

# Sustainability report 2023



Sufinancira  
Europska unija



Program  
ZA RIBARSTVO  
I AKVAKULTURU



# Table of Contents

<b>President of the Management Board's Foreword</b>	<b>3</b>	Value Chain and Business Relationships	54	Fish Feed	93	Our Awards in 2023	144
<b>Who are we?</b>	<b>8</b>	Our Stakeholders	55	ESG Risk Management (G)	98	Promotion of Sustainable Production and Consumption of Fish and Fish Products at Festivals	147
Company Profile and Sustainability Reporting	9	<b>What have we achieved?</b>	<b>57</b>	Environmental Risks (E)	100	Sustainable Procurement (S)	148
Sustainability Reporting in 2023	12	Business Performance Indicators	58	Social Risks (S)	106	Sustainable Procurement Chains	148
Preparation for Reporting According to European Sustainability Reporting Guidelines	13	Sales, Export Revenue, and Sales in Croatia	58	Governance Risks (G)	109	<b>Environmental Protection Responsibility (E)</b>	<b>150</b>
Management's Role in Sustainability Reporting	14	Investments in Long-Term Assets	61	Digital Transition (G)	111	Managing Environmental Impacts, Risks, and Opportunities	151
Management Structure and Composition of Governance Bodies	15	"Golden Key" Award in the Category of "Best Exporter in Italy"	62	<b>Social Responsibility (S)</b>	<b>115</b>	Reducing Carbon Footprint (E)	154
Timeline	16	Key Performance Indicators According to EU Taxonomy	63	Products, Employees, Local Communities, and Suppliers Make Business Successful	116	Cromaris's Carbon Footprint in 2023	155
Business Scope, Products, Markets, and Value Chain	20	Allocation of Activities to Taxonomic and Non-Taxonomic Compliance with Minimum Human Rights and Labor Rights Protective Measures	64	Our Employees (S)	117	Emission Intensity and Carbon Footprint Reduction Goals for 2023 from Scopes 1 and 2	162
Leader in Croatian Mariculture	20	Key Indicators – Revenue, CapEx, and OpEx	65	Equal Opportunities	118	Measures to Reduce Carbon Footprint and Increase Energy Efficiency in 2023	165
Cromaris Products	22	News in 2023	69	Employee Wellbeing (S)	124	Energy Consumption and Reduction of Energy and Energy Source Consumption (E)	167
Product Traceability from Sea to Table and Proven Quality	24	<b>Strategies, Policies, and Sustainable Business Practices</b>	<b>70</b>	Employee Health and Safety	124	Waste Management (E)	169
Environmentally Friendly Packaging of Our Products	29	Global, EU, and National Sustainability Policies	70	Maintaining Preferred Employer Status	126	Measures to Prevent Waste Generation and Increase Recovery of Waste Generated in Cromaris	170
Offering Products from Conventional Farming	31	Sustainability Policies and Management Practices at Cromaris	73	Collective agreement	129	Biodiversity Protection (E)	175
Nutritional Richness and Freshness of Products	33	<b>Material Topics in 2023</b>	<b>74</b>	Strengthening employee engagement	130	Measures to Preserve Biodiversity and Marine Ecosystems	177
Our locations	34	Success in Achieving ESG Goals in 2023	77	Lifelong Learning (S)	131	Position of Cromaris Farming Sites in Relation to Protected Areas	179
Hatchery	35	ESG Goals for 2024.	82	Community Responsibility (S)	132	<b>GRI content indeks</b>	<b>180</b>
Farms	38	<b>Business and Compliance (G)</b>	<b>84</b>	Collaboration with Scientific and Educational Institutions	132		
Production-Logistics Center	47	Sustainable Products (G)	85	Responsibility to the Local Community and Humanitarian Actions	134		
Gaženica	47	Organic Production	85	Cromaris Memberships in Associations and Professional Organizations	139		
Sales Points – Retail Chains and Cromaris Fishmongers	51	New Species, New Opportunities	86	Consumer Safety and Health (S)	140		
Cromaris Italia	52	Animal Welfare and Good Farming Practices	88	Testing the Healthiness of Products	141		
Markets	53			Nutritional Value of Products	142		
				Responsible Customer Experience (S)	143		
				Customer Satisfaction Testing in Croatia and Italy	143		

# President of the Management Board's foreword



Behind Cromaris lies another challenging business year, which we successfully concluded despite significant inflation growth and continued increase in raw materials for fish feed production. In front of you is our fourth Sustainability Report, for the year 2023, which we published following the guidelines of the Global Reporting Initiative (GRI Standard) and the sectoral standard GRI 13 Agriculture, Aquaculture, and Fisheries. All reports have been published in Croatian and English on Cromaris's website. Adris grupa, in its Annual Report for 2023, published consolidated business and sustainability data, including data for Cromaris, in accordance with the provisions of the Accounting Act. During 2023, we began prepara-

tions for sustainability reporting according to the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS).

Cromaris's market strength and competitiveness are based on quality, freshness, and innovation. Our assortment includes fresh fish, fresh fish fillets and steaks, and smoked fillets farmed and produced from the highest quality indigenous Mediterranean white fish species from both conventional and organic farming. In addition to conventional farming, organic species in Cromaris's range include BIO sea bass and BIO sea bream, and, since 2022, BIO meagre. Greater amberjack and dentex are farmed conventionally. Our customers and consumers can

easily distinguish between products from conventional and organic farming by the labels on the products, with organic farming certified by *EU Organic Farming*, *ICEA*, *Bio Suisse*, and *Naturland* certifications. We farm fish without the use of antibiotics throughout the farming cycle. Antibiotic-free farming is certified by the *Antibiotic-Free Supply Chain* certificate according to DNV STP-80. The superior quality is recognized by customers, consumers, and industry experts, as evidenced by the awards Cromaris receives for its products. *Cromaris' meagre* is the recipient of the Crystal Taste Award 2023, awarded by the International Taste Institute, as it has won the maximum three stars for outstanding taste and quality for

three consecutive years. In 2023, the revenue from sales amounted to 105 million euros, which is 10 percent higher than in 2022. A total of 13,610 tonnes of whole fish equivalent (WFE) were sold, one percent higher than in 2022. Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to 12.6 million euros, a 15 percent increase compared to 2022. Net profit in 2023 amounted to 3.8 million euros, a 57 percent increase compared to 2022. By 2023, we had invested over 95 million kunas in long-term assets. In 2023, as in 2022, Cromaris achieved an 88 percent share of sales in foreign markets and the same amount of revenue from sales. Our main export markets are Italy and countries in Central and

Southeastern Europe. The share of revenue from sales in Croatia remained at last year's 12 percent. Cromaris's results are also recognized at the Croatian exporters' convention, as Cromaris received the "Golden Key" award for the third consecutive year in the category of "Best Exporter in Italy."

In 2023, we identified 14 taxonomy activities applicable to Cromaris, although technical criteria for compliance with environmental targets have not yet been prescribed for our core activity of mariculture. Compared to 2022, in 2023 three activities were assessed as taxonomic and aligned with EU taxonomy criteria, with capital investments (CapEx) in these activities amounting to 3.54 percent.

The success of Cromaris's business depends on the quality of our products, customer and consumer satisfaction, employees, relationships with local communities, and supply chains. Our employees are also residents of local communities - islands, settlements, and cities where we operate, as well as consumers of Cromaris products. Therefore, continuous alignment of our business with environmental protection requirements, societal demands, and policies of transparent and fair business conduct is not a choice but an obligation for Cromaris. Cromaris has adopted a range of policies to ensure product quality and safety, combat discrimination, improve working conditions, enhance employee benefits, select suppliers

which operate in line with sustainability principles, and protect the environment. Our policies are available to customers, consumers, suppliers, employees, and all interested stakeholders, and some of the most significant ones include: Quality, Food Safety, Environmental Protection and Social Responsibility Policy, Collective Agreement, Code of Ethics, General Terms of Procurement of Goods and Services, and General Terms of Sale and Product Delivery. We confirm compliance with environmental protection, socially responsible business practices, and product traceability through certifications such as *ASC Farming*, *ASC Chain of Custody*, *IFS Food*, *GlobalG.A.P.*, *GlobalG.A.P. GRASP*, and certified quality and environ-

mental management systems according to ISO 90001 and ISO 14001.

At the end of 2023, Cromaris employed 623 people, which is 5.2 percent more than in 2022. A total of 11 percent of employees were from third countries - The Philippines, Nepal, Bosnia and Herzegovina, Serbia, and Kosovo. In 2023, 95.7 percent were Cromaris employees, and 4.3 percent were agency workers. All workplace injuries in 2023 were categorized as minor, and the number of hours of sick leave decreased by 30.2 percent compared to 2022. In 2023, we continued activities to attract and retain new and existing employees, as well as the *Careers Inspired by the Sea* internship program. Throughout 2023, we

continued collaboration with elementary, high schools, and higher education institutions in Croatia and abroad. We donated a total of 51,270 euros to sports clubs, for organizing humanitarian, cultural, and educational events, and for building communal and public infrastructure in local communities. Our employees also volunteered in environmental and marine clean-up activities, biodiversity educational workshops, and the Wings for Life race in 2023.

Cromaris manages its environmental impacts based on established baseline conditions, measurement and progress monitoring,

and setting goals in line with global, EU, and national sustainable business strategies and policies. Since 2020, Cromaris has been calculating its carbon footprint in scopes 1 and 2, and in 2023, we reduced our carbon footprint by 26.9 percent. We included all four fish feed producers in the scope 3 calculation. The share of electricity produced from our renewable sources, i.e., solar photovoltaic power plants, in 2023, was 8.7 percent of total electricity consumption. Energy consumption intensity in 2023 was 7.64 GJ/tonne of fish, reduced by

6.7 percent compared to 2022. All hazardous waste and 86.6 percent of non-hazardous waste in 2023 were recovered, with only 13.5 percent of non-hazardous waste disposed of in landfills, i.e., 41 tonnes less than in 2022. We also received confirmation of socially responsible business practices from the Ja trgovac portal, which awarded us the Golden Shopping Basket for the first time in 2023 in the category of "Socially Responsible Company of the Year."

While Cromaris continuously aligns its operations with sustainability goals, there is always room for improvement. Cromaris will continue to pursue positive management practices in the future to justify the trust of customers, consumers, and all stakeholders and maintain its position as a leader in Croatian mariculture.

Ivan Leko



## **Vision**

To become the leading producer of organic Mediterranean white fish and among the top three producers in the EU, recognized as a leader in premium quality, sustainability, innovation, level of service, and commercial excellence.

## **Mission**

To develop and promote a culture of healthy and balanced nutrition and consumption of Mediterranean fish and fish products.

## **Objectives**

To operate sustainably and make a significant contribution to the profitability and image of Adris grupa.

Who are  
we?



# Company profile and sustainability reporting

**Cromaris d.d.**, headquartered in Zadar, Croatia, was established in 2009 through the merger of Cenmar, Rovinj's Marimira, Mariculture Istra, and Bisage-Nit, thus continuing a tradition of Mediterranean fish farming for over 40 years. We operate as part of **Adris grupa**, with management and investment company Adris d.d. as Cromaris's sole shareholder.

Cromaris d.d. is the founder and 100% owner of **Cromaris Italia s.r.l.**, based in Casale sul Sile, in the province of Treviso. Cromaris Italia imports products for all Italian customers, ensures company's presence in the Italian market, and maintains daily cooperation with customers and consumers.

## 44 years of tradition in white fish farming in the Mediterranean





**Cromaris**

In addition to the Croatian and dominant Italian markets, **Cromaris products** are sold in twenty European countries, with the largest revenue growth in 2023 compared to 2022 seen in France, Spain, and Austria. The process of fish farming from hatcheries to farming sites, processing, and product delivery to customers

**Cromaris d.d.  
is part of the  
Adris Group**

and consumers is described in the chapter **Our Locations**. The total number of employees as of December 31, 2023, was 623, which is 5.2 percent higher than the same time in 2022. Working conditions and employee rights are described in the chapter **Our Employees**.

**14 years of  
Cromaris's  
business  
operations**

**10 years of  
Cromaris  
Italia's s.r.l.  
business  
operations**



**Cromaris d.d.**

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## Sustainability reporting in 2023

In the **Annual Report for 2023**, Adris grupa disclosed consolidated business and sustainability data, which includes information for Cromaris, in accordance with the provisions of the Account-

**Cromaris has published 4 sustainability reports since 2020**

ing Act. To provide more detailed information to customers, consumers, and all interested stakeholders about sustainability-enhancing activities, Cromaris has been voluntarily publishing separate reports in **Croatian** and **English** on its website since 2020. Cromaris publishes sustainability reports for the calendar year from January 1st to December 31st, corresponding to the same period for financial business data publication. The sustainability report for 2023 was prepared using guidelines and indicators from the GRI Standards 2021 and the sectoral standard GRI 13: Agricul-

**The sustainability report for 2023 was prepared according to the guidelines of GRI Standards 21 and the sectoral Standards GRI 13: Agriculture, Aquaculture, and Fisheries**

ture, Aquaculture, and Fisheries. There was no external verification of the Sustainability Report for 2023.

### **Preparations for reporting according to the European Sustainability Reporting Standards (ESRS)**

During 2023, we initiated the preparations in line with the **Implementing Regulation on European Sustainability Reporting Guidelines 2023/2772/EU**. We

continue our preparations in 2024 to ensure that the report we will publish in 2025 aligns with the requirements of the **Corporate Sustainability Reporting Directive 2022/2464/EU** (CSRD) and Croatian legislative provisions, which are currently being harmonized with the CSRD. Therefore, in addition to the GRI Standard 2021 and the sectoral standard GRI 13: Agriculture, Aquaculture, and Fisheries, we have also utilized the ESRS guidelines.

## **In 2023, we started preparations for sustainability reporting in accordance with the CSRD and ESRS**



# The role of the Management Board in sustainability reporting

The Management Board decides on sustainability and responsible business matters as the highest governing body of Cromaris. The Board, led by the President of the Board, in collaboration with an extended team of managers, establishes ESG goals and a plan for integrating environmental, social, and governance criteria into operations. In 2022, a system for monitoring ESG risks and measures and activities to mitigate

them was established, with results reported to the Board. The Board evaluates the success of achieving ESG goals set for the previous year every quarter, and in the first quarter of the current year confirms goals for the new reporting year. The Cromaris Board also adopted the Sustainability Report for 2023 and is responsible for the material topics and data presented in the report. Employees from all Cromaris or-

ganizational units participated in preparing data for the Adris grupa Annual Report and drafting Cromaris's Sustainability Report for 2023. The process of collecting data and preparing the report was coordinated by the Sustainability and Food organizational unit, a newly established ESG unit within Finance, in collaboration with Marketing.

We actively participate in the development of the ESG framework of Adris grupa, alongside establishing internal processes and the ESG organization. For the seven ESG material topics with-

# A new organizational unit ESG was established at the beginning of 2024

# The Cromaris Board has been involved in sustainability reporting since the beginning of the process

in the Adris grupa's ESG strategy, ESG leaders have been appointed to coordinate team efforts. The working group comprises representatives from each of the Adris grupa companies, with a representative from Cromaris included in each group.

## Management structure and composition of management bodies

The corporate governance structure at Cromaris is based on a dualistic system consisting of the Supervisory Board and the **Management Board**. The General Assembly elects members of the Supervisory Board for a period of four years, while the Supervisory Board appoints members of the Cromaris Management Board, also for a four-year term. The work of the Supervisory Board, Management Board, and General Assembly is governed by the Statute and the Companies Act. The scope of activities, managerial authorities, and responsibilities are regulated by applicable Croatian laws, the Statute, and internal documents. Members of the Management Board and the Super-

visory Board are selected based on their education, professional, and practical experience, ensuring the implementation of strategic goals and oversight of their implementation. The proportion of women on the Supervisory Board was 40% in 2023. There were no women in the Management Board in 2023.

Composition of the Management Board of Cromaris d.d. as of December 31, 2022:

- Ivan Leko, President of the Management Board
- Dane Desnica, Member of the Management Board and Production Director, including production in hatcheries, farms, and processing.

- Stipe Anušić, Member of the Management Board, ceases to be a Member of the Management Board on December 31, 2023.

Composition of the Supervisory Board of Cromaris d.d. as of December 31, 2022:

- Hrvoje Patajac, MSc., Chairman of the Supervisory Board
- Vitomir Palinec, Deputy Chairman of the Supervisory Board
- Marica Šorak-Pokrajac, DSc. Member of the Supervisory Board
- Gordana Berović Baketić, Member of the Supervisory Board (employee representative)
- Vjekoslav Prenner, Member of the Supervisory Board



IVAN LEKO



DANE DESNICA



# 1979

Establishment of Cenmar, one of the first companies in the world to set up a cage for sea bream farming

# 1981

Opening of the first Cenmar sea bass and sea bream hatchery in Nin

# 1995

Introduction of farming new species - dentex and sheephead bream

Establishment of Marimirna Rovinj, the beginning of mariculture in Istria

# 1984

- Establishment of Cromaris d.d., operating within the Adris Group
- Innovation in fresh fish packaging - introduction of the first MAP fish packaging

# 2009





- Alongside sea bass and sea bream, Cromaris introduces a new indigenous species to the market - meagre
- Commencement of technological process certification and quality assurance (ISO standards)
- Strategic advancement in mariculture with the establishment of two new departments - R&D and Marketing

# 2011

# 2012

- Commencement of operations at the Gaženica production-logistics center
- Cromaris certified according to EU regulations for organic farming and Naturland



- Achieved sales of 5,000 tonnes of WFE fish for the first time
- Launch of Cromaris BIO range, BIO sea bream and BIO sea bass

# 2014



# 2015

- Opening of a new hatchery in Nin, one of the most modern facilities in Europe
- Development and implementation of an SAP module, specifically tailored to aquaculture system management

# 2016

- Establishment of the Nutritional Center and development of the first formulations for Cromaris fish feed
- Commencement of operations at the Kudica farm

Opening of the Žman farm

# 2017



First generation of trainees from the "Future in Cromaris" project

# 2018



- All Cromaris farms certified according to ASC standards
- Launch of fresh SKIN fillets in new recyclable packaging

# 2019



- Record-breaking year - 10,000 tonnes of WFE fish sold!
- Commencement of greenhouse gas emissions monitoring for Cromaris
- Launch of a new MAP product range in recyclable PET packaging
- Cromaris certified according to the organic BIO Suisse certificate

# 2020



# 2021

- Introduction of two new species: greater amberjack and dentex
- Cromaris becomes the first in the industry to publish a Sustainability Report for the previous year
- Opening of the Lavdara farm

# 2022



# 2023

- New warehouse and substation commissioned in Gaženica with integrated sustainable systems
- Installation of a solar power plant on the roof of the hatchery in Nin

- Introduction of a new organic fish species on the market - BIO meagre
- Opening of three new stores in Zagreb, Pula, and Tkon
- 8.7% of total electricity consumed produced from own renewable sources from the solar power plant in Nin and Gaženica
- SKIN BIO fillets of sea bass, sea bream, and meagre



# Business area, products, markets, and value chain

## Leader in Croatian mariculture

Cromaris is a leader in Croatian mariculture and the seventh company in the world in sea bream and sea bass farming. In addition to sea bream and sea bass, we farm meagre and greater amberjack, and since 2021 we are the only company in the world farming dentex. By the end of 2022, Cromaris had successfully farmed a new species of fish, BIO meagre. Production of Cromaris's white fish begins at the hatchery in Nin and continues at seven farms, including Lamjana, Košara,

Velo žalo, Žman, Kudica, and Lavdara in the Zadar region, and the Budava farm in the Istria County. Organic farming takes place at the Kudica farm and since 2023 across the entire Velo žalo farming area. Conventional farming methods are employed at other farms. Fish is processed, packaged, and distributed to customers in Croatia and abroad from the production-logistics center in Gaženica, Zadar. Cromaris products are available in all major retail chains and our stores. In 2023, we opened three new stores in Zagreb, Pula,



**5 farmed species – sea bass, sea bream, meagre, greater amberjack, and dentex**

**7 farms - 6 in the Zadar region and 1 in Istria County**

**3 organic farming species - sea bass, sea bream, and amberjack**

**1 hatchery in Nin**

**Our products are available in wholesale, large retail chains, and Cromaris stores**

**By the end of 2022, Cromaris had successfully farmed a new species - BIO meagre**

**1 processing, packaging, and logistics facility in Zadar**

and Tkon on the island of Pašman, bringing the total to eight.

Organic farming differs from conventional farming in terms of stocking densities, feed, and spatially separated farming, processing, and storage of organic products and raw materials. In organic farming only certified organic fish feed is used, produced according to Cromaris's recipe developed in 2016, the composition of which is regularly monitored. By producing feed according to its own recipe, Cromaris ensures control over the quality

## Organic and conventional farming

## Cromaris's recipe for fish feed production since 2016



of raw materials and the consistency of feed across all farms, as well as the nutritional consistency of the products. In addition to developing fish feed tailored to the needs of farmed species, new farming methods are continuously researched and existing ones improved, along with exploring the possibilities of farming new species. Cromaris's veterinary service conducts constant monitoring on all farms and creates analyses and plans for preventive measures to improve the health status of the fish.

## In-house veterinary supervision of fish

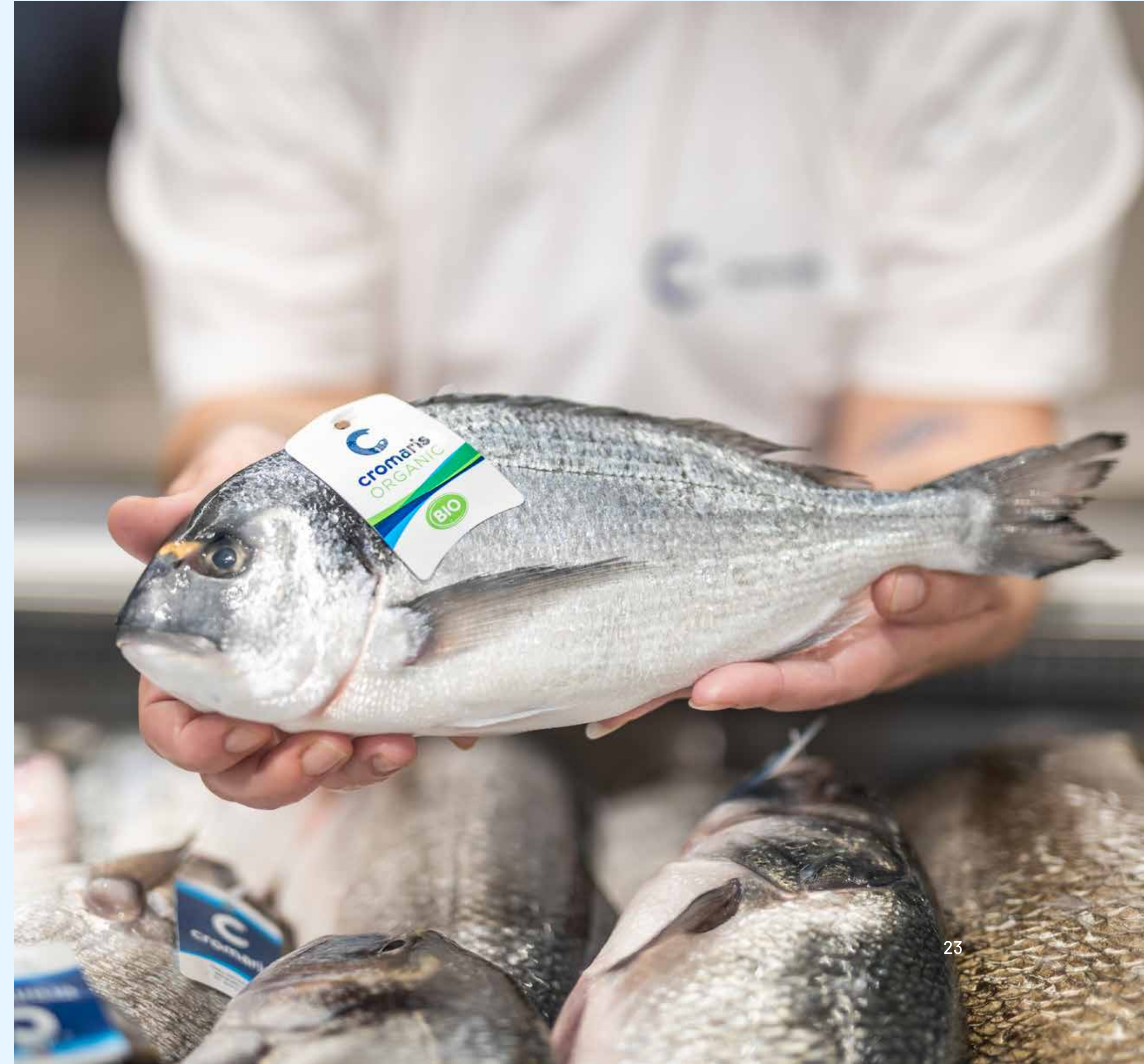
## Research and development of new species farming

### **Cromaris products**

Cromaris's market strength and competitiveness are based on quality, freshness, and innovation. Our assortment includes fresh fish, fresh fish fillets and steaks, as well as smoked fillets farmed and produced from the highest quality indigenous Mediterranean white fish species from both conventional and organic farming. Alongside conventional farming, the organic species in Crom-

aris's portfolio are sea bass and sea bream, and, as of 2022, BIO meagre. Greater amberjack and dentex are farmed conventionally. Customers and consumers can easily distinguish between products from conventional and organic farming by the labels on our products. We farm fish without the use of antibiotics throughout the entire farming cycle,. In this way we contribute to consumer health protection, food safety, and animal welfare. Our antibiotic-free farming is certified by the Antibiotic-Free Supply Chain certificate according to DNV's technical specification STP-80. The procedures for testing the health safety and nutritional value of our products are described in the chapter on **Consumer Safety and Health**.

## Our own laboratory for product and fish feed analysis



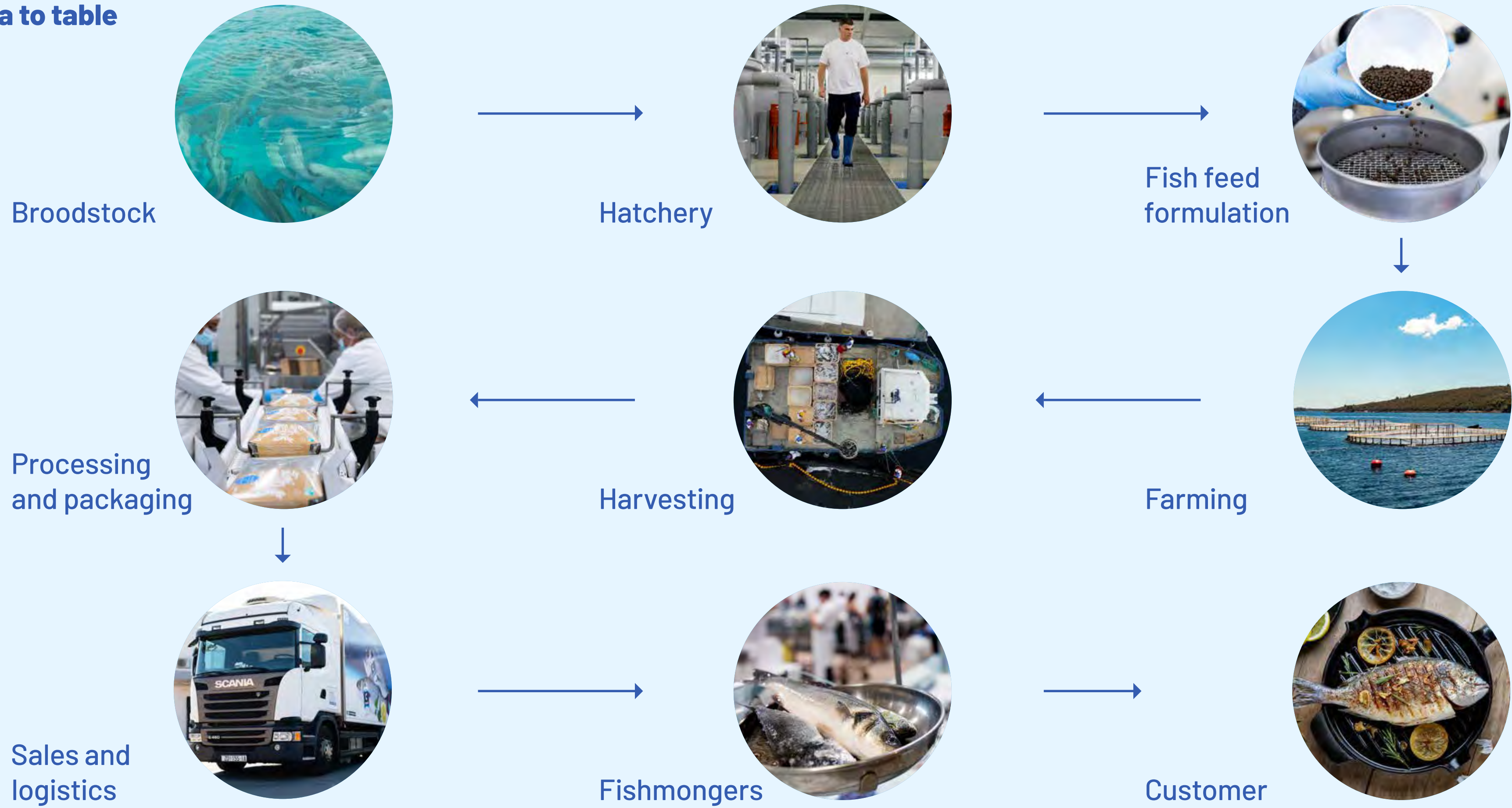
## Traceability of products from sea to table and proven quality

Product traceability in real-time (SAP) is enabled by the LOT number (Line-Of-Travel sequence) highlighted on each of our products. The LOT number contains information about the broodstock of fish from Cromaris's hatchery, the location of cultivation, the type of food the fish were fed at each stage of the breeding cycle, as well as information about the process-

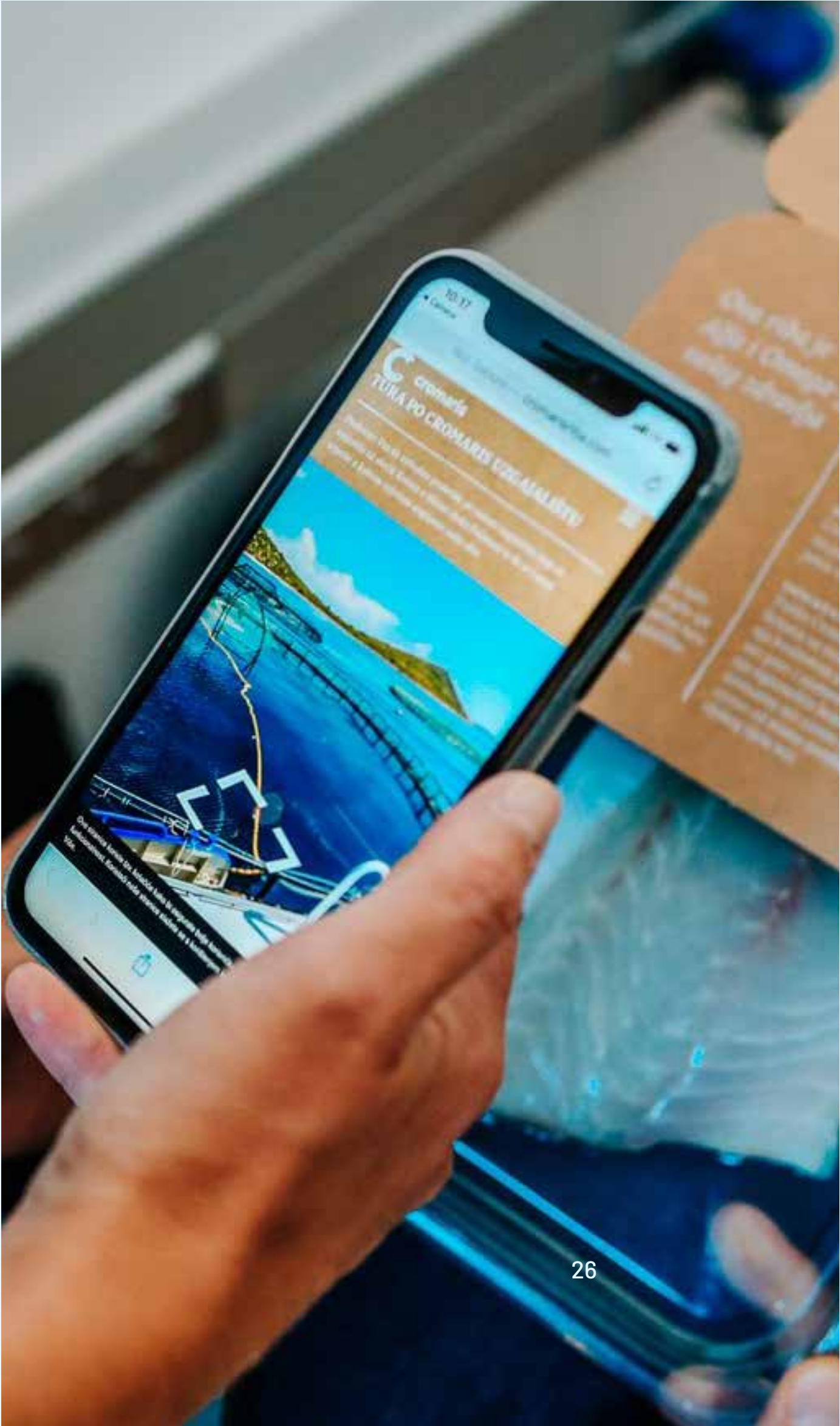
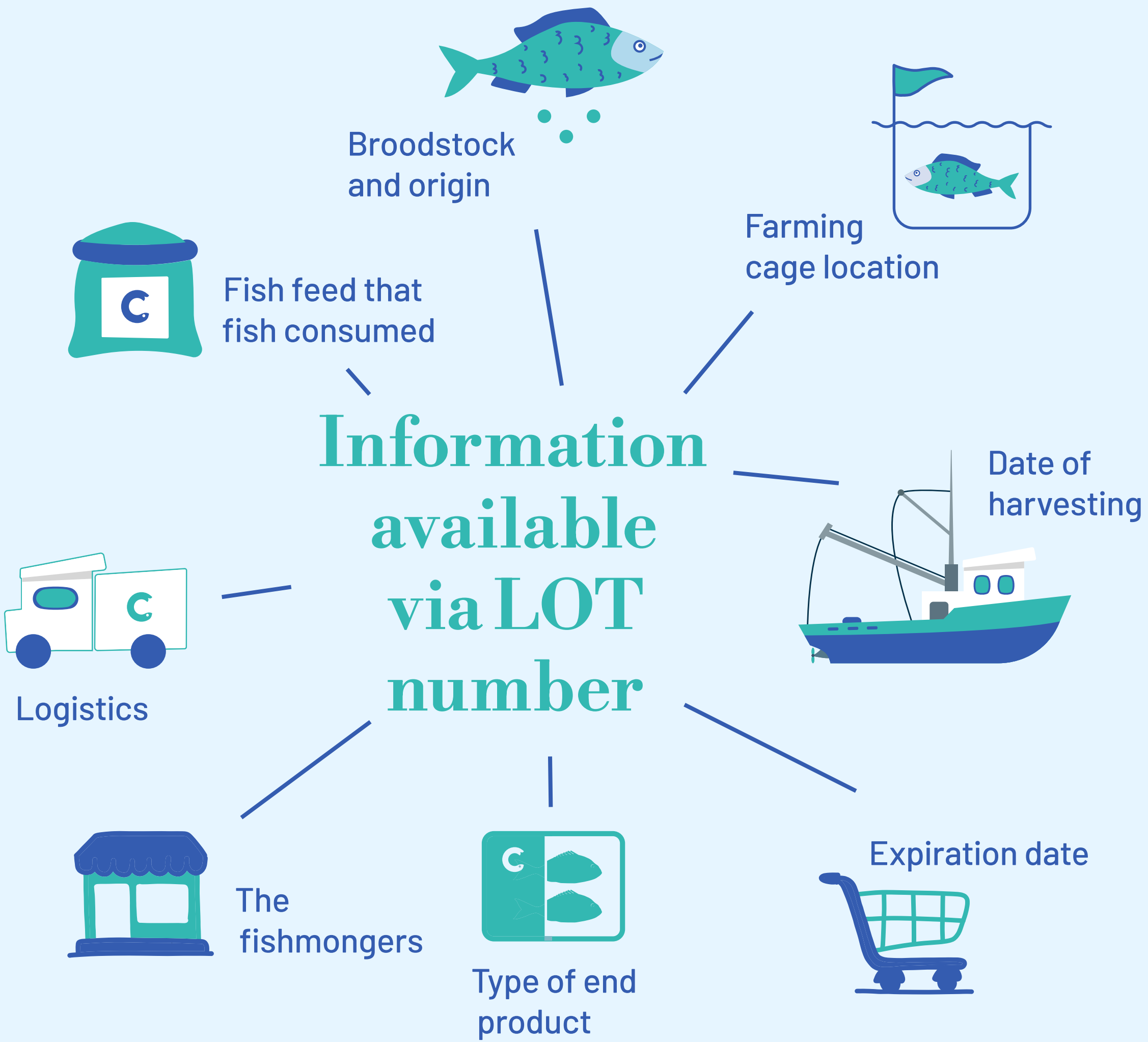
ing process until the products are delivered to customers and, in collaboration with some customers, to end consumers. Fish are caught six days a week, and from catching and sorting to delivery to domestic and foreign markets, an optimal cold chain from 0 to 2°C is ensured.



