



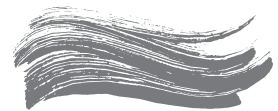
Europska Unija



Operativni program
ZA POMORSTVO
I RIBARSTVO



Graphic design was co-financed by the European Union from the European Maritime and Fisheries Fund.



ORIGINAL
MEDITERRANEAN
QUALITY

THE GREEN
DIRECTION

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Foreword from our CEO

We have an enormous potential in the development of aquaculture industry as a whole. And I can see Cromaris, a member of Adris Group, at the forefront of the forthcoming development of Mediterranean aquaculture, contributing its knowledge, experience and innovation to the future of our industry. In 2019/2020 we reached our second strategic target: 10,000 tons of production. And we achieved it sustainably, as substantiated by the sound financial performance of the company. We assume great responsibility for our products and employees, the people we work with, our immediate environment and local communities.

Our motto is: Be different, innovative, and recognizable. Be sustainable.

Sustainability is embedded in the heart of our company. We are proud holders of a great many certificates that confirm our alliance with the environment and our performance in harmony with nature. Having fully grasped the severity of climate change, last year we went one step further. Our carbon footprint calculations and measures adopted to reduce climate change in the future

will help us integrate sustainability into our business processes throughout the company. We need to control our own emissions knowing how clearly and undeniably ubiquitous the effects of climate change are. The time has come to put an end to this once and for all although, admittedly, aquaculture is one of the industries with the lowest greenhouse gas emissions and the most efficient food source for animal protein.

Every year we are improving fish welfare and setting a good example to other seabass and seabream producers around the globe. To boot, we can proudly boast of our Antibiotic Free (ABF) Certificate for seabass, seabream and meagre. The use of antibiotics leads to resistance, which is why we have joined the global trend of antibiotic use reduction created as a preventative measure. We are thrilled to be able to spearhead the whole industry in aspects concerning consumer health and safety, animal welfare and sustainability as well as product taste and quality, which spurs us on to continue pursuing our commitment to the uncompromising top quality policy in the future. We are amongst the few to have waived the use of

copper coating or other aquatic biocides on the nets, because we put the marine environment first, despite the extra effort it requires to keep the nets clean.

The aim of 2020 Cromaris Sustainability Report is to enable our company to measure the impact of our activities on the environment, society and the economy. We need to obtain accurate and insightful data to improve our processes and leave a more positive overall footprint.

Due to COVID-19 pandemic, last year proved to be globally challenging, and Cromaris was no exception. The coronavirus crisis has affected so many people. The

whole world has gone online, and Cromaris has had to follow suit. We have started to sell our products online, making them easily accessible, safe and packaged. We are working hard to ensure the resilience of our production to be able to continue providing healthy fresh fish to our customers and consumers. Despite the dire straits we have all found ourselves in and the COVID-19 predicament, Cromaris has managed to maintain its business continuity without endangering the health of its workers and to sustain its normal production flow.

The future may well be uncertain, but we will certainly keep our spirits and production high!

GORAN MARKULIN
CROMARIS CEO



Aquaculture in the EU

In 2018 52% of global seafood came from aquaculture. According to the statistical data published by the European Commission, “Facts and figures on the common fisheries policy”, the EU **is the fifth largest producer worldwide**, accounting for about 3.3 % of global fisheries and aquaculture production. However, a merely **20% of this production**

derives from aquaculture. Croatia has been contributing to the rising EU statistics since its accession to the European Union in 2013.

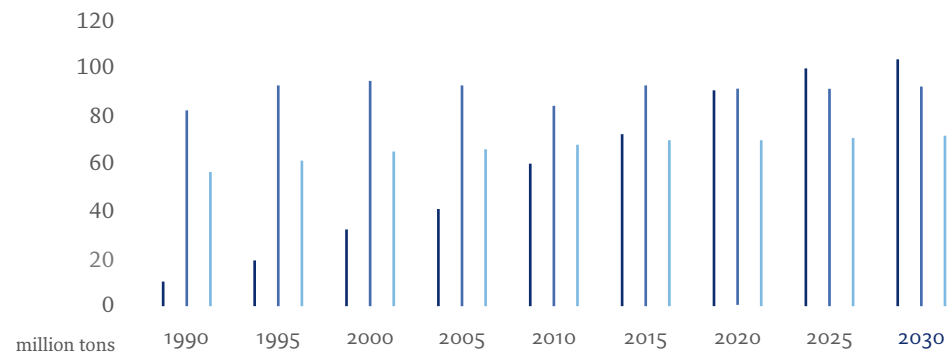
Aquaculture is the farming of aquatic organisms in both coastal and inland areas, and probably the fastest growing food-producing

+14% RISE IN GLOBAL CAPTURE FISHERIES PRODUCTION FROM 1990 TO 2018
 +527% RISE IN GLOBAL AQUACULTURE PRODUCTION FROM 1990 TO 2018
 +122% RISE IN TOTAL FOOD FISH CONSUMPTION FROM 1990 TO 2018

sector. According to the Food and Agriculture Organization of the United Nations (FAO), based on its dynamic performance over the last 30 years, and with fairly stable catches from capture fisheries, in all likelihood **the future growth of the fisheries sector will chiefly come from aquaculture.**

Among the top 10 species in the European Union aquaculture, (2018) European seabass holds the third place and gilthead seabream the fourth (source: Eurostat). Both species contribute over EUR 966 million of total value combined, exceeding the value of the majority of farmed species.

GLOBAL CAPTURE FISHERIES AND AQUACULTURE PRODUCTION, 1990-2030



■ Aquaculture for human consum. (MT) ■ Total capture fisheries (MT) ■ Capture fisheries for human consum. (MT)

SOURCE: FAO

VALUES OF MAIN SPECIES FARMED IN THE EU IN 2018 (EUR MIL) AND % VARIATION 2018/2017

	VALUE	% VALUE
Salmon	1,116	-17 %
Trout	668	-3 %
European seabass	504	+3 %
Gilthead seabream	462	-5 %
Oyster	457	-7 %
Mussel	420	-6 %
Bluefin tuna	403	+49 %
Clam	243	-21 %
Carp	180	-4 %
Turbot	76	-6 %
Others	270	+1 %

SOURCE: EUMOFA BASED ON EUROSTAT AND FAO DATA

In 2018 the total EU aquaculture volume amounted to 658,082 tons with the UK, Greece, Spain and Italy at the top of the list of producing countries.

EU AQUACULTURE VOLUME 2014-2018, IN TONS

	2014	2015	2016	2017	2018
GREECE	115,159	112,159	106,874	96,611	113,107
SPAIN	59,356	64,186	64,719	64,607	67,425
ITALY	57,990	55,480	53,790	53,600	58,550
FRANCE	42,141	45,021	42,971	42,977	45,841
DENMARK	39,341	38,829	35,272	33,654	37,685
POLAND	37,330	38,613	37,811	38,886	42,969
CZECH REPUBLIC	19,092	19,265	20,006	21,689	21,747
GERMANY	16,449	15,216	14,875	14,875	13,805
HUNGARY	14,832	16,724	15,699	17,517	17,859
FINLAND	12,448	12,550	13,187	12,314	12,835
IRELAND	11,400	12,000	17,300	20,305	13,041
CROATIA	10,624	13,341	13,500	13,914	15,491
SWEDEN	8,659	8,827	11,000	9,919	9,914
NETHERLANDS	6,235	6,285	6,285	2,912	4,970
PORTUGAL	5,930	4,718	4,834	5,500	4,983
CYPRUS	4,769	5,409	6,590	6,512	6,500
BELG-LUXBG	275	290	230	247	265
GRAND TOTAL	656,115	655,705	644,830	660,316	658,082

SOURCE: FEAP

Aquaculture in the Republic of Croatia

In **2019** the Republic of Croatia accounted for **3% of the production** of marine Mediterranean species in the EU.

According to the Croatian Ministry of Agriculture, in **2019** the total annual production of marine aquaculture in the Republic of Croatia amounted to **17,343 tons**. In 2019 the Croatian production of seabass, seabream and meagre totaled **13,588 tons**, of which Cromaris production accounted for **9,557 tons**.

