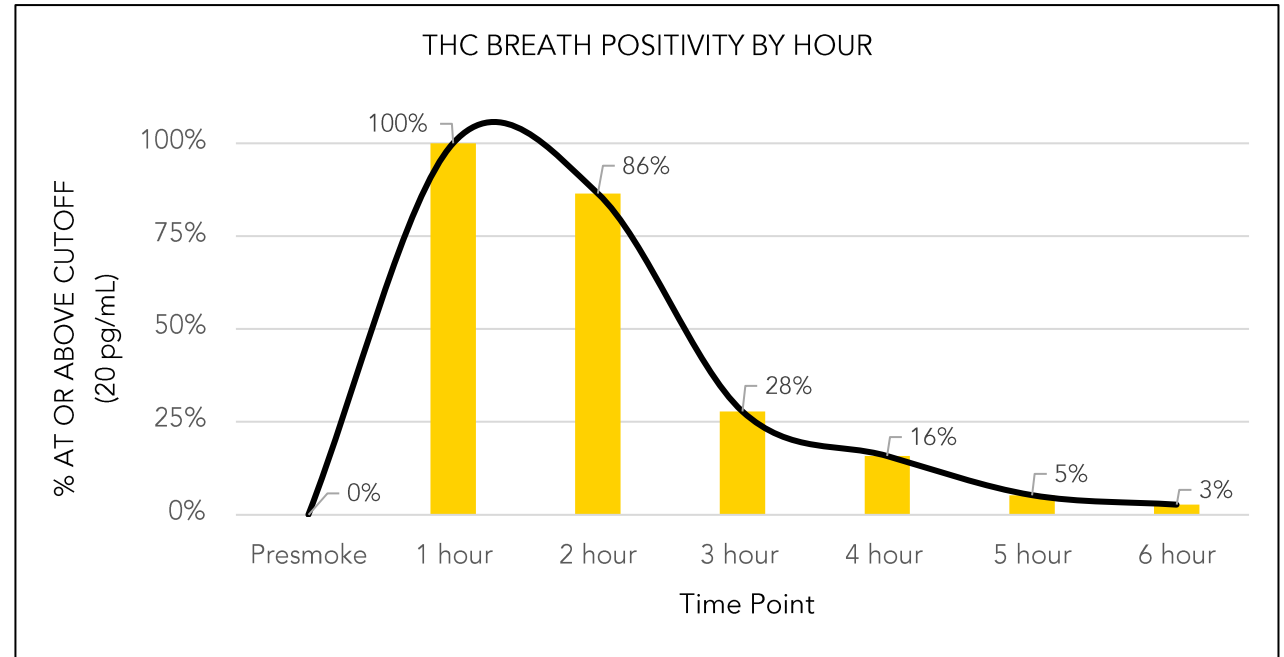
THC, the psychoactive compound in cannabis, is detected in breath, oral fluid, and blood. THC-COOH, a metabolite of THC, is detected in urine and hair.  
Source: [houndlabs.com](https://houndlabs.com), [How Long Can Marijuana Be Detected in Drug Tests](#)

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# BREATH CUTOFF + DETECTION WINDOW STUDY

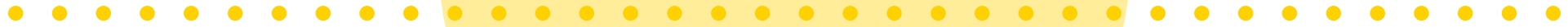
## EXECUTIVE SUMMARY

- New study of 260+ breath collections reinforces the vast majority of donors only render positive cannabis results for 2-3 hours after smoking
- Cutoff level of 20 pg/mL for screening and confirmation
- Breath study results:
  - Cannabis detectable immediately after use
  - 0% of qualified study participants showed pre-smoke positives
  - 100% of subjects were positive at 1 hour, 86% at 2 hours, 3% at 6 hours
- In concurrent oral fluid tests, 70% of subjects rendered a pre-smoke positive and 95% of subjects tested positive 6 hours after smoking – supporting the longer window of detection found in numerous research studies<sup>1</sup>