**From sea to table**



Product traceability, organic farming, antibiotic-free farming, and the alignment of Cromaris's farming and processing with sustainability goals are also confirmed by certificates based on verification by independent external experts. Our suppliers of raw materials, fry, and fish feed must also be certified by independent certification bodies according to the GlobalG.A.P. standard. Raw materials used in organic farming must be certified according to the requirements of the standards confirming organic origin. Cromaris's educated employees regularly conduct checks to ensure compliance with the requirements of each of the standards according to the plan of internal audits.



## Cromaris certificates 2023

Quality management system according to ISO 9001:2015

Hatchery, Farms, Production-logistics center Gaženica



Environmental management system according to ISO 14001:2015

Hatchery, Farms, Production-logistics center Gaženica



GlobalG.A.P. – certification of the traceability of the production chain from hatcheries, juvenile, and food suppliers to farming, harvesting, and fish processing.

Hatchery, Farms, Production-logistics center Gaženica



GLOBALG.A.P. Risk Assessment on Social Practice (GRASP) – certification of the implementation of responsible practices towards employees.

Hatchery, Farms, Production-logistics center Gaženica



Antibiotic-Free Supply Chain according to DNV STP-80 – production without antibiotics throughout the entire production cycle.

Hatchery, Farms



IFS Food – a standard for the quality and safety of products for private label and own-brand manufacturers on a global level

Production-logistics center Gaženica



ASC Farming (Aquaculture Stewardship Council – Farm Standard) – the processes of fish farming and processing, as well as the use of raw materials, are conducted according to sustainability principles.

Farms



ASC Chain of Custody – confirmation of traceability from certified farming to products with ASC labeling

Production-logistics center Gaženica, Cromaris Italia



EU Organic Farming according to Regulation 2018/848/EU – certification of organic farming.

Hatchery, Farms Kudica and Velo Žalo, Production-logistics center Gaženica, Cromaris Italia



Bio Suisse – certification of organic farming for the Swiss market.

Farms Kudica, Production-logistics center Gaženica



Naturland – certification of organic farming for the German market.

Farm Kudica, Production-logistics center Gaženica



Cromaris products also bear the labels “Izvorno Hrvatsko” (Original Croatian) and “Riba Hrvatske” (Fish from Croatia). The “Izvorno Hrvatsko” label is awarded by the Croatian Chamber of Economy to products manufactured in Croatia that meet a higher level of quality than that established by legal regulations and normative criteria for the type and category of the product. The “Riba Hrvatske” label is part of the **“Riba Hrvatske**

**– Jedi što vrijedi”** (Fish of Croatia – Eat What Matters) project. The awards and recognition received in 2023 for the quality of our products, business practices based on sustainability principles, and for product exports are described in the chapter **Our Awards 2023**.



**Product traceability in real-time is enabled by the LOT number**

**Product traceability, organic farming, antibiotic-free cultivation, and alignment of Cromaris products’ cultivation and processing with sustainability goals are confirmed by certificates**

## Environmentally friendly packaging of our products

We research and find solutions to reduce the amount of packaging waste and increase the recyclability of packaging once it becomes waste. By finding manufacturers of packaging from secondary raw materials, i.e., packaging with a higher recycle content, we comply with legal provisions for packaging that

## We are reducing the volume of plastic packaging with SKIN packaging

comes into contact with food, or contact-sensitive packaging. According to the technical criteria of the **EU taxonomy for assessing the sustainability of packaging production, contact-sensitive packaging** is considered sustainable if it contains up to 10 percent recycle by 2028 and 50 percent recycle from 2028 onwards. Since 2020, Cromaris's Modified Atmosphere Packaging (**MAP**) trays are no longer made of expanded polystyrene (EPS), but of PET plastic, which is fully recyclable. Fresh gutted and ungutted fish and fillets are still

## Product packaging must meet the requirements for packaging that comes into contact with food

packed in EPS crates in quantities of 3, 6, and 10 kilograms due to food safety requirements and the rapid distribution of fresh fish to customers. In order to reduce the volume of trays produced from PET plastic, Cromaris's fish fillets and steaks are packed in innovative **SKIN** packaging. SKIN packaging preserves the freshness, color, and integrity of the

product, and the fish is covered only with a thin layer of protective film so that it can be seen and experienced at the point of sale. Our gourmet products are packed in cardboard packaging certified according to the Forest Stewardship Council (**FSC**) standard, confirming the origin of cardboard packaging produced from sustainably managed forests.

## Cromaris's cardboard packaging is certified according to the FSC standard

## CROMARIS OFFER

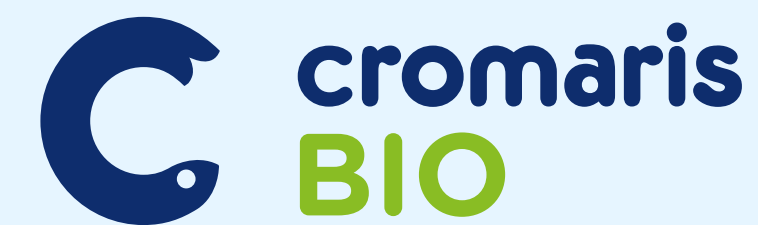
### CONVENTIONAL FISH

- FRESH UNGUTTED
- FRESH GUTTED
- FRESH FILLETS  
(Classic, Gourmet, or Selection)
- FRESH MEAGRE STEAKS
- PACKAGED PRODUCTS  
(MAP and SKIN packaging)
- SMOKED FILLETS
- MARINATED FILLETS



### BIO FISH

- FRESH UNGUTTED
- FRESH GUTTED
- FRESH FILLETS  
(Classic, Gourmet, or Selection)
- PACKAGED PRODUCTS  
(MAP packaging)



# Assortment from conventional farming

The foundation of our offer consists of indigenous species of the highest quality Mediterranean fish packaged in EPS crates of 3, 6, and 10 kilograms. We make our products available even at locations without fish markets, so our range includes fresh gutted fish packaged in MAP (Modified Atmosphere Packaging) and fillets in SKIN packaging, ensuring freshness, quality, and ease of preparation for a nutritious meal. We are particularly proud of our line of smoked fillets prepared in a traditional manner, without artificial preservatives and colorings.

## Fresh fish in EPS packaging



**Cromaris sea bream**  
Fresh whole, ungutted or gutted fish and fillets



**Cromaris sea bass**  
Fresh whole, ungutted or gutted fish, fillets and steaks



**Cromaris meagre**  
Fresh whole, ungutted or gutted fish, fillets and steaks



**Cromaris dentex**  
Fresh whole ungutted fish



**Cromaris greater amberjack**  
Fresh whole ungutted fish

## Fresh fish in MAP or SKIN packaging

Fresh gutted fish in MAP duopack or monopack packaging



Cromaris sea bream



Cromaris sea bass



Cromaris sea bass and sea bream



Fresh gutted in MAP duopack packaging



Cromaris sea bass



Cromaris sea bream



Cromaris meagre

## Deli smoked fillets

Fresh boneless fillets in SKIN packaging



Cromaris sea bass



Cromaris sea bream



Cromaris meagre



## Assortment from organic farming

Cromaris's strategic business goal is to become the world's largest producer of organically farmed Mediterranean white fish by 2025. A significant business achievement at the end of 2022 and the beginning of 2023 was the cultivation of a new organic fish species - BIO meagre, as the only company in the world right now. In 2023, we introduced SKIN BIO fillets of sea bream, sea bass, and meagre for the first time on the market. All our organic products bear the EU Organic Farming certification, as well as the Naturland certification proving organic farming on the German market and the Bio Suisse certification for selling organically farmed fish on the Swiss market.

### Fresh fish in EPS packaging

Whole fresh ungutted or gutted fish and fillets



Cromaris BIO  
sea bream



Cromaris BIO  
sea bass



Cromaris BIO  
meagre

### Fresh fish in MAP packaging

Fresh gutted BIO fish in MAP duopack or monopack packaging



Cromaris BIO sea bream



Cromaris BIO sea bass

### Fresh BIO fillets without bones in SKIN packaging



Cromaris sea bass



Cromaris sea bream



Cromaris meagre

# Our locations

GRI 3-3  
GRI 13.3.2

- Cromaris j.s.c. company headquarters (Zadar), Cromaris Italia (Treviso)
- Hatchery (Nin)
- Gaženica production and logistics centre
- Farms
- Cromaris fishmongers

Treviso - Cromaris Italia

● Zagreb

The Adriatic Sea

● Zadar - Cromaris j.s.c



# Hatchery

Cromaris' hatchery is located in Nin, and it began operations in 1981, as one of the first in the Mediterranean. In 2023, the 40th anniversary of aquaculture in Croatia was celebrated, which began with the first successful spawning in our hatchery in Nin. The pioneers of Croatian and European mariculture attended this important event for Cromaris. With the continuous growth of

## Spawning of sea bass, sea bream, meagre, and dentex in the hatchery

**Annual hatchery capacity  
- 35 million juveniles**

production and the development of new fish species, there arose a need for a new facility. Therefore, in 2013, reconstruction began with the aim of increasing the hatchery's capacity, which was completed in 2015. The annual capacity of the hatchery is 35 million juveniles. It is divided into broodstock units, breeding units from the larval stage through metamorphosis to juvenile fish and a section for the production of zooplankton and phytoplankton, which are



the first feed for Cromaris fish. The hatchery spawns four Adriatic species: sea bass, sea bream, meagre, and dentex. A fish selection program has been established along with the development of our own broodstocks, which are the basis of our production. In addition to regular production, possibilities for producing juveniles of new species and organic production are being explored. All units in the hatchery are separated by individual filtration systems, ensuring optimal zoohygienic conditions. The production process follows the natural photoperiod of the fish to ensure conditions for animal health and welfare. Juveniles weighing 3 to 5 grams are transported in transport tanks to Cromaris's farming sites, where the fish continue their growth cycle.

## Development of own broodstocks and fish selection

## Organic juvenile production



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# First 120 days of our fish

## Fertilised spawn

Spawning takes place with spontaneous release of eggs and semen, and fertilisation



## Embryonic development

After collecting the spawn in the broodstock units, fertilized eggs are planted in special incubation pools where embryonic development occurs



## Hatched larva

After developing the eyes and mouth, the larvae begin with feeding



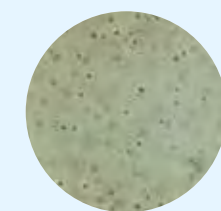
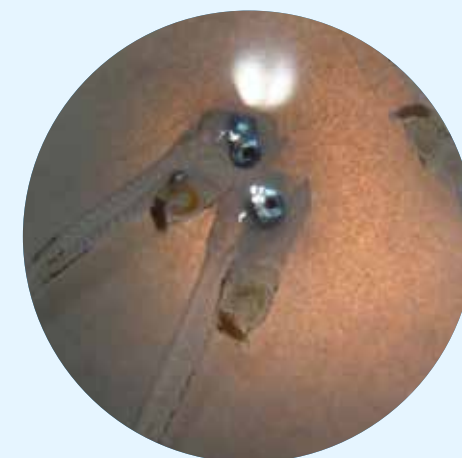
from the 1st to the 7th day

## In-house production of live food

Feeding larvae with phytoplankton and zooplankton (rotifers and artemia) from own production



Depending on the fish specie, the larvae in the first days are fed with phytoplankton and rotifers, and then artemia. Around the 45th day, adaptation to dry feed begins



Phytoplankton

Rotifer

Artemia

from the 7th to the 45th day

## Juvenile fish

Fry development and feeding with dry feed in the hatchery takes approx until the 120th day when the juvenils reach weight of 3 grams and are ready for transfer to the sea cages where they continue to grow till market size



Dry feed

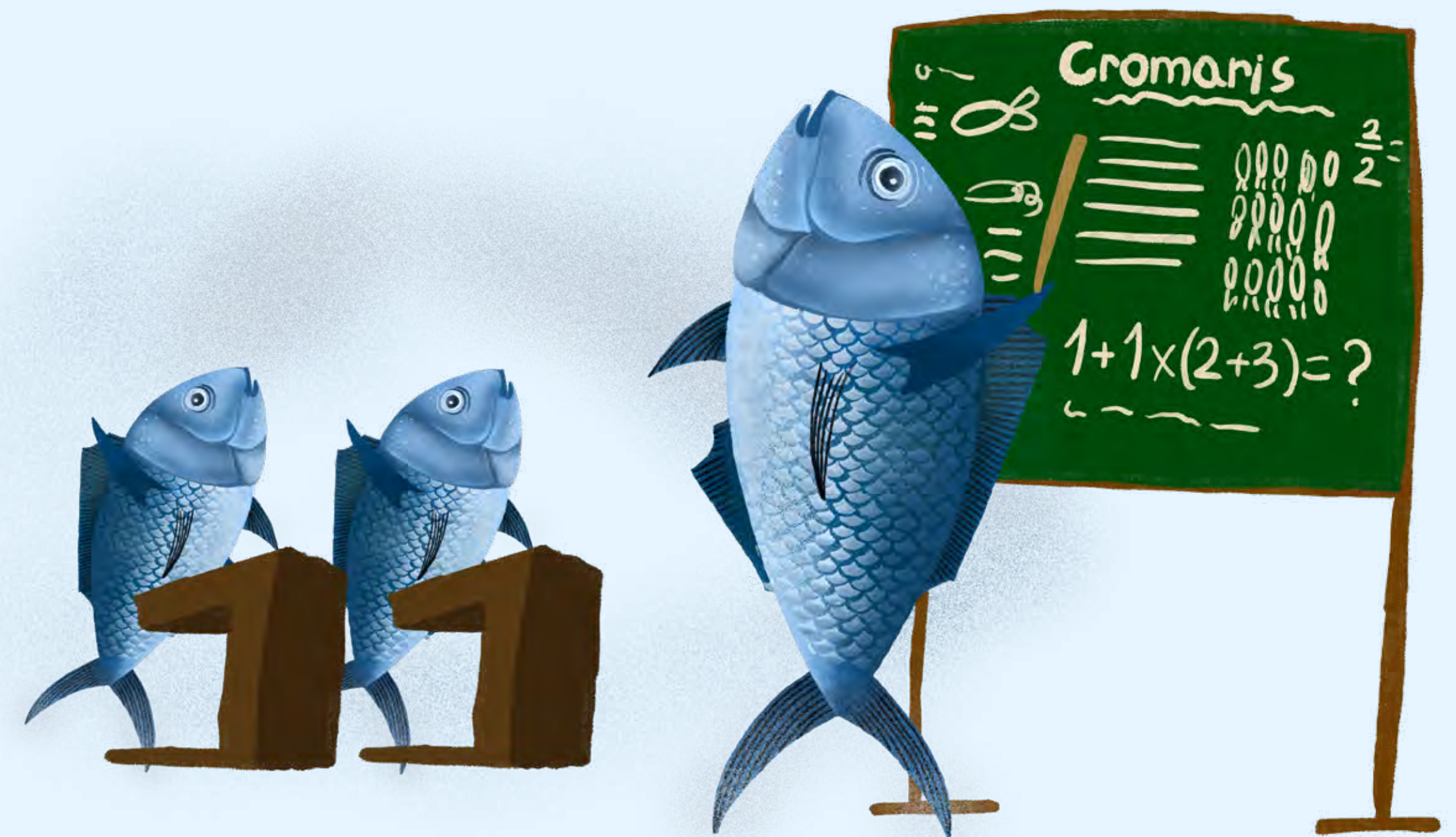


from the 45th to the 120th day

# Farms

The location of the Budava farm complies with the spatial plan of the Istrian County, while the locations of the Lamjana, Košara, Velo Žalo, Žman, Kudica, and Lavdara farms are aligned with the spatial plan of the Zadar County. All farms have obtained concessions for the commercial use of maritime property for the purpose of cultivating white fish. The Lamjana farm also houses separate cage units for testing fish feed and cultivating new species. Cromaris's veterinary service continuously monitors the health status of the fish on all farms. In 2023, we began digitizing and automating the fish feed-

ing process and transferring the feeding plan from SAP (Systems Applications and Products) to handheld terminals used by feeders. The result of automating the feeding process is more efficient food consumption monitored by technologists. Since Cromaris farms are located near protected areas of the European ecological network NATURA 2000, we demonstrate compliance with sustainable management goals and socially responsible production through certifications issued by external independent verifiers.



**All Cromaris farms have concessions for farming white fish**

**The Lamjana farm conducts fish feed testing and farms new species in separate cages**

**Cromaris farms are located near the European ecological network NATURA 2000**

**The feeding process is automated and digitized**

## Budava Farm

The Budava farm is located in the bay of the same name, on the right bank of the Istrian peninsula. Nearby is the Budava Port, part of the European ecological network NATURA 2000, which protects the evergreen oak forest (*Quercus*

*ilex*) (HR HR2000522). The entire bay area of Budava is designated to protect the target species, the round-mouthed snail (*Vertigo moulinsiana*) (HR2001388).



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## Košara Farm

The Košara farm is located on the islet of Košara, southwest of Pašman. Nearby, the farm is adjacent to the Kornati National Park and the NATURA 2000 area - J.Molat-Dugi-Kornat-Žirje-Zlari-Murter-Paşman-Ugljan-Ri-

vanj-Sestrunj-Molat (HR3000419), which protects the target species, the bottlenose dolphin (*Tursiops truncatus*), as well as reef habitats and submerged or partially submerged sea caves.



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# Lavdara Farm

Lavdara Farm is situated between the islands of Lavdara vele and Pašman in the Middle Channel, along the northeast coast of the Lavdara island. Feeding of the fish at Lavdara is fully automated and carried out using a feeding barge located in the center of the farm. The feeding barge is connected by pipes to all cages, enabling faster and more efficient distribution of feed throughout the year.



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# Lamjana Farm

The farm is located near Lamjana Cove on the island of Ugljan and is Cromaris's oldest farm. In addition to commercial production, Lamjana houses a platform for experiments with fish feed and new species. Nearby, there is the NATURA 2000 area

- J.Molat-Dugi-Kornat-Žirje-Zlari-Murter-Pašman-Ugljan-Rivanj-Sestrunj-Molat (HR3000419), which protects the target species of bottlenose dolphin (*Tursiops truncatus*) and habitats of reefs and partially submerged or flooded sea caves.

# Žman Farm

The Žman farm is located near the uninhabited part of Dugi otok, between the villages of Luka and Žman. Feeding of fish at the Žman farm is fully automated, similar to the Lavdara farm. Nearby, there is the NATURA 2000 area - J.Molat-Dugi-Kornat-Žirje-Zlar-

in-Murter-Pašman-Ugljan-Rivanj-Sestrunj-Molat (HR3000419), which protects the target species of bottlenose dolphin (*Tursiops truncatus*) and habitats of reefs and partially submerged or flooded sea caves.



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# Organic farm Kudica

The Kudica Farm is located near a group of islets surrounding the island of Iž. **Organic farming is certified by the EU Organic Farming certificate** in accordance with Regulation 2018/848/EU, the **Bio Suisse** certificate for

the Swiss market, and the **Naturland** certificate for the German market. Nearby, there is the NATURA 2000 area - J.Molat-Dugi-Kornat-Žirje-Zlarin-Murter-Pašman-Ugljan-Rivanj-Sestrunj-Molat (HR3000419),

which protects the target species of bottlenose dolphin (*Tursiops truncatus*) and habitats of reefs and partially submerged or flooded sea caves.



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# Organic farm Velo Žalo

The farm is located on the island of Dugi otok in the Velo žalo bay. Until 2023, organic farming took place in part of the farm, and since 2023, it has been practiced throughout the entire farm. Organic farming is certified by the **EU Organic Farming** certificate in accordance with Regulation 2018/848/EU and the Bio Suisse certificate for the

Swiss market. Nearby, there is the NATURA 2000 area - J. Molat-Dugi-Kornat-Žirje-Zlari-Murter-Pašman-Ugljan-Rivanj-Sestrunj-Molat (HR3000419), which protects the target species of bottlenose dolphin (*Tursiops truncatus*) and habitats of reefs and partially submerged or flooded sea caves.

## The production-logistics center Gaženica

Cromaris's production-logistics center is located in Zadar, at the Gaženica port, close to Cromaris's aquaculture sites and in close proximity to transportation routes enabling swift distribution of products to customers and consumers. The center comprises a production facility and a storage-logistics center.

**Fish is sorted immediately after harvesting in Cromaris's modern processing plant**

### **The production facility in Gaženica**

The production facility started operating in 2012, and through numerous investments, it is continuously modernized and upgraded in line with the latest technologies and standards in fish processing. Built according to the principles of good manufacturing and hygiene prac-

tices, it is certified according to international food safety standards - IFS Food, ASC Chain of Custody. In this way, Cromaris guarantees maximum safety of healthy, high-quality, and fresh products at all times. Harvested fish is transported to the processing plant for sorting immediately after being caught. Sorting on multiple parallel automated lines separates fish by size classes. Depending on customer orders, part of the sorted fresh fish packed in crates is sent directly to the market, while the other part is processed further. Continuous modernization and au-

**Fish is packed in EPS boxes, recyclable PET trays using MAP or SKIN technology**

tomation of processes in the processing plant, along with the optimization of production processes, have increased the fish cleaning capacity four times. After sorting, fish is packed and sent fresh to the market or processed into fresh fillets, packaged fish, smoked, or marinated fish. Scaling, gutting, and filleting of fish are mainly done by machines, with only necessary manual manipulation, and the processed fresh fish is packed in crates or recyclable PET trays

using MAP or SKIN technology. Through the modernization and automation of the packaging process, the packaging capacity has increased to over 4,500 MAP packages per hour. A special part of the production, which requires the highest hygiene standards, refers to Cromaris's deli range of smoked and marinated products prepared with traditional methods without the use of artificial additives and preservatives.

**Packaging capacity - over  
4,500 MAP packages per hour**



## Logistics warehouse center Gaženica

The warehouse is located next to the processing plant in Gaženica. Investments in robotics, increased refrigeration space, and the number of loading ramps, as well as business optimization, have resulted in a 45 percent increase in warehouse shelf capacity, an increase of 120 pallet positions, and improved operational efficiency. Within 5 to 6 hours of harvesting, fresh fish is ready for shipment to markets in Croatia and EU countries. Cromaris delivers its products to customers within 12 to 48 hours.

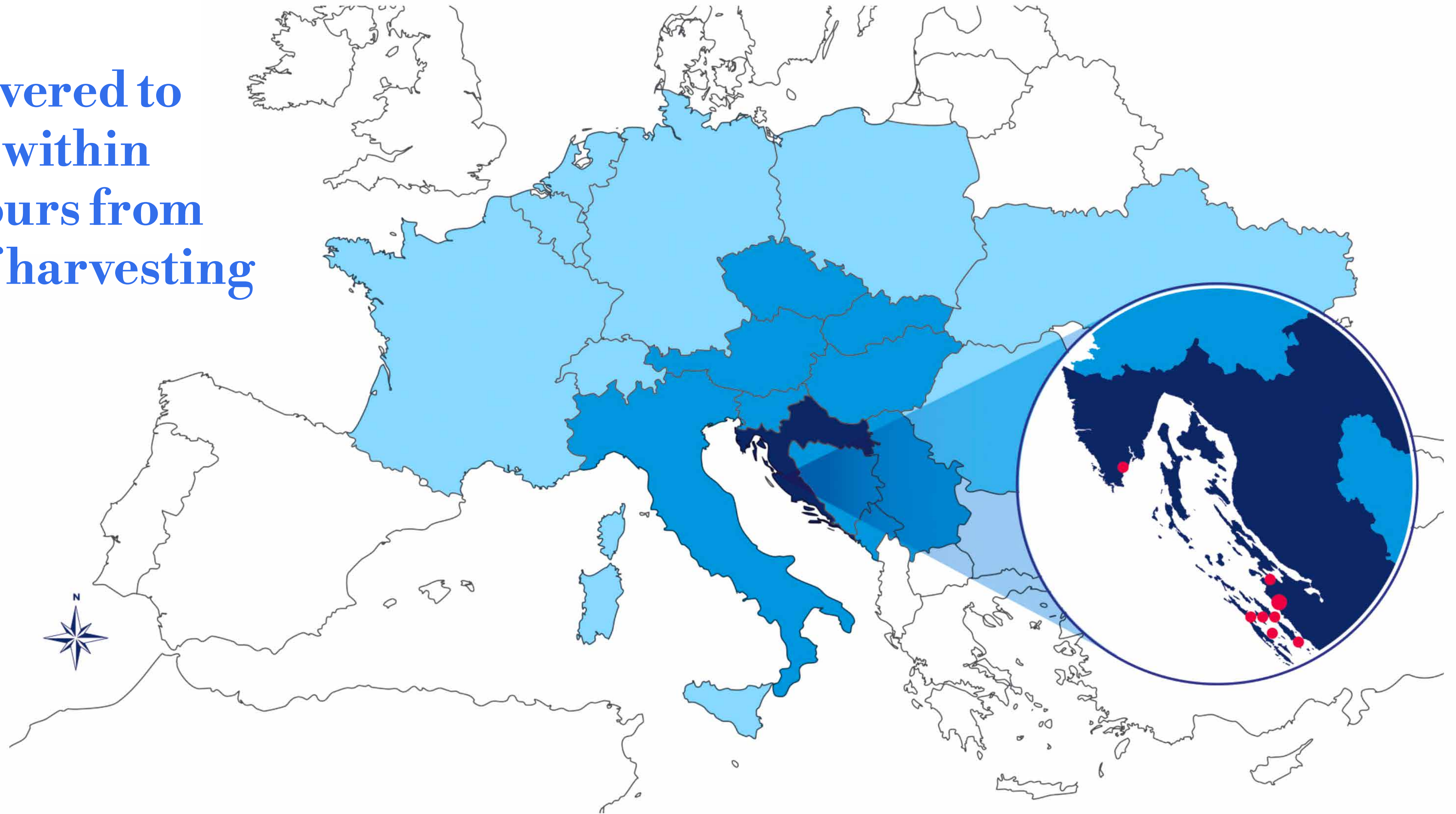


**Fish is delivered to customers within 12 to 48 hours from the time of harvesting**



12-24 h

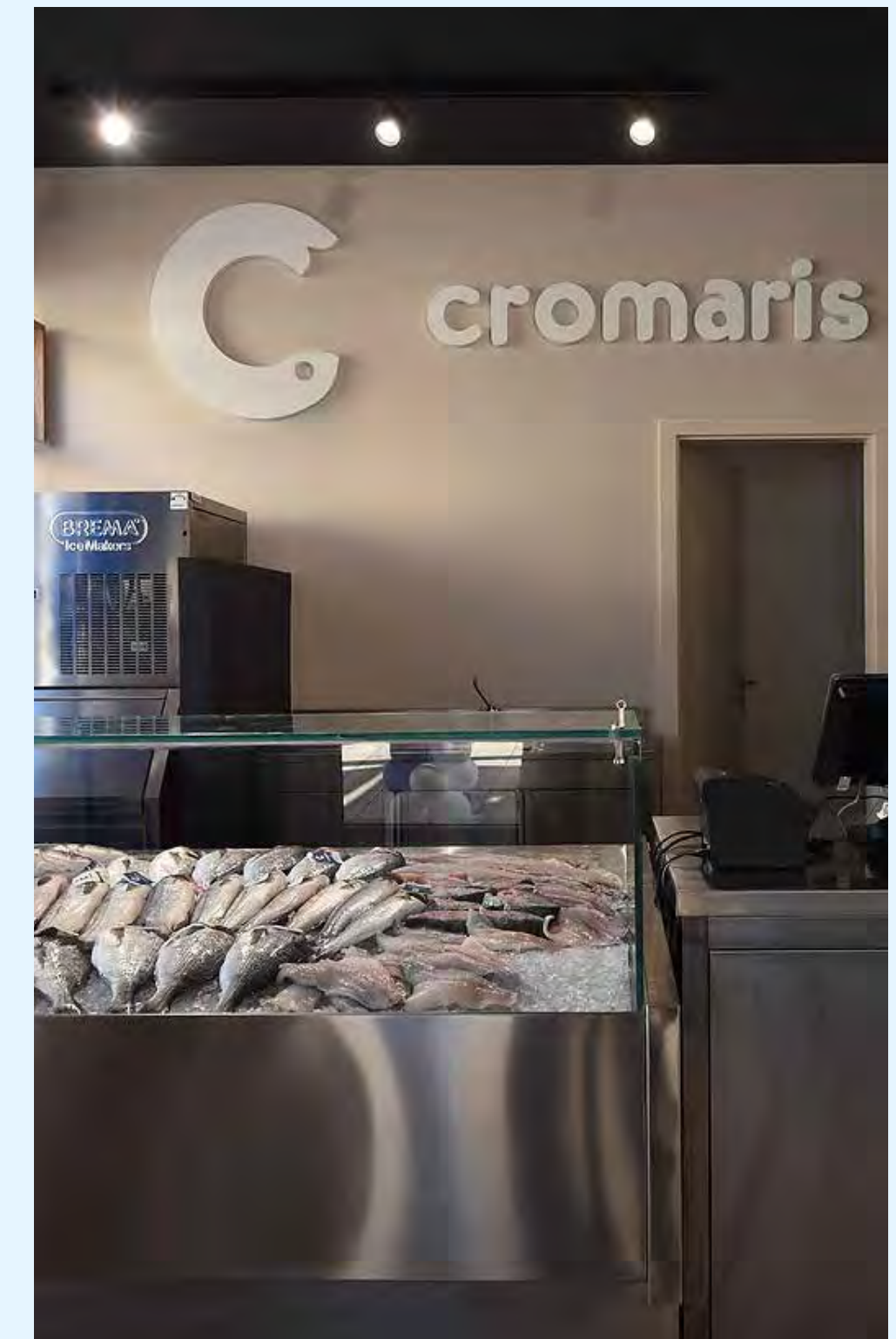
24-48 h



# Sales points - retail chains and Cromaris stores

Cromaris products are available in major retail chains in Croatia and in 20 EU countries. In addition to retail chains, our products are available in eight **fish markets** in seven Croatian cities - Zagreb, Rovinj, Pula, Zadar, Zaton, Preko on Ugljan, and Tkon on Pašman. **General terms of sale and delivery** are an integral part of all contracts for the sale and delivery of Cromaris products, and they are published on our website. These terms include information on payment deadlines, orders and deliveries, product quality, and the process for filing complaints.

**The general terms of sale and product delivery are published on our website**



## Cromaris Italia

Italy is the largest global market for sea bass and sea bream and the main export market for Cromaris, representing the largest share of our total production. In 2023, 56% of Cromaris products were exported to the Italian market. Cromaris Italia s.r.l (wholly owned by Cromaris d.d.) is the exclusive importer of Cromaris

products for the Italian market, ensuring better visibility and communication with customers. During 2023, it employed ten local employees. The main protagonist of Cromaris TV commercials is the **Italian chef Giorgio Locatelli**.

# The brand ambassador for Cromaris products is Italian chef Giorgio Locatelli



# Markets

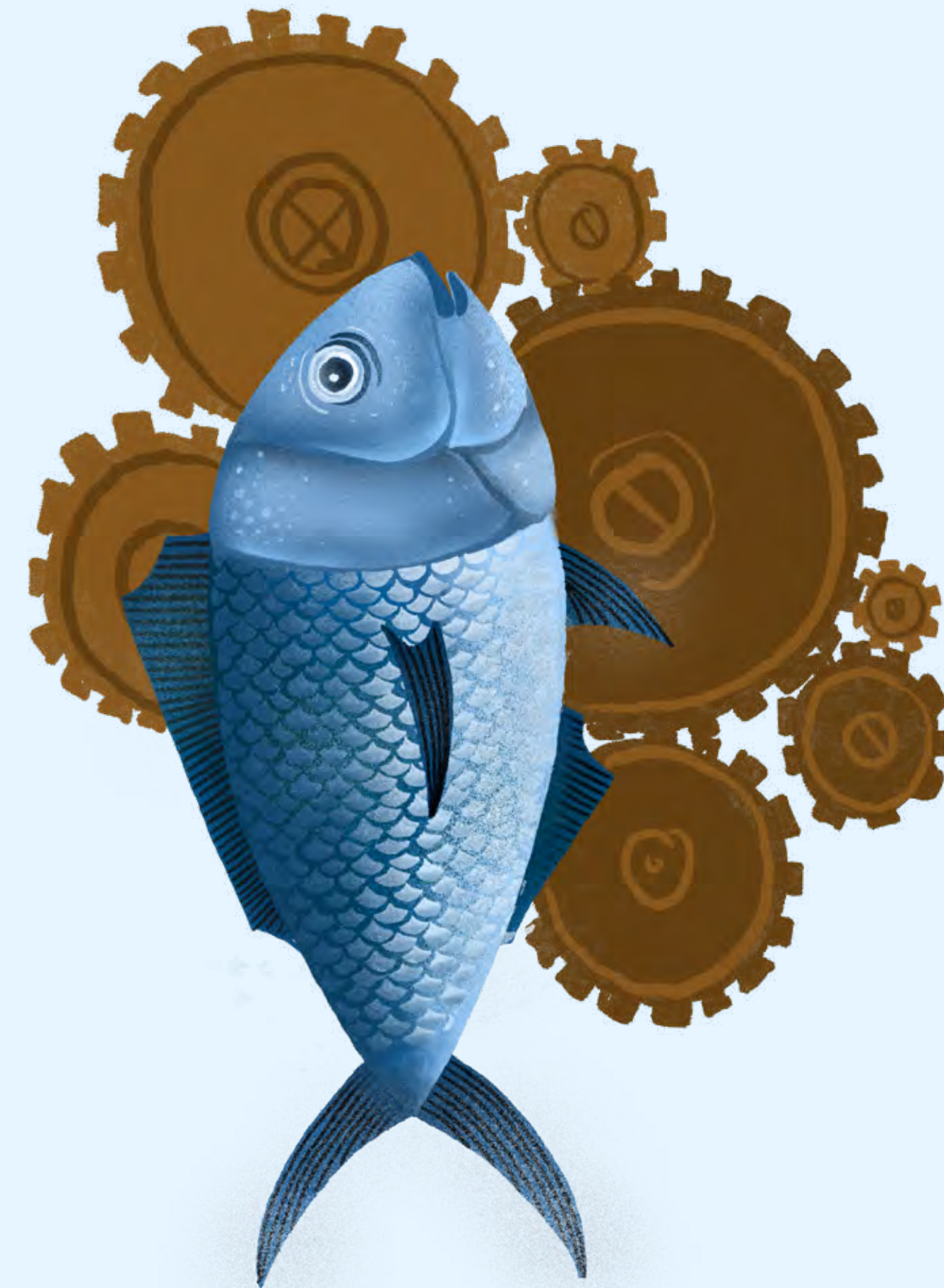
In addition to the domestic and Italian markets, Cromaris is also present in the markets of 20 European countries. We continuously explore new export markets for our products, and since 2021, we have been successfully exporting to Spain, which is the second-largest market for Mediterranean white fish by volume, and since 2023, to Belgium and Portugal as well. The share of exports in sales revenue is presented in the **Sales chapter, revenues from export of products, and sales in Croatia.**



# Value chain and business relationships

Cromaris's value chain consists of both core and ancillary activities involved in creating value. Core activities include farming, production and processing, packaging, distribution, marketing, and sales of fish, as well as maintenance. Ancillary activities encompass the procurement of products, goods, and services necessary for Cromaris's product manufacturing, technology development, and digitalization, research and development of new

species, fish feed, and cultivation methods, human resource management, and infrastructure activities including management, planning, finance, accounting, general and legal affairs, quality management, and aligning business operations with sustainability principles. Descriptions of activities and business relationships in the value chain are detailed in the chapters of the Sustainability Report for the year 2023.