In 2019 Cromaris held 2.14% volume and 3.22% value market share of the global Mediterranean species aquaculture market.

THE TOTAL ANNUAL PRODUCTION OF MARINE AQUACULTURE (TONS)
IN CROATIA, FROM 2015 TO 2019:

SPECIES	2015	2016	2017	2018	2019
Mediterranean mussel	746	699	920	882	947
European flat oyster	52	64	62	54	61
Mediterranean scallop	0.016	0.06	0.04	0.06	0.02
Atlantic bluefin tuna	2,603	2,934	2,162	3,227	2,747
European seabass	4,075	5,310	5,616	6,220	6,089
Gilthead seabream	4,488	4,101	4,830	5,591	6,774
Meagre	67	125	253	808	725
Common dentex	4	1			
Trout					
Turbot	7	0,5			
Pargo breams n.e.i.					
TOTAL	12,042	13,235	13,843	16,782	17,343

SOURCE: CROATIAN MINISTRY OF AGRICULTURE

A bit of history

In 2009 Adris Group founded Cromaris by merging 4 companies specialized in Mediterranean fish farming. Its predecessor, a Zadar based company Cenmar, was among the first companies in the world engaged with seabream and seabass cage farming industry.

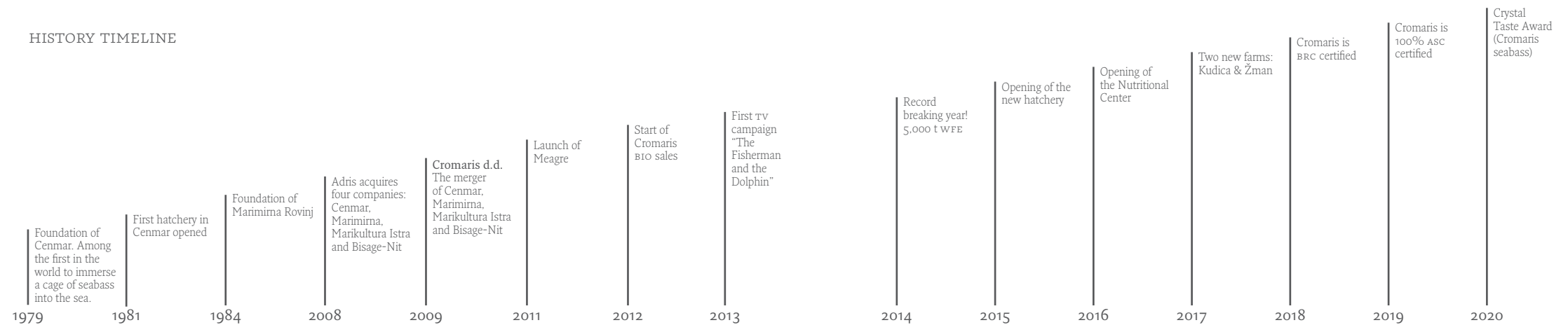
The very first cage for seabass farming was immersed into the sea as far back as in 1979. Cromaris fish has been present in the European market for over 40 years. Today we are a leading premium positioned company for production and processing of

Mediterranean fish in the world. Our core product range is based on native species of the highest quality Mediterranean fish – seabream, seabass, meagre, greater amberjack and dentex.

We are seriously committed to genuine quality and freshness of our products. Cromaris responds to the growing needs of the modern consumer and constantly develops new products that boast not only convenience of preparation, but also unique taste, and guarantee nutritional excellence, food safety and quality.



HISTORY TIMELINE



Cromaris Today

Cromaris is a leading premium positioned company in production and processing of high quality Mediterranean fish, the sixth largest company in the world in seabass and seabream farming, and one of the fastest growing companies in the industry.



OUR MISSION

is to develop a culture of healthy and balanced nutrition and consumption of seafood

Today Cromaris is a recognized market leader by its quality, as confirmed not only by its consumer confidence, but also by all the relevant certificates as well as its strict process and product controls.



OUR VISION

is to be a leading premium company in the production and processing of Mediterranean fish species recognised by freshness, sustainable production and premium quality – targeting 18,000+ WFE tonnes

“Our goal is a long-term growing, profitable, sustainable and prominent business within Adris Group.”



VALUES

- Superior taste and nutritional value (omega-3 benefits, high in protein, vitamin D and phosphorus)
- Certified top quality and food safety (BRC, IFS, ISO, GlobalG.A.P.)
- Certified sustainable and responsible aquaculture (ASC, FoS, GlobalG.A.P.)
- Certified organic production (EU Organic Farming, Bio Suisse, Naturland, AB, Bio-Siegel)
- Leader in freshness
- Wide assortment (ungutted and gutted fish, fillets, MAP, skin, deli, BIO)
- Vertical integration



POLICIES

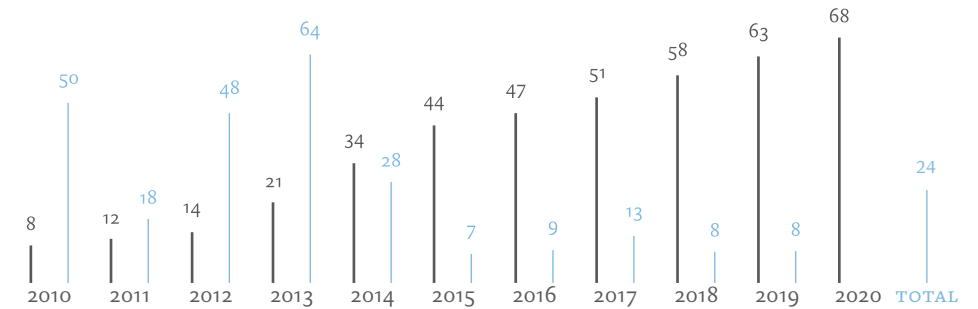
- Quality, Food Safety, Environmental Protection and Social Accountability Policy
- Fish Feed Quality Policy
- Anti-Discrimination Policy

Key figures

By 2020 Cromaris has invested more than EUR 78 million in farming, production and processing technology. The investments will continue to attain the highest level of industrial efficiency and to develop sustainable aquaculture that shows systematic care for the environment.

SALES REVENUE (2020): EUR 68 MIL.

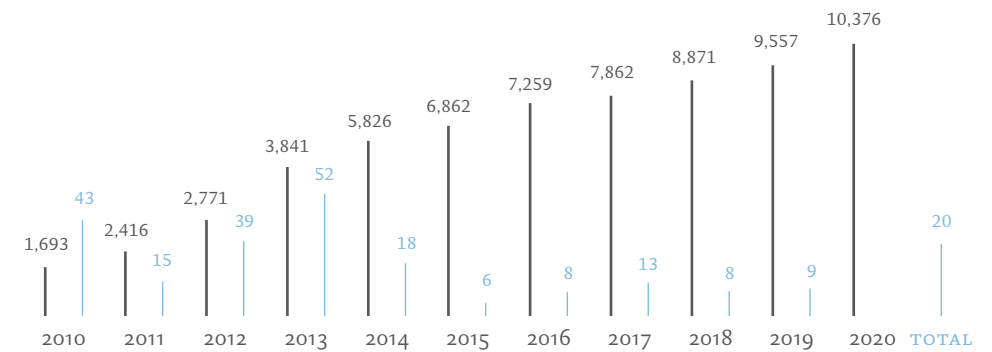
| revenues in EUR MIL | growth %



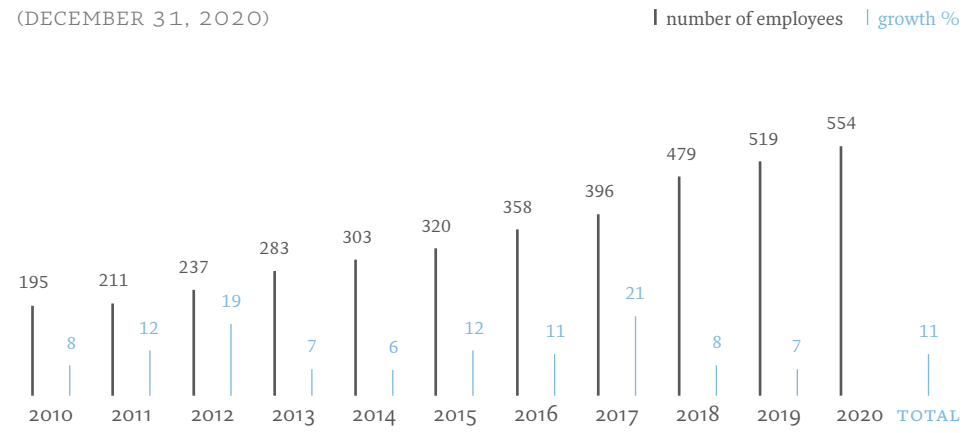
SALES VOLUME (2020):