<sup>1</sup> [Clinical Chemistry, Journal of Analytical Toxicology, AAA Foundation](#)

# THE HOUND<sup>®</sup> CANNABIS BREATHALYZER



# DETECTS IN PARTS PER TRILLION



## HOUND® CANNABIS BREATHALYZER – COLLECT + SEND

- Automated collection
- Single-use cartridge
- Air sampler
- Integration with labs
- Paperless management

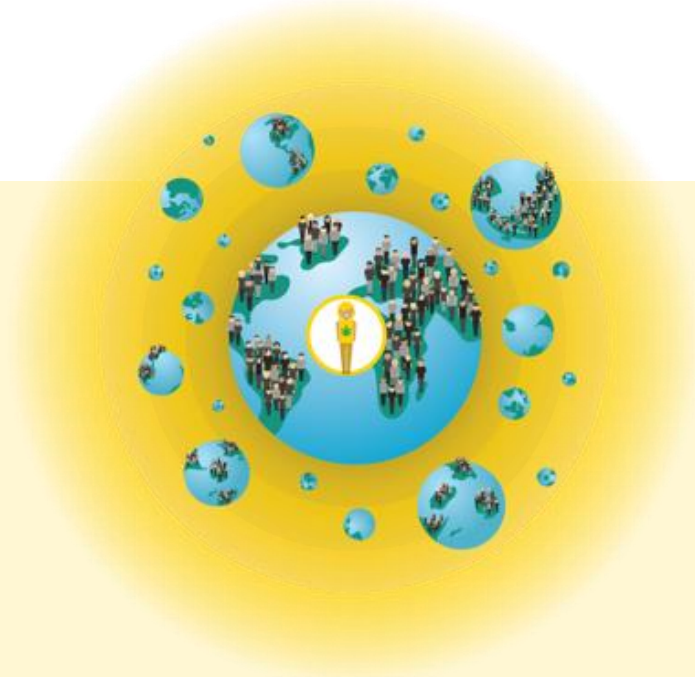
1 BILLION times more sensitive than an alcohol breathalyzer.

It's equivalent to finding *1 person living among the populations of 130 Earths*

OR *1 in ~1,000,000,000,000.*

**15 ISSUED PATENTS, 30+ PENDING PATENTS**

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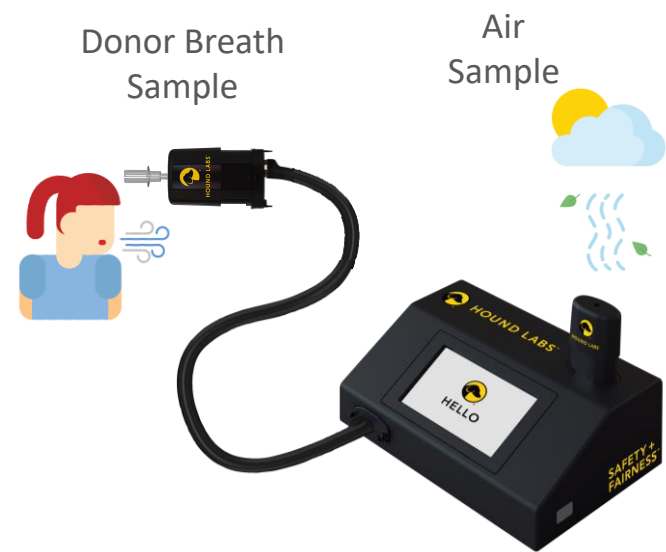




PERFORM A COLLECTION IN 4 EASY STEPS

# HOUND<sup>®</sup> CANNABIS BREATHALYZER

1. Collect donor's breath and environmental air sample



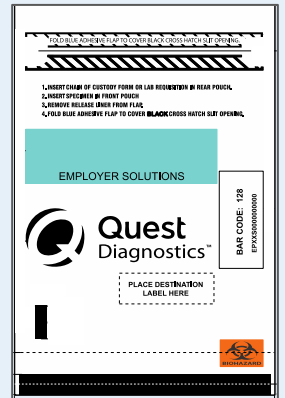
2. Compress both cartridges to complete collection