# Our stakeholders

Based on its long-standing tradition in the mariculture sector, Cromaris has identified significant stakeholders, internal and external. Internal stakeholders include our employees and the Union of Agricultural, Food and Water Management Workers of Croatia (PPDIV), the Trade Union Branch - "CROMARIS" d.d. External stakeholders are customers and consumers of Cromaris products, suppliers, local communities, the scientific community and educational institutions, competent and regulatory bodies, the owner Adris d.d., auditors and standard owners, as well as the media.

## The most important communication channels in 2023 were

- **Website - Cromaris's website** provides information in Croatian, English, and Italian about our products, business results, farms, hatcheries, processing and distribution, research and development, projects, campaigns, sustainability initiatives, and more.
- **Meetings and workshops** - These are organized with both internal and significant external stakeholders to facilitate an open exchange of ideas and opinions for product improvement, fish feed, packaging,

procurement, and achieving sustainability goals.

- **Corporate newsletter** - Internal news is distributed via email and notice boards to all employees, serving as an effective means of timely communication about developments within Cromaris.
- **Collaboration with local media** - Informing the local community and interested parties about Cromaris's sustainable business practices through local media outlets, online portals, newspapers, and television.

- **Surveys and research** - Gathering feedback, ideas, and suggestions about employee satisfaction at Cromaris and customer satisfaction with our products.
- **Social media:** Cromaris also engages with stakeholders on social media platforms such as **Facebook**, **Instagram**, and **LinkedIn**.

## How we communicate and engage key stakeholders?

### Employees and employee representatives

- Employee satisfaction survey
- Internal news via e-mail
- HR open door day
- Volunteering
- Meetings
- Consulting
- Flyer with payslips
- Posts on notice boards

### Media

- Press trip
- Publications in newspapers, on portals, social networks

### Local community

- Coast cleaning campaigns
- Donations
- Lectures
- Open dialogue
- Website

### Suppliers

- Supplier ratings
- Audits
- Regular meetings
- Working meetings for finding more sustainable and affordable solutions, cooperation

### Customers and consumers

- Publications on social networks
- Customer satisfaction surveys
- Brand recognisability survey
- Fairs
- Events
- Meetings
- Responses to inquiries
- Website

### Legislative bodies and regulators

- Public discussions when adopting new rulebooks and regulations, i.e. legal acts
- Inspections

### Scientific community and educational institutions

- Cooperation on projects
- Working groups
- Panels
- Lectures

### Auditors and standard owners

- Annual surveillances
- Public discussions due to the introduction of new versions of standards



What  
have we  
achieved?

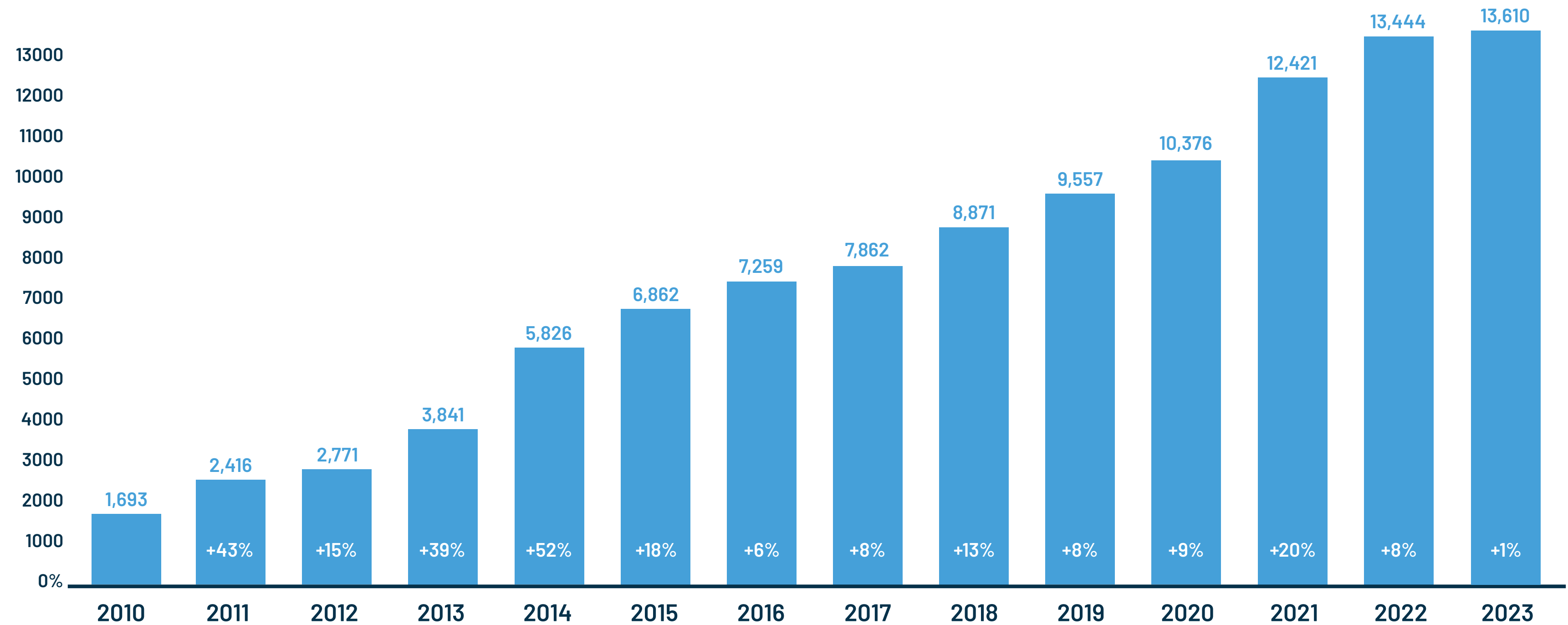


# Key Performance Indicators

## Sales, export revenue, and sales revenue in Croatia

In 2023, sales revenue amounted to 105 million euros, which is 10 per cent higher than in 2022. A total of 13,610 tonnes of whole fish equivalent (WFE) were sold, representing a one percent increase compared to 2022. In the portfolio of differentiated products, which accounted for 36 percent of revenue in 2023, processed products such as packaged and gutted fish continued to experience the highest growth. Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to 12.6 million euros, representing a 15 percent increase compared to 2022. The net profit in 2023 was 3.8 million euros, marking a 57 percent growth compared to 2022.

Sale in WFE tonnes



Cromaris achieved 88% of sales share in foreign markets in 2023, the same as in 2022, generating an equivalent portion of sales revenue. Italy remained the primary export market, accounting for 52% of sales revenue in 2023. The share of sales revenue in Croatia remained at the previous year's level of 12%. Sales revenue shares of 36% were achieved from selling Cromaris products in Germany, Spain, France, Poland, Switzerland, Portugal, Luxembourg, Belgium, Denmark, UAE, Montenegro, Slovenia, Serbia, Czech Republic, Hungary, Netherlands, and Slovakia.

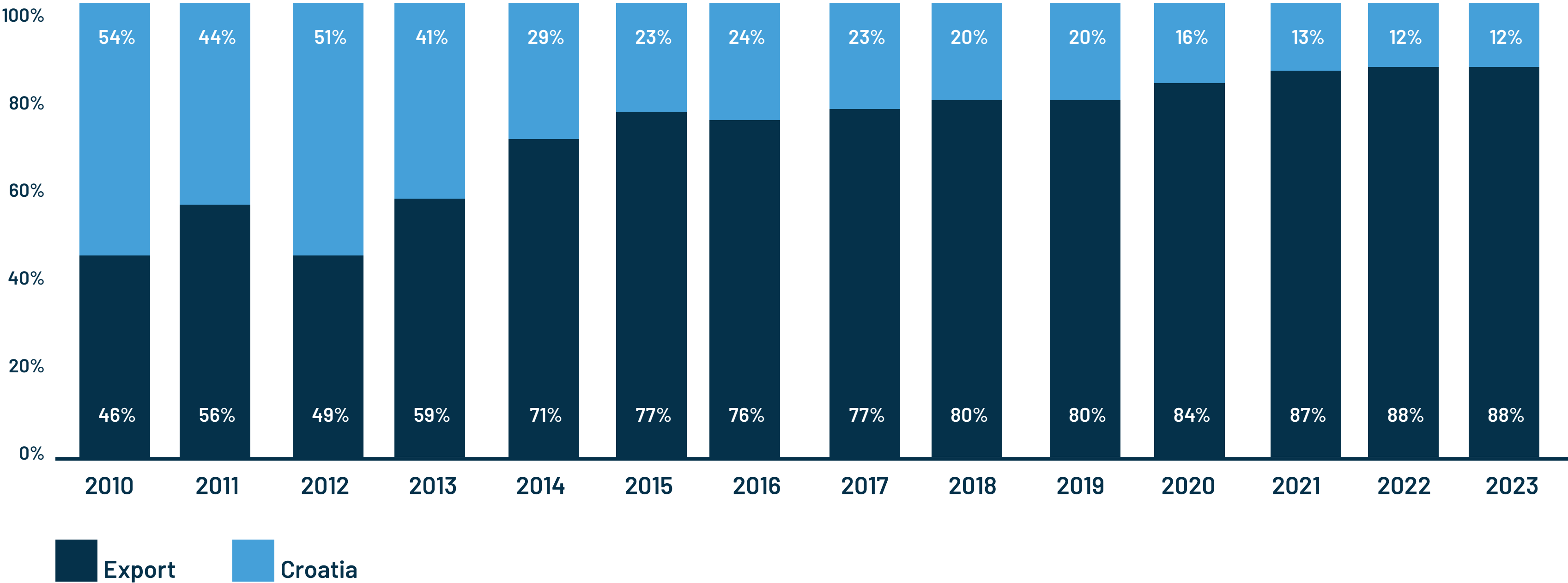
**Sold 13,610 tonnes of whole fish equivalent (WFE)  
(+1% from 2022)**

**Sales revenue - 105 million euros (+10% from 2022)**

**Earnings before interest, taxes, depreciation,  
and amortization (EBITDA) - 12.6 million euros  
(+15% from 2022)**

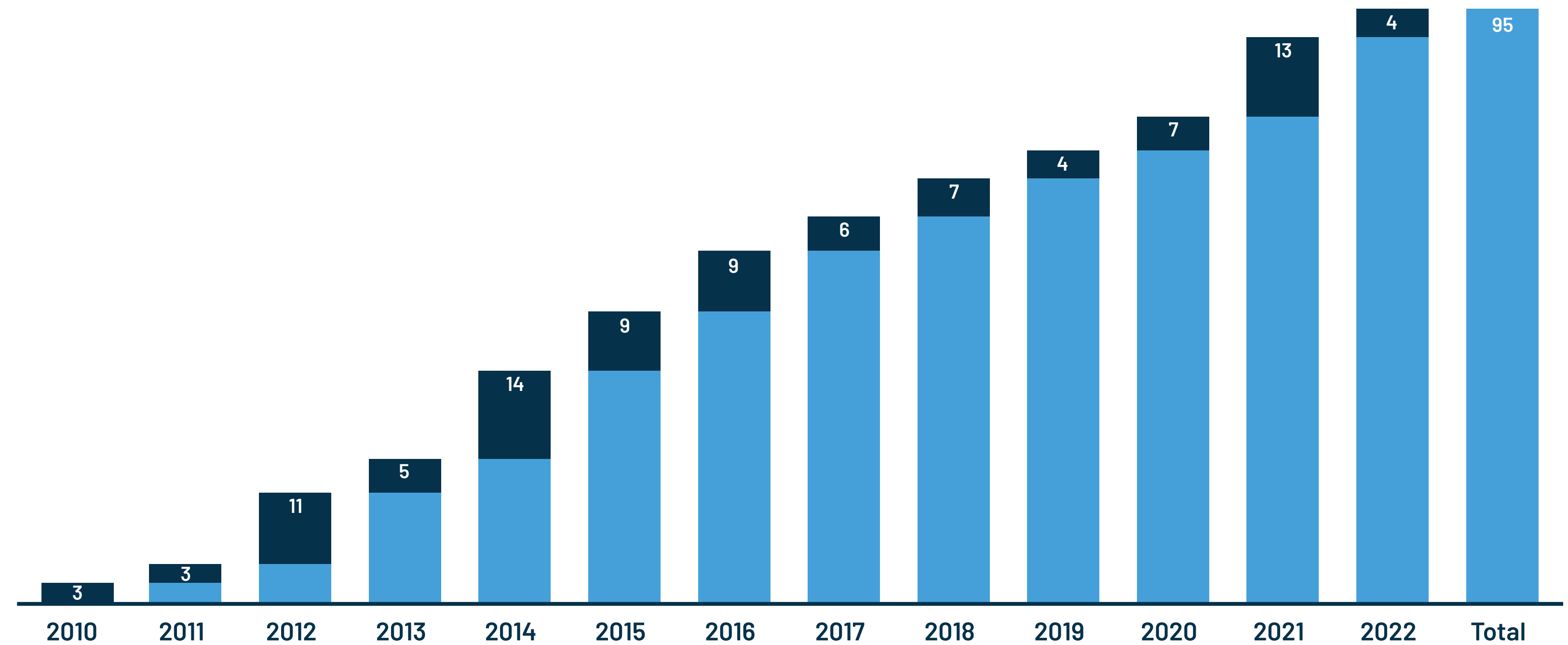
**Net profit - 3.8 million euros (+57% from 2022)**

# Export share in sales revenue



## Investments in long-term assets

Up until 2022, more than 95 million kuna was invested in long-term assets. In 2023, there were no significant investments in long-term assets. The investments in 2023 amounted to 4.1 million euros, primarily focused on the maintenance and expansion of existing production capacities.



# Key performance indicators according to the EU Taxonomy

Cromaris conducted its first analysis of activities and operations according to Regulation 2020/852/EU establishing a framework to facilitate sustainable investment (EU Taxonomy Regulation) in 2022. The results of the analysis and key performance indicators related to revenue, capital expenditures (CapEx), and maintenance costs (OpEx) were published in the [Sustainability Report for 2022](#) (pages 79 to 82). For Cromaris's core activity, namely mariculture (NKD 03.21 Marine aquaculture), technical criteria for assessing compliance with the six environmental objectives have not yet been prescribed. By applying

the methodology prescribed by the EU Taxonomy Regulation, Cromaris analyzed activity descriptions in Implementing Regulation 2021/2139/EU (consolidated version as of January 1, 2024), which relates to climate objectives, and in Implementing Regulation 2023/2486/EU, which relates to sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, as well as protection and restoration of biodiversity and ecosystems, to identify those applicable in 2023.



## Classification of activities into taxonomy and non-taxonomy

Cromaris identified taxonomic activities in 2023 as part of the list of activities contributing significantly to climate goals from Implementing Regulation 2021/2139/EU (consolidated version as of 1.1.2024). Cromaris also identified taxonomic activities applicable to Cromaris in 2023 from the list of activities significantly contributing to sustainable use and protection of water and marine resources, transitioning to a circular economy, preventing and controlling pollution, and protecting and restoring biodiversity and ecosystems from Implementing Regulation 2023/2486/EU. None of the taxonomic activities were categorized as transitional or enabling.

## Cromarisove taksonomske aktivnosti 2023.

### Mark The name of the activity

---

#### Significant contribution to climate goals

- 4.1. Production of electricity using solar photovoltaic technology
- 5.1. Construction, expansion, and operation of water collection, purification, and supply systems
- 5.3. Construction, expansion, and operation of wastewater collection and purification systems
- 5.5. Collection and transportation of non-hazardous waste in source-separated fractions
- 5.8. Composting of organic waste
- 6.5. Transportation by motorcycles, passenger cars, and light commercial vehicles
- 6.6. Road freight transport services
- 6.10. Maritime and coastal transportation of goods, vessels for port needs and ancillary activities
- 6.11. Maritime and coastal passenger transport
- 7.2. Renovation of existing buildings
- 7.3. Installation, maintenance, and repair of energy-efficient equipment
- 7.7. Purchase and ownership of buildings
- 8.2. Data-driven solutions for reducing greenhouse gas emissions

#### Significant contribution to the transition to a circular economy

- 5.4. Sale of second-hand goods – in the section related to the sale of used motor vehicles

## Classification into taxonomic and EU taxonomy-aligned activities

The next step was to assess the alignment of taxonomic activities for a significant contribution to climate objectives and significant contribution to the transition to a circular economy, as well as non-significant harm to other environmental objectives. Compared to 2022 when there were no taxonomic and EU taxonomy-aligned activities, in 2023, three activities were assessed as aligned.

## Cromaris's activities aligned with the EU taxonomy in 2023

Mark	The name of the activity	Obrazložnje
4.1.	The production of electrical energy using solar photovoltaic technology.	It refers to the photovoltaic solar power plant at the hatchery in Nin, which has the status of a customer with its own production. Revenue from the sale of electricity to the supplier is associated with activity 4.1., which significantly contributes to climate change mitigation (CCM). There were no investments in the photovoltaic solar power plant in 2023, nor was there any maintenance. Maintenance costs, i.e., OpEx, will in the future be classified under activity 7.6., Installation, maintenance, and repair of renewable energy technologies, in accordance with EU taxonomy.
5.5.	Collection and transportation of non-hazardous waste in fractions separated at the source.	It refers to the separation of waste at the source according to type and key number from the waste catalog. All waste generated at Cromaris locations is handed over with the Accompanying List to authorized waste management companies, except for mixed municipal waste with key number 200301, for which the Public Service Provider fills out the AL-0. Waste is managed according to the waste management hierarchy in accordance with the Waste Management Act.
5.8.	Composting of organic waste.	It refers to the collection and composting of by-products of animal origin, which are continuously collected and removed to preserve appropriate breeding conditions and fish health. This activity significantly contributes to climate change mitigation because the compost is not disposed of in landfills, thus avoiding the release of the greenhouse gas methane. In 2023, 9.9 tonnes of compost were produced from by-products of animal origin.

## Compliance with minimum safeguards on human rights and labor rights

Considering that Cromaris d.d. and Cromaris Italia s.r.l. are headquartered in the EU and that the legal regulations of Croatia and Italy regarding labor protection and human rights are harmonized with EU law, in 2023, all Cromaris's taxonomy activities were aligned with the minimum safeguards outlined in Article 18 of the EU Taxonomy Regulation 2020/852/EU.

### Key indicators - revenue, CapEx, and OpEx

Below is a presentation of the calculation of key performance indicators (KPIs), namely revenue,

capital expenditures (CapEx), and operational expenses (OpEx), following the methodology described in Annex I of Implementing Regulation 2021/2178/EU (consolidated version as of 1 January 2024) on the manner of disclosure of information. At the end of the chapter, there is a summary table showing the KPIs for 2023 and a comparison with 2022, while the KPI tables according to the methodology described in Annex II of Implementing Regulation 2021/2178/EU (consolidated version as of 1 January 2024) are located in Appendix I of the Sustainability Report for the year 2023.

### Revenue

*The revenue share is calculated as a part of the net revenue generated from products, including intangible assets, associated with taxonomy-compliant and EU taxonomy-aligned activities (numerator), divided by the net revenues (denominator), as determined in section 1.1.1 of Annex I of Implementing Regulation 2021/2178/EU (consolidated version as of 1 January 2024) on the manner of disclosure of information. Revenue from activities aligned with the EU taxonomy pertained to the sale of electricity generated from solar photovoltaic plants (4.1.), amounting to 77.16 euros. All other revenue*

*in 2023 originates from non-taxonomy activities. Cromaris's total revenue was 105 million euros, so the revenue share from activities aligned with the EU taxonomy (4.1) rounded to two decimal places was 0.03 percent.*

### Capital expenditure (CapEx)

*The share of capital expenditure is calculated according to the methodology prescribed in sections 1.1.2.1. and 1.1.2.2. of Annex I of Regulation 2021/2178/EU (consolidated version as of 1 January 2024) on the disclosure of information. For taxonomic activities, the numerator includes the amount of*

CapEx that is part of taxonomic activities, i.e., the share of CapEx from the denominator related to taxonomic activities. For activities aligned with EU taxonomy, the numerator includes the amount of CapEx that is part of taxonomic and EU taxonomy-aligned activities, i.e., the share of CapEx from the denominator related to taxonomic and aligned activities. The denominator encompasses increases in tangible and intangible assets during the financial year, before depreciation and remeasurement, including increases resulting from revaluation and impairment, for the relevant financial year and excluding fair value changes. The denominator also includes increases in tangible and intangible assets resulting from business combinations. Capital investments in 2023 amounted to 4.1

million euros. The share of CapEx from non-taxonomic activities was 72.05 percent, and from taxonomic activities it was 27.95 percent (4.1, 5.8, 6.5, 6.10, 7.2, 7.3, and 7.7). Out of the total capital investments of 4.1 million euros, taxonomic and EU taxonomy-aligned activities accounted for 0.14 million euros, i.e., 3.45 percent (4.1 and 5.8). The investment plan for 2023 aligns with Cromaris's sustainability goals for 2023 – to reduce CO<sub>2</sub>(eq) emissions intensity per ton of produced fish by 25 percent by 2025 and maximize the use of by-products of animal origin.

#### **Operating expenses – OpEx**

The share of operating expenses is calculated according to the methodology prescribed in sections 1.1.3.1. and 1.1.3.2. of Annex I to Im-

## **For Cromaris's mariculture activities, technical compliance criteria with environmental objectives according to EU taxonomy have not been prescribed**

plementing Regulation 2021/2178/EU (consolidated version of 1 January 2024) on the disclosure of information. For taxonomic activities, the numerator includes the amount of OpEx that is part of taxonomic activities, or the share of OpEx from the denominator related to taxonomic activities. For activities aligned with EU taxonomy, the numerator includes the amount of OpEx that is part of tax-

onomic and EU taxonomy-aligned activities, or the share of OpEx from the denominator related to taxonomic and aligned activities. The denominator includes non-capitalized research and development costs (including costs invoiced by a third party conducting research and development or employee salaries for research and development activities, but excluding project management

costs), non-capitalized building renovation costs, non-capitalized short-term lease costs (conditions for recognizing usage rights have not been met), non-capitalized maintenance and repair costs (including cleaning costs and employee salaries for maintenance and cleaning), and other direct non-capitalized costs for daily servicing of real estate, facilities, and equipment carried out by the company or a third party entrusted with these tasks, necessary for the proper functioning of that asset (consumed materials for maintenance, mandatory employee training necessary for equipment operation, etc.). The calculation of operating ex-

penses does not include costs of raw materials and supplies, salaries of employees operating machinery, project management costs for research and development, overhead costs, electricity, fluids, or reagents needed for the operation of real estate, facilities, and equipment. Of the total maintenance costs amounting to 3.8 million euros, 65.95 percent pertained to non-taxonomic activities, and 35.05 percent to taxonomic activities (5.1., 5.3., 5.8., 6.5., 6.6., 6.10., 7.7., and 8.2.). Of the total maintenance costs in 2023, 0.35 percent related to the maintenance of taxonomic and EU taxonomy-aligned activities (5.8.).

**In 2023, we identified a total of 14 taxonomic activities, of which 3 were aligned with the technical criteria for significant contribution to climate change mitigation**

**Shares of revenue, CapEx, and OpEx from taxonomically and EU taxonomy-aligned activities in 2023**  
Revenue – 0.03%, CapEx – 3.45%, OpEx – 0.35%

## Key Performance Indicators (KPI) according to EU taxonomy in 2023 and comparison with 2022

Key Performance Indicators (KPIs) according to EU taxonomy	Revenue/ thousand €		Share in total revenue %		CapEx/ thousands €		Share in total CapEx %		OpEx/ thousands €		Share in total OpEx %	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	A. TAXONOMY-COMPLIANT ACTIVITIES (A.1. + A.2.)	29	0	0.03	0.00	1,291	1,181	31.39	29.53	1,316	1,337	34.48
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES IN COMPLIANCE WITH TAXONOMY	29	0	0.03	0.00	142	0	3.45	0.00	13	0	0.35	0.00
A.2. TAXONOMICALLY ACCEPTABLE ACTIVITIES NOT ALIGNED WITH TAXONOMY	0	0	0,00	0,00	1,149	1,181	27.95	29.53	1,303	1,337	34.13	32.65
B. TAXONOMICALLY UNACCEPTABLE ACTIVITIES	104,681	94,240	99.97	100.00	2,821	2,819	68.61	70.47	2,501	2,759	65.52	67.35
TOTAL (A+B)	104,710	94,240			4,111	4,000			3,817	4,096		

Three new stores were opened in Zagreb, Pula, and Tkon on the island of Pašman

The Biodiversity Policy has been adopted

We have started preparations for sustainability reporting according to CSRD and ESRS requirements

Meagre won the "Crystal Taste Award 2023"

Amendments and additions to the Collective Agreement have been signed, improving the rights of employees

# News in 2023

In 2023, emissions intensity was reduced by 26.9%, exceeding the target set for 2025

Three years in a row, we have been winners of the "Golden key" award in the "Best category exporter in Italy" which is assigned by the portal Ja trgovac

The Code of Ethics has been adopted

In 2023, a new organic fish species was introduced to the market - BIO amberjack  
Introduction of new packaging - SKIN BIO fillets of sea bream, sea bass, and meagre

In 2023, Cromaris was awarded the Golden Basket for the first time in the category of "Socially Responsible Company" by the Ja Trgovac portal

We covered 8.7% of our total electricity needs from our own PV solar power plants installed in Nin and Zadar

In 2023 a new organic species of fish was put on the market - BIO meagre

# Strategies, policies, and business practices of sustainable business

We align Cromaris's business strategy and business plan with sustainability goals, taking into account the requirements of strategies, policies, and plans at the global, EU, and national levels.

## **Global, EU, and national sustainability policies**

Sustainable development is a fundamental principle of the Treaty on European Union and a priority objective of EU's internal and external policies. The United Nations program for 2030 encompasses seventeen Sustainable

Development Goals (SDGs) which UN member states are expected to use in shaping their development programs and policies until 2030. All sectors within each country should align their policies with achieving the Sustainable Development Goals, including the aquaculture sector. The Paris Agreement aims to limit the increase in average global temperature to no more than 1.5°C by 2100 compared to pre-industrial levels and contributes to Goal 13: Climate Action of the SDGs. The European Green Deal, introduced in 2019, is a continuation of glob-

al and European policies aimed at reducing environmental impact, with a focus on mitigating climate change, adapting to its effects, and preserving biodiversity. EU sustainability policies that Cromaris aligns its business with include the EU Biodiversity Strategy for 2030, the Strategic Guidelines for a more Sustainable and Competitive EU Aquaculture for the period 2021-2030, the National Aquaculture Development Plan for the period up to 2027, and the Circular Economy Action Plan for 2030. As a member of the UN and the European Union, Croatia

aligns its strategies and policies with global and EU sustainability policies. In the field of aquaculture, these include the National Aquaculture Development Plan in the Republic of Croatia 2021-2027, the Climate Change Adaptation Strategy of the Republic of Croatia until 2040 with a view to 2070, and forthcoming programs such as the Program of Measures for the Protection and Management of the Marine Environment and Coastal Areas of the Republic of Croatia until 2027 and the Bioeconomy Strategy until 2035.

# Contribution of Cromaris to the United Nations Sustainable Development Goals

## United Nations Sustainable Development Goal

### Cromaris's contribution to the United Nations Sustainable Development Goals in 2023



Zero hunger

Aquaculture significantly contributes to addressing some of the most important global challenges.

It provides nutritious and diverse food for the increasing global population.

It serves as a source of fresh and local food.

It is a source of protein, micronutrients (vitamins and minerals), and omega-3 fatty acids beneficial for human health as they can help prevent diseases.

In 2023, Cromaris sold 13,610 tonnes of Whole Fish Equivalent (WFE) – 12% in Croatia, 52% in Italy, and 36% in 20 European countries.



Gender equality

Cromaris has adopted a Code of Ethics

The proportion of women on the Supervisory Board in 2023 was 40 percent.

In 2023, there were a total of 18 managerial positions (including the Management Board and the first level of managers below the Management Board), of which 27.8% were women and 72.2% were men.



Affordable and clean energy

Production of electrical energy from Cromaris's own PV solar power plants at the hatchery in Nin and the Production-Logistics facility in Zadar.

In 2023, Cromaris covered 8.7 percent of its total electricity needs from its own renewable sources



Decent work and economic growth

In 2023, 81.9% of employees had open-ended employment contracts.

In 2023, the Code of Ethics was adopted, prescribing principles, standards, and acceptable conduct in all forms of business and employment relationships.

Amendments to the Collective Agreement were made in 2023, signed by the Union of Agricultural, Food and Tobacco Industry Workers of Croatia (PPDIV), the Union branch - "CROMARIS" d.d., and the Management Board of Cromaris d.d.

**United Nations Sustainable Development Goal**

**Cromaris's contribution to the United Nations Sustainable Development Goals in 2023**



Responsible consumption and production

In 2023, 9.9 tons of category 2 animal by-products were processed, and 1.9 tons of compost were produced. 434 tons of animal by-products were recovered in biogas plants. 1,073 tonnes of biodegradable waste were used for pet food production. All hazardous waste and 86.6% of non-hazardous waste in 2023 were recovered. 13.5% of non-hazardous waste was disposed of in landfills, which is 41 tonnes less than in 2022.



Climate action

Cromaris conducted its first calculation of carbon footprint from scopes 1 and 2 in 2020 and set a goal to reduce greenhouse gas emission intensity by 2% by 2025. Cromaris's share of emissions from scopes 1 and 2 in Croatia's total emissions is less than 0.03%. The emission intensity of Cromaris in 2023 was 0.458 tons CO<sub>2(eq)</sub> per ton of fish. In 2023, emission intensity decreased by 26.9%, surpassing the goal set for 2025.



Live below water

ASC, GlobalG.A.P., and ISO 14001 certifications are independent confirmation of Cromaris's sustainable management of marine ecosystems in its farming sites. Monitoring water quality based on quarterly tests of physico-chemical characteristics conducted by authorized laboratories. Antibiotic-Free Supply Chain, according to DNV STP-80 certification, confirms antibiotic-free production throughout the entire production cycle. Cromaris does not use chemical anti-fouling agents; instead, fouling on nets is removed mechanically. By optimizing feeding and farming processes, food loss and the presence of organic substances in the marine environment are minimized. Cromaris adopted the Quality, Food Safety, Environmental Protection, and Social Responsibility Policy in 2021. The Biodiversity Policy was adopted in 2023.



Life on land

Fish feed is produced from more sustainable sources according to Cromaris's recipe – 57% from sustainable sources in 2023. Sound devices to deter predators are not used on Cromaris's farms. Bird fatalities on farms are prevented by installing protective nets that employees regularly monitor, freeing entangled birds. Certified environmental management system according to ISO 14001:2015 standard.

# Sustainability policies and management practices at Cromaris

Alongside **certified standards** that demonstrate product traceability, organic farming, antibiotic-free farming, and the alignment of Cromaris products' farming and processing with sustainability goals, Cromaris has implemented a range of policies, guidelines, and management documents contributing to sustainable development objectives. From our suppliers of raw materials, fry, and fish feed we also require certification confirming organic origin and farming practices in accordance with sustainability principles. Our poli-

cies, guidelines, and management documents aligning business operations with sustainability goals are available to stakeholders:

- Quality Policy, Food Safety, Environmental Protection, and Social Responsibility Policy
- Fish Food Quality Policy
- Biodiversity Policy
- Collective Agreement
- Code of Ethics
- General Terms of Procurement of Goods and Services Cromaris d.d.
- General Terms of Sale and Product Delivery



# Material topics in 2023

Cromaris's material topics for 2023 were determined based on the guidelines for identifying material topics described in chapter GRI 3: Material Topics in the 2021 GRI Standard. The process of identifying material topics for 2023 involved employees from all Cromaris organizational units, with reporting coordination handled by the Sustainability and Fish Feed units, the newly estab-

**Material topics for 2023 were determined using the methodology from the 2021 GRI Standard**

lished ESG unit within Finance, and Marketing. Throughout 2023, a series of workshops were held regarding new legal obligations for sustainability reporting, with requirements starting on January 1, 2024. We will continue with workshops and training into 2024 to ensure the 2024 report meets the requirements of the Corporate Sustainability Reporting Directive (CSRD) 2022/2464/EU and

**Material topics for 2024 will be aligned with the ESRS methodology**

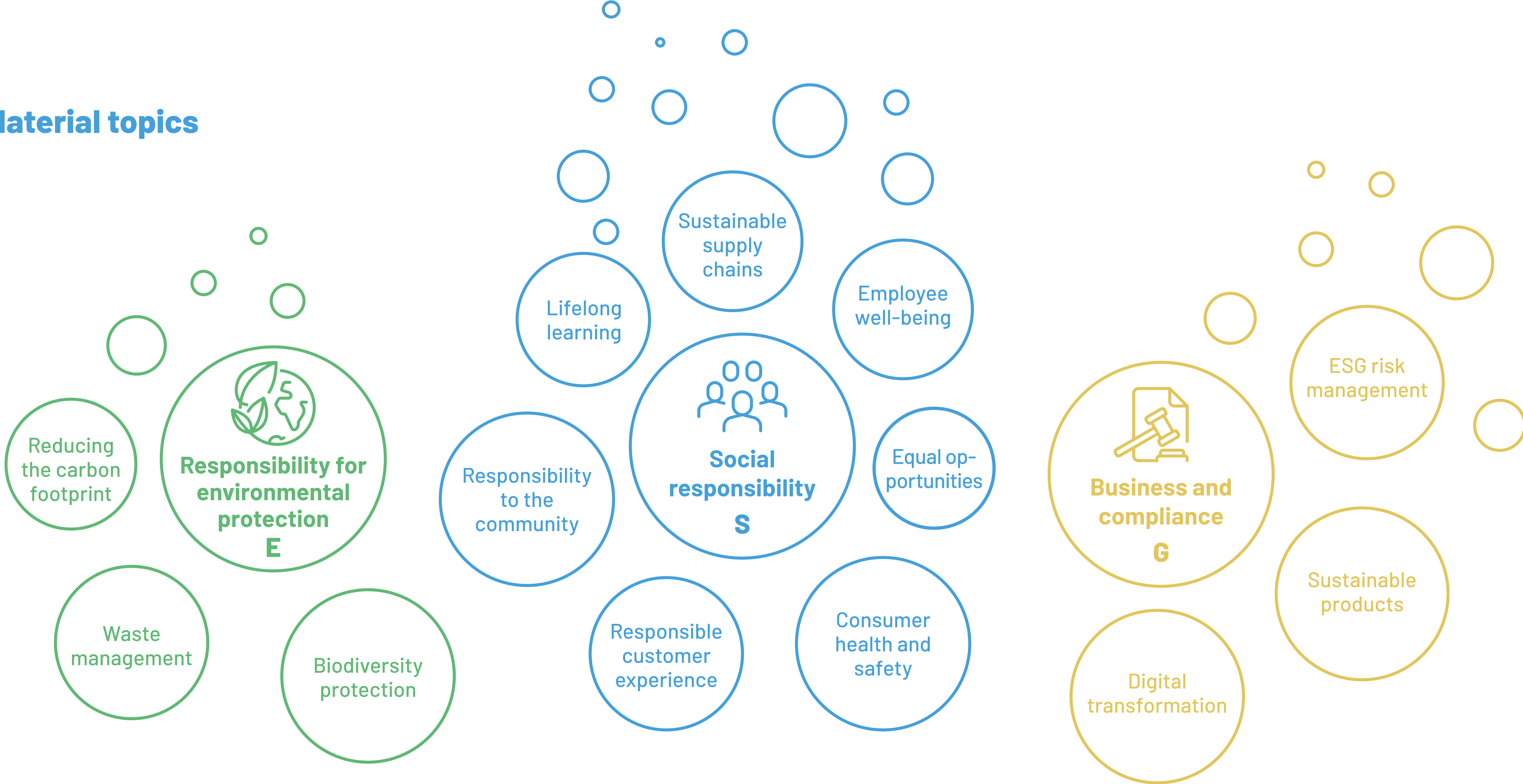
the Implementing Regulation on European Sustainability Reporting Standards (ESRS) 2023/2772/EU. The material topics for 2023 were determined based on goals and obligations from global, EU, and national strategic and planning documents in the aquaculture sector, Cromaris's strategic business objectives, and analysis of actual and potential negative and positive impacts of our business activities and relationships on the environment and society. The determination of material topics for

2023 also included results from monitoring trends in the aquaculture sector, information obtained from daily communication with our stakeholders, analysis of media publications, and external geopolitical and economic impacts. As a member of Adris grupa, Cromaris aligned its material topics for 2023 with those of Adris grupa, adding topics specific to the aquaculture sector. The material topics were approved by the

heads of organizational units and the management of Cromaris prior to publication. The management of each material topic is described in the chapters related to environment, society, and human rights, and governance practices, with the GRI 3-3 indicator noted under the chapter heading.