10,300+ WFE TONNES

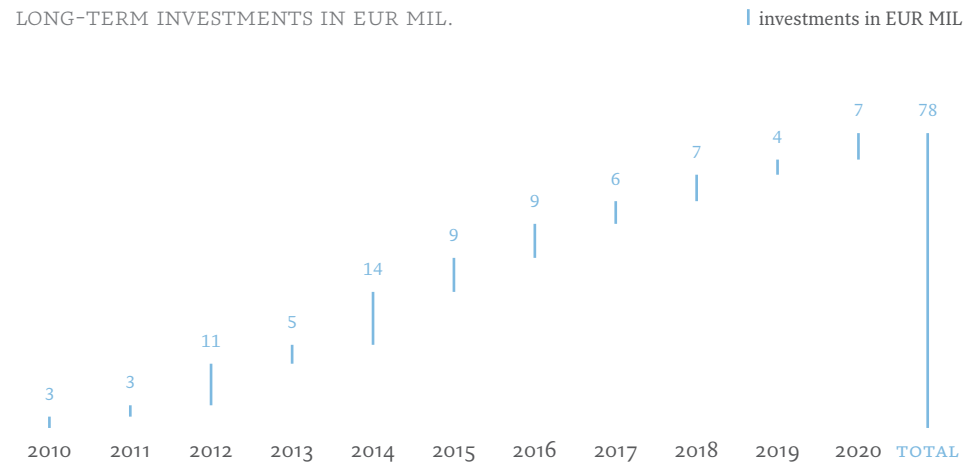
| sales volume | growth %



NUMBER OF EMPLOYEES
(DECEMBER 31, 2020)



LONG-TERM INVESTMENTS IN EUR MIL.



Organization

The company's headquarters and the processing facility are located in Zadar. Of the total of 6 farms, one is located in Istria (Budava) and 5 in the Zadar region, Central Adriatic (Lamjana, Košara, Velo Žalo, Žman and Kudica).

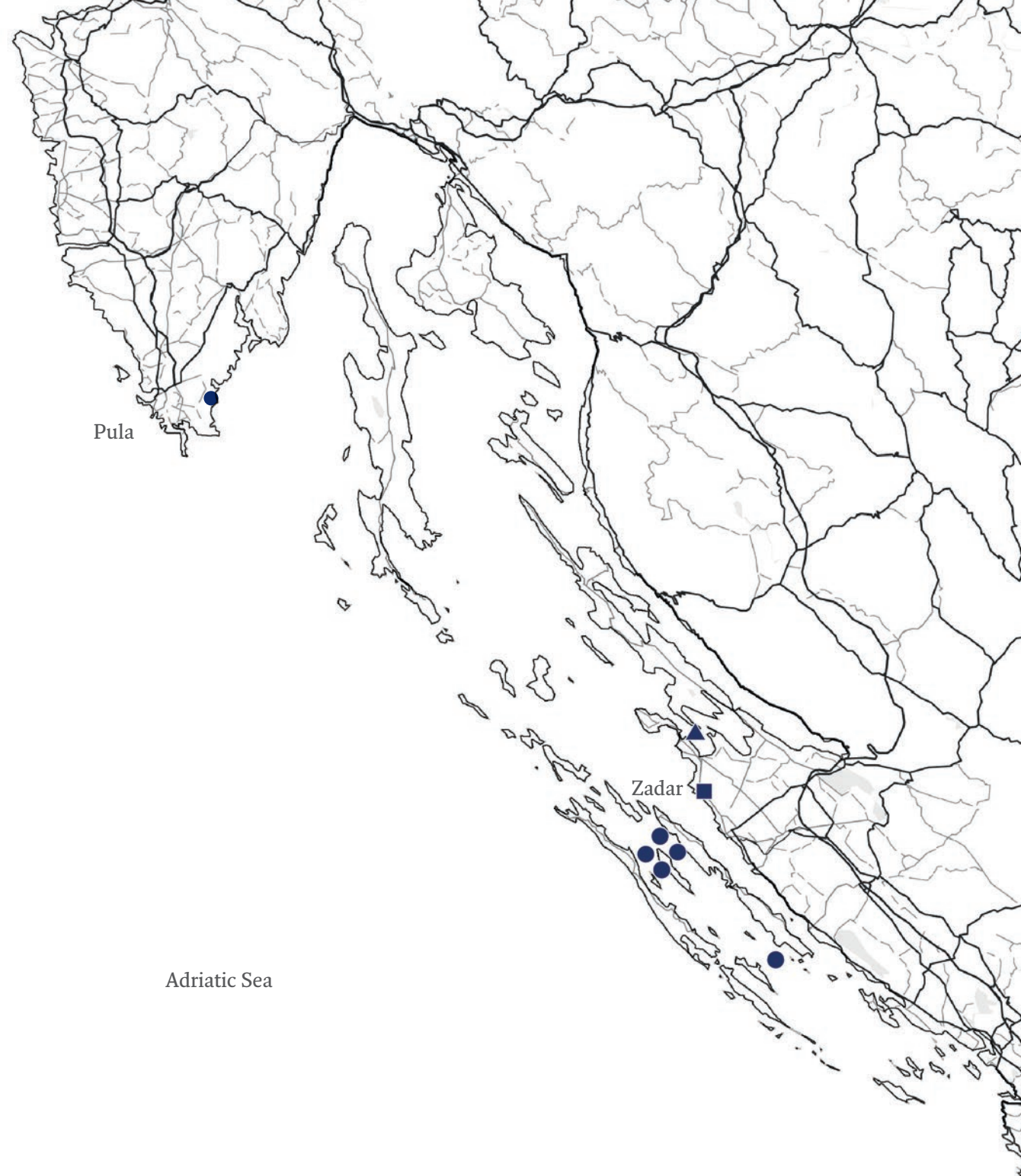
The farming site selection criteria depended on the crystal clean sea and untouched, pristine nature, far away from any potential pollutants, but also on the Spatial Plans of the Zadar and Istria Counties, according to which the abovementioned positions were assessed as suitable for white fish breeding.

In 2015 one of the most modern facilities for premium quality Mediterranean fish spawning in Europe was opened in Nin, at the location of the old hatchery dating from 1981.



Company sites

- ▲ 1 Hatchery in Nin
- 1 Processing and Logistics Center
- 6 Fish Farms



Farming locations

KOŠARA

CAPACITY: 2400 t

Our farm is situated on a small Island of KOŠARA, southwest of the Island of Pašman. The world famous “Kornati” National Park is in vicinity of the farm.



KUDICA – ORGANIC FARM

CAPACITY: 700 t

KUDICA FARM is located next to a group of islands surrounding the Island of Iž. It is certified in accordance with the EU Organic Farming, Naturland and Bio Suisse certification.



ŽMAN

CAPACITY: 3 000 t

ŽMAN FARM was established along the uninhabited part of the Island of Dugi Otok, between Luka and Žman.



VELO ŽALO

CAPACITY: 1101 t

VELO ŽALO FARM is sited on one of the most beautiful islands in the Mediterranean, in Velo Žalo Cove on the Island of Dugi Otok.



LAMJANA

CAPACITY: 2 270 t

This farm is located near LAMJANA Bay on the Island of Ugljan. Besides the commercial production, the farm also features an experimental platform for a variety of feed and new species experiments. Due to its longest experience, this oldest farm was selected to host a venue for performing R&D trials.



