

ESG Structure & SMARTIE Framework

Cymatic Systems LLC

1 CCR 213-1

2125(A)(4)

Cymatic Systems LLC - ESG Structure and SMARTIE Framework

Cymatic Systems LLC's business decisions outlined below in the following notations addresses the ESG criteria with respect to **2125(A)(4)** and implements the SMARTIE framework to demonstrate how desired goals are achieved. The company proposes a strategic, measurable, achievable, realistic, and time-bound environmental plan designed to incorporate principles of environmental resiliency and sustainability, including energy efficiency, in alignment with **1 CCR 213** requirements. Cymatic Systems LLC can provide a high quality source of Organic Natural Medicine for those who seek relief and healing from different types of mental, emotional and physical ailments.

2125(A)(4)

i. Sustainable Agricultural Practices;

Cymatic Systems will implement sustainable agricultural and cultivation practices utilizing proprietary methods refined over years of experimentation, process iteration, and continuous improvement. All cultivation activities will comply with **1 CCR 213; 5020 Cultivation Procedures**, ensuring consistent alignment with best-practice agricultural standards and regulatory requirements.

- Any movement of employees between different cultivation areas (e.g. substrate prep vs fruiting rooms) will be controlled to prevent cross-contamination.
- Harvesting equipment, containers (baskets, trays, lugs, harvest containers) will be maintained and sanitized before use; harvest containers must not contact the floor; once harvested, materials will be stored in protected containers away from contamination sources.
- Substrate preparation areas (especially unpasteurized substrate) will be physically separated from areas where pasteurized substrate or harvested

product is handled, to avoid contamination or cross-contamination. These practices support sustainable, hygienic cultivation, reduce risk of contamination or lost batches (waste), and extend the lifecycle of cultivation materials by aligning with sustainability goals beyond mere compliance.

ii. Sourcing energy from renewable energy sources, and having all-electric appliances;

The proposed operation will rely exclusively on low-voltage electric systems and will not require propane, high-voltage equipment, or other non-renewable sources of heat energy.

- Sterilization processes operate using standard 110v electric stovetop ranges.
- The fruiting stage requires under 100 watts of lighting, significantly below typical household energy usage.

This approach substantially reduces the facility's energy footprint and supports long-term sustainability.

iii. Contributing to anti-pollution efforts, which could include but is not limited to the use of carbon off-sets or biodiversity credits;

Cymatic Systems will minimize pollution by using only organic materials across every cultivation step.

- Inputs are sourced from local garden centers and urban agricultural organizations, reducing transportation emissions and supporting local ecosystems.
- Sanitization materials consist of simple household-grade items that do not require special permitting.

All procedures are conducted in compliance with **3101 Waste Log (B)(5)**, **5010 Prohibited Acts (A)**, and **5020 Cultivation Practices (B)(1), (E)(1)**.

- All waste generated (organic waste, spent substrate, unsuccessful harvests, sanitization by-products) must be stored, secured, and disposed of according to federal, state, and local waste statutes (e.g. under the “**Solid Wastes Disposal Sites and Facilities Act**”, including associated Colorado regulations).
- If waste consists of psilocybin/psilocin containing materials (or byproducts), it must be either destroyed on-site (e.g. by autoclaving substrate at 212 °F / 100 °C for at least 20 minutes to render spores inactive) or securely stored until transfer or disposal.
- The disposal process must be documented in a waste log, tracking the reason for waste, time and method of destruction per the inventory tracking requirements under **1 CCR 213-1-3-3010 (Business Records Required)**.

By incorporating these regulation-referenced procedures into Cymatic Systems ESG plan, compliance is ensured and shows a commitment to responsible waste handling, reducing environmental risk, and avoiding illegal disposal.

iv. Using sustainable packaging;

On-site storage will utilize food-grade plastic buckets with child-resistant sealed lids, ensuring compliance with **1 CCR 213; 5020 Cultivation Procedures (C), (D)** and **3305 Packaging & Labeling Requirements (A)(3)**. Packaging selection prioritizes reusability, durability, and regulatory conformity.

- All regulated medicine (or product) must be packaged and labeled per **Rule 3305**: containers may be reused if effectively sanitized.

- Labeling requirements (legible font, harvest date, business name, license number, lot/ production info, contents) apply even if you plan to use simple storage containers; thus your plan must commit to maintaining those labeling standards on reused containers.
- Storage conditions (e.g. dark, dry, moisture-controlled) should follow best practices described in **Rule 5020**, to ensure stability of active ingredients and prevent spoilage or contamination.

Cymatic Systems ESG plan will be compatible with sustainable packaging and reuse ambitions that are aligned with and strengthened by regulatory packaging/labeling requirements.

v. Reducing plastic intake and engaging in recycling plans;

Cymatic Systems will implement a structured materials management and recycling plan. Types of materials aside from used organic substrate will consist of minimal amounts of aluminum foil, paper and recyclable plastics.

- Organic waste, recycling, and general refuse will be clearly labeled and segregated in accordance with **3010 Business Records Required (B)(5)** and **3120 Waste Disposal**.
- The plan emphasizes reduction of single-use plastics and responsible waste handling.

The company can achieve this by sanitizing and reusing the majority of the general supplies required for each stage of the cultivation process. The need to purchase new equipment for each cultivation cycle is rare unless something breaks and needs to be replaced. With proper care the bulk of the supplies can last for years with respect to **1 CCR 213; 3120 Waste Disposal, 3125 General Sanitary Requirements & 5020 Cultivation Procedures.**

vi. Engaging in community trash clean-up efforts or sponsoring local environmental charities; or

Cymatic Systems will contribute to local environmental quality by:

- Providing monetary support to environmental or agricultural nonprofit organizations.
- Sourcing renewable organic materials—consisting of bovine and equine manure from The Urban Farm (Denver, CO) to support local circular-economy practices and reduce long-distance material transport.