## **The Cromaris management approved the material topics for 2023**

# Material topics



## Success in Achieving ESG Goals in 2023

Since 2021, Cromaris has analyzed and assessed the success of achieving ESG goals for the previous reporting year and set objectives for the next reporting period. The results of achieving these goals are reported to Cromaris's management, with the management team and heads of

organizational units participating in setting goals for the following business year. The measures and activities for achieving each ESG goal are described in the chapters **Environmental Responsibility (E)**, **Social Responsibility (S)**, and **Business Operations and Compliance (G)**.



# Success in Achieving ESG Goals in 2023

Material Topic	Goals	Achievement of Goals
Reducing Carbon Footprint (E)	Reduce the intensity of CO <sub>2</sub> (eq) emissions per tonne of fish produced by 25% by 2025	<p><i>Goal is achieved:</i></p> <ul style="list-style-type: none"> <li>The intensity of Cromaris’s emissions in 2023 was 0.458 tonnes of CO<sub>2</sub>(eq) per tonne of fish</li> <li>In 2023, the intensity of emissions was reduced by 26.9%, which exceeds the 2025 target of 25%</li> </ul>
Environmental Responsibility (E)	Maximum utilization of animal by-products	<p><i>Goal is achieved:</i></p> <ul style="list-style-type: none"> <li>In 2023, 1.9 tonnes of compost were produced from animal by-products of Category 2</li> <li>434 tonnes of animal by-products were recovered in biogas plants</li> <li>1,073 tonnes of biodegradable waste were used for pet food production</li> </ul>
Environmental Responsibility (E)	Improve the system for sorting mixed plastic waste	<p><i>Goal is achieved:</i></p> <ul style="list-style-type: none"> <li>Infrastructure has been acquired and installed to increase the proportion of separated mixed plastic waste</li> </ul>

<b>Material Topic</b>	<b>Goals</b>	<b>Achievement of Goals</b>
Social Responsibility (S) - Health and safety of employees	Reduce the number of workplace injuries	<p><i>The goal was not achieved in terms of the number of injuries, but there was a reduction in the number of sick leave days.</i></p> <ul style="list-style-type: none"> <li>In 2023, there were 22 workplace injuries, the same as in 2022, and all were minor injuries. In 2023, the number of sick leave days was reduced by 30.2%</li> </ul> <p><i>Goal is achieved:</i></p> <ul style="list-style-type: none"> <li>An employee satisfaction survey was conducted in 2022, forming the basis for action plans to improve working conditions. To maintain continuity in monitoring employee satisfaction with working conditions, a new survey was conducted at the beginning of 2024, and the results will be used to revise and enhance the action plans</li> </ul>
Social Responsibility (S)	Increase employee satisfaction	<p><i>Goal is achieved:</i></p> <ul style="list-style-type: none"> <li>In 2023, amendments were made to the Collective Agreement, resulting in increased benefits and perks for employees</li> <li>The Code of Ethics was established</li> <li>The inspection plan based on job descriptions was fulfilled</li> </ul>
Social Responsibility (S)	Increase care for the overall well-being of employees	<p><i>Goal is achieved:</i></p> <ul style="list-style-type: none"> <li>In 2023, amendments were made to the Collective Agreement, resulting in increased benefits and perks for employees</li> <li>The Code of Ethics was established</li> <li>The inspection plan based on job descriptions was fulfilled</li> </ul>

<b>Material Topic</b>	<b>Goals</b>	<b>Achievement of Goals</b>
<i>Social Responsibility (S)</i>	Encourage voluntary employee participation in socially responsible activities	<p><i>Goal is achieved:</i></p> <ul style="list-style-type: none"> <li>• Wings for Life race - 30 Cromaris employees participated</li> <li>• Underwater cleaning action at Sali port as part of the "Bio-balls for a Bio Future" project</li> <li>• Cromaris employees conducted educational sessions on biodiversity, protected Adriatic species, and marine conservation for students at Sali Regional School and Božava Regional School</li> </ul>
Responsibility towards local communities (S)	Collaboration with educational institutions	<p><i>Goal is achieved:</i></p> <ul style="list-style-type: none"> <li>• Collaboration with primary and secondary schools continued</li> <li>• Collaboration with higher education institutions in Croatia and the EU continued</li> <li>• In 2023, students from schools and universities visited Cromaris for professional tours and internships, while our employees contributed their knowledge and experience to students' research work, including professional, final, and doctoral projects</li> </ul>
Responsibility towards local communities (S)	Maintain the number of donations to local communities/clubs	<p><i>Goal is achieved:</i></p> <ul style="list-style-type: none"> <li>• Donations in 2023 increased by 20% compared to 2022, with Cromaris donating over 51,270 euros in cash and fish donations in 2023</li> </ul>

<b>Material Topic</b>	<b>Goals</b>	<b>Achievement of Goals</b>
Sustainable products and services (G)	Maintain the ASC Farming certification for all Cromaris farms	<p><i>Goal is achieved:</i></p> <ul style="list-style-type: none"> <li>In 2023, Cromaris retained all its certifications, including the ASC Farming certification for all farms</li> </ul> <p><i>Goal is not achieved:</i></p>
Sustainable products and services (G)	Increase the sales of organic fish by 50% compared to 2022	<ul style="list-style-type: none"> <li>Due to inflation and a decline in purchasing power, the proportion of organic fish sales increased by 17.8%</li> <li>Given the continued trend of inflation in 2024, the target for 2024 has been adjusted to a 25% increase in organic fish sales in 2024 compared to 2023</li> </ul> <p><i>Goal is achieved:</i></p>
Sustainable products and services (G)	Improve the packaging management system	<ul style="list-style-type: none"> <li>Tables were created with all types of packaging and packaging manufacturers</li> <li>Information was collected and processed, and guidelines for packaging selection were established</li> </ul>

## ESG goals for 2024

The ESG goals for 2024 are determined based on the analysis and evaluation of ESG goals achievement for 2023, along with the requirements to achieve sustainable development goals at the global, EU, and national levels for mariculture and the blue economy. Economic indicators were considered, including the rate of inflation and purchasing power standards in Croatia and EU markets, as well as information ob-

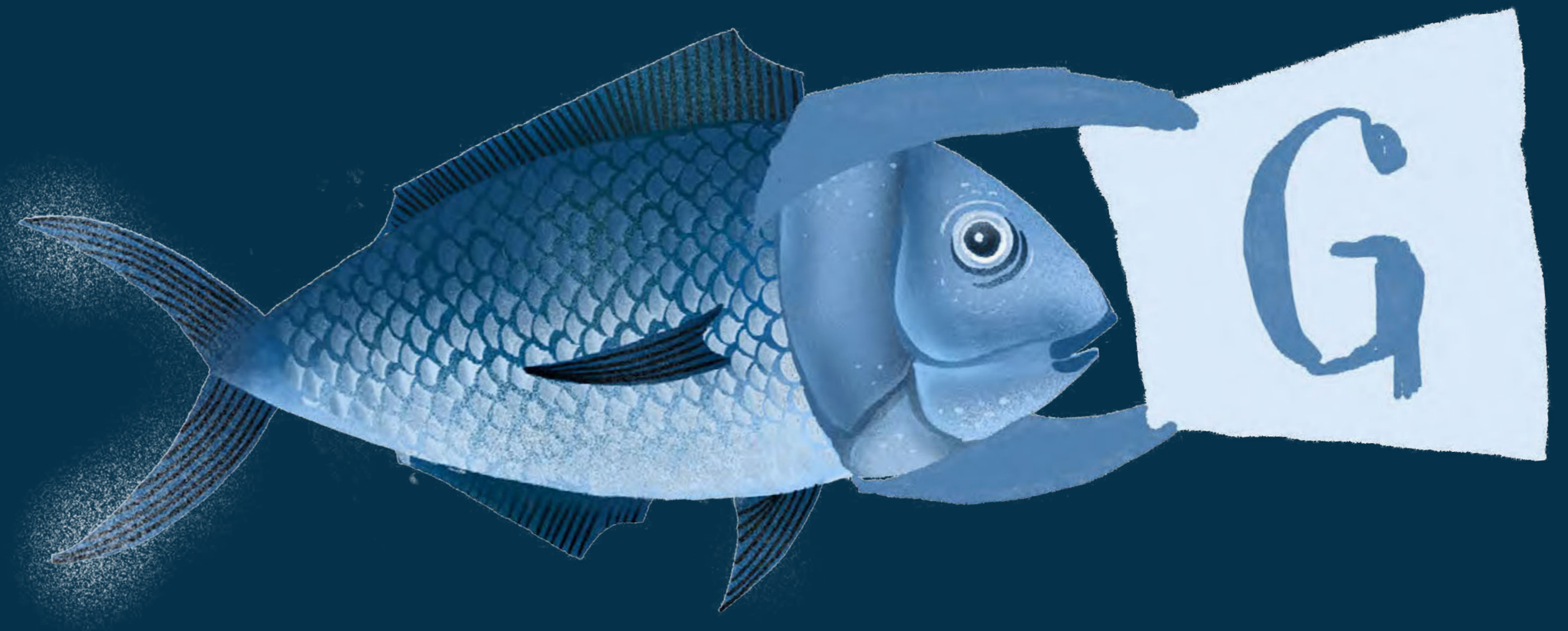
tained from daily communication with stakeholders, results from media coverage analysis, availability and prices of raw materials for food production, energy prices and resources, labor market availability, availability of packaging from secondary raw materials that come into contact with food, and the security of supply chains in light of geopolitical instability.



## ESG goals for 2024

Material Topic	Goal
Reducing Carbon Footprint (E)	Reduce CO <sub>2(eq)</sub> emissions intensity per ton of fish by 42% by 2030 compared to 2020
Waste Management (E)	Reuse at least 50 tons of animal by-product waste
Waste Management (E)	Improve the mixed municipal waste separation system
Employee Well-being (S) - Health and Safety	Maintain the number of serious injuries at 0 and reduce the number of minor injuries and sick leave hours by 22% in 2024 compared to 2023
Employee Well-being (S) - Health and Safety	Increase employee satisfaction by regularly conducting employee satisfaction surveys and aligning action plans to achieve set goals
Employee Well-being (S) - Health and Safety	Enhance employee well-being by promoting team cohesion through at least two activities during 2024
Employee Well-being (S):	Encourage voluntary employee participation in socially responsible activities - at least two voluntary activities related to environmental protection, humanitarian actions, or improving relations with the local community
Responsibility to Local Communities (S)	Collaborate with educational institutions through >50 visits by students
Responsibility to Local Communities (S):	Donate at least 45,000 euros to the local community (in cash and/or fish)
Sustainable Products and Services (G)	Maintain ASC Farming certification for all Cromaris farms
Sustainable Products and Services (G)	Increase sales of organic fish by 25% in 2024 compared to 2023
Sustainable Products and Services (G)	Improve packaging management system in line with market-available packaging for direct food contact and secondary packaging according to recyclability criteria and recycled content

# Business and compliance



## Sustainable products (G)

### Organic production

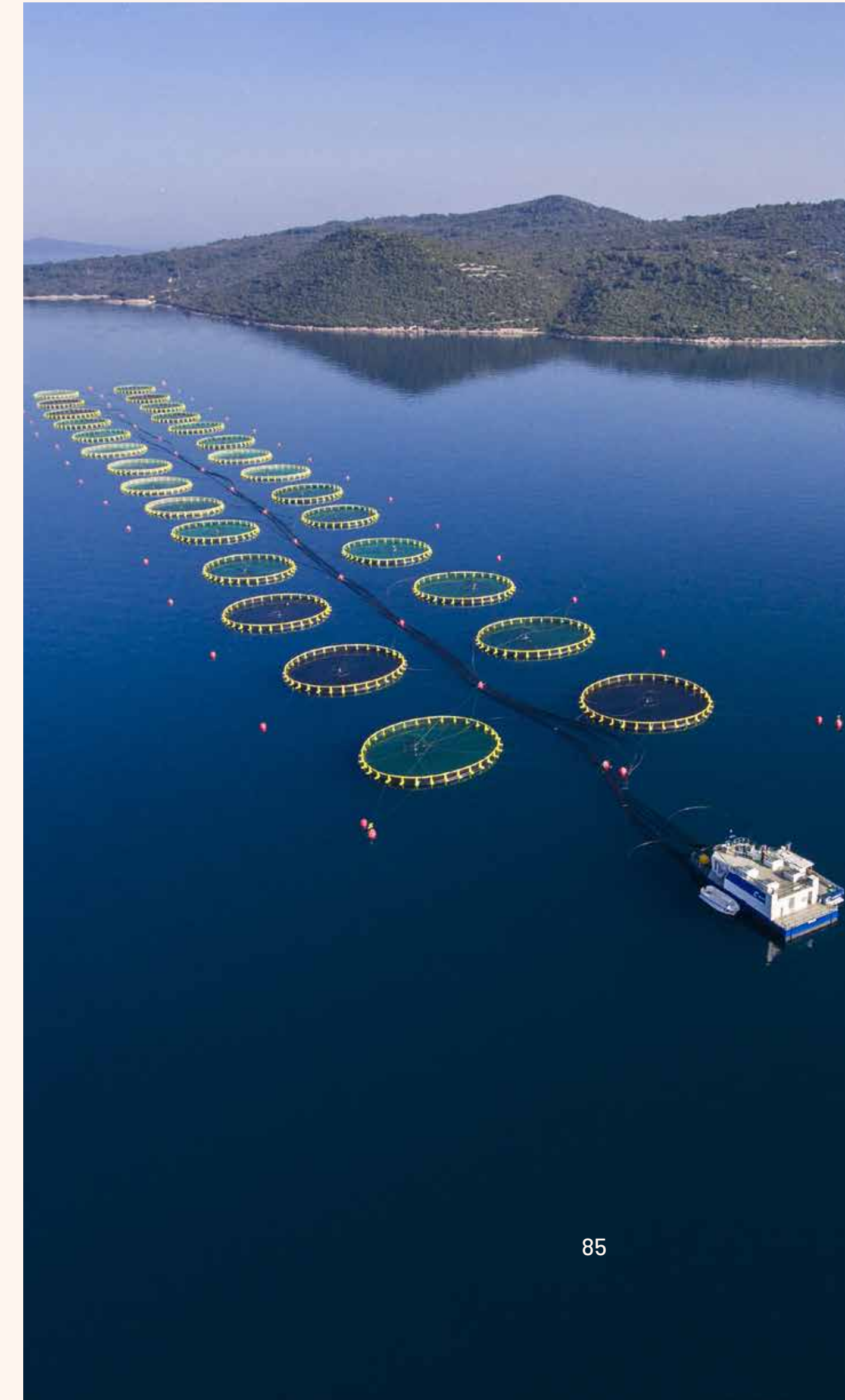
Organic fish farming at Cromaris has been ongoing for over ten years. The first farm where organic fish farming began was in Lim. In 2012, the farm certified organic farming according to EU Regulation 834/2007 on organic production and labeling of organic products, as well as the or-

ganic farming certification for the German market, Naturland. At the same time, we certified the hatchery in Nin to ensure a consistent supply of high-quality organic juveniles, and the production-logistics center in Gaženica, enabling us to process and market a wide range of BIO products. The increasing

market demands and continuous growth in organic fish sales since 2018 have been accompanied by increased production, leading to the gradual relocation of organic production from Lim to a larger farm at Kudica in Dalmatia. Commitment to sustainability is a strategic principle and a prereq-

## In 2024, we plan to increase organic fish sales by 25% compared to 2023

## The first Cromaris organic fish farm was certified in 2012



uisite for maintaining a leading position in the industry, and one of Cromaris's strategic business goals by 2025 is to become the world's largest producer of organic Mediterranean white fish. As a result, in 2022, we started converting conventional production to organic at the Velo žalo farm to increase farming capacity. In 2023, we had two organic fish farms – Kudica and Velo žalo. At the end of 2022, the BIO product range was expanded to include a new organically farmed species, BIO amberjack, available as fresh whole fish, gutted fish, or fillets. Starting in 2023, SKIN BIO fillets of sea bass, seabream, and amberjack became available in the market. The goal of increasing organic fish sales by 50% in 2023 compared to 2022 was not achieved due to rising in-

flation and a decrease in consumer standards. In 2023, we achieved an increase in organic fish sales of 17.8%. Due to the ongoing inflation trend, the target for 2024 has been adjusted to a 30% increase in organic fish sales in 2024 compared to 2023.

### **New Species, New Opportunities**

Further development of new species, specifically Dentex and Amberjack, continued at Cromaris throughout 2023. Along with developing fish feed tailored to the needs of these species, farming methods were also explored and improved. The Dentex is a challenging predator, making its industrial farming a significant

## **In the same year, the hatchery in Nin was certified for organic juvenile production, and the production-logistics center in Gaženica was certified for its range of BIO products**



challenge. New farmed species also require a specialized approach to healthcare. By regularly monitoring health, taking samples, and identifying bacteria—the most common causes of disease—a database for more effective prophylaxis was created. Given Cromaris’s business decision to avoid antibiotics, we continue to develop vaccines. Wild Dentex is known for its beautiful reddish-brown shade with bluish spots on both sides of its body. During 2023, we managed to achieve the desired shade in farmed Dentex through a combination of raw materials in fish feed, making it indistinguishable from wild-caught fish. Amberjack is a fast-growing species and can reach a weight of up

to 1.5 kilograms in just 17 months under the temperature conditions at our farms. This is significant for production because buyers, for ease of preparation, increasingly prefer fillets and steaks, while larger fish have the advantage of providing better yield, less food waste, and simpler preparation. We continue to align technological parameters and implement preventive measures to reduce parasite damage. In 2023, we tried to spawn several amberjacks, but the attempt was unsuccessful because the fish were still young and hadn’t reached full sexual maturity. The lack of success did not discourage us, and we look forward to the next spawning season with anticipation.

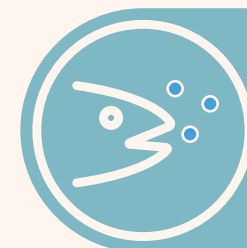
**By combining ingredients in Cromaris fish feed, farmed dentex looks indistinguishable from wild dentex**



## Animal welfare and good farming practices

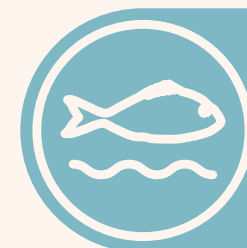
The welfare of farmed animals is one of the priorities in farming, it is based on the Five Freedoms and embedded in the company's production and development plans. The principles of good farming practice include:

1. Installation and regular inspection of cage systems and moorings,
2. Timely cleaning and/or replacement of cage nets,
3. Proper feeding with fish feed tailored to the species and monitoring fish growth and development,
4. Vaccination and fish selection,
5. Veterinary examinations and fish health protection plans,
6. Good practice in handling fish throughout the farming process, especially during harvest.



### Freedom from hunger and malnutrition (through direct access to fresh food)

Cromaris fish are fed exclusively with high-quality feed prepared by our experts according to the best standards and practices. Regular feeding, along with the use of automatic feeders, gives fish additional access to food.



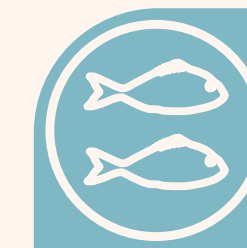
### Freedom from discomfort (by providing a suitable environment)

The zoo-hygienic conditions in the cages, rich dissolved oxygen, and appropriate water quality at Cromaris farms provide fish with quality habitat and protection from predators.



### Freedom from pain, injury, and disease (by preventing them or providing rapid diagnosis and treatment)

Vaccination along with zoo-hygienic measures is one of the preventive actions that prevents animal suffering and enables optimal growth without illness.



### Freedom to express natural behavior (by providing sufficient space, appropriate habitats, and social contact with animals of the same species)

Social contact among fish in the school is ensured, and space is made possible through well-planned stocking and appropriate densities in cages.

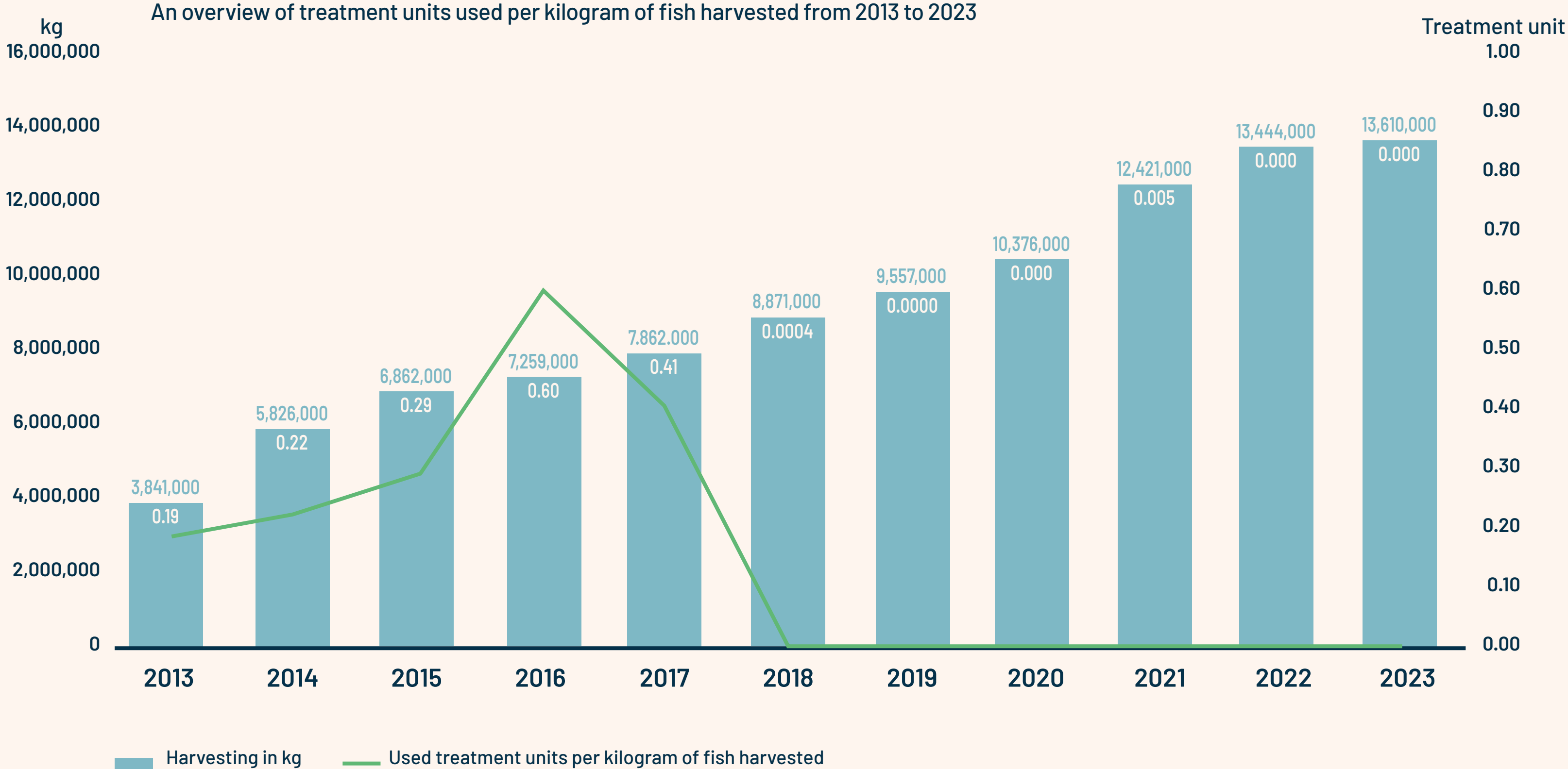


### Freedom from fear and distress (by providing conditions that do not cause suffering and torment)

Wild individuals of the same species are constantly exposed to predators and the fear of predation.

# Fish farming without antibiotics and maintaining favorable zoo-hygienic conditions

Since 2018, Cromaris has held the Antibiotic Free certificate according to the DNV technical specification STP-80, confirming fish farming without the use of antibiotics. The Antibiotic Free certificate is the highest standard in health and consumer safety, demonstrating Cromaris's commitment to animal welfare, biodiversity conservation, and efforts to reduce global antimicrobial resistance. In 2023, we continued with good production practices.



Our in-house veterinary service allows us to conduct daily inspections of the rearing cages, monitor fish behavior, and assess their health status. The most common causes of disease are viruses, bacteria, and parasites. Bacterial diseases are controlled through proper zoo-hygienic conditions

and vaccinations, which build resistance and enhance fish immunity. Regular replacement of nets, especially during summer, creates favorable zoo-hygienic conditions and good oxygen saturation, which are essential for fish growth and disease prevention.



**Bacterial fish diseases are controlled through proper zoo-hygienic conditions, appropriate feeding, and vaccinations**

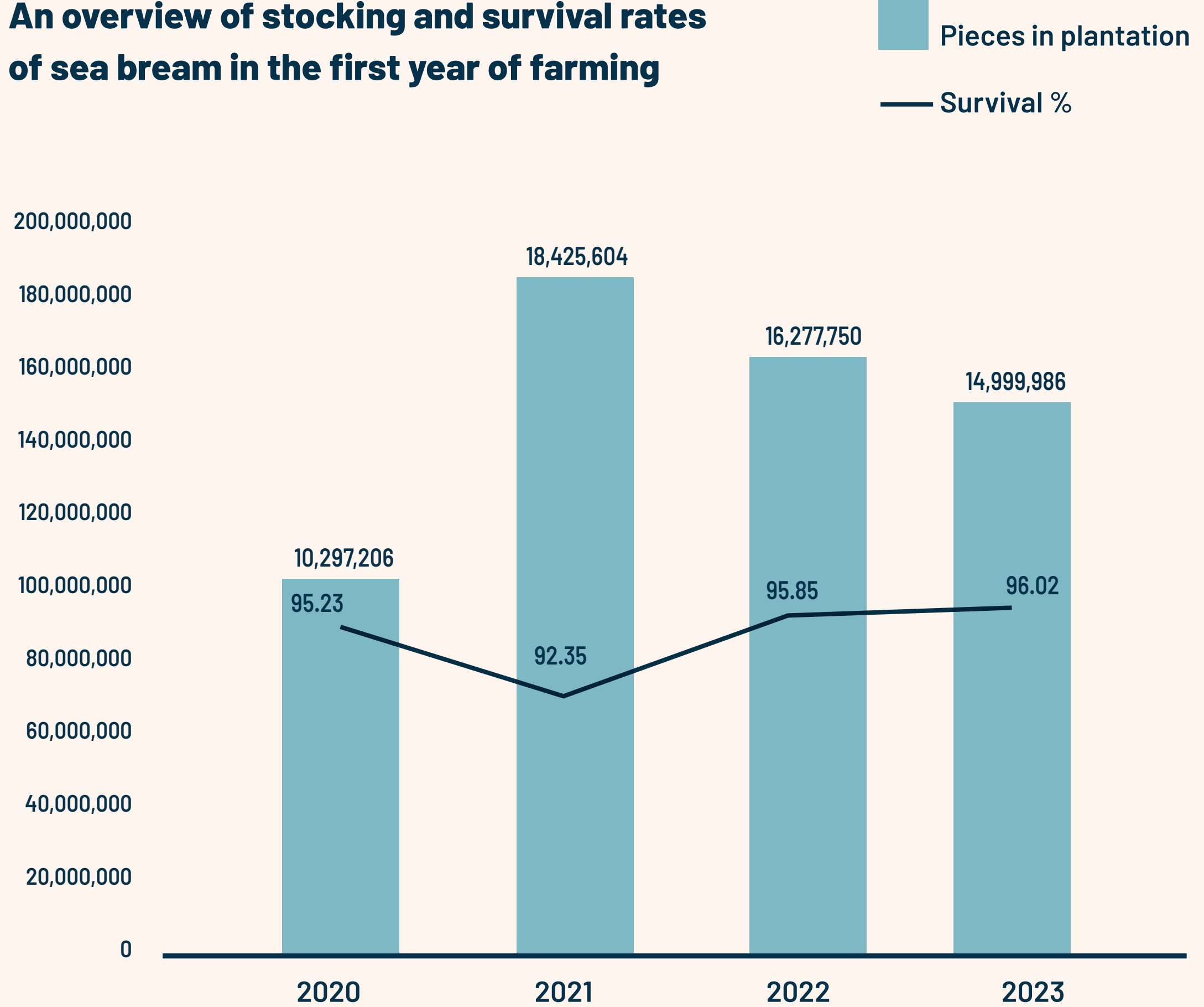
**Regular replacement of nets, especially during summer, is a key measure for creating good zoo-hygienic conditions**

# Prevention of parasitic diseases

Parasitic diseases are becoming an increasing challenge in the farming of white fish in the Mediterranean. Preventive measures and zoo-hygiene are crucial in combating them. The veterinary team monitors the presence of parasites throughout the year to better predict trends and seasonal changes in the number and types of parasites. In an international scientific project, New Tech Aqua, in collaboration with scientists from Italian universities, we developed a model to predict the occurrence of parasites. The model was published in

a scientific paper titled **„A stratified compartmental model for the transmission of Sparicotyle chrysophrii (Platyhelminthes: Monogenea) in gilthead sea bream (Sparus aurata) fish farms“**. By applying this model to sea bream farming, we can predict the occurrence of parasites and respond in a timely manner to ensure optimal farming conditions. The survival rate of sea bream during its first year of rearing in 2023 was 96.02 percent.

### An overview of stocking and survival rates of sea bream in the first year of farming



As part of the New Tech Aqua project, in collaboration with Italian scientists, we developed a model for predicting the occurrence of parasites.

By applying the model, the survival rate of gilthead sea bream in the first year of farming in 2023 was 96.02%.



## Fish feed

### Development of in-house formulations

In the past, the formulation of fish feed lagged behind sustainable farming. The farming of most high-value fish species in aquaculture was based on a carnivorous diet. Traditional fish feed often contained large amounts of fishmeal and fish oil, which led to the perception of aquaculture as a sector contributing to the depletion of these resources. Replacing some of the fishmeal and fish oil with plant-based feed and by-products from the meat processing industry has proven to be highly successful. A positive development in fish feed com-

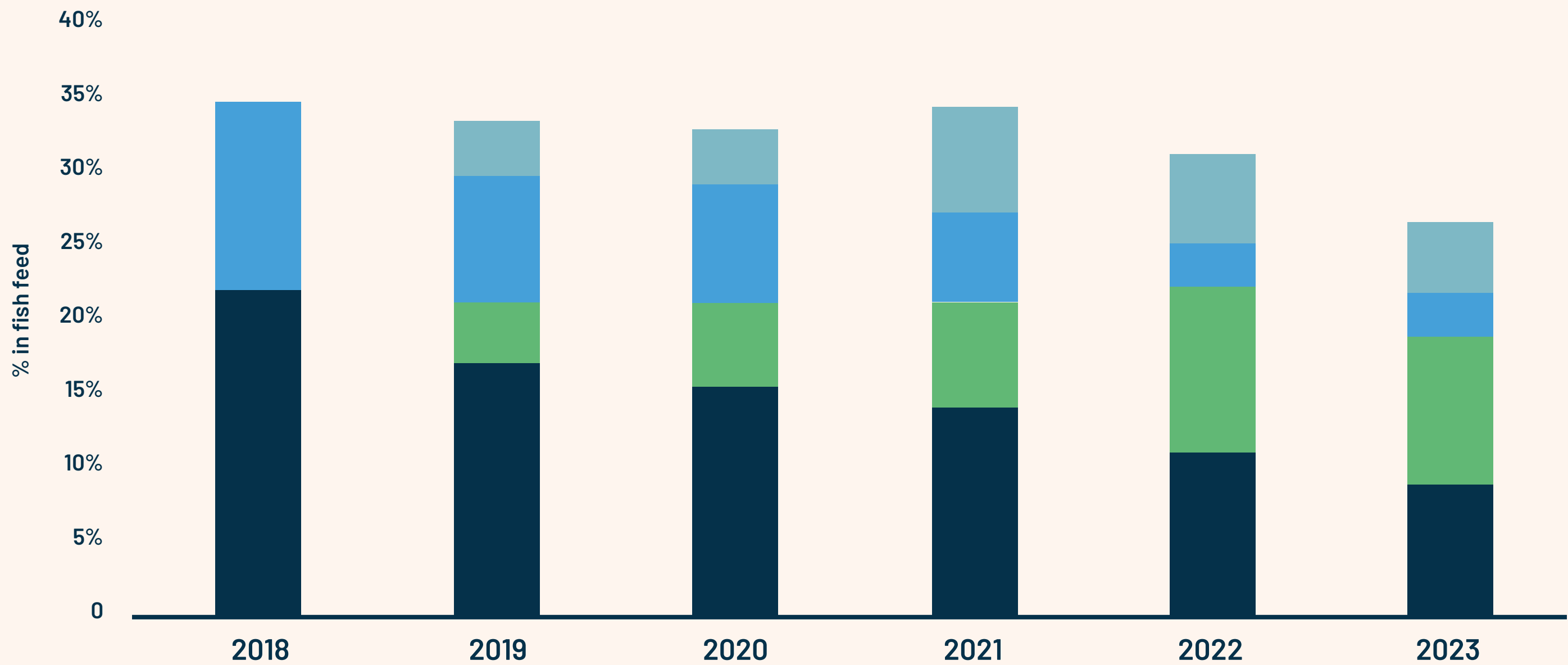
position has been the use of fish by-products from caught and farmed fish. It is estimated that up to 25 percent of the world's fishmeal production comes from these by-products, indicating significant potential for transitioning to more sustainable food production practices. Therefore, in 2023, Cromaris continued working on developing and optimizing fish feed formulations to achieve the best production results and meet the nutritional needs of the fish.