BUDAVA

CAPACITY: 1100 t

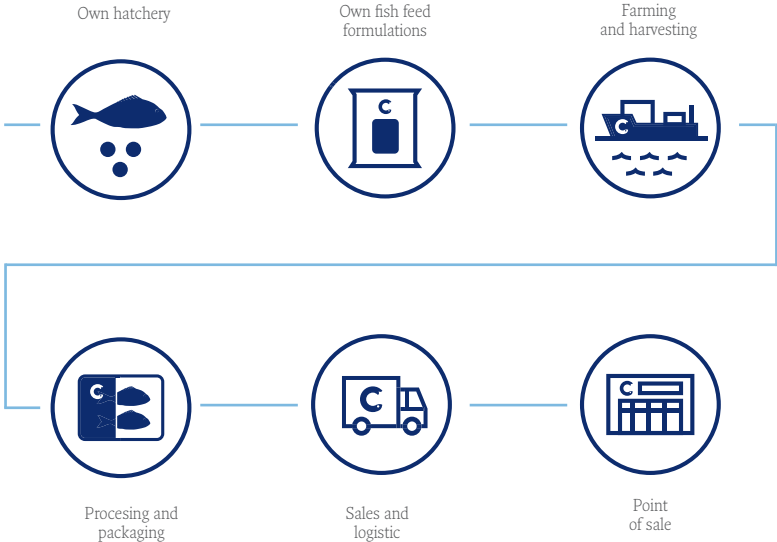
BUDAVA FARM is situated on the Istrian Peninsula, in one of the most beautiful bays in the area, Budava Bay. Interestingly enough, for many years this site was under the protection of the army, making sure the nature in and around the bay was to be left completely intact



Vertical integration

Our vertically integrated value chain guarantees our commitment to freshness, food safety, premium quality and sustainability, from our own fish feed formulations, hatchery, farms and processing facility to the point of sale.

FROM SEA TO FORK



HATCHERY
(fish fry)



FARMING
(fresh fish)



PROCESSING
(finished products)



Traceability

The quality of our business processes is confirmed by numerous certificates and by comprehensive process traceability in real time (SAP), from broodstock and spawn origin, juvenile fish and fish for consumption, all the way to the consumer.

The batch number on finished products allows us to track the whole fish growing process, from spawning, cage location, feed consumption, temperature regime from harvesting to delivery, and any other key parameter.

FULL TRACEABILITY Information available via batch number



Product portfolio

Our core product range is based on native species of the highest quality Mediterranean fish: seabass, seabream and meagre. In addition to the whole ungutted fish, the product range also includes gutted fish and fillets which make healthy diet simpler, tastier and

more convenient. All our products display superior freshness and quality, and contain no preservatives or GMO ingredients. Cromaris has received the Superior Taste Award 2020 for all three of its tested products: seabass, seabream and meagre.

FRESH PRODUCTS: BULK AND PACKAGED



CROMARIS MEAGRE CROMARIS SEABREAM CROMARIS SEABASS



PACKAGED, FRESH, GUTTED SEABASS PACKAGED, FRESH, GUTTED SEABREAM PACKAGED, FRESH, GUTTED SEABREAM PACKAGED, FRESH, GUTTED SEABASS AND SEABREAM

DELI PRODUCTS



"SKIN" SEABASS FILLETS "SKIN" SEABREAM FILLETS "SKIN" MEAGRE FILLETS "SKIN" MEAGRE STEAKS



CROMARIS SMOKED SEABASS FILLETS CROMARIS SMOKED SEABREAM FILLETS CROMARIS SMOKED MEAGRE FILLETS



CROMARIS MARINATED SEABASS AND SEABREAM FILLETS

CROMARIS ORGANIC



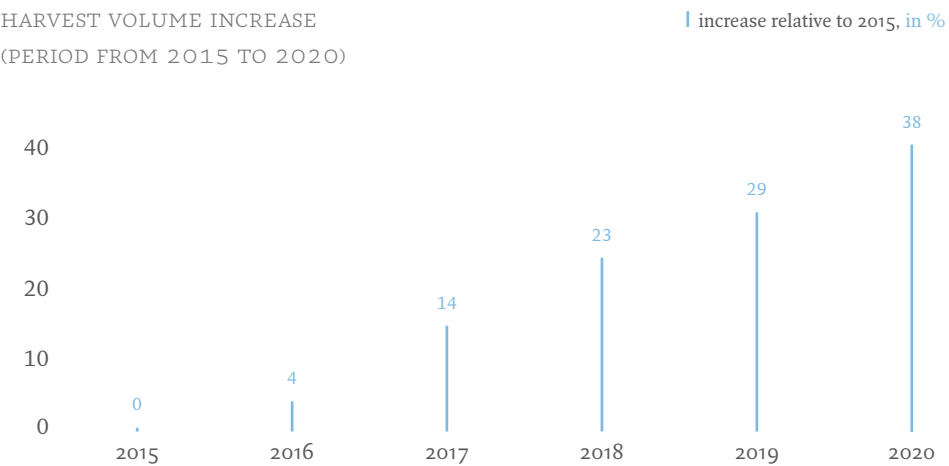
PACKAGED, FRESH, GUTTED BIO SEABASS PACKAGED, FRESH, GUTTED BIO SEABREAM CROMARIS BIO SEABREAM AND SEABASS

**THE FOLLOWING DRIVERS PUSH
OUR PRODUCTION FORWARD:**

- Market demand
- Consumer needs
- Innovation
- Expertise
- Experience
- Environmental concerns
- Climate change
- Safe, satisfied and competent employees
- Positive impact on local communities
- Competitive advantage
- Profit

Since 2015 the harvest volume has shown a steep increase of **38%** in total, compared to the previous 5 years. Nevertheless, we never cease to strive for more.

HARVEST VOLUME INCREASE
(PERIOD FROM 2015 TO 2020)



Cromaris diversify – our species

One of the reasons for farming **new species** is to reduce overfishing. Diversification through cultured species fished unsustainably reduces the pressure on wild population. New species offer a solution to climate change adaptation, novel approaches to new markets, to customer demand fulfilment and market potential utilization.

Being different, innovative and persistent has led us to build the company we are today, which successfully farms a variety of indigenous Mediterranean species.

Cromaris develops special fish feed types and regularly tests new formulations for all farmed species to improve fish welfare and fulfill nutritional needs of fish.

The **EU DIVERSIFY** project, launched in December 2013, aims to expand the European aquaculture industry by diversifying production and introducing new/emerging species with important advantages. The project has identified six new/

emerging species, with a great expansion potential for the EU aquaculture industry, two of which are warm water marine cage culture species: **meagre (*Argyrosomus regius*)** and **greater amberjack (*Seriola dumerili*)**.

Cromaris has been successfully farming meagre (*Argyrosomus regius*) since 2010. Along with seabass and seabream, Cromaris introduced this native Adriatic white fish to the market in 2011.

In Europe greater amberjack (*Seriola dumerili*) has showed the most promising market opportunities, stemming from its large size, processing potential and superior sensory characteristics.

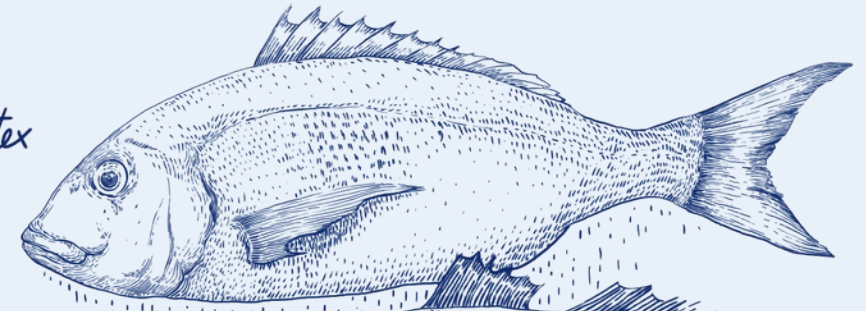
In 2019 Cromaris made a strategic decision to start farming both ***Seriola dumerili*** and ***Dentex dentex***.