3. Scan sample ID label located on donor cartridge



4. Package and ship samples to lab



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MORE THAN A TEST

# HOUND LABS ECOSYSTEM

## AUTOMATED SYSTEM

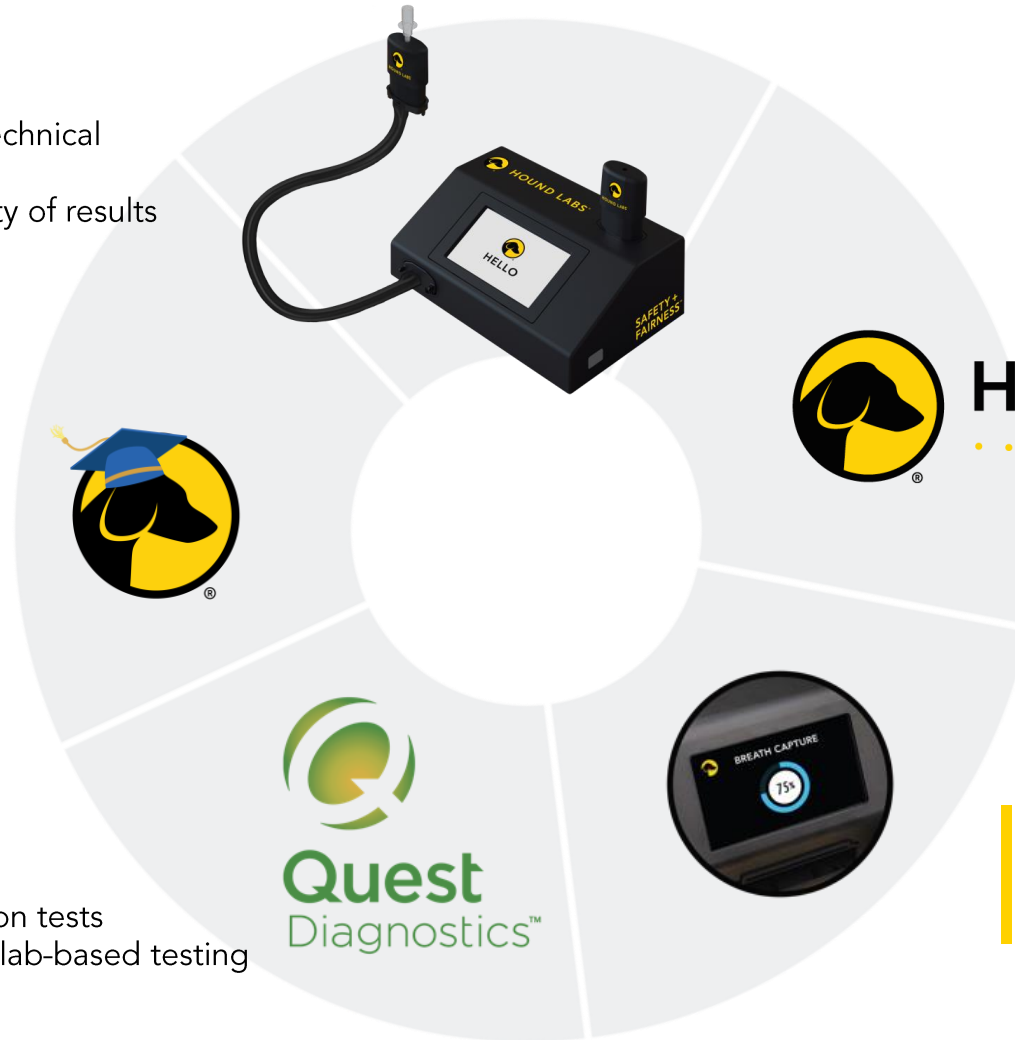
- Detects in parts per trillion – highly technical
- Standardizes breath sampling
- Ensures objectivity + optimizes validity of results