**GRI 3-3**  
**GRI 13.10.2, 13.23.1, 13.23.2 & 13.23.3**



# Development of sustainable raw materials in fish feed

- Fisch oil (trimm.)
- Fisch oil (wild catch)
- Fisch meal (trimm.)
- Fisch meal (wild catch)



Trials of controlled feeding with food from different manufacturers in custom-designed cage systems at the farm, as well as studies on the impact of fish feed on the quality of the finished product, have significantly contributed to further optimization of fish feed. With quarterly feed optimization, we have been able to maintain nutritional values, such as high levels of omega-3 fatty acids and a balanced ratio of omega-3 and omega-6 fatty acids, while achieving a positive impact on farming (growth and conversion).

### **Challenges in the raw materials market**

Cromaris is continually working to increase the proportion of by-products in fish feed to support a circular economy, reduce impact on biodiversity, and conserve marine fish stocks. In 2023, 59%

of the marine raw materials in fish feed came from by-products of the fish processing industry, a significant improvement from 2022, when the proportion was 47%. Alongside promoting sustainable raw materials, Cromaris is also intensively working to incorporate new raw materials into fish feed. In the second and third quarters of 2023, Cromaris tested fish feed containing bone and blood meal from poultry and hydrolyzed feather proteins in experimental cages. Cromaris has been tracking raw material prices in the market since 2016. Due to significant increases in raw material prices for fish feed production and the unavailability of fish oil, the composition of feed was adjusted in 2023 to optimize the proportion of omega-3 fatty acids. The price of fish oil in 2023 increased by 47% compared to 2022.

**Optimizing feed formulations maintains nutritional values while having a positive impact on fish farming**

**We increased the share of sustainable raw materials in fish feed from 47% in 2022 to 59% in 2023**

**The price of fish oil in 2023 was 47% higher compared to 2022**

## Ensuring the Safety and Quality of Fish Feed

Cromaris has established its *Fish Feed Quality Policy* to promote the use of sustainably sourced raw materials. All fish feed is purchased from certified suppliers, ensuring the quality and safety of all products in the supply chain. Fish feed must not contain genetically modified ingredients, antibiotics, hormones, or other

growth stimulants. Fishmeal and fish oil used in fish feed production must not be derived from illegal, unreported, and unregulated (IUU) fishing. The production process must not use species or fish by-products categorized as endangered or critically endangered according to the IUCN Red List of Threatened Species. Additionally,

feed must not include raw materials from fish of the same genus for which the feed is intended, such as sea bass, sea bream, amberjack, dentex, and greater amberjack. Feed suppliers certify that their products comply with EU and national regulations on production and sales. The traceability of all raw materials in Cromaris's fish feed production process is audited every six months.

**All fish feed for the cultivation of Cromaris fish is sourced from certified producers**

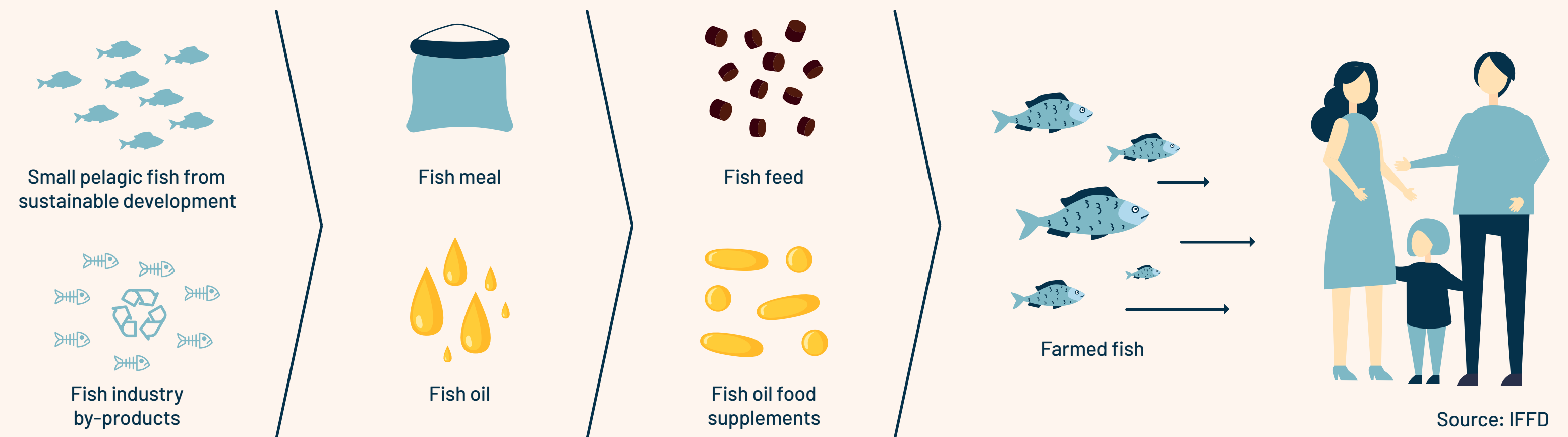
**GRI 3-3, 304-2, 304-4  
GRI 13.10.2, 13.23.1, 13.23.2, 13.3.3 & 13.3.5**

**Cromaris regularly checks the traceability of raw materials in all its feed suppliers**

In the production of feed, preference is given to fishmeal and fish oil certified under the IFFO *Responsible Supply (RS)* standard and/or the *Marine Stewardship Council (MSC)*. Cromaris requires its feed producers to use soy-based products sourced from suppliers certified according to *RTRS (Round Table on Responsible Soy Association)*, *ProTerra*, *SSAP (Soybean Sustainability Assurance Protocol)*, with preference given to products from EU countries.

<b>Composition of fish feed</b>	<b>Goal</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Certified marine raw materials in fish feed	100%	90%	95%	95%	95%
Certified soy products in fish feed	100%	100%	100%	100%	100%
FFDR* (Fishmeal) <1.85	≤ 1.85	1.8	1.38	1.66	1.63
FFDR* (Fish oil) <3.0	≤ 3.0	2.04	1.61	0.9	1.28

\*FFDR = The forage fish dependency ratio ie. the ratio of the amount of wild fish in fish feed to the amount of farmed and caught fish.



# Managing ESG risks (Governance) (G)

Cromaris systematically monitors and considers risks that could impact its business operations. In 2022, a system was established to track ESG risks and the measures and activities designed to mitigate them, with quarterly reporting to the Management Board. The Management Board, along with an expanded team of managers, defines the annual plan and evaluates the implementation of sustainability measures, which form the basis for setting goals to align business operations with ESG guidelines. These goals are also analyzed and evaluated quarterly, and discussions are held on their implementation, along with identifying solutions and resources to overcome obstacles to

achieving each goal. Each risk is assigned a risk owner, a resolution team, and a team leader for risk management, and risks are ranked according to their significance. The established process for identifying ESG risks and the measures and activities to mitigate their impact on the business aligns with the methodology for assessing double significance or double materiality as prescribed by the European Sustainability Reporting Standards (ESRS). Aligning the process for identifying the impacts of Cromaris's business on the environment and society with the risks and opportunities arising from those impacts, according to the ESRS methodology, is planned for 2024.

## Cromaris ESG risks in 2023

Environmental risks (E)	<ul style="list-style-type: none"> <li>• The impact of climate change on mariculture</li> <li>• The impact of mariculture on climate change</li> <li>• The impact of marine pollution on mariculture</li> <li>• Disruption of biodiversity and ecosystems</li> <li>• Packaging management and handling of all types of waste</li> </ul>
Social risks (S)	<ul style="list-style-type: none"> <li>• The shortage of labor and challenges in attracting talent to the company</li> <li>• Negative perception from the local community</li> <li>• Risk related to consumer health</li> </ul>
Governance risks (G)	<ul style="list-style-type: none"> <li>• Significant increase in the prices of raw materials and energy sources</li> <li>• Price pressure from competitors</li> <li>• Restrictions on aquaculture concessions</li> </ul>

In 2022, Cromaris established a system for monitoring and managing ESG risks

Aligning the assessment of ESG risks and opportunities with ESRs is planned for 2024

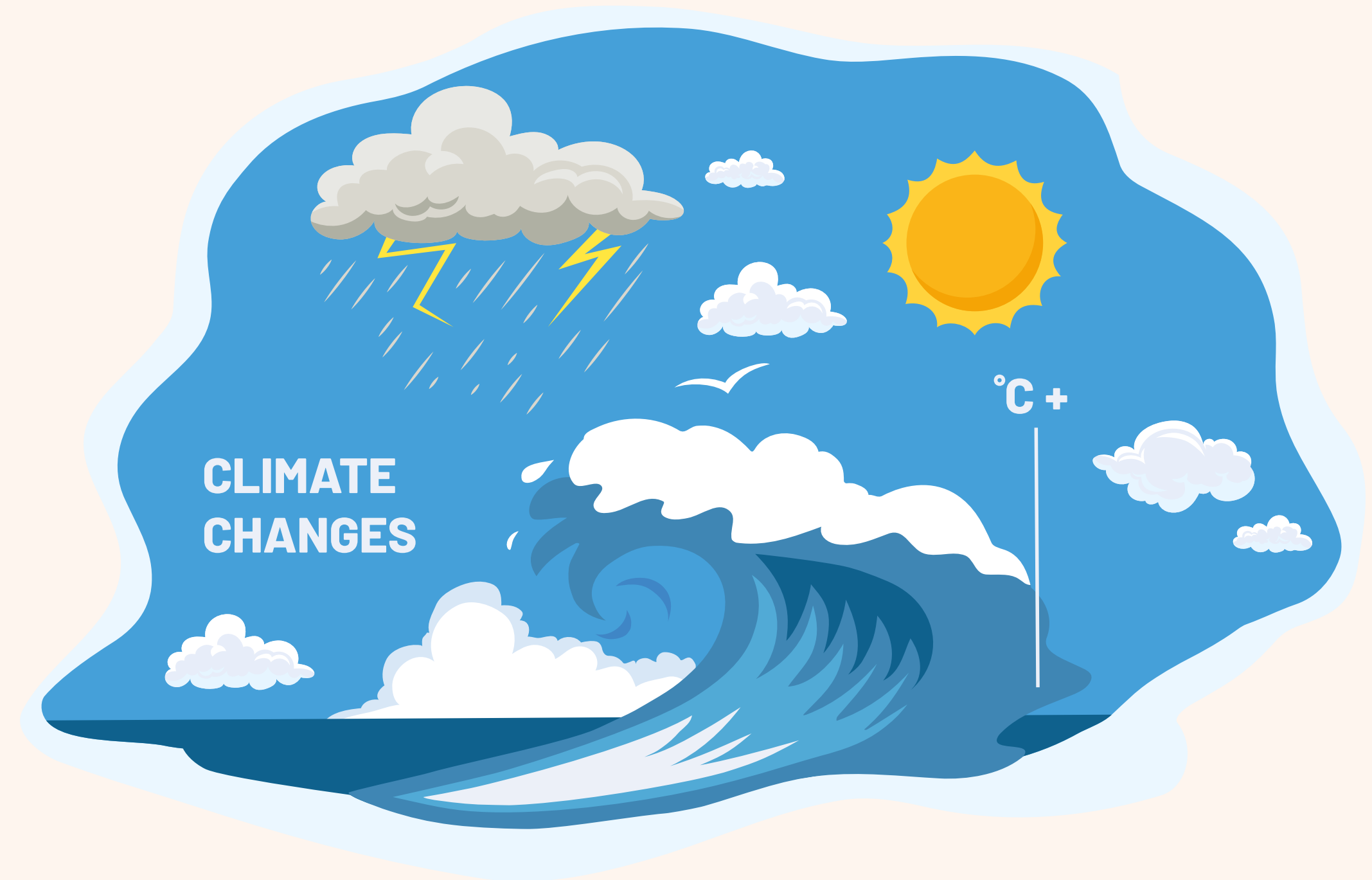


# Environmental risks (E)

## The impact of climate change on Cromaris

Aquaculture takes place in the sea and is subject to the effects of climate change. For an initial assessment of the impact of climate change on Cromaris's fish farms, we used Table II. *Classification of hazards arising from climate change from **Annex A of Implementing Regulation 2021/2139/EU***. For Cromaris, rapid and sudden changes in weather

conditions, variations in air and sea temperatures, changes in salinity, and increased ocean acidity are significant. For each significant physical climate risk, we determined the impact on Cromaris's fish farming business processes and identified potential opportunities, where applicable.



## Impact of physical climate risks and opportunities for business

Physical Climate Risk	Consequences on Fish Farming	Opportunity
Rapid and sudden weather changes	<ul style="list-style-type: none"> <li>• Inability to perform farming activities</li> <li>• Impaired or difficult access to farms</li> <li>• Damage to fish cages that can lead to fish escape or mortality</li> <li>• Damage to vessels</li> <li>• Employee safety compromised</li> </ul>	-
Changes in air temperature - heat waves	<ul style="list-style-type: none"> <li>• Shortage of fish and plant raw materials in the market</li> <li>• Higher price of raw materials and fish feed</li> </ul>	<ul style="list-style-type: none"> <li>• Modifications to proprietary fish feed formulations</li> </ul>
Changes in salinity and ocean acidity	<ul style="list-style-type: none"> <li>• Adjustments in fish feeding regimes in cages and changes in technological processes</li> <li>• Fish inability to adapt to new conditions</li> </ul>	-
Increase in sea temperature	<ul style="list-style-type: none"> <li>• More frequent fish diseases</li> <li>• Reduced fish resistance, potentially leading to increased mortality</li> <li>• Increased need for costly feed with immunostimulants or treatments</li> <li>• Invasion of invasive species (potential predators or carriers of new pathogens)</li> <li>• Rapid fish growth that can impact product quality and fish welfare</li> <li>• Increased eutrophication of the sea</li> </ul>	<ul style="list-style-type: none"> <li>• Longer periods with higher sea temperatures can promote fish growth</li> </ul>

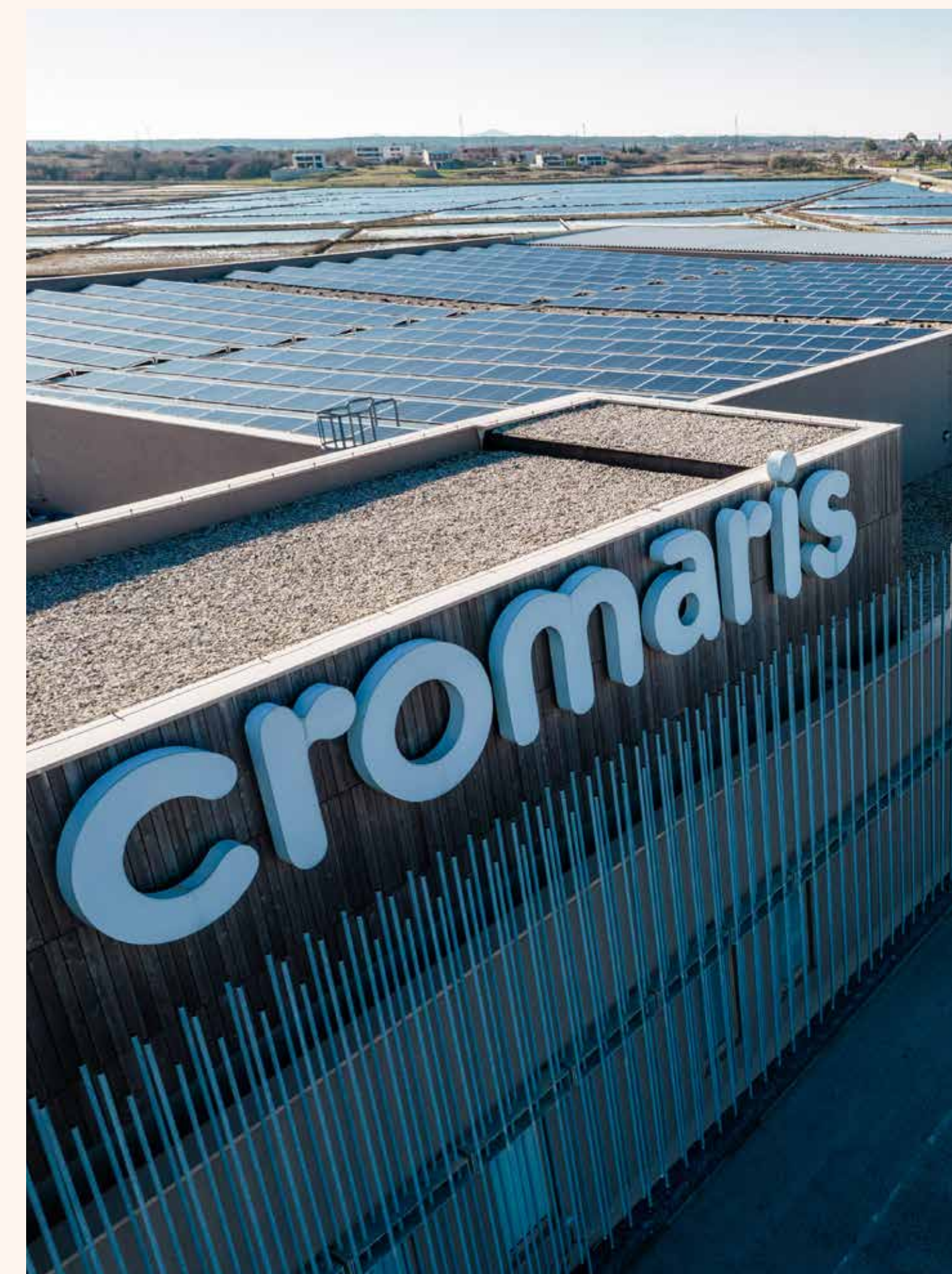
## Impact management of climate change

The risks and opportunities caused by a potential increase in sea temperature are managed through fish biometric monitoring at all Cromaris farms. This monitoring measures the length and weight of fish and analyzes the correlation between changes in sea temperature and fish growth. By expanding the biometric database for farmed species and monitoring daily sea temperatures, the technologists can more effectively assess and optimize

fish feed consumption for each individual cage and adjust Cromaris's technological processes to the new conditions.

Changes in air temperature, such as heat waves that can lead to shortages of fish and plant raw materials for food production and increased prices, drive us to research and develop, as well as modify and adapt Cromaris's fish feed formulations. To more

effectively adapt the business to climate change, we track the latest scientific and professional research, legal regulations, EU and national strategies and action plans, the European Commission's **Climate ADAPT** portal, the **Croatian State Hydrometeorological Institute's Climate Reports**, **MIN-GOR's climate change adaptation** portal, and many others.



## The impact of Cromaris on climate change

Cromaris has been calculating its carbon footprint since 2020 to determine its impact on climate change and to meet the requirements of the ASC Farming Standard for fish farms. In 2023, Cromaris's greenhouse gas emissions from Scope 1 and Scope 2 totaled 66,086.9 tonnes of CO<sub>2(eq)</sub>, which represents less than 0.03 percent of Croatia's total emissions. The 2023 carbon footprint calculation for Scope 3 included four feed suppliers. Despite Cromaris's rel-

atively small impact on climate change, an Action Plan was implemented to reduce the carbon footprint in Scope 1 and Scope 2. The methodology for calculating the carbon footprint, the total carbon footprint for Scopes 1, 2, and 3, as well as the measures for reducing the carbon footprint and energy consumption, are described in the chapters **"Reducing the Carbon Footprint"** and **"Energy Consumption and Reduction."**

In assessing climate-related risks and opportunities, we also identified potential transitional risks that relate to the costs of replacing and prematurely decommissioning existing assets and infrastructure with lower greenhouse gas emission options. Given that the largest portion of Scope 1 emissions is associated with boats, cargo vehicles, and personal vehicles, Cromaris has implemented fleet management

practices to optimize the number of vehicles and reduce fuel consumption. Additionally, in 2022 and 2023, Cromaris conducted market research to explore the feasibility of acquiring hybrid and electric boats. However, suitable low-carbon vessels to replace Cromaris's existing fossil fuel boats have not yet been found on the market.

## The impact of sea pollution on mariculture

Potential risks of sea pollution arise from the activities of various sea users and those carried out along the sea shores. In addition to monitoring Cromaris's business impact on the marine ecosystem, results on the quality of sea water published on the portal "**Sea Water Quality in the Republic of Croatia**" are also monitored. To further identify and map sources of sea pollution from land, as well as to plan activities to mitigate them during 2024, available data from the Environmental Pol-

lution Register (ROO), maintained by the Ministry of Economy and Sustainable Development (MINGOR), will be analyzed. Sea pollution caused by sea and coastal users can affect fishing, lead to the presence of pollutants and microplastics in the sea, and impact food safety. To ensure food safety and control product quality, the activities and measures implemented by **Cromaris are described in the chapter "Consumer Safety and Health."**



## Disruption of biodiversity and ecosystems

Risks related to biodiversity preservation involve the potential impact of escaped farmed fish on genetic diversity, the introduction of invasive species, and the formation of biodegradable fish waste that may affect seabed biodiversity. The risk of fish escape is managed by cultivating only indigenous Adriatic species. To reduce the concentration of organic matter in the sea and on the seabed, fish feed consumption

is optimized. Regular veterinary inspections of the fish and maintaining appropriate zoohygienic conditions at the farms reduce fish mortality and the amount of biodegradable byproduct that settles on the seabed. Biodiversity conservation is supported by mechanical cleaning of Cromaris's nets without the use of chemical anti-fouling agents,

farming without antibiotics, and avoiding underwater predator deterrent devices. Measures implemented by Cromaris to preserve biodiversity are described in the chapter **"Measures for the preservation of biodiversity and marine ecosystems."**

GRI 3-3, 304-1 & 304-2  
GRI 13.3.1, 13.3.2 & 13.3.3



## Social Risks (S)



### The shortage of labor and the retention of existing talent in the company

The shortage of employees and retaining existing talent is also a challenge for Cromaris. The risks are managed through continuous improvement of working conditions in collaboration with employees. All employees at Cromaris d.d., representing 98.4% of the total workforce, including employees who are citizens of third countries, are granted the same rights guaranteed by the collective agreement. In 2023,

third-country citizens employed by Cromaris were from Nepal, the Philippines, Serbia, Bosnia and Herzegovina, and Kosovo. Cromaris operates according to the principles of the Code of Ethics. Employee satisfaction with working conditions is assessed through surveys, and action plans are created based on the survey results. Cromaris addresses the

labor shortage by collaborating with educational institutions, running recruitment campaigns like “Careers Inspired by the Sea,” implementing internal recruitment programs like “Refer and Win a Prize,” and building the perception of Cromaris as an attractive employer. Activities related to

lifelong learning, employee engagement, equal opportunities, collaboration with scientific and educational institutions, and programs for attracting new employees and talent are detailed in the chapter **Our employees**.



### Negative perception from the local community

Risks related to local and affected communities often arise from the fact that the sea is a shared resource used by multiple stakeholders at the same location, which shapes Cromaris's perception in local communities. Mariculture and tourism in the Adriatic are in direct contact, which can lead to a negative perception of Cromaris. To manage this risk,

Cromaris regularly holds meetings with representatives of local communities and presents the activities and measures implemented to reduce the environmental and social impact of its operations and improve governance practices. Collaboration with local communities is detailed in the chapter **Responsibility to the local community and humanitarian actions**.





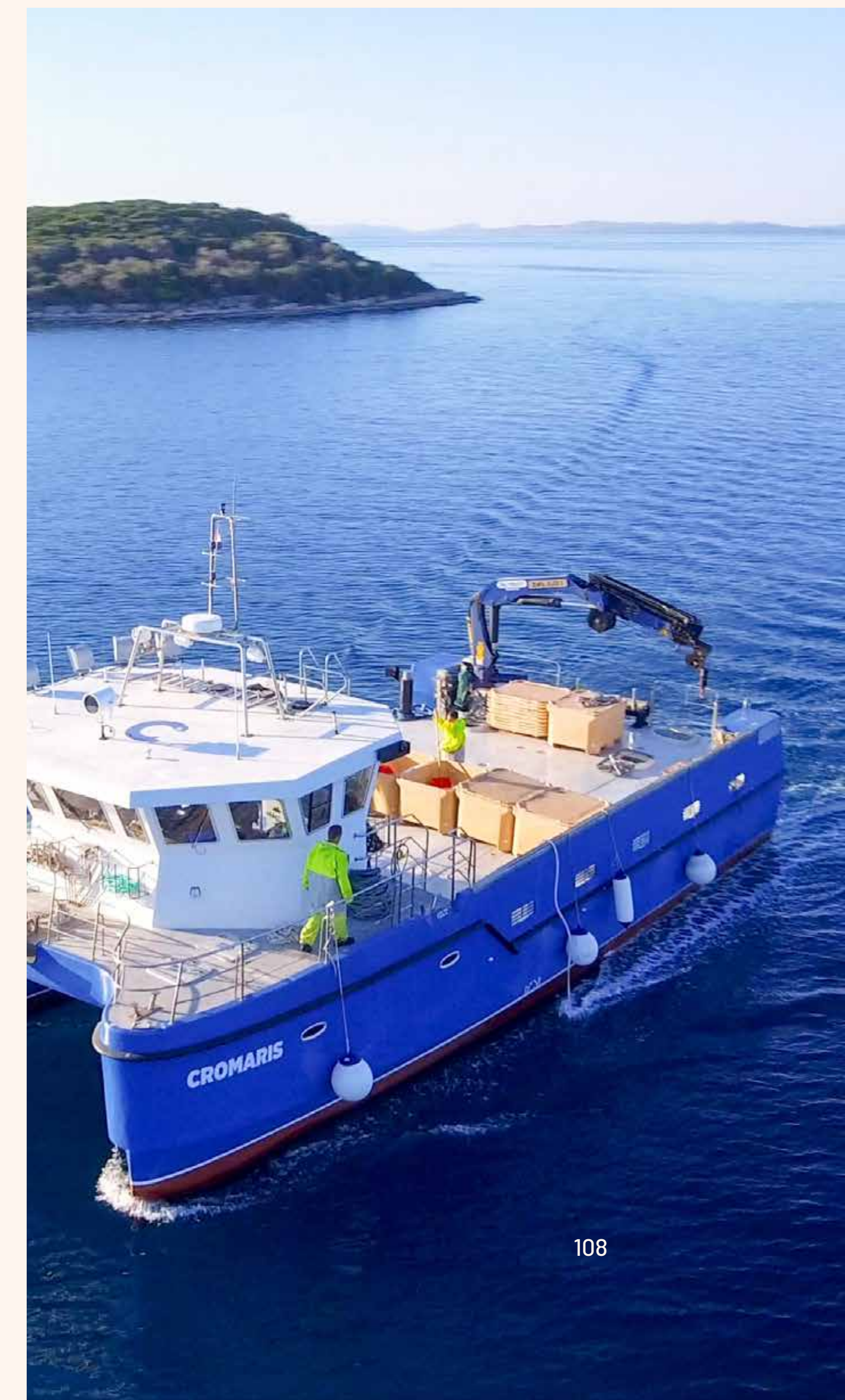
## Product safety and consumer health

Customers and consumers must have access to quality information about products related to health and safety, as well as responsible marketing practices. Characteristics of Cromaris products, such as microbiological sensitivity and shelf life, along with storage and transportation methods in a temperature range of 0 to 2°C for fresh fish, can affect product safety and consumer health. Cromaris manages these risks through its Quality, Food

Safety, Environmental Protection, and Social Responsibility Policy, incorporating the fundamental principles of European and Croatian food safety laws.

In accordance with hazard analyses at all stages of the production process, samples of raw materials, packaging, semi-finished products, and finished products are taken in authorized laboratories, with additional analyses conducted in the internal laboratory. If deviations from specified parameters are found, corrective actions are taken to address the non-conformity. If a non-com-

pliant product is found on the market, a recall process is initiated, with notifications sent to the relevant authorities in accordance with legal requirements and Cromaris's food safety protocol. In 2023, there were no recalls of Cromaris products. Cromaris's activities to mitigate risks related to product safety and consumer health are detailed in the chapters **Responsible customer experience and Consumer safety and health**.



# Governance Risks (G)

## Rising energy, raw material, and packaging costs

The increase in the prices of raw materials for feed production, product packaging, energy, and fuels, as well as the availability of raw materials for fish feed production, is influenced by heightened geopolitical instability that also marked 2023, increasingly frequent and intense weather changes, and supply chain resilience. Comparing market conditions in 2023 and 2022, energy and fuel prices have stabilized. The prices of plant-based raw materials and

fishmeal have not changed significantly, but in 2023, there were challenges with fish oil prices and availability.

Cromaris manages the risk of fluctuating raw material prices for fish feed production by optimizing its own recipe while maintaining the same level of quality. Measures and activities to manage the risk of rising energy and fuel costs are described in the

chapter **Measures to reduce carbon footprint and increase energy efficiency.**

The risk of the impact of rising packaging costs on product prices is managed by reducing packaging volume. The redesign of packaging and reduction in volume are described in the chapter **Measures to prevent waste generation and increase recycling.**



## Price pressure from competition

The competitive pressure in Cromaris's main markets affects the pricing of sea bream and sea bass, with the entry of competitors offering lower-priced products impacting sales volumes. The exposure to pricing risk is particularly notable in Italy, the largest global market for premium Mediterranean fresh fish and a key market for Cromaris, accounting for more than half of its sales. Therefore, Cromaris seeks to minimize this risk through continuous investments in product quality, brand strengthening, and

strategic focus on the premium market segment, which has lower price sensitivity and greater purchasing power. Precisely due to the product quality and its position as a leader in technological innovations, Cromaris manages to maintain competitiveness and resilience. An example of adaptation to market conditions and finding new business opportunities is the development of new species (dentex and amberjack).

**GRI 201-1**  
**GRI 13.22.2**

## Limitations imposed by concessions for mariculture

The growth of production and Cromaris's strategic goal to become the third-largest producer of white fish in the EU depend on production conditions and concessions for aquaculture. Concessions for fish farming are granted based on the Maritime Domain and Seaports Act and the Concessions Act, defining the exact location, area, and farming capacity. A lack of new areas for mariculture in county and local spatial plans, along with a lengthy and complex process for obtaining new farming concessions and renewing existing ones, represent potential business risks. To man-

age this risk, Cromaris has systematized a database of active concessions and revised the processes for obtaining them. A responsible person has been appointed to identify key stakeholders and their expectations, as well as to maintain regular communication, share key information, and collaborate to solve common challenges. Important Cromaris stakeholders in the process of obtaining new and renewing existing concessions include local communities and their representatives, as well as users who carry out activities at sea and on the coast (e.g., tourist facilities near fish farms).

**GRI 3-3**  
**GRI 13.7.1 & 13.7.2**

# Digital transition (G)

Cromaris's digital strategy encompasses the adoption of new technologies to increase speed and flexibility in business operations, robust digital support for development and research, and a high degree of automation in production processes. Digitalization also enhances the efficiency of supply chain integration with production and logistics processes, facilitating the rapid delivery of products to retail outlets. By integrating information technology across the entire value chain—

from development and production to logistics and customer supply—Cromaris aims to improve operational efficiency. This digitalization includes industrial IoT (Internet of Things), automation of production, logistics, and business processes, traceability from broodstock to point of sale (POS), and big data collection and analysis. Technological processes are transitioning from labor-intensive to mechanized and then to automated systems in both farming and processing, with increasing use of artificial intelligence.



With the automation in 2023, managing and monitoring the feeding process at fish farms became easier. Additionally, using the Edmond tool, the seasonal sales of fish (Easter, summer, Christmas) and weekly order variations are predicted, and the calculation of harvesting volumes for the next day is based on actual customer orders, existing stock, and current production.

With the implementation of this system, surpluses during harvesting were reduced, resulting in a 46% decrease in the need for freezing fish compared to 2022, and a 78% decrease compared to 2021. The Edmond tool also optimized the preparation of harvesting and sorting plans, leading to better utilization of raw materials from the harvest.

**Digitalization and automation increase the efficiency and flexibility of business processes**

**Automated feeding at the fish farms is replacing manual feeding**

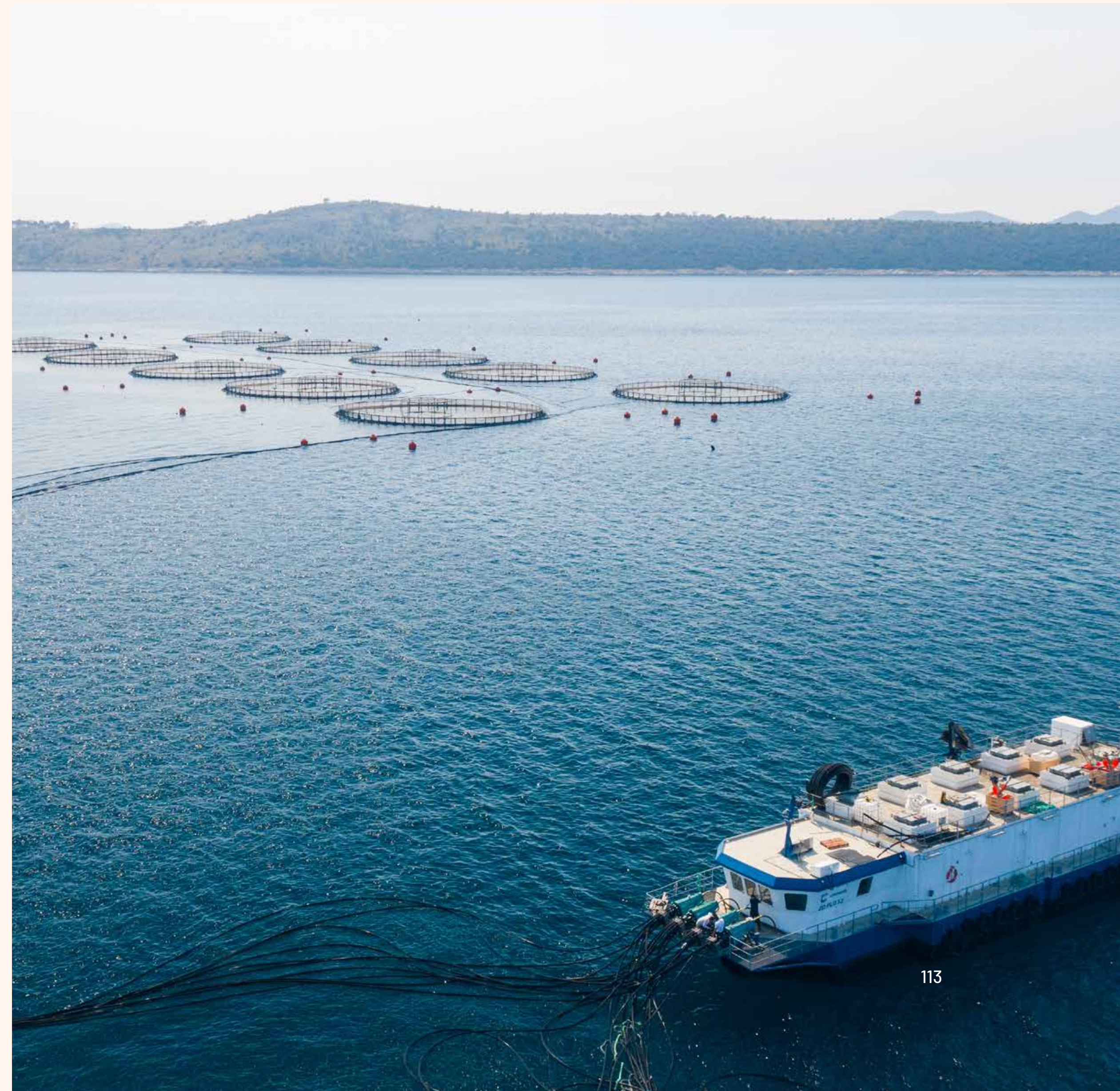
**The Edmond tool is used at Cromaris for more precise forecasting of fish sales**

**By optimizing sales in 2023, the need for freezing fish was reduced by 46% compared to 2022**

The investment implementation management system based on SAP IM (Investment Management) was introduced on January 1, 2023, allowing for the tracking of all investments at Cromaris in a transparent and efficient manner. The system provides an overview of the implementation status for each investment at any given time. In 2023, a system for managing the fish processing process (MES - Manufacturing Execution System) also became operational. MES integrates Cromaris's business information system (SAP) with the processing equipment (PLCs, SCADAs, scales, etc.). Every production order is automatically created in the SAP system via the

production planning module (MRP - Material Requirements Planning) and then sent to MES for execution. Through MES, microplanning of orders is carried out throughout the day, along with detailed tracking of fish movement through the processing plant. All fish movements are sent back to the SAP system, where the fish processing is analyzed in detail by processing phase, and the products are standardized according to the declared weight before packaging. This way, the entire fish processing process can be overseen, allowing for the identification of areas for improvement based on detailed, timely, and accurate data.