Cromaris species

We are proud to present Cromaris species:
seabass, seabream, meagre, seriola and
dentex.

dentex



seabass



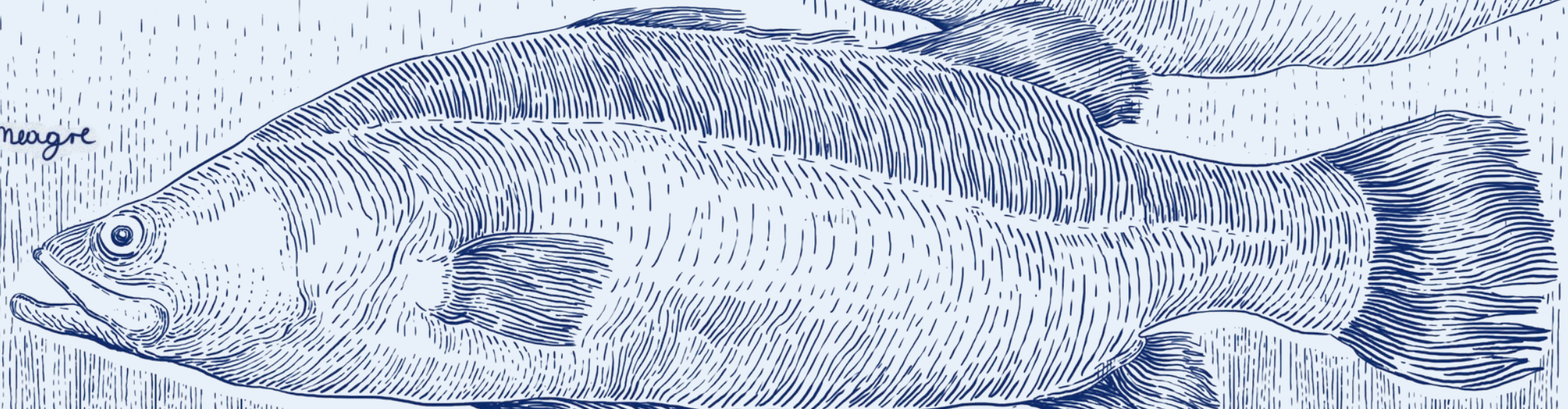
seriola



seabream



meagre



COVID-19 impact – Cromaris in 2020

The COVID-19 pandemic has brought fast-moving and unexpected changes to our lives. It is significantly impacting our business, as well as the global economy.

Across industries, businesses, including Cromaris, act now to protect both their employees and customers. The customer behavior has changed as well and accordingly, Cromaris has had to adapt.

The market situation in 2020 was highly impacted by the coronavirus crisis.

At the very beginning of the pandemic, **Cromaris established a crisis response team** to provide guidance and address day-to-day situations related primarily to its employee safety and to the transport of both fish and raw materials.

Cromaris has successfully developed incident management plans and different scenarios, specific to the current crisis. The proposed measures ensure business continuity and

liquidity, but their types and intensity will depend first and foremost on the severity and duration of the COVID-19 associated crisis.

Cromaris organizes the production and implements protection measures in compliance with the measures adopted (and constantly upgraded) at the level of the Republic of Croatia:

- Work from home (where applicable due to nature of work)
- Employee temperature checks at the entrance
- Work in shifts (to minimize contact between employees)
- Provision of reusable masks for all employees
- Special transportation lines for employees commuting from suburban areas.

Despite the dire straits we are all in and the pandemic crisis, Cromaris has managed to maintain its business continuity without endangering the workers' health and to sustain the normal course of production.

On December 15, 2020, the first targeted COVID-antigen testing was conducted in the Cromaris processing facility for workers from processing, sorting, maintenance and the warehouse. Despite the preventative measures, the abovementioned employees were categorized as a high at risk group due to inability to work from home, close contact required by nature of their work and the number of employees per shift in the working area.

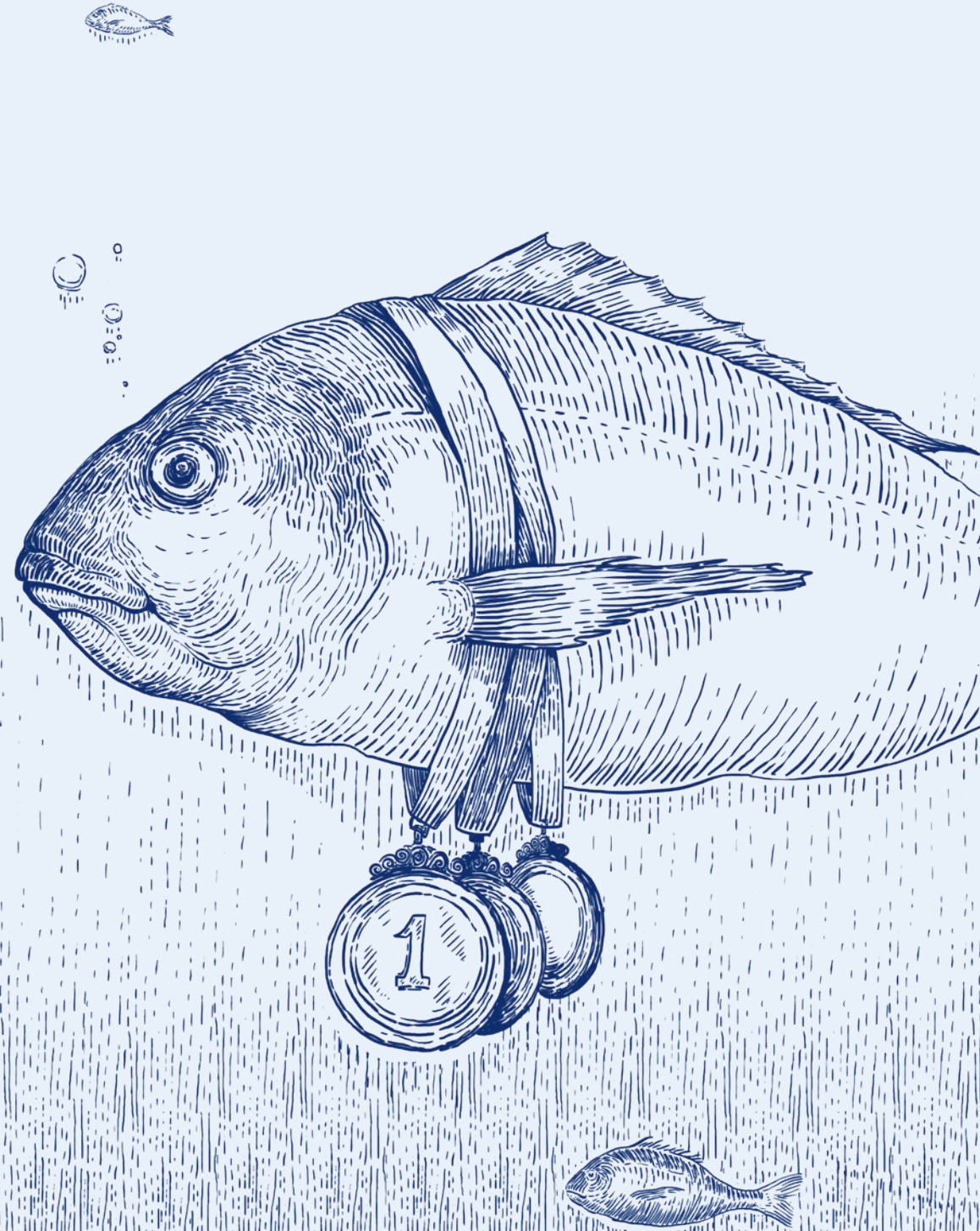
Most people stayed at home, had more time to cook on their own, and whilst trying to buy local products, turned to online shopping. Some economists believe that this trend will continue after the end of this fight against the coronavirus, but also suggest that consumers will buy more packaged products for reasons linked primarily to food safety. To keep abreast with consumer needs and make Cromaris fish more accessible to consumers, Cromaris has started to sell its products online making them available through Glovo and GoGreen applications. The MAP and skin packaged Cromaris products, as well as deli assortment enable consumers to enjoy safe, high nutritional values and premium quality products.