## ONLINE TRAINING

- Self-paced customer training modules
- Curriculum for employers + collectors
- Completion certificates

## INTEGRATION WITH LABS

- Provides automatic status updates on tests
- Allows tracking of both on-site and lab-based testing



**HOUND LABS**  
RETRIEVER

## ONLINE RESULTS PORTAL

- Facilitates paperless management
- Easily transfers data among stakeholders

## SMART BASE STATION

- Connects seamlessly to the Retriever™ Results Portal
- Automates software updates

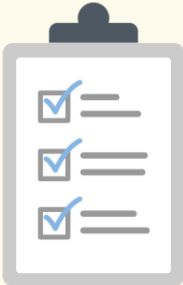
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# USE CASES

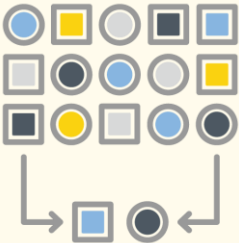


# POLICY GOALS

## DETER



PRE-ACCESS



RANDOM

## DETECT



REASONABLE  
SUSPICION



POST-INCIDENT

## REINFORCE



PRE-EMPLOYMENT



CONTINUOUS  
MONITORING

## SUPPORT



RETURN TO DUTY

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# HOUND<sup>®</sup> CANNABIS BREATHALYZER

## + SAFETY

- Ideal for deterrence + detection

## + SUPPORTS POLICIES

- Supports policies prohibiting workday use
- Enables continuation of cannabis testing

## + EASY TO USE

- Automates calibration
- Standardizes sample collection

## + FAIRNESS

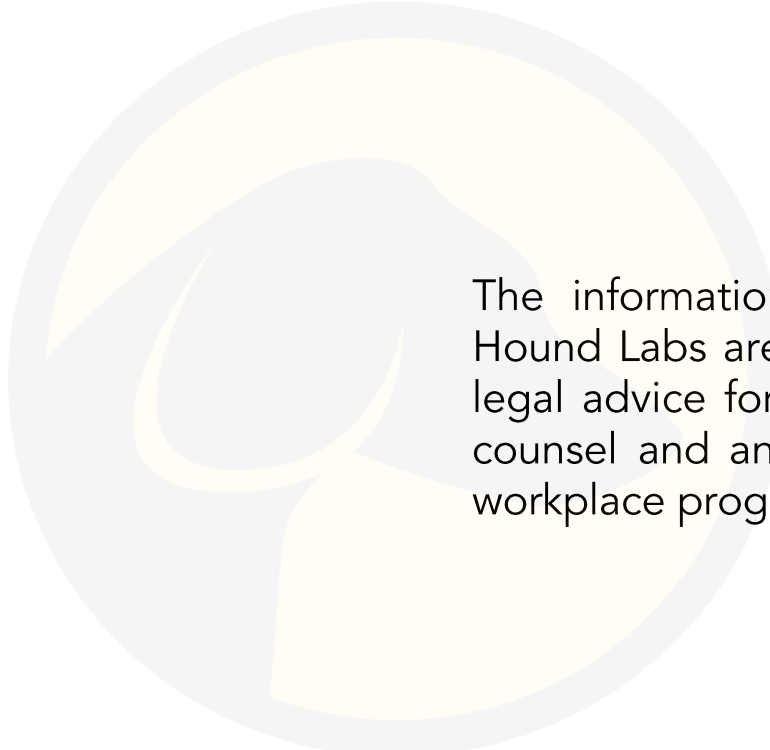
- Instrument-read results eliminate potential for bias
- Detects only workday use to respect employee policy



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# SAFETY + FAIRNESS™

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