## The MES fish processing management system enables monitoring and process improvement



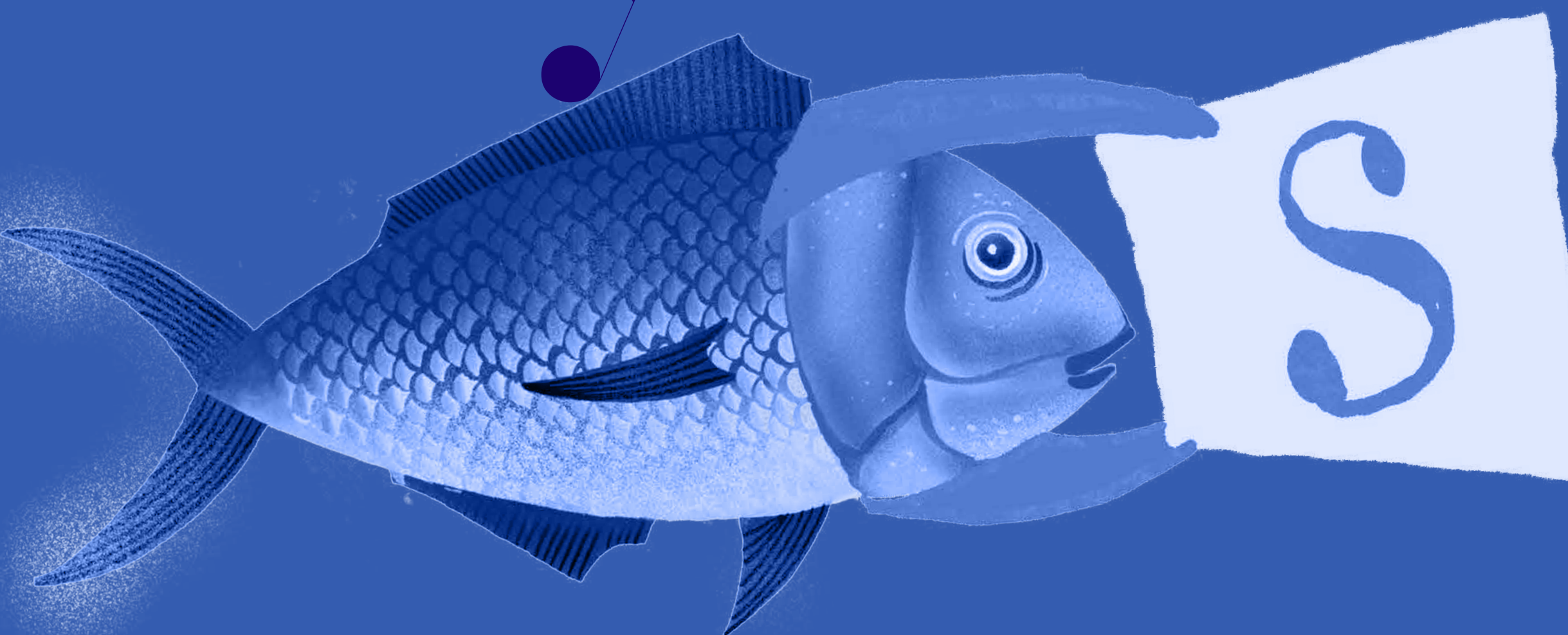
During 2023, the project to optimize and manage the fleet of vehicles and vessels (Fleet Management) continued. Based on the collected data, it allows for more efficient fleet management, capacity optimization, energy savings, fuel conservation, and reduction of Cromaris's carbon footprint in Scope 1. In 2022, equipment was installed on vehi-

cles and data flow to the central management system was established. In 2023, equipment was installed on three barges, with plans to install equipment on the remaining four barges and two ships in 2024. This includes connecting the vessels to the central management system and providing employee training

## Digitalization in fleet management for vehicles and vessels contributes to reducing the carbon footprint



# Social Res- ponsibility



**Products, employees, local communities, and suppliers make the business successful.**

Cromaris’s business success relies on the quality of our products, customer and consumer satisfaction, employees, relationships with local communities, and supply chains. Our employees are also residents of the local communities—on islands, in settlements, and in cities where we operate—and consumers of Cromaris’s products. Therefore, continuously aligning business practices with environmental protection requirements, social responsibility, and policies of transparent and fair business conduct is not a choice for Cromaris; it’s an obligation. Cromaris has adopted a range of policies to combat discrimination, improve working conditions,

enhance employee benefits, and select suppliers who operate according to sustainability principles: the Quality, Food Safety, Environmental Protection, and Social Responsibility Policy; the Anti-Discrimination Policy; amendments to the Collective Agreement; the Code of Ethics; and the General Terms and Conditions for the Purchase of Goods and Services of Cromaris d.d. Cromaris demonstrates its commitment to socially responsible business practices through implemented and certified systems according to the ASC and GlobalG.A.P GRASP (Risk Assessment on Social Practice) standards.

**We confirm our socially responsible business practices with ASC and GlobalG.A.P GRASP certifications**



# Our employees (S)

The material topics under which we have described our care and relationship with our employees are: equal opportunities, employee well-being, and lifelong learning.



## Equal opportunities

The total number of employees as of December 31, 2023, was 623, which is 5.2% more than the same time in 2022. The average number of employees in 2023 was 594, remaining almost the same as in 2022, when there were 592. Of the total number of employees as of December 31, 2023, 613, or 98.4%, worked at Cromaris d.d. in Croatia, with one employee each in Poland and Germany. At Cromaris Italia s.r.l., there were 8 employees as of December 31,

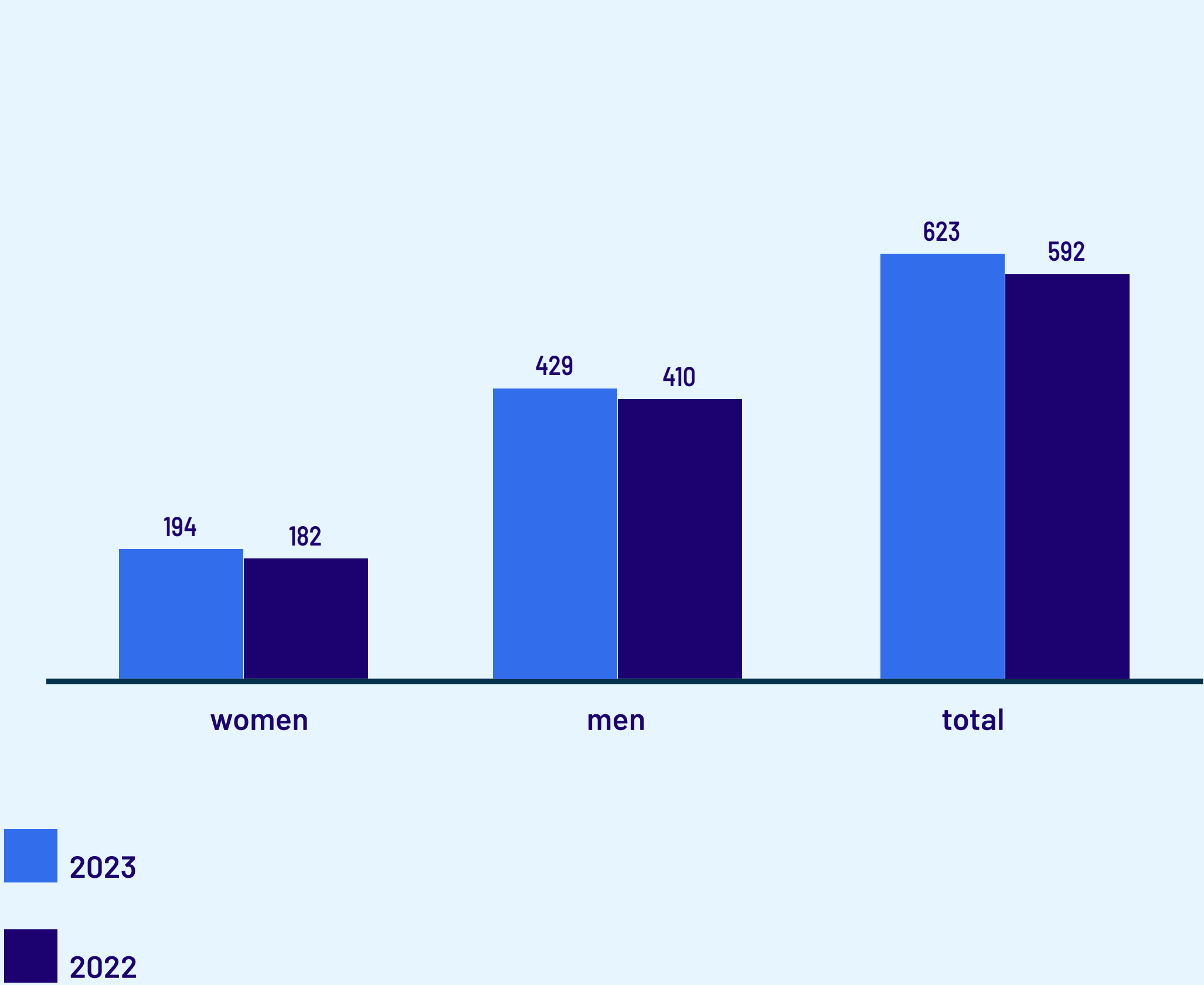
2023. Out of the total number of employees at Cromaris in Croatia in 2023, 70 were from third countries – the Philippines, Nepal, Bosnia and Herzegovina, Serbia, and Kosovo. The majority were from the Philippines and Nepal. Out of these 70 employees, 43 were directly employed by Cromaris d.d., and 27 were agency workers. The number of women in 2023 increased by 6.6%, and the number of men by 4.6%

**623 employees in 2023 (+5.2% from 2022) in Croatia, Italy, Poland, and Germany**

**11% of employees are from third countries – the Philippines, Nepal, Bosnia and Herzegovina, Serbia, and Kosovo**

**95.7% are Cromaris employees and 4.3% are agency workers**

**Number of employees by gender**



## Employees by gender, type of employment contract, and duration of working hours in 2023

In 2023, out of the total number of employees, 81.9% were employed on a permanent basis, compared to 81.3% in 2022. Employment contracts for permanent positions with full-time work made up 79.8%, down from 81.4% in 2022. Full-time work is defined by the Labor Law as 40 hours per week. Part-time work is any work schedule shorter than full-time.

Employees by workplace location and working hours	Employees on permanent contracts and their proportion of the total workforce				Fixed-term employees and their proportion of the total workforce				Total	Share				
	Women	Share	Men	Share	Total	Share	Women	Share			Men	Share	Total	Share
Croatia Total	158	25.4%	342	54.9%	500	80.3%	30	4.8%	83	13.3%	113	18.1%	613	98.4%
Full-time	158	25.4%	339	54.4%	497	79.8%	30	4.8%	80	12.8%	110	17.7%	607	97.4%
Part-time	0	0.0%	3	0.5%	3	0.5%	0	0.0%	3	0.5%	3	0.5%	6	1.0%
Italy Total	5	0.8%	3	0.5%	8	1.3%	0	0.0%	0	0.0%	0	0.0%	8	1.3%
Full-time	5	0.8%	3	0.5%	8	1.3%	0	0.0%	0	0.0%	0	0.0%	8	1.3%
Part-time	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Poland Total	1	0.2%	0	0.0%	1	0.2%	0	0.0%	0	0.0%	0	0.0%	1	0.2%
Full-time	1	0.2%	0	0.0%	1	0.2%	0	0.0%	0	0.0%	0	0.0%	1	0.2%
Part-time	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Germany Total	0	0.0%	1	0.2%	1	0.2%	0	0.0%	0	0.0%	0	0.0%	1	0.2%
Full-time	0	0.0%	1	0.2%	1	0.2%	0	0.0%	0	0.0%	0	0.0%	1	0.2%
Part-time	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	164	26.3%	346	55.5%	510	81.9%	30	4.8%	83	13.3%	113	18.1%	623	100.0%

In 2023, a total of 126 employees started their employment at Cromaris d.d. in Croatia, along with one employee at Cromaris Italia

s.r.l. During the same year, 101 employees in Croatia and one employee in Italy ended their employment. The difference be-

tween the number of employees who started and those who ended their employment was 25, indicating a positive employee turn-

over of 25 employees. Employees who left Cromaris either retired or continued their careers outside Cromaris.

### Employee turnover in 2023 by age, gender, and workplace location

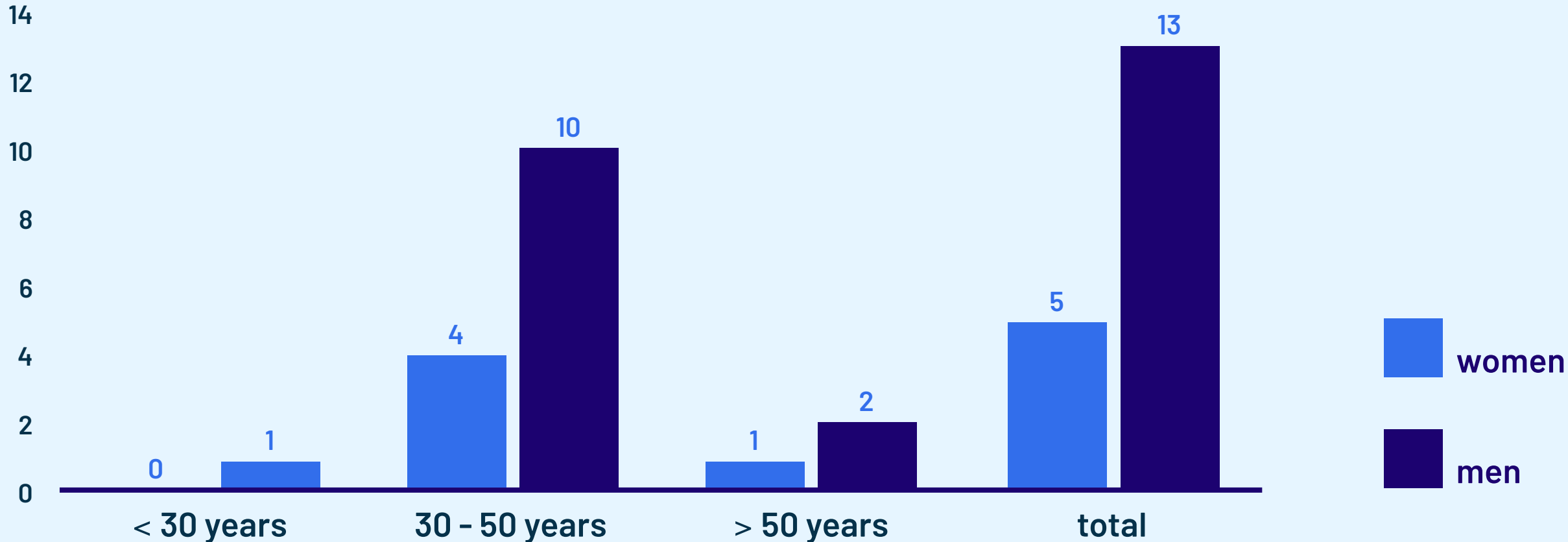
Employees by Workplace Location and Age	Start of Employment in 2023						End of Employment in 2023						Employee Turnover (Women)	Share	Employee Turnover (Men)	Share	Employee Turnover (Total)
	Women	Share	Men	Share	Ukupno	Share	Women	Share	Men	Share	Total	Share					
Croatia Total	27	21.3%	99	78.6%	126	100.0%	16	15.7%	85	83.3%	101	99.0%	11	44.0%	14	56.0%	25
<30 years	11	8.7%	39	31.0%	50	39.7%	6	5.9%	27	26.5%	33	32.4%	5	20.0%	12	48.0%	17
30-50 years	13	10.2%	53	42.1%	66	52.4%	9	8.8%	41	40.2%	50	49.0%	4	16.0%	12	48.0%	16
>50 years	3	2.4%	7	5.6%	10	7.9%	1	1.0%	17	16.7%	18	17.6%	2	8.0%	-10	-40.0%	-8
Italy Total	1	0.8%	0	0.0%	1	0.8%	0	0.0%	1	1.0%	1	1.0%	1	4.0%	-1	-4.0%	0
<30 years	1	0.8%	0	0.0%	1	0.8%	0	0.0%	0	0.0%	0	0.0%	1	4.0%	0	0.0%	1
30-50 years	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	1.0%	1	1.0%	0	0.0%	-1	-4.0%	-1
>50 years	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Total	28	22.0%	99	78.0%	127	100.0%	16	15.7%	86	84.3%	102	100.0%	12	48.0%	13	52.0%	25

Management positions encompass roles within Cromaris’s executive management and the first level of management below the executive team (commonly referred to as the B-1 level). All other positions are operational. In 2023, there were 18 employees in management positions, compared to 17 in 2022. The number of women in management roles remained consistent at 5 in both 2022 and 2023. The number of men in management roles in 2023 was 13, compared to 12 in 2022. The proportion of men in management positions relative to the total number of Cromaris employees as of December 31, 2023, was 2.1%, while the proportion of women was 0.8%. All employees in management positions in both 2022 and 2023 were from the local community.

**The number of employees based on job type, age, and gender**

Age of employees	Management positions in 2023						Operational positions in 2023						Total 2023
	Women	Share	Men	Share	Total	Share	Women	Share	Men	Share	Total	Share	
<30 years	0	0.0%	1	0.2%	1	0.2%	30	4.8%	196	31.5%	226	36.3%	227
30-50 years	4	0.6%	10	1.6%	14	2.2%	96	15.4%	125	20.1%	221	35.5%	235
>50 years	1	0.2%	2	0.3%	3	0.5%	63	10.1%	95	15.2%	158	25.4%	161
Total	5	0.8%	13	2.1%	18	2.9%	189	30.3%	416	66.8%	605	97.1%	623

**The composition of employees in management positions by age and gender**



## The Code of Ethics

The Code of Ethics came into effect in February 2023, establishing principles, standards, and acceptable conduct in all forms of business and employment relationships. In 2023, a procedure for protecting dignity was also established, and an Ethics Committee was appointed, consisting of three members. Alongside the new Code of Ethics, a guide out-

lining the company's values and principles was prepared for employees. In 2023, there were no cases concerning the protection of worker dignity as stipulated by the Labor Law, although one complaint alleging a violation of the Code of Ethics was received and, after review, was deemed unfounded.

**The Code of Ethics establishes principles, standards, and acceptable conduct in all forms of business and employment relationships**



# Employee Wellbeing (S)

## Employee health and safety

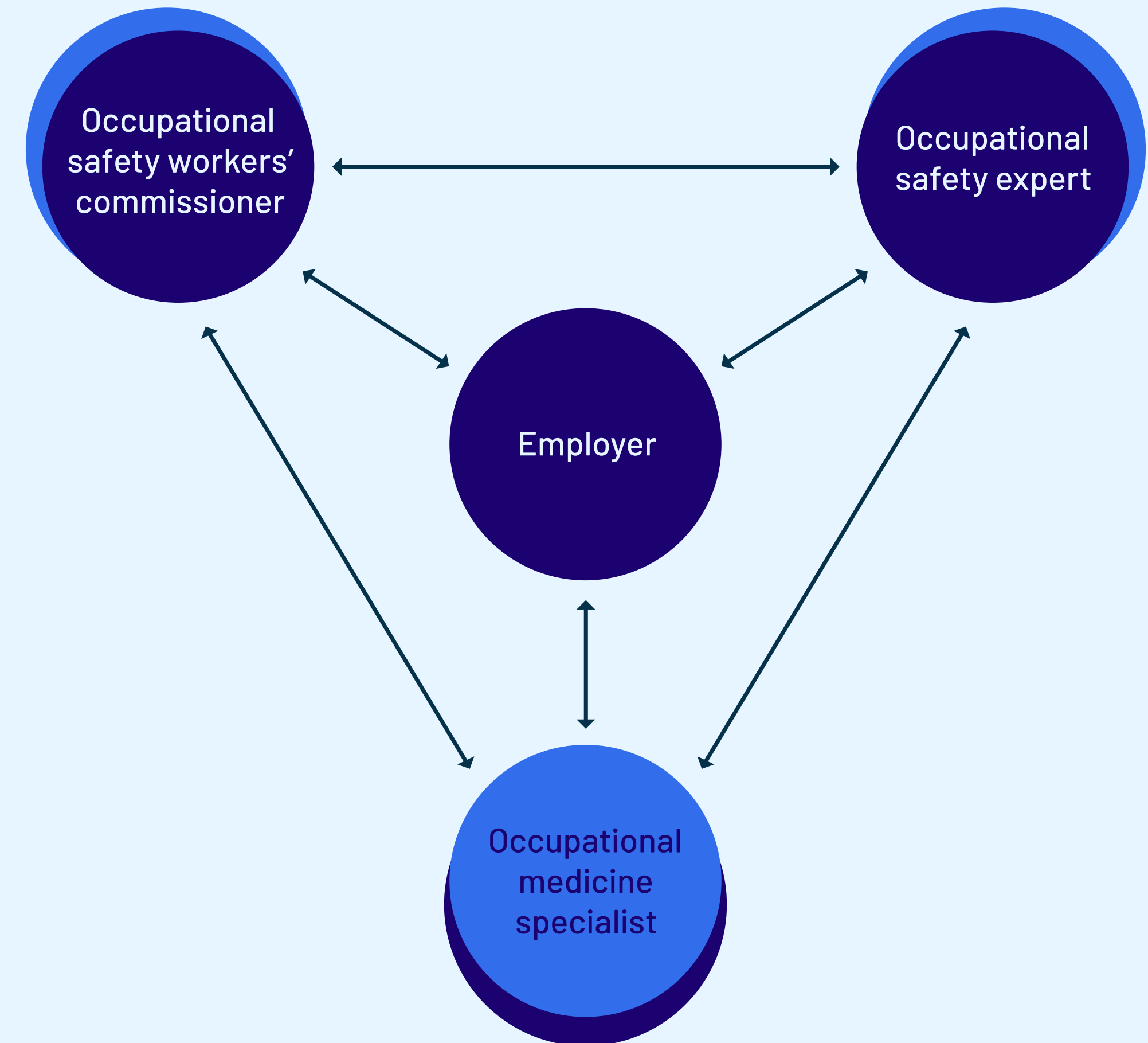
Employees in the Occupational Health and Safety unit continuously conduct internal monitoring of workplace safety rules, and in cases where irregularities are observed, they propose solutions to reduce risks, eliminate causes of injuries, accidents, or disruptions in work processes. At prescribed intervals, tests, measurements, and inspections of work equipment and the working environment are conducted. In accordance with applicable regulations and job descriptions, employees undergo appropriate health checks. New employees receive workplace safety training during onboarding. Work-

place injuries are reported to occupational safety experts who fill out injury report forms and submit them to the relevant Institute for the Advancement of Occupational Health and Safety. All workers have access to instructions on how to proceed in the event of a workplace injury through the official application.

To improve safety and health protection, Cromaris has established a consultative body, the Occupational Health and Safety Committee, which contributes to workplace safety. The Occupational Health and Safety Committee plans and oversees the implementation of safety rules, the organization of safety-related tasks, reporting and training, as well as risk prevention.

**GRI 3-3**  
**GRI 403-1, 403-2 & 403-3**  
**GRI 13.19.2, 13.19.3 & 13.19.4**

## Composition of the Occupational Health and Safety Committee



In 2023, there were 22 recognized workplace injuries, all categorized as minor. Of these 22 injuries, 14 were sustained by men, and 8 by women. The total number of lost workdays due to injury-related sick leave was 437, equating to 3,496 working hours. Considering the average of 594 employees in 2023, the injury rate per 100 workers was 3.7%. In comparison, in 2022, there were also 22 recognized workplace in-

juries (17 injuries for men and 5 for women). The total number of lost workdays due to injuries in 2022 was 626, or 5,008 working hours, while the average number of employees was 588, resulting in an injury rate of 4.4 per 100 workers. Some employees at Cromaris are exposed to difficult microclimatic conditions and work in positions with specific work environment requirements.

**In 2023, there were 22 workplace injuries, all classified as minor**

**The injury rate per 100 employees in 2023 was 3.7%, down from 4.4% in 2022**

**The number of lost days due to sick leave in 2023 decreased by 30.2%**

## Maintaining the status of a desirable employer

Cromaris is one of the largest employers in the Zadar County, employing around 600 people on average, and even more during the season. Even though the company operates in an environment with a long tradition of sea-related occupations, modern trends and the company's growth demand systematic development of knowledge and skills of employees, especially in the field of marine science. Cromaris is aware of the importance of employing local island populations

as it encourages the development of small and often isolated communities and the retention of the population on the islands. In 2023, the share of the island population in Cromaris' total workforce was 24%, while the share of the island population working on fish farms was 55%, consistent with previous years.

## The share of the island population in the total number of employees in 2023 was 24%

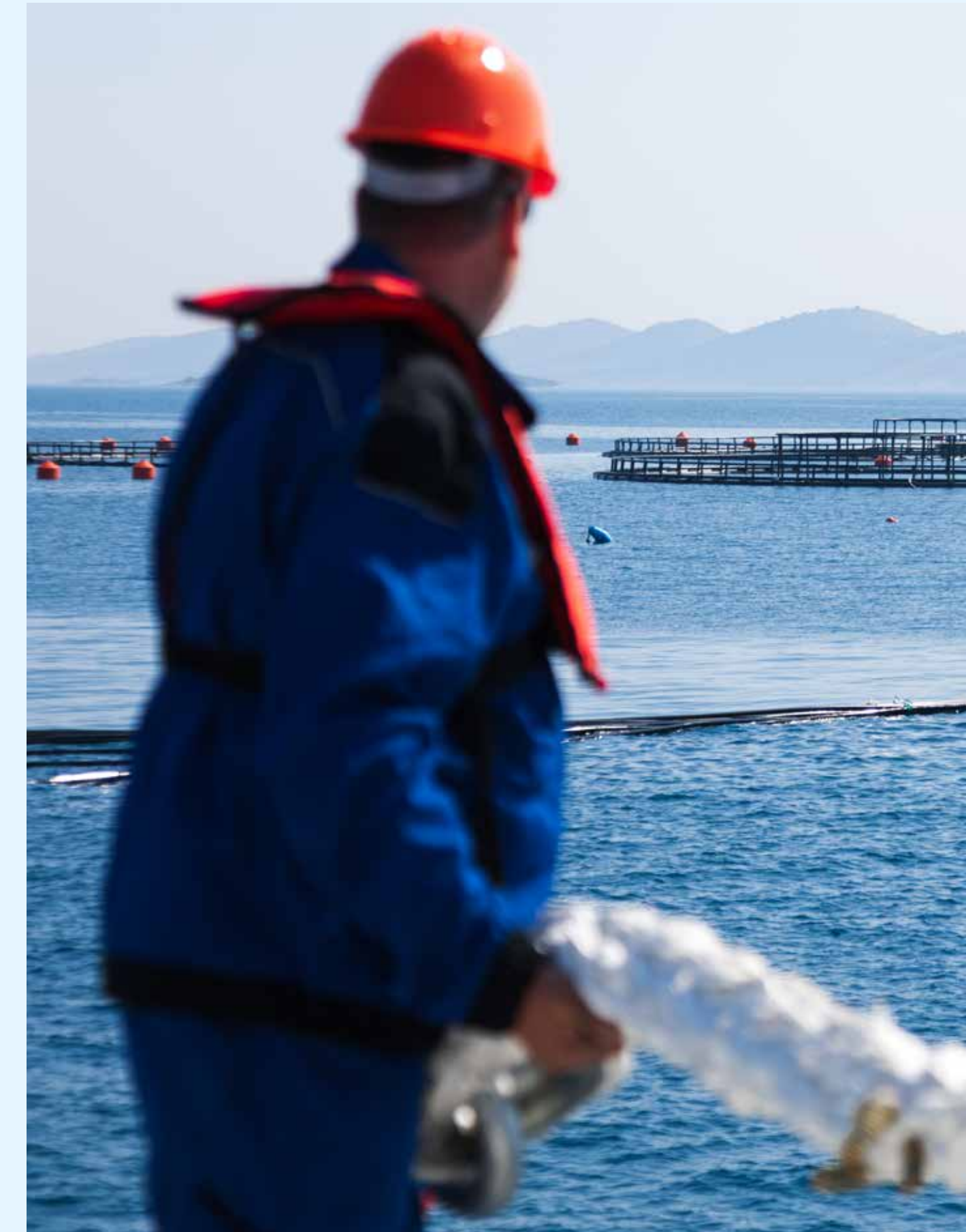
## Cromaris is one of the largest employers in the Zadar County



In 2023, unemployment continued to decrease in the Zadar County, leading Cromaris to intensify its efforts to attract new and retain existing employees. These efforts included more frequent postings and renewals of job advertisements with clearer descriptions of terms, responsibilities, and benefits. An online form, **“Job at Cromaris,”** is available on our website for those interested in joining the company. Along with external advertising, Cromaris runs an internal employee referral program, where employees can recommend acquaintances, friends, and family members. Successful hiring and retention of recommended candidates for at least three months are rewarded

with a monetary bonus. In 2023, thanks to this initiative, employee retention increased by 18% compared to 2022. The standardization of the selection process, based on best human resources practices focused on transparency in job postings, also contributed to attracting new employees. In 2023, Cromaris processed over 900 applications, hired 126 new employees in Croatia and one in Italy, and promoted 41 internal employees. One of Cromaris’s strategic goals is to attract and hire young talents in line with business needs. The successful and well-known Adris

Group internship program “Future at Adris,” conducted over several cycles, provided guidance for Cromaris’s internship programs, “Future at Cromaris” and “Careers Inspired by the Sea.” In 2023, Cromaris launched a new cycle of its one-year internship program **“Careers Inspired by the Sea,”** aimed at gaining knowledge and skills in mariculture and biotechnology. Out of 167 applications, nine candidates were selected, offering them the opportunity to gain their first professional experience in their field.



An open online application form for working at Cromaris - “Job at Cromaris”

Cromaris’s referral program - for employees’ acquaintances, friends, and family members

“Careers Inspired by the Sea” - Cromaris’s internship program for hiring trainees



## Collective agreement

All employees of Cromaris d.d., including those who are nationals of third countries, are entitled to the same rights guaranteed by the collective agreement. As of March 1, 2023, the provisions of the amended Collective Agreement signed by the Trade Union of Workers in Agriculture, Food, Tobacco Industry, and Water Management of Croatia (PPDIV), the union branch "CROMARIS" d.d.,

and the Management of Cromaris d.d. are in effect. In addition to base pay, the benefits include bonuses for working during seasonal months according to the annual reward model, which varies depending on business performance, as well as bonuses for participation and contribution to various projects, bonuses for mentoring foreign workers to better integrate them into the workplace and help them acquire skills and knowledge needed to perform tasks effectively, and

**All employees of Cromaris d.d. have equal rights guaranteed by the Collective Agreement**

## Amendments to the Collective Agreement took effect on March 1, 2023

bonuses for employee referrals. The benefits prescribed by the Collective Agreement also include vacation allowance, Christmas and Easter bonuses, in-kind gifts, gifts for children up to 15 years old, long-service awards, additional severance for retire-

ment, insurance or subsidized accommodation for employees whose residence is far from the workplace, and travel costs for commuting to and from work. Based on feedback from a survey on working conditions, a decision was made to introduce a dual meal model and to grant additional vacation days based on length of service, working conditions, and job complexity. Throughout 2023, employee salaries were regularly adjusted according to their work performance, and in November, a one-time bonus was awarded for work during the period of increased business activity, i.e., the season.

## **Strengthening employee engagement**

In 2023, further progress was made in social dialogue at Cromaris. The Works Council, established in 2022, facilitates communication, collaboration, and important decision-making related to employee rights and status. Employees independently decide on membership in the Trade Union of Workers in Agriculture, Food, Tobacco Industry, and Water Management of Croatia (PPDIV), union branch "CROMARIS" d.d.

To encourage teamwork, collaboration, and timely information sharing, employees are updated on all important topics through Internal News, social events are organized,

and employees are encouraged to volunteer. Cromaris employees regularly participate in surveys through which they can make suggestions for improving working conditions and business operations, share their opinions, and outline expectations, which are then used as guidance for planning further initiatives and activities to increase employee satisfaction in the workplace. The latest anonymous and voluntary

survey on employee motivation and job satisfaction at Cromaris was conducted in 2022, with 73% of employees participating. The survey covered 10 dimensions of satisfaction: motivation, communication, engagement, organization, flexibility, professional development, interpersonal relations, immediate supervisors, management, and working conditions. The results prompted the development of action plans to

## **Cromaris conducts anonymous and voluntary surveys on employee motivation and job satisfaction**

## **Survey results are used to improve working conditions and business operations**

improve working conditions. To maintain continuity in monitoring employee satisfaction with working conditions, a new survey is planned for early 2024, the results of which will be used for reviewing and improving action plans.

# Lifelong learning (S)

Lifelong learning and employee development are among Cromaris's priorities. Employees are provided with opportunities for professional growth and development, learning, and horizontal job mobility. Year by year, Cromaris increases the financial resources allocated to enhance existing skills and acquire new knowledge. Internal and external training sessions are organized in consultation with managers, based on the defined developmental needs of employees and the business needs of Cromaris.

Aware of the importance of retaining knowledge and skills within Cromaris, in 2023, successors for key positions were defined to establish a mechanism for knowledge transfer and ensure business

continuity. According to defined career development plans, as well as employee needs and preferences, employees participate in various educational programs organized in collaboration with specialized partners, including English language courses, business alignment with sustainability goals, presentation skills development, and "How to Be a Successful Mentor" training, among others. In 2023, nine out of ten nominated participants completed the Franklin Covey Leadership program. Cromaris employees also participated in traditional conferences like Barcelona Sea Food, Aquaculture Europe 2023, and HR Weekend, and continued with further professional development.



## Lifelong learning is crucial to Cromaris's business operations

# Responsibility toward the community (S)

## Collaboration with scientific and educational institutions

Numerous students and pupils participated in fieldwork, internships, and study visits to Cromaris. Our experts contributed their knowledge and experience to student research and activities for their doctoral, bachelor's, and master's theses. In 2023, long-standing collaborations with scientific and educational institutions in Croatia and abroad continued, and some new partnerships were established. Cromaris has a long history of successful collaboration with the Faculty of Agriculture at the University of Zagreb, the Department of Marine Studies at the University

of Split, and the Department of Ecology, Agronomy, and Aquaculture at the University of Zadar. In 2023, for the first time, Cromaris collaborated with the Faculty of Economics in Rijeka, where students and professors from the University's specialist program in Controlling were introduced to Cromaris's practices. The collaboration with the Agricultural, Food, and Veterinary School Stanko Ožanić from Zadar also continued. Cromaris employees provided education on the importance of preserving biodiversity, protected species in the Adriatic, and marine protection to stu-

dents from the Sali and Božava branch schools. Cromaris also continued its collaboration with the University of Bologna on developing and submitting two project ideas to EU calls for proposals. The projects "One Earth" and "3EFISHING" have been approved, with a planned

start in 2024. Both projects are linked to the protection of natural resources and biodiversity. The activities of the "One Earth" project focus on the circular economy and exploring the potential use of fish by-products, especially scales, in other industries. The "3EFISHING" project centers on

**In 2023, collaborations with scientific and educational institutions continued, and new partnerships were established**

protecting marine resources and reducing the carbon footprint, with one of its notable activities being a pilot project to replace a diesel engine with a hybrid engine on a Cromaris catamaran.