As Cymatic Systems becomes established as a viable source for Organic Natural Medicine the goal of engaging in contributions of monetary value and/or materials that support institutions of higher learning and academics can be achieved.

vii. Other environmental practices that reflect resilience, sustainability, or are otherwise commonly accepted as positive environmental practices by a corporation.

To extend the lifespan of cultivation materials and reduce environmental impact, Cymatic Systems will sanitize and reuse equipment and supplies for as many

cycles as safely possible. Replacement of tools or containers will only occur when items are no longer functional. These practices comply with **3120 Waste Disposal, 3125 General Sanitary Requirements**, and **5020 Cultivation Procedures** and significantly decrease operational waste over time.

Cymatic Systems recognizes that sustainability includes responsible sanitation, waste handling, worker safety, resource use efficiency, and transparent record-keeping. To that end, all cultivation and processing operations will be conducted in strict compliance with **1 CCR 213** rules which include but not limited to Part 5 (**Cultivation Procedures, Rule 5020**), Part 3 (**Waste Disposal Rule 3120; General Sanitary Requirements Rule 3125; Business Records Rule 3010**), and **Packaging/Labeling Rule 3305**.

Our plan integrates sustainable practices such as reusing sanitized containers, minimizing single-use plastics, segregating and composting organic waste where permissible, documenting all waste and disposal through a waste log, and sourcing materials locally to reduce transport emissions.

Additionally, Standard Operating Procedures (SOPs) will be maintained for all cultivation, cleaning, sanitization, substrate preparation, pest management, harvesting, packaging, labeling, waste disposal, and chemical handling which also includes maintenance of Safety Data Sheets (SDS) as required under **Rule 5020**. All records will be retained on-site for at least six months as mandated under **Rule 3010**.

SMARTIE Framework

Cymatic Systems will use the SMARTIE framework—Strategic, Measurable, Ambitious, Realistic, Time-bound, Inclusive, and Equitable—to guide the implementation, monitoring, and continuous improvement of its Environmental Sustainability Plan. This framework ensures that all environmental goals are

actionable, trackable, and grounded in equity and inclusion while supporting compliance with **1 CCR 213**.

1. Strategic

Cymatic Systems' environmental practices include but is not limited to sustainable cultivation, renewable energy usage, organic waste handling, sustainable packaging, and local ecosystem support. All of which are aligned with state regulatory requirements (**1 CCR 213**), industry best practices, and internal operational goals. The strategy prioritizes:

- Reducing contamination and waste through controlled cultivation procedures.
- Minimizing environmental footprint by relying on electric systems and organic inputs.
- Supporting local community and circular economy efforts through sourcing and donations.

2. Measurable

Progress toward ESG goals will be tracked using quantitative and qualitative metrics, including:

- **Energy usage metrics:** Monthly kWh consumption for cultivation, sterilization, and lighting.
- **Waste metrics:** Pounds of organic waste, recycling volumes, number of reused containers, and frequency of waste-log documentation.
- **Compliance metrics:** Completion of required logs (waste log, business records), SOP adherence checks, and successful internal audits.

- **Material sourcing metrics:** Percentage of materials sourced locally (e.g., substrate inputs from The Urban Farm).
- **Community engagement metrics:** Number of volunteer hours, donations made, or events supported annually.

All metrics will be documented in accordance with **Rule 3010 Business Records Requirements**.

3. Ambitious

The company's plan goes beyond minimum compliance by:

- Targeting near-zero single-use plastic usage.
- Aiming for nearly complete reuse of cultivation supplies wherever safe and permissible.
- Designing a waste minimization system that incorporates sanitization, recycling, and composting (where allowed).
- Supporting environmental organizations and academic institutions as the business scales.

These targets represent forward thinking environmental stewardship consistent with ESG best practices.

4. Realistic

All goals are grounded in existing operations, available technology, and regulatory limits. The plan relies on:

- Proven low-energy cultivation techniques.
- Readily achievable sanitization and waste-tracking systems.
- Established SOPs that reflect current capabilities and staffing.
- Existing relationships with local suppliers and community organizations.

These commitments are achievable without compromising safety, compliance, or product quality.

5. Time-Bound

To ensure accountability, Cymatic Systems will implement the following time-based schedule:

- **Quarterly:** Review energy usage, cultivation efficiency, waste-log completeness, and plastic-reduction metrics.
- **Bi-annually:** Update SOPs, review packaging compliance, and assess equipment longevity and reuse rates.
- **Annually:** Evaluate community contributions, summarize ESG achievements, update goals, and report results internally.

These timelines align with existing record retention periods and operational cadence.

6. Inclusive

Cymatic Systems integrates inclusivity by:

- Training all employees—regardless of role—on environmental SOPs,

contamination prevention, waste handling, and sustainability responsibilities.

- Encouraging team feedback when refining cultivation practices or identifying waste reduction opportunities.
- Ensuring all employees can participate in community clean ups or volunteer efforts.

Inclusivity ensures that environmental stewardship is a shared responsibility across the organization.

7. Equitable

Equity is embedded through:

- Sourcing materials locally to support small scale agricultural providers and reduce environmental burdens on distant communities.
- Providing fair access for staff to training, safety resources, and professional development related to sustainability.
- Ensuring community contributions (monetary, stewardship or donations of materials for higher learning opportunities) are directed toward organizations serving diverse populations, including environmental groups that support underserved or urban communities.
- Providing access to high quality Organic Natural Medicine for those who seek treatment and healing from mental, emotional, and physical ailments.

This approach ensures that the benefits of Cymatic Systems' ESG efforts extend beyond the facility and contribute to broader environmental and social justice objectives.