Despite the uncertainty about the duration of the "new normal" and the ways of working that have changed irrevocably everywhere, Cromaris has managed to readily adapt to the newly arisen global situation.



100% AUDITS PASSED

14 CERTIFICATES



To be or not to be: sustainability is the answer

Our business has to be both cost-effective and sustainable, bring in profit and operate in sync with nature.

The European Union supports the economic development of the EU Member States. One of the EU funds, the European Maritime and Fisheries Fund (EMFF, 2014-2020), was specifically oriented to the EU coast, seas, fishing and farming activities. The EMFF has six main priorities, which include sustainable aquaculture as well: to make the sector more successful and competitive by focusing on quality, health and safety, along with eco-friendly production; and to provide consumers with high-quality, highly nutritional and trustworthy products. These are the very same goals Cromaris strives to achieve. Therefore, Cromaris has successfully applied for a few measures funded by the EU Maritime and Fisheries Fund.

To reach the abovementioned goals, we must take the following into account:

- Social viability
- Sustainable nutrition
- Circular economy approach
- Environmental regeneration
- Economic sustainability.

In accordance with responsible aquaculture and environmental care, we base our production on the principles of sustainable development, regularly monitor the environmental impact and conscientiously manage all types of waste.



The green direction

THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Our commitment to leadership in sustainability is anchored firmly in our corporate values. The balance between economic success, environmental protection and social responsibility has been an integral part of our corporate culture for decades. The focus on sustainability has evolved continuously. Cromaris supports the implementation of the **17 Sustainable Development Goals (SDGs)** adopted by the 193 United Nations Member States in September 2015. The UN SDGs set out 17 global goals for social, environmental and economic progress between 2015 and 2030. The goals seek to address the greatest challenges and opportunities faced by society today.

The aquaculture sector has much to contribute to securing all the SDGs, but especially to SDG #14: Life below water – conserve and sustainably use the oceans, seas and marine resources for sustainable development, since we farm our fish in the marine environment. As a major player in the field of aquaculture and nutrition, Cromaris influences many of the 17 SDGs but also has an impact on SDGs

#2: Zero hunger, #5: Gender equality, #8: Decent work and economic growth, #12: Responsible consumption and production, and #13: Climate action.

Cromaris has addressed environmental issues in its Non-Financial Reports since 2017. The reports are submitted to Adris Group on an annual basis. In 2021 Cromaris published its first stand-alone Sustainability Report.

The Sustainability Report tracks our ongoing progress and sets the goals for the upcoming year. It is our responsibility to be transparent about the impacts we have on local communities, the economy and the environment.

The reporting period was FY 2020. The closing date for all the data and facts was December 31, 2020. The report presents the results and the improvements made in the previous year, and outlines the main direction for our future production development, setting the goals for 2021.



2020 goals

The Sustainability Report is the first of such kind. Our goals for 2020 were not published although they had been established at the corporate level.

The outline on the right provides a brief overview of their achievement. The topics included therein will be addressed throughout the report.



SDG #13 CLIMATE ACTION

OVERVIEW

Taking urgent action to combat climate change and its impacts. Greenhouse gas emissions are more than 50% higher than in 1990.

CROMARIS 2020 GOALS

Conduct energy consumption assessment and greenhouse gases (GHG) emissions measurement in Cromaris: introduce GHG emissions monitoring, determine the initial benchmark and baseline year and continue ongoing monitoring of GHG emissions changes in the upcoming years.

EVALUATION

The Energy Institute Hrvoje Požar and the Faculty of Mechanical Engineering and Naval Architecture were appointed in 2020 to conduct the energy consumption assessment and GHG emissions monitoring in Cromaris for the first time, according to GHG Protocol, ISO 14064-1:2018 and developed the GHG reduction strategy.

STATUS

See more on pages 76-84



SDG #14 LIFE BELOW WATER

OVERVIEW

Protecting seas and oceans by eliminating pollution and overfishing and immediately starting to responsibly manage and protect all marine life around the world.

CROMARIS 2020 GOALS

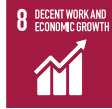
Maintain antibiotic-free production in 2020 for the whole production cycle of seabream, seabass and meagre to join the global trend of antibiotic use reduction as a preventative measure.

EVALUATION

Cromaris has been a holder of Antibiotic Free technical specification according to STP-80 since 2019. Its good production practice was confirmed in 2020 as well, with 0 units of antibiotics used. Several fresh fish and feed analyses conducted by accredited laboratories verified the absence of antibiotics.

STATUS

See more on page 90



SDG #8 DECENT WORK AND ECONOMIC GROWTH

OVERVIEW

Promote sustained, inclusive and sustainable economic growth.

CROMARIS 2020 GOALS

Obtain the strictest organic Bio Suisse Certificate.

EVALUATION

On June 4, 2020 Cromaris obtained the Bio Suisse Certificate, leading to easier expansion in the Swiss market.

STATUS

See more on page 72



SDG #5 GENDER EQUALITY

OVERVIEW

Achieve gender equality and empower all women and girls.

CROMARIS 2020 GOALS

Have relevant representation of women at every level of management.

EVALUATION

Cromaris continues to improve the trend from 21.6% women employed in 2015 to 32.5% in 2020. top management appointed members in Cromaris is a woman, amounting to 25%. The number of women in middle and upper management positions increased by 5% last year and reached 43%.

STATUS

See more on pages 116-117



SDG #15 LIFE ON LAND

OVERVIEW

Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

CROMARIS 2020 GOALS

Select only FSC (Forest Stewardship Council) certified cardboard suppliers for future collaboration, for Cromaris cardboard packaging.

EVALUATION

100% of our cardboard packaging suppliers in 2020 were FSC (Forest Stewardship Council) certified.

STATUS

See more on page 106-107

Cromaris certification scheme

Cromaris started its sustainability journey with **ISO 140001 (Environmental Management System)** certification in 2011. The exploration of sustainability and social responsibility issues, without jeopardizing food safety, continued with the introduction of **GlobalGAP, GRASP** and **Friend of the Sea** certificates in 2015.

GRASP represents GlobalGAP Risk Assessment on Social Practice in order to assess social practices on the farm, addressing specific aspects of workers' health, safety and welfare.

On the other hand, GlobalGAP and Friend of the Sea focus on biodiversity, animal welfare and the protection of aquatic resources by promoting sustainable practices. Cromaris sensitivity to environmental issues was reflected in Cromaris business processes, which, together with its operations and development, were adapted to suit the green direction.

It is important to note that all our farms have the same certificates and operate according to the standards, to be consistent with the customer needs.

Kudica Organic Farm was awarded additional EU Organic Farming, Naturland and Bio Suisse organic certificates.

In terms of food safety and IFS Food Standard, we are improving our audit score every year. In 2020 we earned the highest score: **98.49%**. The IFS Scoring System indicates how an assessed business can further improve its performance to reach the next level in product safety and quality assurance management. In 2021 the unannounced IFS audits are yet to come.

14 CERTIFICATES
Confirming quality, food safety, sustainability, animal welfare and social responsibility

IFS FOOD STANDARD SCORE
2015 - 2020

YEAR	% VALUE
2015	89.38 %
2016	94.40 %
2017	96.08 %
2018	97.31 %
2019	97.81 %
2020	98.49 %

Our sustainability and organic certificates

ISO 14001:2015

ISO 14001:2015 specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance.

STATUS

In 2011 all Cromaris locations were certified according to ISO 14000.

ASC

The Aquaculture Stewardship Council (ASC) is an independent, international non-profit organization founded by WWF, to establish certification and labelling program for responsible aquaculture.

STATUS

In 2019 all Cromaris locations were certified.

GLOBAL G.A.P + GRASP

Global Good Agricultural Practices is a standard for both agriculture and aquaculture. The standard covers food safety, animal welfare, sustainability and traceability. GRASP focuses on social accountability and worker's health and safety.

STATUS

Since 2015 Cromaris has been a proud holder of this certificate for all Cromaris locations.

FRIEND OF THE SEA

Certification standard for sustainable seafood, fisheries and aquaculture, for products and services which respect and protect the marine environment.