In 2023, the long-standing collaboration with Scottish scientists continued, focusing on developing key indicators for selecting fish with the best genetic potential. A doctoral student from Wageningen University in the Netherlands conducted research and a three-month internship in Cromaris's Research and Development department as part of their Ph.D. studies. Students from the Arctic University of Norway visit-

## **Cromaris and the University of Bologna will launch joint EU projects, “One Earth” and “3EFISHING,” in 2024**

ed Cromaris fish farms for a field study to learn about mariculture in the Mediterranean.

In 2023, the Perform FISH project, conducted in collaboration with the Croatian Chamber of Economy, was successfully completed. The project's goal was consumer-oriented production, integrating innovative approaches for competitive and sustainable production throughout the Mediterranean aquaculture value chain. The New Tech Aqua project, led by the University of Bologna (UNIBO), also concluded, focusing on developing new technologies, tools, and strategies for sustainable, innovative, and resilient Europe-



an aquaculture, under the sponsorship of the European Union. The final presentation in Brussels showcased 14 innovations to enhance sector resilience and offered policy recommendations to improve EU regulations. Legal barriers, circularity, fish feed, organic aquaculture, and diversification were among the topics discussed at high-level policy roundtables, featuring the participation of the Directorate-General for Maritime Affairs and Fisheries (DG MARE) and the European Aquaculture Technology and Innovation Platform (EATiP)

**In 2024, the Perform FISH project, conducted in collaboration with the Croatian Chamber of Commerce, and the New Tech Aqua project, in collaboration with the University of Bologna, were completed**

## Responsibility toward the local community and humanitarian initiatives

In 2023, Cromaris continued its collaboration with local communities, primarily in the Zadar and Istria counties, but also across Croatia. In its corporate social responsibility programs, Cromaris places special emphasis on the development of island communities, promoting environmental awareness among children, highlighting the importance of healthy diet, and supporting education and training in mariculture and



marine science. Various themed activities, workshops, and projects were organized, and equipment was donated to schools, kindergartens, and libraries. To combat waste, volunteer beach and sea clean-up activities were regularly conducted on islands near Cromaris's fish farms in collaboration with local residents.

In collaboration with the "Petar Lorini" Primary School and locals from the town of Sali on Dugi Otok, Cromaris employees organized a play for children about biodiversity and the importance of marine conservation, as well as a bio-ball-making activity. Around 5,000 bio-balls were made, and in the second part of the project, after cleaning the harbor in Sali, primary school students, Cromaris employees, and local volunteers jointly threw the bio-balls into the sea to help restore the seabed and preserve underwater biodiversity.



Cromaris also actively supports sports clubs. For the ninth consecutive year, it has sponsored the Zadar Basketball Club, as well as the Zadar Swimming Club, the Long-Distance Swimming Association, the Youth Football School in Zemunik, and numerous other smaller sports clubs and events. Additionally, Cromaris is a sponsor of various sports events in the broader Zadar area, such as the Škraping race on the island of Pašman. Cromaris runners traditionally participate in the Wings for Life run. In 2023, the international Bike to Work Day was celebrated for the third time, promoting cycling as a healthier and more environmentally friendly alternative to driving. Three of the luckiest employees who rode their bikes to work won valuable prizes, with the top prize being a new bicycle.



Year after year, Cromaris deepens its connection with local communities and tourist boards through the organization of various events aimed at promoting local heritage and traditions, as well as authentic Mediterranean cuisine recipes. Notable events include the Tuna, Sushi & Wine Festival in Zadar, the Fish & Jazz Festival in Zadar, the Toč Festival in Nin, the Sea and Salt Festival in Sali, the Saljske Užance event, the Tunuara festival in Kali, the Crni-  
lo Cup in Lukoran, various fisherman's nights, and other gastronomic events.



A direct contribution to community well-being is systematic investment in shared (public) infrastructure. During 2023, Cromaris invested in the renovation of a multi-purpose sports field in the Tkon Municipality, while in Luka on Dugi Otok, the company fully funded the restoration of the pier, the installation of a monument to the traditional fishing horn ("rog"),

and the accompanying setup for its presentation, along with a historical and educational narrative about the horn and the fishermen in Sali. Through these efforts, Cromaris is involved in promoting and popularizing maritime and fishing cultural heritage, which is integral to the life of the local island communities.

**In 2023, Cromaris donated  
€51,270 in cash and fish**



# Cromaris’s memberships in associations and professional organizations



**LAG MARETA**  
 Cromaris is a member of the local action group representing the interests of the population of a certain area, improving the quality of life of the locals with cultural, social, economic, infrastructure, and educational projects.



**LAGUR SEAFOOD**  
 Cromaris is a member of the action group in the field of local fisheries, through which specific employee training were held on the safety of navigation and employee protection.



**FEAP**  
 (Federation of European Aquaculture Producers)  
 Representatives of Cromaris actively participate in the group of aquaculture producers at the Croatian Chamber of Economy, which operates within XFNM. XFNM supports and promotes responsible aquaculture development and enables cooperation of necessary activities for the development and improvement of aquaculture.



**MARICULTURE CLUSTER SPLIT**  
 Association representing joint interests of all farmers, and especially tuna, white sea fish, and shellfish farmers. Cromaris actively participates in the work of the association, recognises industry interests, submits proposals to state authorities, and participates in the preparation of legal regulations, harmonising the needs and interests of the industry, scientific community, and state authorities.



**CROATIAN CHAMBER OF ECONOMY (HGK)**  
 is an independent vocational and business organisation that promotes, represents, and harmonises joint interests of its members before state and other authorities in Croatia and abroad. Cromaris is a member of the HGK within the aquaculture group, which deals with key issues and the issues of farming and farmers, and coordinates activities among scientific bodies, state administration, and the economy.

## Consumer health and safety (S)

The impact of Cromaris's products on consumer health and safety is assessed for all types of products. Health safety and nutritional parameters are tested, and nutritional charts are created, which form the basis for nutritional claims for each product category. Additionally, shelf life is tested by product category in accordance with legal regulations and food safety standards. Every standard implemented in Cromaris's operations is also certified. Cromaris is under continuous supervision by the State Inspectorate, which includes veterinary

oversight and food safety monitoring. Designated responsible persons in Cromaris participate in inspections, analyze inspection reports and findings, and coordinate corrective actions when needed. Cromaris has established a protocol for handling product complaints and customer feedback, which are systematically received via email and addressed by the Quality Control Department.

**The impact of Cromaris's products on consumer health and safety is assessed for all types of products**



## Testing the health safety of products

The health safety and suitability of finished products for consumption are ensured by monitoring microbiological and sensory parameters during harvesting, at the end of the production cycle, and on the last day of the product's shelf life. The results are evaluated against microbiological criteria that comply with customer specifications and legal regulations, while sensory evaluation is conducted according to Cromaris's internal work instructions. To ensure product quality and health safety, Crom-

aris sends samples of all farmed species from all fish farms for microbiological and parasitological analysis twice a year, along with tests for heavy metals, antibiotic residues, polychlorinated biphenyls, and, from 2023, PFAS compounds (perfluoroalkyl and polyfluoroalkyl substances). Three times a year, or once each quarter, all types of processed products are sent for microbiological analysis, and the same analysis is conducted for drinking water

and ice. Microbiological analysis is also conducted quarterly on all surfaces that come into contact with products, as well as for hygiene conditions in the fish processing plant. The analyses are conducted by authorized laboratories in compliance with food safety regulations. During 2023, there were no deviations in the tested parameters.

**The health safety of products is confirmed through analyses conducted by authorized laboratories**

## Nutritional value of products

After years of investment in research and development, Cromaris developed its own fish feed recipe, resulting in Cromaris fish being rich in omega-3 fatty acids with a favorable ratio of omega-3 to omega-6 fatty acids. The goal of the Cromaris nutrition team is to maintain products rich in omega-3 fatty acids in accordance with **Regulation 1924/2006/EU** on nutritional and health claims as stated on product packaging. In 2023, the internal Cromaris laboratory regularly conducted controls of the fatty acid composition in fish meat, focusing on EPA

and DHA levels, which have proven positive effects on fetal development, nervous system function, vision, the immune system, the cardiovascular system, and also help prevent Alzheimer's disease. In accordance with the requirements of implemented standards and EU and Croatian regulations, Cromaris creates a product specification (PS) for each product category with information on product name and description, ingredients, nutritional values, health benefits, allergens, type of packaging material, storage conditions, distribution, and ex-

**Cromaris fish food formula provides fish rich in omega-3 fatty acids**

piration date. This information is also displayed on product labels. Product labels in other languages are also aligned with the regulations of the countries to which the products are exported. Cromaris has established a protocol for product complaints and customer feedback that are systematically received via email and addressed by the Quality Control Department.

# Responsible customer experience (S)

## Customer satisfaction survey in Croatia and Italy

In late 2023, a qualitative and quantitative survey was conducted among Cromaris's key customers and partners in Italy and Croatia. Compared to 2022, Cromaris's customers in Croatia were generally more satisfied with the collaboration, as evidenced by the increase in the rating from 4.00 to 4.56. Customers in Italy also gave Cromaris a higher rating, 4.56 compared to 3.98 in 2022. According to the survey results, customers were

most satisfied with the product offering and quality, while they were least satisfied with pricing and financial terms. In 2023, the Net Promoter Score (NPS), which indicates the likelihood of recommendation and customer loyalty, also showed an increase in both markets. In Italy, the NPS in 2023 was 46, compared to 31 in 2022, while in Croatia, it was 88 in 2023, compared to 42 in 2022. The main reason for significantly better NPS scores is the increase in the number of loyal ambassadors (satisfied and loyal customers), with 88% of customers in Croatia in 2023 falling into this category, compared to 55% in Italy.



## Customer satisfaction with the quality of Cromaris products continued to grow in 2023

## Our awards in 2023

Customers, consumers, and experts recognize the premium quality of Cromaris products, as evidenced by the awards the company receives. Cromaris Hama has been awarded the **Crystal Taste Award 2023** with the maximum three stars for exceptional taste and quality for the third consecutive year. This prestigious award in the food segment worldwide has been presented since 2005 by the International Taste Institute in Brussels. Cromaris Hama and Cromaris Sea Bass are the only recipients of this award, making them stand out among producers of Mediterranean white fish. Cromaris Sea Bream has also been excellently rated.



## Golden Basket Award

The strategic determinants of Cromaris' business, focus on export markets, highest level of industrial efficiency, and continuous growth rates in sales volume have been recognized by the professional community. Cromaris has been awarded the **Golden Basket** by the Ja Trgovac portal for two consecutive years in the Manufacturer of the Year category, and in 2024, we made it to the finals. In 2024, we were awarded the Golden Basket for the first time in the category of Socially Responsible Company for the year 2023.

**Cromaris received the “Golden Basket” award for the first time in the category of “Socially Responsible Company” for the year 2023**



# Golden Key

More than 50% of Cromaris’s sales come from Italy, the world’s largest market for sea bass and gilthead bream. These exceptional sales results were recognized at the Croatian Exporters Convention, where Cromaris was awarded the “Golden Key” for the third consecutive year in the category of “Best Exporter to Italy.”



## **Campaigns for the popularization of fish and fish products**

In 2023, Cromaris provided visitors at events throughout Croatia with the opportunity to enjoy dishes made from Cromaris BIO fish along with many educational materials and accompanying activities, spreading awareness about the importance of consuming products from responsible and sustainable production. At leading regional wine, gastronomy, and media events such as Vinart, Weekend Food, and the Weekend Media Festival, dishes made from Cromaris BIO fish in Asian fusion style were present-

ed for the first time. The broader audience was also introduced to a premium product in the assortment - Adriatic dentex, which impressed visitors with its taste and availability in Cromaris stores throughout the year. Cromaris participated for the second year in a row at the leading street food festival, Food Truck Festival, where the audience already recognized the quality of Cromaris dishes and built a base of loyal consumers.

# **Cromaris' fish is promoted at oenological and gastronomical events such as Vinart, Weekend Food, Weekend Media Festival, and the Food Truck Festival**

# Sustainable procurement (S)

## Sustainable supply chains

In 2023, Cromaris published the **General Terms and Conditions for the Procurement of Goods and Services** on its website, detailing environmental protection, anti-corruption, and prevention of child labor requirements that Cromaris's suppliers of goods and services must meet. The drafting of the Procurement Policy is planned for 2024. The General Terms and Conditions for Procurement were integrated into the Ensolva electronic procurement system at the Adris Group level. During 2023, an annual analysis

of all significant suppliers was conducted according to set criteria. In 2023, Cromaris prepared a standardized questionnaire for significant suppliers to integrate it into the Adris grupa's questionnaire. Additionally, in 2023, four food suppliers from Greece and Italy were included in the **scope 3** carbon footprint calculation, related to the value chain.

The total number of suppliers in 2023 increased by 5 percent, from 969 to 1,021. The proportion of local suppliers in 2023 was 85.4 percent, which is 3 percent more than in 2022. We defined local suppliers as those based in Croatia. Considering that there are no fish feed producers in the Croatian market, all feed produced according to Cromaris's formula was

imported from Italy and Greece in 2023, as in previous years. The share of fish feed in the total procurement in 2023 was 65 percent, an increase of 2 percent compared to 2022. Other significant procurement categories in 2023, as in 2022, included: juvenile fish, packaging, transportation services, maintenance, and others.

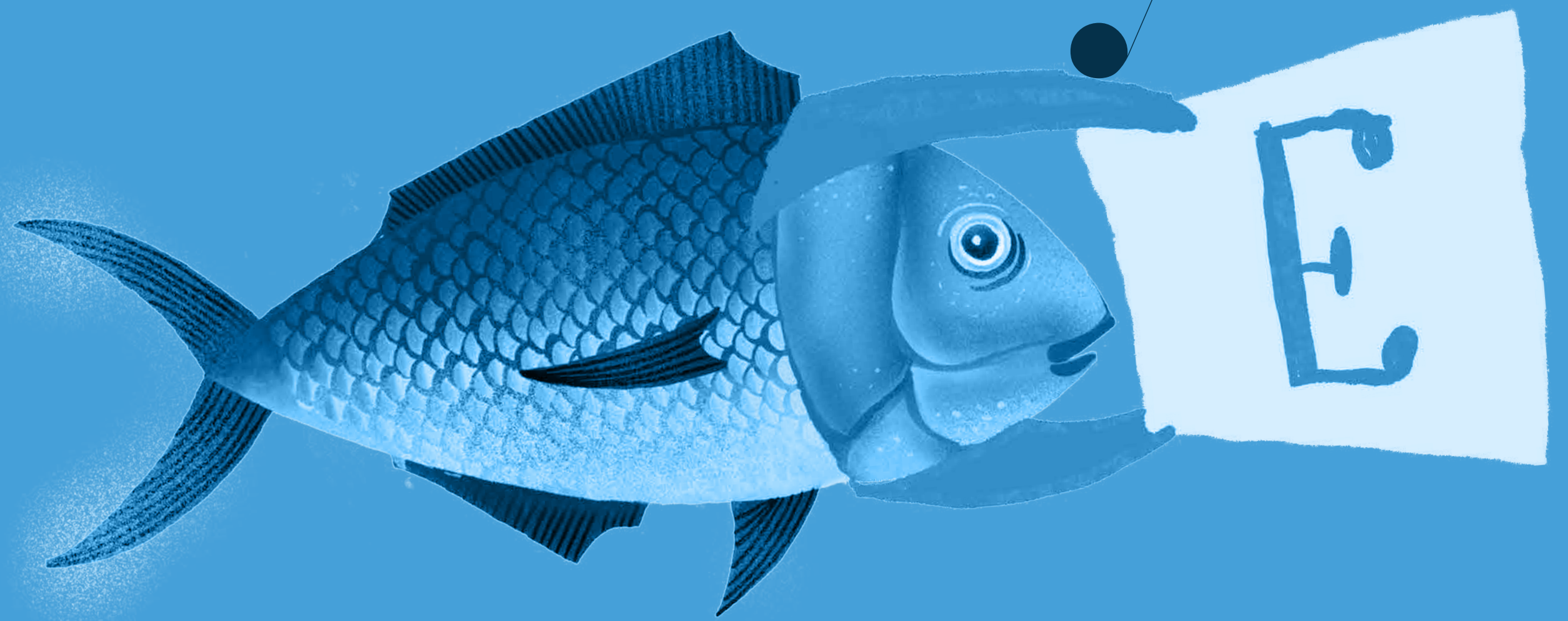
**In 2023, Cromaris published the General Terms and Conditions for the Procurement of Goods and Services, which include requirements for reducing suppliers' impact on the environment, society, and anti-corruption measures.**

The proportion of local suppliers from Croatia in 2023 was 85.4%

The largest share of total procurement came from sourcing fish feed from Italy and Greece



# Environmental responsibility



# Managing environmental impacts, risks, and opportunities

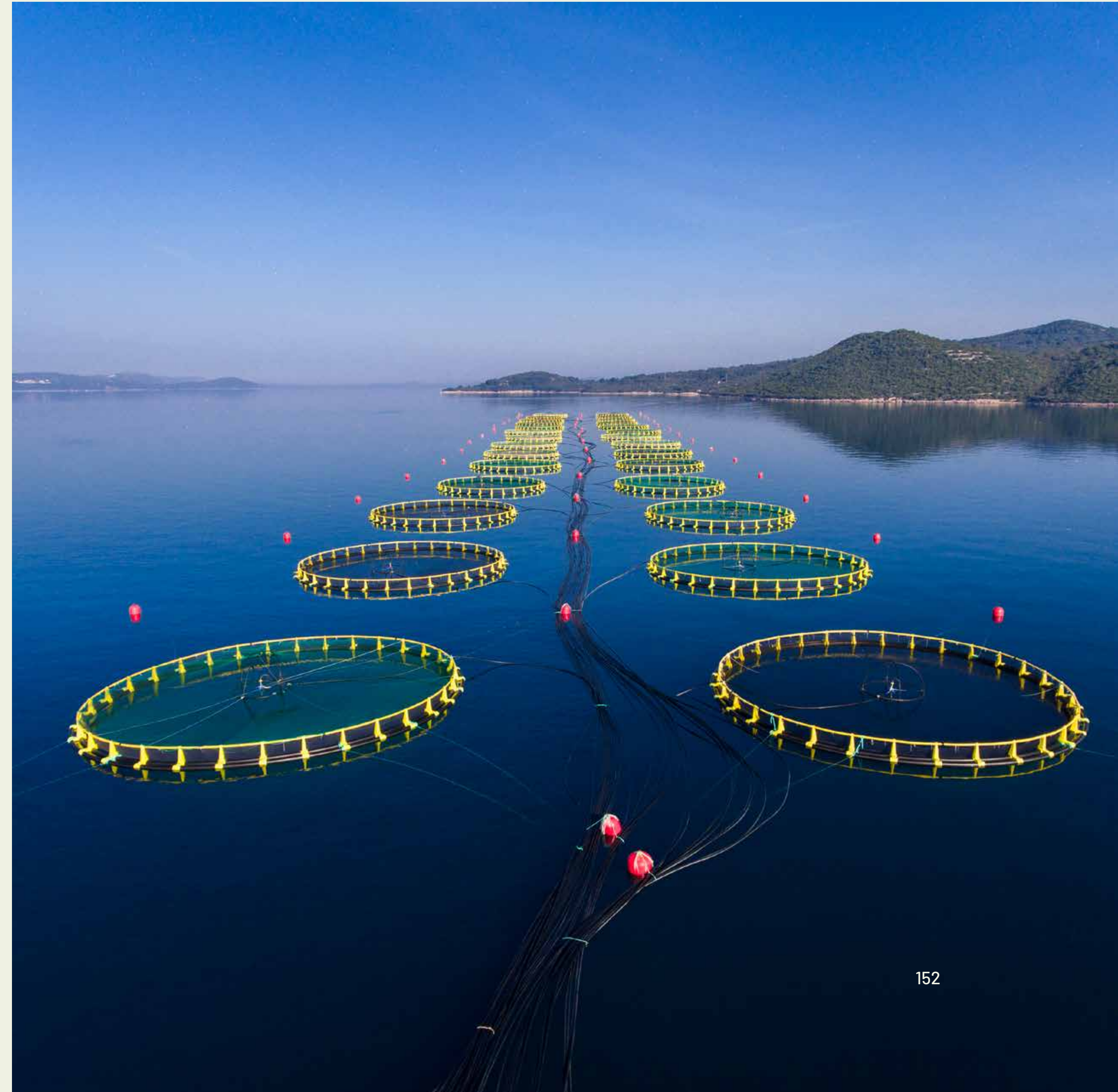
Based on the conducted analysis, with the aim of assessing the significance and presenting the environmental impact of Cromaris's operations, as well as related risks and opportunities, the material topics in 2023 remained the same as those in 2022: reducing carbon footprint, waste management, and biodiversity protection. In this chapter, we described Cromaris's environmental impacts, while the risks and opportunities are outlined in the **Managing ESG risks** chapter. To enhance employee knowledge and prepare in a timely manner for obligations arising from EU and Croatian regulations re-

lated to sustainability, including environmental protection, several internal and external training sessions were held throughout 2023. Our employees also participated in conferences, expert meetings, and round tables aimed at aligning and improving business practices with sustainability principles. To manage environmental impacts, risks, and opportunities, Cromaris operates in accordance with certified quality and environmental management systems, following ISO 9001:2015 and ISO 14001:2015 standards, implemented across the hatchery, all farms, and the Gaženica

**In 2023, Cromaris employees participated in training sessions, conferences, and expert meetings related to sustainable business practices**

production-logistics center. The environmental management system was first implemented and certified in 2011. In July 2021, Cromaris revised and renewed the Quality Policy, Food Safety, Environmental Protection, and Social Responsibility Policy, and in June 2023, the Biodiversity Policy. Compliance with sustainable farming and sourcing practices at Cromaris farms is validated by the ASC Farming certificate (Aquaculture Stewardship Council - Farm Standard), the ASC Chain of Custody certificate, and the GlobalG.A.P. certificate. The ASC Farming Standard emphasizes social responsibility towards employees and the local community, as well as environmental protection with a focus on preserving natural habitats and biodiversity. The farms were first certified according to the ASC Farming Standard in 2019, with the certifi-

cate valid until August 2, 2025. The GlobalG.A.P. certificate ensures traceability from hatcheries, juvenile fish, and feed suppliers to farming, harvesting, and fish processing, and promotes sustainable practices. This certification also highlights the importance of biodiversity conservation. GlobalG.A.P. certification covers the hatchery, farms, and the Gaženica production-logistics center. Additionally, all the feed used for Cromaris fish is certified by ASC and GlobalG.A.P. standards. To minimize the environmental impact of the supply chain, Cromaris outlined requirements for suppliers in its General Conditions for the Procurement of Goods and Services, published on its website. These requirements include compliance with environmental, anti-corruption, and other sustainability-related standards.



**The General Conditions for the Procurement of Goods and Services by Cromaris d.d. outline the environmental requirements that suppliers must comply with to protect the environment**

**ISO 9001:2015, ISO 14001:2015, ASC Farming Standard, and GlobalG.A.P. Standard – tools for managing environmental impacts, risks, and opportunities at Cromaris**

**Published environmental policies - Quality, Food Safety, Environmental Protection, and Social Responsibility Policy (2021) and Biodiversity Policy (2023)**

## Reducing carbon footprint (E)

The Paris Agreement mandates the global objective of keeping the increase in Earth's average temperature to a maximum of 1.5°C (previously 2°C) by 2100 compared to pre-industrial levels. This commitment was transposed to the EU level through the European Climate Law (Regulation 2021/1119/EU). To determine the significance of Cromaris's carbon footprint, the sources of greenhouse gas emissions, and their share in Croatia's total emissions, Cromaris calcu-

lated its carbon footprint for the first time for the year 2020. Calculating the carbon footprint and assessing energy consumption, along with establishing policies and action plans to reduce them, are also requirements of the ASC Standard (Aquaculture Stewardship Council) under which Cromaris's farms are certified (ASC - Farming Standard), as well as its production-logistics center and Cromaris Italia (ASC - Chain of Custody Standard).

## Cromaris first calculated its carbon footprint for scopes 1 and 2 in 2020

GRI 3-3, 305-1, 305-2, 305-3, 305-4 & 305-5  
GRI 13 - 13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.1.5 & 13.1.6

## Carbon footprint calculation and energy consumption tracking are requirements of the ASC Standard

Cromaris's emissions from scopes 1 and 2 account for less than 0.03% of Croatia's total emissions

## Cromaris's carbon footprint 2023

The carbon footprint is calculated according to the GHG Protocol (Greenhouse Gas Protocol) and the ISO 14064-1:2018 standard. The calculation from 2020 to 2022 includes direct emissions from Scope 1 and indirect emissions from Scope 2. The calculation encompasses carbon dioxide (CO<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>), and greenhouse gases contained in the controlled working substance R404A. For calculating direct greenhouse gas emissions for 2023, emission factors from

the Intergovernmental Panel on Climate Change (IPCC) methodological handbook were used. Fugitive emissions of the working substance R404A, as well as CH<sub>4</sub> and N<sub>2</sub>O emissions, were converted to equivalent CO<sub>2</sub> emissions (CO<sub>2(eq)</sub>) using the Global Warming Potential (GWP) over a hundred-year period from the fourth IPCC report: 25 for CH<sub>4</sub>, 298 for N<sub>2</sub>O, and 3,922 for R404A, while CO<sub>2</sub> has a GWP of 1. In Cromaris's total greenhouse gas emissions, about 99% is from CO<sub>2</sub> emissions.

For calculating Scope 2 greenhouse gas emissions following the location-based approach derived from electricity purchased from suppliers, average emission factors for electricity consumption in Croatia were used: 131.01 grams of CO<sub>2(eq)</sub>/kWh according to the Croatian emission factor database, and 252.00 grams of CO<sub>2(eq)</sub>/kWh for Italy according to the European Environment Agency. For the market-based approach, emission factors for HEP Supply were 131.00 grams

of CO<sub>2(eq)</sub>/kWh, but for E.ON Croatia data was unavailable at the time of report preparation, so the emission factor for Residual Mixes was used, amounting to 515.06 grams of CO<sub>2(eq)</sub>/kWh. During 2023, 50.3% of the electricity consumed by Cromaris was purchased from HEP Supply, while 49.7% was purchased from E.ON Croatia, resulting in an average emission factor of 321.96 grams of CO<sub>2(eq)</sub>/kWh. In the context of emissions reduction measures for 2025, an

emission factor of 112.28 grams of CO<sub>2(eq)</sub>/kWh for Croatia was used, following the Accelerated Energy Transition Scenario (S1) within the Analysis and Foundation for the Development of the Croatian Energy Development Strategy (Green and White Book). This reduction in the specific emission factor is a result of the anticipated increase in the share of renewable energy sources in electricity production in Croatia. Since 2022, Scope 3 emissions from three food suppliers have been included, and in 2023, from four suppliers. In 2023, a total of 34,363.1 tonnes of fish feed

## The carbon footprint is calculated according to the GHG Protocol and the ISO 14064-1:2018 standard

was consumed in the fish farms. Fish feed was purchased from four different suppliers, three of whom provided specific greenhouse gas emission factors for fish feed production, with values of 1.500, 1.259, and 1.134 CO<sub>2(eq)</sub>/tonne of produced food. For the fish feed supplier who didn't provide an emission factor, the average emission factor for 2022 was used, which was 1.175 CO<sub>2(eq)</sub>/tonne of produced food. The significance of food suppliers for inclusion in the Scope 3 emissions calculation in the value chain was determined based on the amount paid for food procurement.

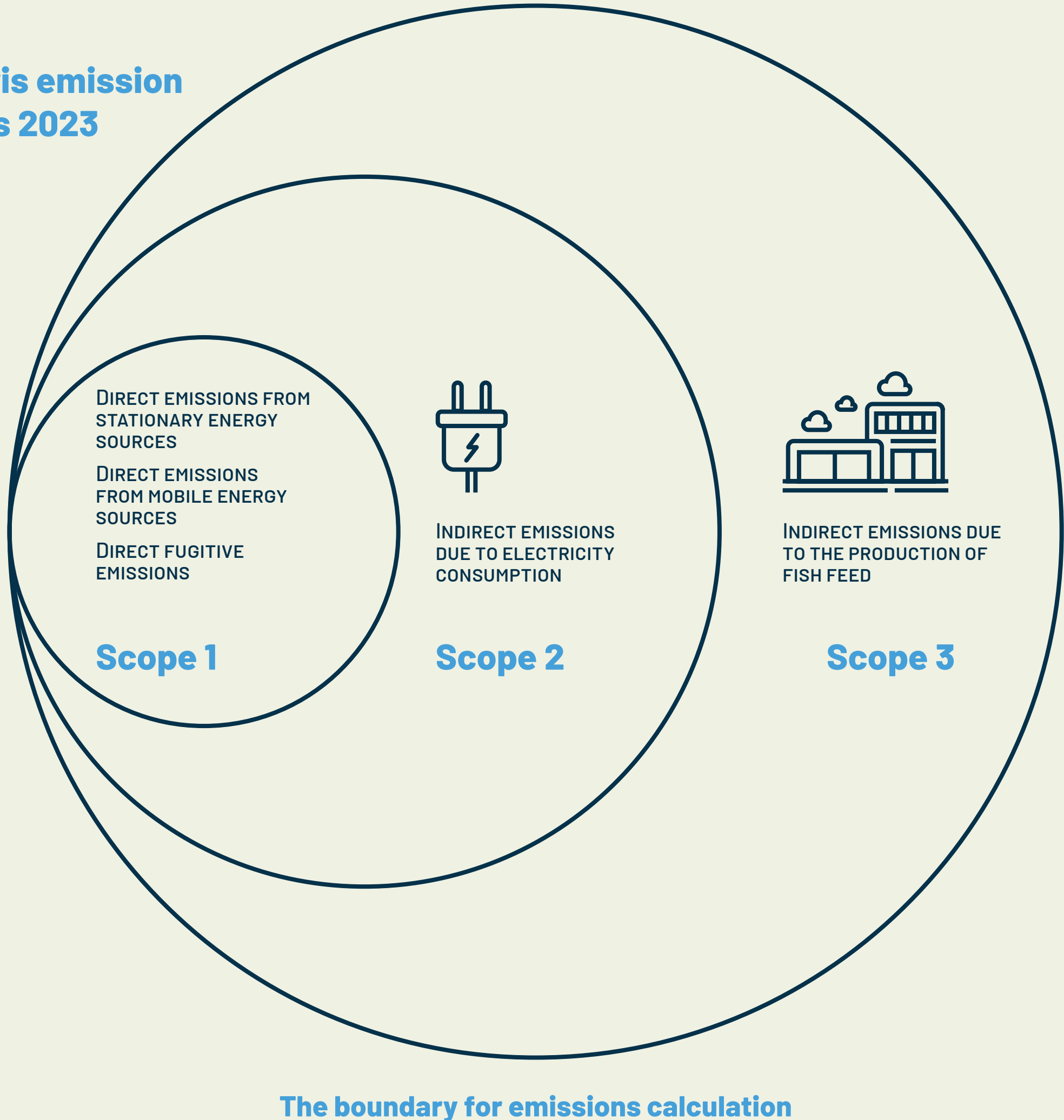
## Since 2022, Cromaris has been including Scope 3 emissions in its carbon footprint calculation

# Sources of greenhouse gas emissions included in the calculation of Cromaris’s carbon footprint for 2023:

In the calculations for the year 2022, in accordance with the GHG protocol (Protocol of greenhouse gases) and ISO 14064-1:2018 standard, in ranges 1, 2, and 3 included:

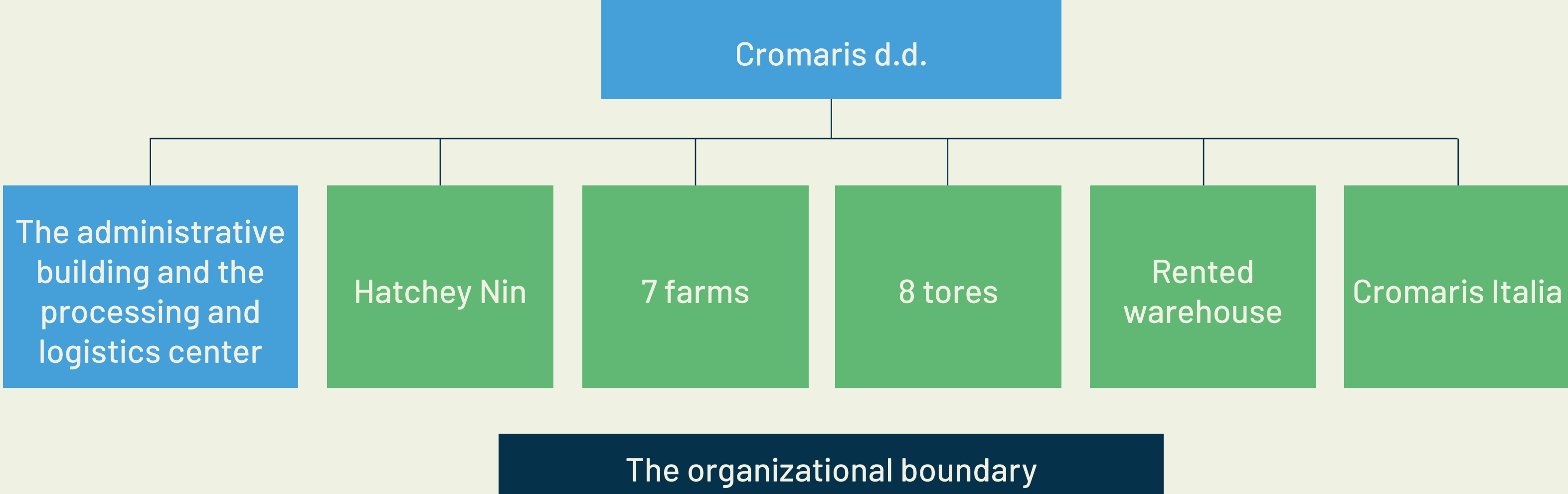
1. Direct greenhouse gas emissions from Scope 1 – these include fuel combustion in stationary energy sources (boilers used for generating heat from fossil fuels) and mobile energy sources (company cars, freight vehicles, forklifts, and ships), as well as fugitive emissions (loss of controlled working substances in refrigeration systems).
2. Indirect greenhouse gas emissions from Scope 2 – this refers to the consumption of electricity produced outside Cromaris’s locations and purchased from suppliers in the market.
3. A portion of indirect greenhouse gas emissions from Scope 3 – these are emissions from 4 suppliers of fish feed.

## Cromaris emission sources 2023



The organizational boundary for calculating the carbon footprint for 2023 included greenhouse gas emission sources (Scope 1) from the administrative building and production-logistics center in Gaženica in Zadar, the hatchery in Nin, seven fish farms, eight stores, a rented warehouse, and Cromaris Italia. Of the seven fish farms, six are located in the Zadar aquatorium (Lamjana, Košara, Velo Žalo, Kudica, Žman, and Lavdara), and one is in Istria (Budava). The year-round stores are in Zagreb, Rovinj, Zadar, and Pula, while the seasonal ones are in Tkon, Zaton, and Preko. The organizational boundary also encompasses a rented warehouse for finished products in Zagreb, as well as the business premises and vehicle fleet of Cromaris Italia.

**The organizational boundary for Cromaris's Scope 1 carbon footprint calculation**



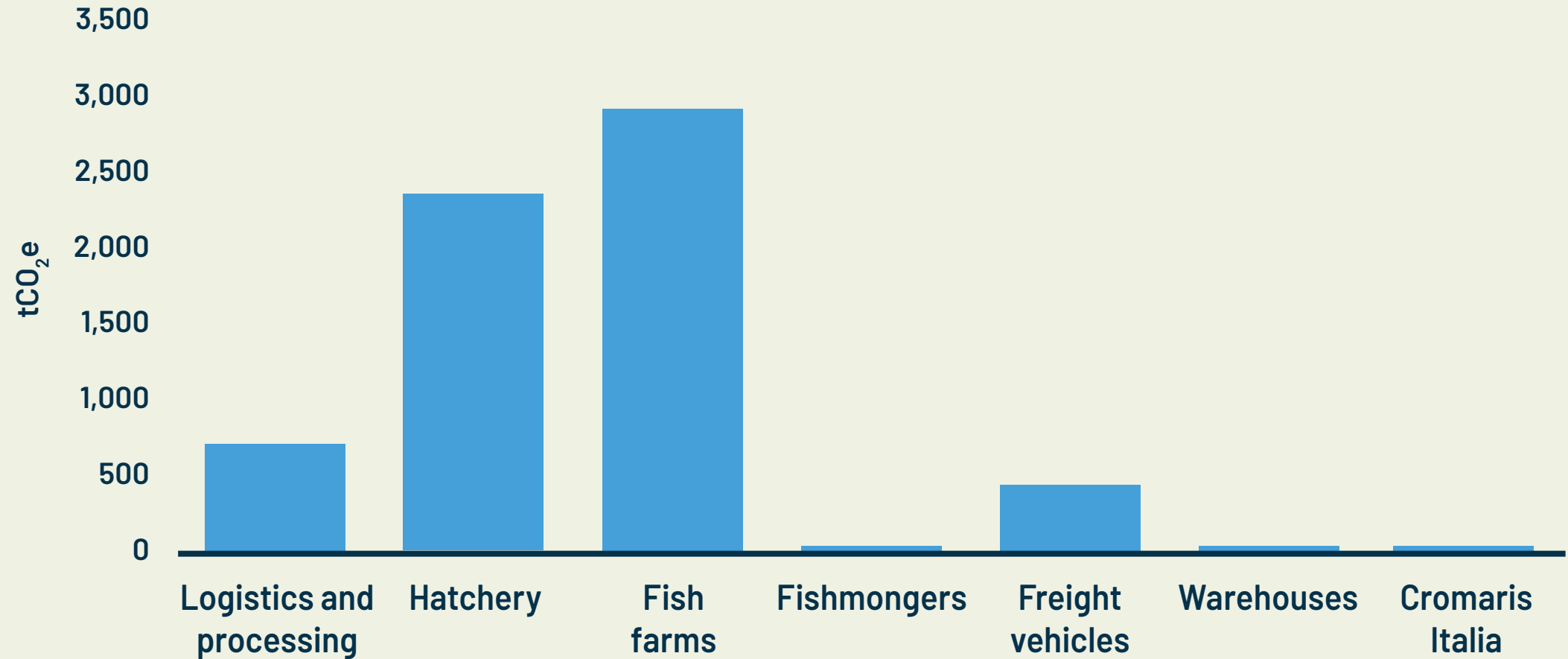
Cromaris's Scope 1 and Scope 2 greenhouse gas emissions in 2023 amounted to 6,086.9 tonnes of CO<sub>2</sub>(eq), based on the location-based approach for calculating Scope 2. The estimated uncertainty of the carbon footprint was calculated using the Tier 1 approach from the IPCC Good Practice Guidelines, resulting in ±6.9 percent in 2023. Considering this uncertainty, the Scope 1 and Scope 2 greenhouse gas emissions could range from 5,665.5 to 6,508.3 tonnes of CO<sub>2</sub>(eq). The largest contributors to greenhouse gas emissions in 2023 were mobile energy sources (57.5%), followed by stationary energy sources (21.8%), electricity consumption (19.8%), and fugitive sources (0.9%).

### Cromaris's Scope 1 and Scope 2 greenhouse gas emissions from 2020 to 2023

Scope	Sources of emission	CO <sub>2</sub> (eq) Emissions (t)			
		2020	2021	2022	2023
Scope 1	Stationary sources	1,499.2	1,918.0	1,523.3	1,327.1
	Mobile sources	3,128.2	3,812.1	3,495.5	3,499.6
	Fugitive source	7.8	7.8	17.6	53.9
Scope 2	Electricity	1,451.7	1,254.7	1,409.4	1,206.4
Total scope 1 & 2		6,086.9	6,992.7	6,445.9	6,086.9

Based on the distribution of organizational units in 2023, the largest contribution to Scope 1 and Scope 2 greenhouse gas emissions came from the fish farms (48.7%), followed by the hatchery (32.5%), production (processing) and logistics (10.6%), freight vehicles (6.6%), stores (1.1%), Cromaris Italia (0.4%), and the rented warehouse (0.1%). In 2023, data on greenhouse gas emissions from four fish feed

**Contribution of Cromaris business units greenhouse gas emissions in 2023**



manufacturers were collected, which were included in the upstream emissions in Scope 3, amounting to 42,205.1 tonnes of CO<sub>2</sub>(eq). Cromaris’s total Scope 1, 2, and 3 greenhouse gas emissions in 2023, using the location-based approach, were 48,292.00 tonnes of CO<sub>2</sub>(eq). The share of indirect emissions related to fish feed production in Scope 3 in Cromaris’s carbon footprint in 2023 was 87.4 percent.

**Cromaris's total greenhouse gas emissions in 2023 from Scope 1, 2, and 3**

<b>Scope</b>	<b>Sources of emissions</b>	<b>CO<sub>2(eq)</sub> Emissions (t)</b>	<b>(%)</b>
Scope 1	Stationary sources	1,327.1	2.7
	Mobile sources	3,499.6	7.2
Scope 2	Fugitive sources	53.9	0.1
	Electricity	1,206.4	2.5
Total scope 1 i 2		6,086.9	12.6
Scope 3	Riblja hrana	42,205.1	87.4
Total scope 1, 2 & 3		48,292.0	100

**Cromaris's carbon footprint for 2023 from Scope 1 and Scope 2 was 6,086.9 tonnes of CO<sub>2(eq)</sub>**

**Greenhouse gas emissions from Scope 3 in 2023 were 42,205.1 tonnes of CO<sub>2(eq)</sub>**

**The share of Scope 3 emissions in the total carbon footprint was 87.4 percent**

**Cromaris's total carbon footprint from Scope 1, 2, and 3 was 48,292.0 tonnes of CO<sub>2(eq)</sub>**

## Emission intensity and carbon footprint reduction targets for 2023 for Scope 1 and Scope 2

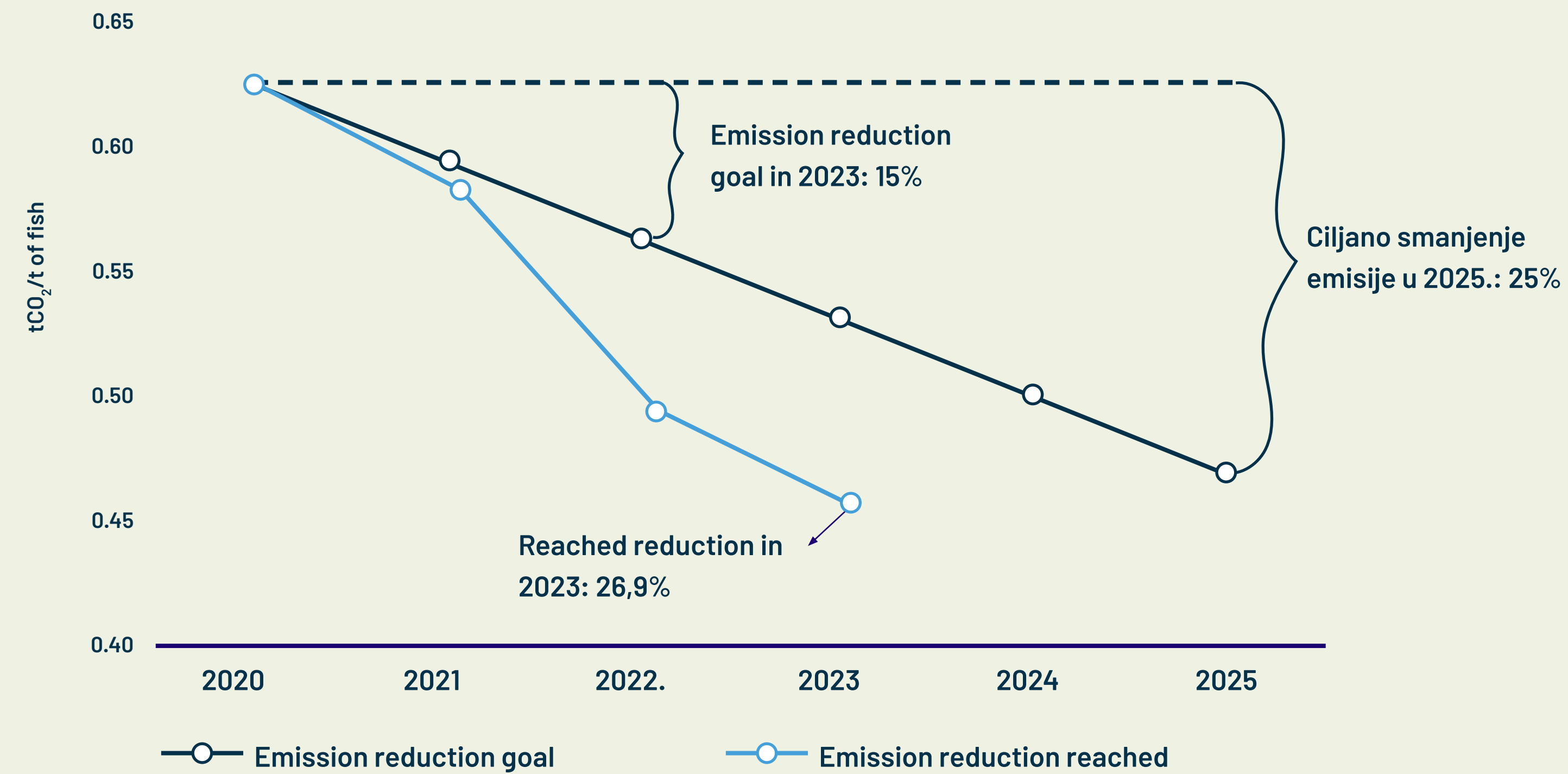
After the first calculation in 2020, emission intensity reduction targets for Scope 1 and Scope 2 per tonne of harvested fish (tonnes of CO<sub>2(eq)</sub> per tonne of harvested fish) were set to be reduced by 25 percent by 2025 and by 60 to 95 percent by 2050, relative to the 2020 emission intensity. In 2020, the greenhouse gas emission intensity was 0.626 tonnes of CO<sub>2(eq)</sub> per tonne of harvested fish, with the target for 2025 being 0.4670 tonnes of CO<sub>2(eq)</sub> per tonne of fish.

Considering improvements in the data collection process year by year, the final determination of the baseline and target years for reducing Cromaris's greenhouse gas emissions in alignment with the Paris Agreement is still subject to change. Comparing the quantity of harvested fish, which was 9,721 tonnes in 2020 and 13,610 tonnes in 2023, it is evident that greenhouse gas emissions, despite increase in

harvest in 2023, remained at the same level as Scope 1 and Scope 2 emissions in 2020. Although total emissions from Scope 1 and Scope 2 in 2023 were the same as the total emissions in 2020, the emission intensity decreased from 0.626 to 0.458 tonnes of CO<sub>2(eq)</sub> per tonne. The reduction in emission intensity in 2023 ex-

ceeded the target set for 2025. Given that data collection on value chain emissions from Scope 3 is a complex process that is still in its early stages even at the EU level, Scope 3 emissions are not included in Cromaris's emission intensity reduction target.

## The potential of measures to reduce emissions in Scope 1 and Scope 2 by 2025



**Cromaris's emission intensity in 2020 was 0.626 tonnes of CO<sub>2</sub>(eq) per tonne of fish**

**Cromaris's emission intensity in 2023 was 0.458 tonnes of CO<sub>2</sub>(eq) per tonne of fish**

**The target for reducing Cromaris's emission intensity by 2025 is 0.467 tonnes of CO<sub>2</sub>(eq) per tonne of fish**

**In 2023, a greater reduction in emission intensity was achieved than the target set for 2025**

## Measures to reduce the carbon footprint and increase energy efficiency in 2023

### The potential of measures to reduce emissions in Scope 1 and Scope 2 by 2025

Based on the carbon footprint calculation, the large enterprise energy audit report, and additional analyzed measures that could be applied to mobile energy sources (freight and personal vehicles), Cromaris developed an action plan in 2020 to reduce its Scope 1 and Scope 2 carbon footprint with targets set for 2025. Part of these measures contribute to increasing energy efficiency. All potential measures were implemented between 2020 and 2023.

Activities	CO <sub>2(eq)</sub> Emissions in 2020 (t)	Measures	Reduction in CO <sub>2(eq)</sub> in 2025 (t)	Reduction in CO <sub>2(eq)</sub> in 2025 (%)
Direct emissions from stationary energy sources	1,499.2	<ul style="list-style-type: none"> <li>• No measures planned</li> </ul>	0.0	0.0
Direct emissions from mobile energy sources	3,128.2	<ul style="list-style-type: none"> <li>• Tire pressure regulation for personal vehicles</li> <li>• Hybrid plug-in personal vehicles</li> <li>• Use of high-efficiency tires for freight vehicles</li> <li>• Improvement in fleet management systems</li> </ul>	123.1	3.9
Direct fugitive emissions	7.8	<ul style="list-style-type: none"> <li>• No measures planned</li> </ul>	0.0	0.0
Scope 1 Activities	4,635.2	<ul style="list-style-type: none"> <li>• Installation of solar PV system</li> </ul>	123.1	2.7
Indirect emissions from electricity consumption	1,451.7	<ul style="list-style-type: none"> <li>• Replacement of existing lighting with LED lamps</li> </ul>	94.9	6.5
Scope 2 Activities	1,451.7	<ul style="list-style-type: none"> <li>• Scope 2 measures</li> </ul>	94.9	6.5
Total	6,086.9		218.0	3.6

**Measures and results of measures implemented in 2023 to reduce the carbon footprint:**

- The fleet optimization and management project (Fleet Management) continued, allowing more efficient use of vehicles and boats and reducing fuel consumption. The result of this measure was nearly the same fuel consumption as in 2020, despite a simultaneous increase in fish harvest.
- Market research efforts to find suitable hybrid and electric boats continued, but no suitable solution has been found yet for Cromaris. To save fuel in boats, workshops were held in 2023 focusing on fuel consumption reduction.
- A 700 kW photovoltaic solar power plant installed at the end of 2022 on the roof of the hatchery in Nin produced 874,226.80 kWh of electricity in 2023, accounting for 16 percent of Cromaris's total electricity demand.
- The installation of photovoltaic solar power plants at the hatchery in Nin and the production-logistics center in Gaženica, Zadar, increased the share of electricity consumption from Cromaris's own renewable sources by 8.7 percent in 2023.
- Natural gas consumption in Cromaris Italia decreased by 13 percent.



# Consumption and reduction in energy and fuel consumption (E)

Cromaris monitors energy consumption to ensure efficient use and energy savings. Almost all measures implemented by Cromaris to reduce the carbon footprint are also designed to reduce energy consumption. Additionally, the ASC Farming standard, which certifies Cromaris's farms, requires an energy consumption assessment per production cycle (in kJ/tonne of fish/production cycle) within two years of the initial audit, along with calculating the carbon footprint. The energy

consumption at the farms for the 2023 production cycle was estimated based on collected energy consumption data at Cromaris. In 2023, fossil fuels were used for heat production at Cromaris sites for internal consumption, for operating personal and freight vehicles, and for feeding preparation: extra light fuel oil, diesel, liquefied petroleum gas (LPG), and bottled LPG. Energy and fuel con-

sumption are monitored by maintenance managers in Cromaris's organizational units. Compared to 2022, the consumption of extra light fuel oil decreased by 13

percent, diesel by 8 percent, and LPG by 51 percent, while the bottled LPG consumption remained at the same level.

**In 2023, there was a reduction in the consumption of fossil fuels for heat production and vehicle operation**

In 2023, a total of 10,209 MWh (36,752 GJ) of electricity was consumed, of which 9,331 MWh (33,592 GJ) was purchased from market suppliers, while 878 MWh (3,160 GJ), or 8.7% of the total electricity consumed, was generated from the company's own solar photovoltaic power plants at the hatchery in Nin and the production-logistics center Gaženica in Zadar. Compared to 2022, overall electricity consumption remained almost the same, despite an increase in fish harvest.

Total energy consumption (fuels, electricity, and thermal energy) in Cromaris in 2023 remained at the same level as in 2022, amounting to 104.0 TJ. The energy consumption intensity in 2023 was 7.64 GJ per tonne of fish, compared to 2022 when it was 8.19 GJ per tonne of fish. In 2023, the energy consumption intensity per tonne of fish at Cromaris decreased by 6.7 percent.

**The share of electricity consumption generated from the company's own renewable sources in 2023 was 8.7 percent**

**The energy consumption intensity in 2023 was 7.64 GJ per tonne of fish, which is a 6.7 percent reduction compared to 2022**

## Waste management (E)

Waste in Cromaris is generated in the processes of fish fry production, white Mediterranean fish farming, and processing, as well as in office activities. The waste produced is sorted at the source according to type and characteristics, and managed according to the waste management hierarchy to prevent and reduce the amount of waste going to landfills. All waste is handled by companies with waste management permits or listed in the appropriate register, following legal regulations. Along with waste, an accompa-

nying document and, where applicable, an analysis of the waste are provided to authorized companies. Depending on the type of waste and the existing waste management system in Croatia, waste is further processed, recovered, disposed of, or exported. Until collected by authorized companies, waste is temporarily stored, for up to one year, in facilities compliant with the Waste Management Regulation. Data on the amounts of hazardous and non-hazardous waste produced are entered into the

electronic database Register of Environmental Pollution, managed by the Ministry of Economy and Sustainable Development, if 500 or more kilograms of hazardous waste or more than 20 tonnes of non-hazardous waste are generated annually. According to this criterion, Cromaris recorded the amount of non-hazardous waste generated in the Register of Environmental Pollution in 2023. Inspections conducted by the Croatian State Inspectorate found no irregularities in waste management at Cromaris in 2023.

**All manufactured waste in Cromaris surrenders authorized to companies for management waste**

## Measures to prevent waste generation and increase recycling

In order to prevent the generation of packaging waste, the large bags used to transport fish feed (so-called big bags) are sold for further use in agriculture, construction, and transportation after use. Suppliers are also required not to wrap the bags with additional plastic film during delivery. We are researching and finding solutions to reduce the amount of packaging waste and increase the recyclability of packaging when it becomes waste. In addition to measures to reduce waste generated in our business processes, Cromaris continuously invests in activities and research to reduce the volume of

packaging in which products are packaged and distributed in order to reduce packaging waste at end customers and consumers. When selecting packaging manufacturers using secondary raw materials or increased recycle content, we take into account legal requirements for packaging that comes into contact with food, i.e., food contact sensitive packaging. Through the implementation of project "TP09 - Portfolio value optimization" within the Transformation program in 2022, instead of MAP product "720 g Sea bream", customers and consumers are offered an MAP equivalent product "600 g Sea bream" and an

We are increasing the proportion of recyclable PET packaging for our products and reducing the use of Styrofoam packaging

MAP variable product "550 - 650 g Sea bream" packaged in smaller PET trays. Our products are packaged in cardboard packaging certified according to the FSC standard. Since 2022, Cromaris has indicated the type of material from which the packaging is made and labels for packaging waste management methods on all its packaging. We have described our packaging management in the chapter "**Practical packaging of our products more environmentally friendly**".

We are reducing the volume of packaging with SKIN packaging

Our cardboard packaging is certified according to the FSC standard

Our products indicate the type of materials used to produce the packaging and provide instructions on how to manage packaging waste



## SKIN packaging

In Cromaris's fish farms, the fish farming process generates animal by-products, which are then processed. Based on the experience gained during trial operations, the composter was adapted in 2023 to suit Cromaris's farming dynamics. During 2023, .9 tonnes of Category 2 animal by-products were processed. Composting will continue in the coming period, as the compost derived from this by-product offers a new opportunity for sale to biogas plants that use it as fuel. In 2023, 434 tonnes of animal by-products were recovered at biogas plants. Biodegradable

residues from the fish processing processes in Cromaris are not classified as waste but are used as raw materials for pet food production. In 2023, 1,073 tonnes of by-products from fish processing were utilized for pet food production. Additionally, during 2023, 375 tonnes of sludge from the bio-treatment plant located in the fish processing facility were used to cover closed areas in landfills and to improve forest paths and sports fields.



**We are increasing the share of recyclable PET packaging for packing our products**

**1.9 tonnes of compost were produced from Category 2 animal by-products**

**434 tonnes of animal by-products were recovered in biogas plants**

**1,073 tonnes of biodegradable waste were used for pet food production**



## Waste generated in Cromaris in 2023

During 2023, Cromaris generated a total of 548 tonnes of waste, of which 9 tonnes were categorized as hazardous and 539 tonnes as non-hazardous. Compared to 2022, the total amount of waste increased by 5.7%. The amount of hazardous waste increased by 11.2%, while the amount of non-hazardous waste rose by 5.7%. Hazardous waste at Cromaris primarily consists of used oils and lubricants, as well as lead batteries resulting from the servicing of machinery and

equipment. The largest portion of non-hazardous waste in 2023 comprised sludge from wastewater treatment, plastic, plastic and cardboard packaging, and bulky waste. All hazardous waste generated in 2023 was recovered and not disposed of in landfills. Of the non-hazardous waste, 467 tonnes were recovered, and 73 tonnes (or 13.5% of the produced non-hazardous waste) were sent to landfills. In 2022, 22.1% of waste was sent to landfills, which is 41 tonnes less than in 2022.

**All hazardous waste and 86.6% of non-hazardous waste in 2023 were recovered**

**13.5% of non-hazardous waste was disposed of in landfills, which is 41 tonnes less compared to 2022**

## Biodiversity conservation (E)

Mariculture, like all human activities, impacts the environment and biodiversity. However, sustainable mariculture, which Cro-maris aims to practice, offers several advantages as it helps address some of the most significant global challenges:

- It is a source of nutritionally valuable food for a growing global population.
- It helps preserve fish stocks by reducing the need to increase wild fish catch to meet rising demand.
- It provides fresh and local food.
- Food produced through this method for both humans and

animals has a lower impact on climate and the environment compared to other farming methods.

- It creates new jobs in coastal and rural communities, including on islands.
- Sustainable farming practices help preserve ecosystems and biodiversity.
- Besides being a good source of protein, fish also contains other important nutrients, including micronutrients (vitamins and minerals) and long-chain omega-3 fatty acids beneficial to human health, which may contribute to disease prevention.

**Sustainable mariculture is a solution to global challenges: feeding a growing world population, preserving wild species, providing a source of local food, and creating new jobs in coastal and island communities**

Preserving biodiversity and ecosystems is directly linked to the conservation of water bodies and oceans, which are critical for fish farming. Therefore, in 2023, Cromaris established and published its Biodiversity Policy on its website. The ASC Farming and GlobalG.A.P. standards, under which all Cromaris farms, along with the hatchery and the production-logistics center in Gaženica, are certified, emphasize biodiversity protection and the preservation of natural habitats. According to the ASC standard, Cromaris publishes annual reports on its website, including the **ASC report for 2023** covering all its farms. These reports contain key data such as the number of deaths of endangered species, predator incidents, and unexplained losses in harvested cages. These certifications, based on assessments by independent aquaculture experts following ASC and GlobalG.A.P. standards, further confirm Cromaris's commitment to sustainable marine ecosystem management.



## Measures for the conservation of biodiversity and marine ecosystems

To reduce the impact on marine ecosystems and conserve biodiversity, Cromaris implements a variety of activities and measures, which continued through 2023:

- **Monitoring sea quality:** Quarterly testing of physical-chemical characteristics is conducted by authorized laboratories to monitor sea quality.
- **Annual diving inspections:** Annual diving inspections assess the condition of marine ecosystems around the fish farms.
- **Monitoring environmental impact:** Regular monitoring of the impact of white fish farming on

marine ecosystems, indicating that its effect is limited to the area beneath the cages and up to 25 meters away, with plant and animal communities elsewhere remaining typical for the Adriatic region where farming occurs.

- **Benthic sampling:** Since 2019, benthic sampling is conducted across all fish farms to measure the marine biotic index (AMB), which evaluates the health of benthic communities in soft-bottom habitats due to natural disturbances and human-induced changes.
- **Mapping littoral communities:** Carlit method is used to map macroalgae in mediolittoral and upper infralittoral zones to

determine the ecological status of waters per the EU Water Framework Directive.

- **Monitoring marine life:** Monitoring benthic communities and fouling organisms on mariculture installations to track their health and sustainability. Organisms indicating fish farming impact include species like sea cucumbers of the genus *Holothuria*, mussels *Mytilus galloprovincialis*, sea urchins *Paracentrotus lividus*, and starfish *Marthasterias glacialis* or *Astropecten aurantiacus*.
- **Sustainable fish feed:** Fish feed is produced from more sustainable sources according to Cromaris's recipe.

- **Optimized feeding and farming processes:** To minimize food waste and organic matter in the marine environment.
- **Decommissioning protocol:** After a farm ceases operation, Cromaris will remove all underwater and above-water structures to allow the environment to return to its original state.
- **Endangered species record:** Cromaris keeps a record of endangered species from the IUCN list and the Red Book of Marine Fish in Croatia that inhabit areas near fish farms.
- **No acoustic deterrents:** Cromaris does not use acoustic predator deterrents in its fish farms.

- Bird protection measures: Protective nets are regularly checked to prevent bird entanglement. If birds get entangled, they are released. In 2023, nets with smaller mesh and scarecrows were used to reduce bird entanglement.
- Anchorage and cage inspections: Regular preventive inspections of anchorage, cages, and nets before and after severe weather events to prevent

fish escape. Cromaris publicly reports fish escape data annually on its website through ASC reports. The last recorded fish escape occurred in 2023 due to a severe storm, with the most significant damage occurring at the Žman fish farm.



## Location of Cromaris's fish farms in relation to protected areas

Cromaris's fish farms are located near, but not within protected areas at the national level and near the European ecological network NATURA 2000.  
Table: Location of Cromaris's fish farms in relation to protected areas

Natura 2000, protected areas at the national level	Proximity of the fish farms	Description of the area, habitat/ species conservation
J. Molat – Dugi – Kornat – Murter – Pašman – Ugljan – Rivanj – Sestrunj – Molat	Farm Košara Farm Lamjana Farm Velo žalo Farm Kudica Farm Žman	Common dolphin / submerged or partially submerged sea caves, reefs
Babuljaši and surrounding reefs	Farm Košara	Reefs
Port Budava – land	Farm Budava	<i>Forrests Quercus ilex i Quercus rotundifolia</i>
Budava	Farm Budava	<i>Land snail Vertigo moulinsiana</i>
National Park Kornati Nature Park Vransko Lake and Ornithological Reserve	Farm Košara	The underwater landscape and karst archipelago of Kornati National Park Vransko Lake Nature Park – included in the list of Important Bird Areas (IBA) in Europe and designated as a Wetland of International Importance under the Ramsar Convention.

# GRI content indeks

Statement of use Cromaris d.d. has reported the information cited in this GRI content index for the period from 01/01/2023 to 31/12/2023 with reference to the GRI Standards and Sector GRI 13 Standards: Agriculture, Aquaculture and Fishing Sectors 2022  
 GRI 1 GRI 1: Foundation 2021

GRI standard	Disclosure	Location	Page
"GRI 2: General Disclosures 2021"	2-1 Organizational details	Company Profile and Sustainability Reporting	9 - 12
	2-2 Entities included in the organization's sustainability reporting	Company Profile and Sustainability Reporting	9 - 12
	2-3 Reporting period, frequency and contact point	Company Profile and Sustainability Reporting	9 - 12
	2-5 External assurance	Company Profile and Sustainability Reporting	9 - 12
	2-6 Activities, value chain and other business relationships	Business Scope, Products, Markets and Value Chain	20 - 56
	2-7 Employees	Our Employees	117 - 130
	2-8 Workers who are not employees	Our Employees	117 - 130
	2-9 Governance structure and composition	Management Structure and Composition of Governance Bodies	15
	2-10 Nomination and selection of the highest governance body	Management Structure and Composition of Governance Bodies	15
	2-11 Chair of the highest governance body	Management Structure and Composition of Governance Bodies	15
	2-12 Role of the highest governance body in overseeing the management of impacts	Management's Role in Sustainability Reporting	14
	2-13 Delegation of responsibility for managing impacts	Management's Role in Sustainability Reporting	14
	2-14 Role of the highest governance body in sustainability reporting	Management's Role in Sustainability Reporting	14
	2-18 Evaluation of the performance of the highest governance body	Management's Role in Sustainability Reporting	14
	2-22 Statement on sustainable development strategy	Strategies, Policies, and Sustainable Business Practices	70 - 73
	2-23 Policy commitments	Strategies, Policies, and Sustainable Business Practices	70 - 73
	2-24 Embedding policy commitments	Strategies, Policies, and Sustainable Business Practices	70 - 73
	2-28 Membership associations	Cromaris Memberships in Associations and Professional Organizations	139
	2-29 Approach to stakeholder engagement	Our stakeholders	55
	2-30 Collective bargaining agreements	Collective agreement	129

<b>GRI standard</b>	<b>Disclosure</b>	<b>Location</b>	<b>Page</b>
"GRI 3: Material Topics 2021"	3-1 Process to determine material topics	Material Topics in 2023	74 - 83
	3-2 List of material topics	Material Topics in 2023	74 - 83
	3-3 Management of material topics	Business Scope, Products, Markets and Value Chain	20 - 54
		Traceability of products from sea to table and proven quality	24
		Environmentally friendly packaging of our products	29
		Success in Achieving ESG Goals in 2023	77 - 81
		Animal Welfare and Good Farming Practices	88
		Fish Feed	93 - 97
		ESG Risk Management	98 - 108
		Our Employees	117 - 130
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Energy Consumption and Reduction of Energy and Energy Source Consumption E	167
		Managing Environmental Impacts, Risks, and Opportunities	151 - 174
		Business Performance Indicators	58
		Rising energy, raw material and packaging costs	109
		The impact of climate change on Cromaris	100
GRI 202: Market Presence 2016	201-2 Financial implications and other risks and opportunities due to climate change	Our Employees	117
GRI 203: Indirect Economic Impacts 2016	202-2 Proportion of senior management hired from the local community	Responsibility toward the community (S)	132 - 139
GRI 204: Procurement Practices 2016	203-1 Infrastructure investments and services supported	Sustainable supply chains	148
GRI 301: Materials 2016	204-1 Proportion of spending on local suppliers	Waste management (E)	169 - 174
		Consumption and reduction in energy and fuel consumption (E)	167
		Consumption and reduction in energy and fuel consumption (E)	167
		Consumption and reduction in energy and fuel consumption (E)	167
GRI 302: Energy 2016	301-2 Recycled input materials used	The impact of aea pollution on mariculture	104
		The impact of aea pollution on mariculture	104
GRI 302: Energy 2016	302-1 Energy consumption within the organization		
GRI 302: Energy 2016	302-3 Energy intensity		
GRI 302: Energy 2016	302-4 Reduction of energy consumption		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts		

<b>GRI standard</b>	<b>Disclosure</b>	<b>Location</b>	<b>Page</b>
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Location of Cromaris's fish farms in relation to protected areas	179
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity conservation (E)	175-179
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Disruption of biodiversity and ecosystems	105
	304-3 Staništa zaštićena ili obnovljena	Biodiversity conservation (E)	175-179
GRI 305: Emissions 2016	304-4 Vrste s Crvenog popisa IUCN-a i vrste s nacionalnog popisa očuvanja sa staništima u područjima zahvaćenim operacijama	Biodiversity conservation (E)	175-179
	305-1 Direct (Scope 1) GHG emissions	The impact of Cromaris on climate change	103
	305-2 Energy indirect (Scope 2) GHG emissions	Reducing carbon footprint (E)	154 - 166
		The impact of Cromaris on climate change	103
	305-3 Other indirect (Scope 3) GHG emissions	Reducing carbon footprint (E)	154 - 166
The impact of Cromaris on climate change		103	
Reducing carbon footprint (E)		154 - 166	
GRI 306: Waste 2020	305-4 GHG emissions intensity	Reducing carbon footprint (E)	154 - 166
	305-5 Reduction of GHG emissions	Reducing carbon footprint (E)	154 - 166
	306-1 Waste generation and significant waste-related impacts	Environmentally friendly packaging of our products	29
		Waste management (E)	169 - 174
	306-2 Management of significant waste-related impacts	Environmentally friendly packaging of our products	29
Waste management (E)		169 - 174	
GRI 308: Supplier Environmental Assessment 2016	306-3 Waste generated	Environmentally friendly packaging of our products	29
	306-4 Waste diverted from disposal	Waste management (E)	169 - 174
		Waste management (E)	169 - 174
	306-5 Waste directed to disposal	Waste management (E)	169 - 174
	308-1 New suppliers that were screened using environmental criteria	Sustainable supply chains	148
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our employees (S)	117 - 130
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our employees (S)	117 - 130

<b>GRI standard</b>	<b>Disclosure</b>	<b>Location</b>	<b>Page</b>
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Strengthening employee engagement	130
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee health and safety	124 - 130
	403-2 Hazard identification, risk assessment, and incident investigation	Employee health and safety	124 - 130
	403-3 Occupational health services	Employee health and safety	124 - 130
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee health and safety	124 - 130
	403-5 Worker training on occupational health and safety	Employee health and safety	124 - 130
	403-6 Promotion of worker health	Responsibility toward the community (S)	132
	403-9 Work-related injuries	Employee health and safety	124 - 130
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Lifelong learning (S)	131
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Equal opportunities	118
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Maintaining the status of a desirable employer	126
		Responsibility toward the community (S)	132 - 139
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable supply chains	148.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Consumer health and safety (S)	140 - 142
GRI 417: Marketing and Labeling 2016	417-1 Zahtjevi za informacije i označavanje proizvoda i usluga	Traceability of products from sea to table and proven quality	24 - 28
		Sustainable products (G)	85
	417-3 Slučajevi nesukladnosti u vezi s marketinškim komunikacijama	Product safety and consumer health	108

## Material topics applicable to the sectoral GRI Standards

Material Topics	Disclosure
GRI 13: Agriculture, aquaculture and Fishing Sectors 2022	
Emissions	13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.1.5 & 13.1.6
Climate adaptation and resilience	13.2.1, 13.2.2 & 13.2.2
Biodiversity	13.3.1, 13.3.2, 13.3.3 & 13.3.5
Water and effluents	13.7.1, 13.7.2 & 13.7.3
Waste	13.8.1, 13.8.3, 13.8.4, 13.8.5 & 13.8.6
Food security	13.9.1
Food safety	13.10.1., 13.10.2 & 13.10.3
Animal health and welfare	13.11.1, 13.11.2 & 13.11.3
Local Communities	13.12.2
Non-discrimination and equal opportunity	13.15.1, 13.15.2 & 13.15.5
Child Labor	13.17.1 & 13.17.2
Occupational health and safety	13.19.1, 13.19.2, 13.19.3 & 13.19.4
Employment practices	13.20.1
Economic inclusion	13.22.2
Supply chain traceability	13.23.1, 13.23.2 & 13.23.3



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