STATUS

All Cromaris farms have been FoS certified since 2015.

ANTIBIOTIC FREE ACCORDING TO STP-80 SPECIFICATION

Technical product specification for the control of animal chain, to guarantee the absence of antibiotics use.

STATUS

In 2019 Cromaris earned the technical specification for the first time. In 2020 non-use of antibiotics was confirmed for seabass, seabream and meagre during recertification audit.

EU ORGANIC FARMING

Policy, rules, organic requirements, support and criteria for organic farming, on the EU level.

STATUS

Since 2012 Cromaris organic farms, hatchery and processing have been certified in compliance with EU Organic Farming regulations.

NATURLAND

One of the major international associations for organic agriculture worldwide, proving that organic, social and fair economic activity can only thrive in international cooperation.

STATUS

In 2012 Cromaris obtained Naturaland Certificate as well.

BIO SUISSE

Bio Suisse is a private-sector organization, the federation of Swiss organic farmers, which supports strict organic requirements.

STATUS

Since 2020 Cromaris has been a proud holder of Bio Suisse Certificate for Kudica Organic Farm.

2011	ISO 9001, ISO 22000, ISO 14001, Kosher
2012	EU ORGANIC, NATURLAND
2013	FSSC 22000
2014	IFS
2015	Global G.A.P., GRASP, Friend of the Sea
2018	BRC Global Standard for Food Safety
2019	Antibiotic Free according STP-80, ASC
2020	Bio Suisse Organic

Aquaculture Stewardship Council (ASC) – making the difference

In 2018 when the first version of ASC seabass, seabream and meagre standard was launched, strict requirements were set for responsible aquaculture that encourage seafood producers to minimize the key environmental and social impacts of aquaculture. Cromaris experts participated in the development of the abovementioned ASC standard. As soon as the new ASC standard was introduced and the farms could be audited accordingly, Cromaris applied for the initial audit. When the ASC standard was published, Cromaris had already had the prerequisites needed to obtain the certificate.

We strive to be the most sustainable fish producer.

In September 2019 Cromaris became the only company in the industry to have all its farms and commercial species ASC certified. Cromaris obtained the ASC Chain of Custody (CoC) certificate for the processing facility in Gaženica.

In February 2020 Cromaris updated its existing policy to the Quality, Food Safety, Environmental Protection and Social Accountability Policy, and enhanced the company's mission and vision accordingly. In the past Cromaris goals were more focused on the company's organization, food safety, and product quality, but now the emphasis has been shifted to sustainability and the environment.



Bio Suisse certification



GOAL 2020



Obtaining the strictest organic certificate was one of the goals to be fulfilled in 2020. In many areas the guidelines applied go beyond the legal requirements for organic products.

- Holistic approach — the farm is exclusively organic.
- Regional and climate-friendly — the products may only be transported to Switzerland by land or by sea (air freight is prohibited).
- High level of animal welfare.
- The use of synthetic antioxidants (e.g., ethoxyquin, BHA, BHT, etc.) is expressly prohibited.
- The stocking density is set in accordance with the EU organic regulations.

The International Certification Bio Suisse AG (ICB) confirmed compliance with the Bio Suisse standard based on the audit conducted and documentation provided by the certification body Bioinspekt. **Cromaris obtained the Bio Suisse Certificate on June 4, 2020.**



Farming our fish in healthy environment

Cage farming takes place in the marine environment, is part of the ecosystem, and **by reducing the impact on the environment**, ensures implementation of desirable farming parameters.

Cromaris conducts measurements, biological-diving inspections and annual monitoring to closely observe the condition of

the marine environment, including both the seawater and the sediment.

In 2019 benthos sampling was introduced on all Cromaris farms, with the aim of checking biodiversity and benthos status. Sediment samples are taken during peak biomass and analyzed by an accredited laboratory.



Greenhouse gas (GHG) emissions

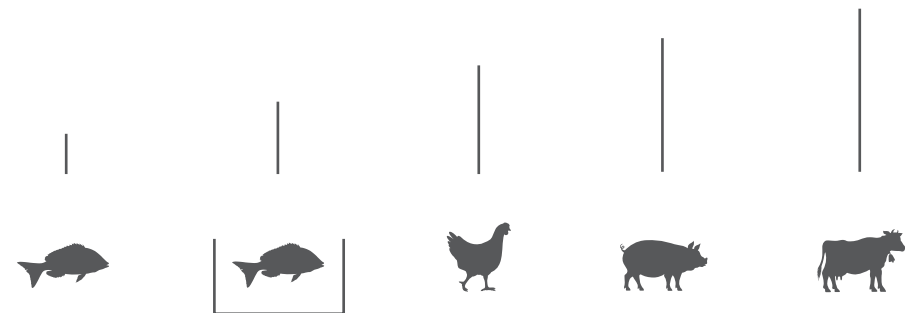


Climate change is one of the most urgent challenges facing society. The emissions from fossil fuel consumption disrupt the natural system and increase the proportion of CO₂ in the atmosphere faster than natural processes can handle. The European Union has a leading role in global efforts to mitigate climate change. The objective of the Paris Agreement is to limit global warming to below 2 degrees Celsius with a commitment to reduce greenhouse gas (GHG) emissions by at least 40% by 2030 from 1990 levels. The European Commission has already announced that it will be committed to implementing a new European Green Plan with even more ambitious goals (climate neutrality by 2050).

According to the World Meteorological Organization, 2016 was the warmest year since temperature measurements took place. The average global temperature in 2019 was 1.1 °C above the average temperatures in the period 1850-1900, which was the second warmest year on record after the year 2016.

Aquaculture is the most efficient food source for animal protein with lowest CO₂ emissions per kg of edible products. Therefore, it offers a viable option to mitigate the enormous amounts of GHG emissions generated by the beef sector, while avoiding overexploitation of marine fish populations. Although fisheries and aquaculture are small global contributors, the seafood industry has a responsibility to lower emissions, similar to all other industries.

Compared to other animal protein such as beef, pork, poultry, farmed fish and wild-caught fish have lower carbon footprint.



GHG emissions



GOAL 2020

As described in one of the UN GOALS #14: **Climate action**, taking urgent action to combat climate change and its impacts is crucial, urgent and inevitable. Greenhouse gas emissions are more than 50% higher than in 1990.

The first step towards fulfilling this goal was the preparation of **the Energy Review Report for Large Companies**, an overview of Cromaris energy consumption in 2018.

The Energy Institute Hrvoje Požar, in cooperation with the Faculty of Mechanical Engineering and Naval Architecture, was appointed in 2020 to conduct **the energy consumption assessment and GHG emissions measurement in Cromaris d.d. for the first time, according to GHG Protocol and ISO 14064-1:2018, and to develop the GHG reduction strategy.**

First the organizational boundary and then the operational boundaries were established, which included direct emissions from Scope 1 and indirect emissions from Scope 2 according to GHG Protocol, i.e. Category 1 and Category 2 according to ISO 14064:2018.

The future plan is to incorporate SCOPE 3 (Category 3) into our emission calculations: the fish feed emissions.

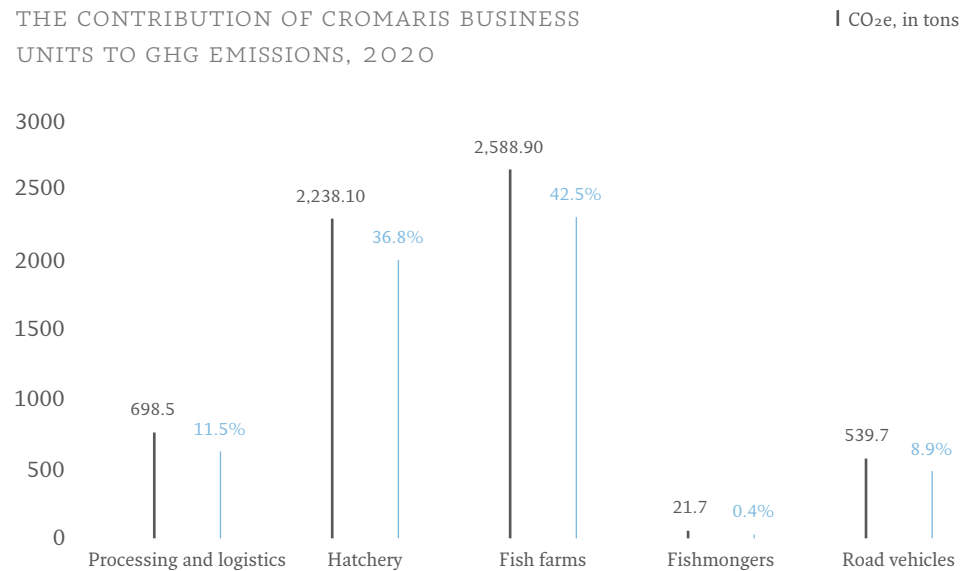
We had to start with GHG emissions monitoring, which included determining the initial benchmark and establishing a baseline year, to be able to monitor changes in the future, in comparison to the level of emissions from the baseline year.

GHG calculations for 2020



In 2020 fish farms made the largest contribution to Cromaris greenhouse gas emissions (42.5%), followed by hatchery (36.8%), logistics and processing (11.5%), road vehicles (8.9%) and fishmongers (0.4%).

THE CONTRIBUTION OF CROMARIS BUSINESS UNITS TO GHG EMISSIONS, 2020



CROMARIS EMISSIONS IN 2020

The total GHG emissions calculated for Cromaris in 2020 were **6,086.9 t CO₂e**. However, the emissions could be in the range between 5,691.8 t CO₂e and 6,482.0 t CO₂e, based on the uncertainty analysis. The uncertainty assessment is an important element of GHG emissions calculation for an organization. Tier 1 approach was used, in keeping with the IPCC Good Practice Guidance. The assessed uncertainty of GHG emissions amounted to ±6.5%.

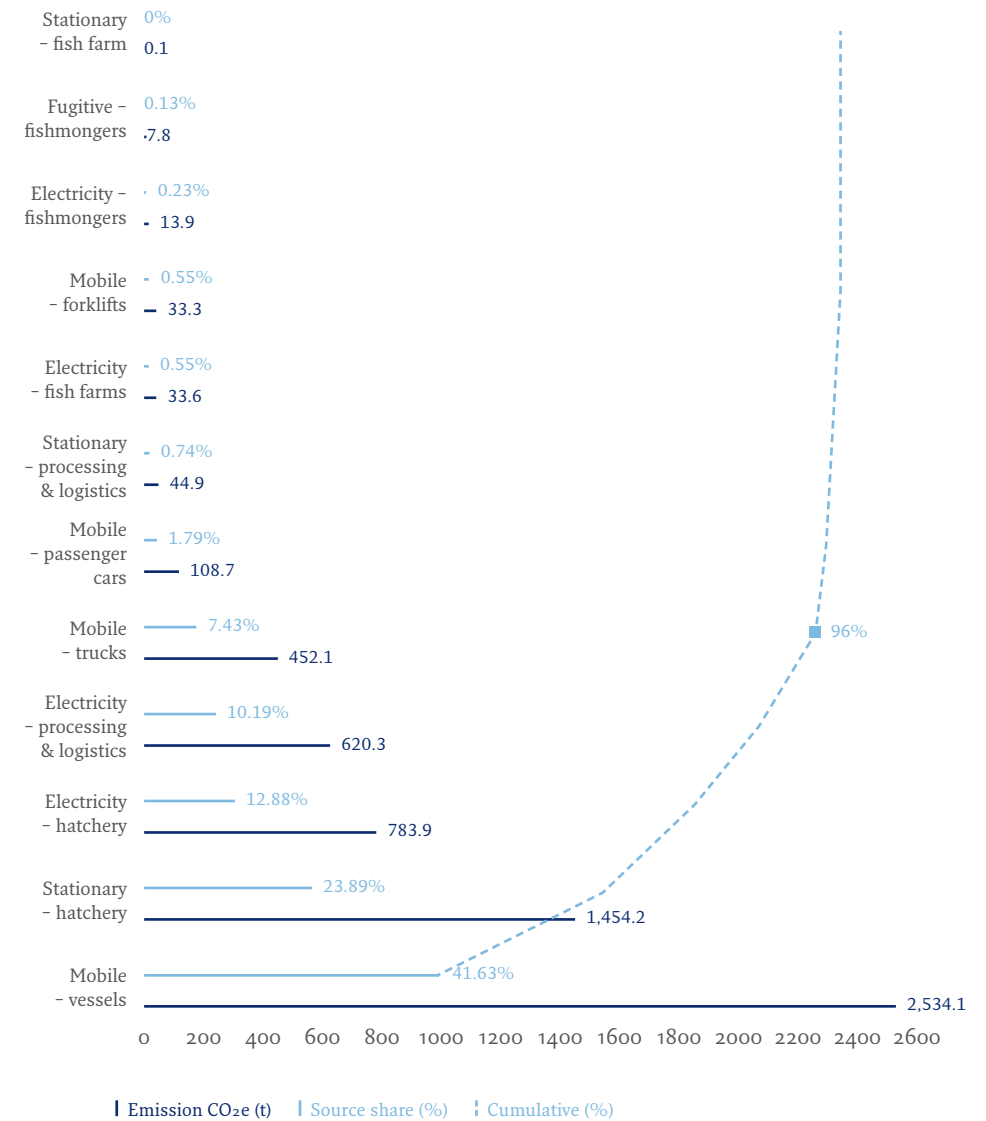
Besides the total emissions, the specific GHG emissions per ton of produced fish and employee were calculated as well. In 2020 Cromaris j.s.c. harvested 9,721 t of fish, which resulted in specific emissions of **0.626 t CO₂e** per ton of fish. In the same year there were 554 employees, leading to **10.99 t CO₂e** emissions per employee.

GHG calculations for 2020



The five key sources of GHG emissions in Cromaris in 2020 were identified. Vessels had the most significant contribution to GHG emissions (41.6%), followed by stationary combustion sources in the hatchery (23.9%), electricity consumption in the hatchery (12.9%), electricity consumption in the processing and logistics center (10.2%) and trucks (7.4%). The remaining 7 identified emission sources contributed with less than 5%.

KEY SOURCES OF GHG EMISSIONS FOR CROMARIS, 2020



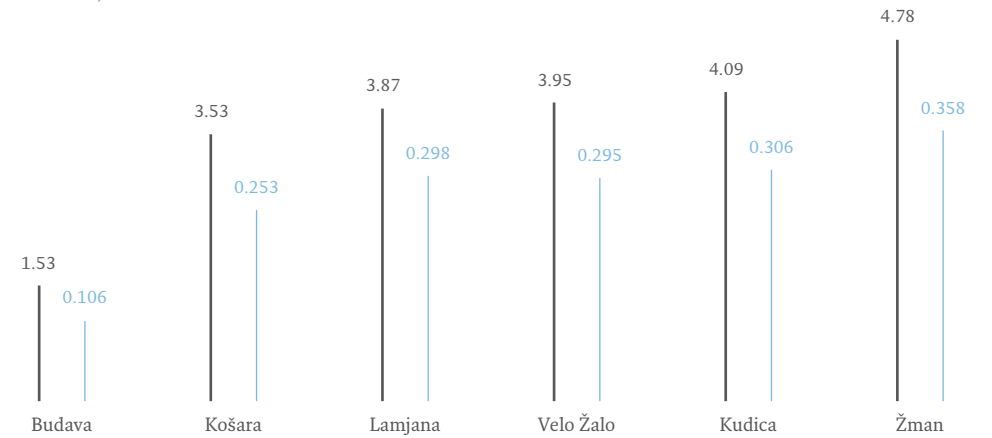
GHG calculations for 2020



The energy consumption in food production has become a source of major public concern. Cromaris decided to verify the energy consumption on each farm, involved in the production cycle, and to conduct an annual GHG assessment starting from 2020.

THE ENERGY CONSUMPTION INDICATOR PER TON OF FISH ON ALL CROMARIS FISH FARMS, YEAR 2020

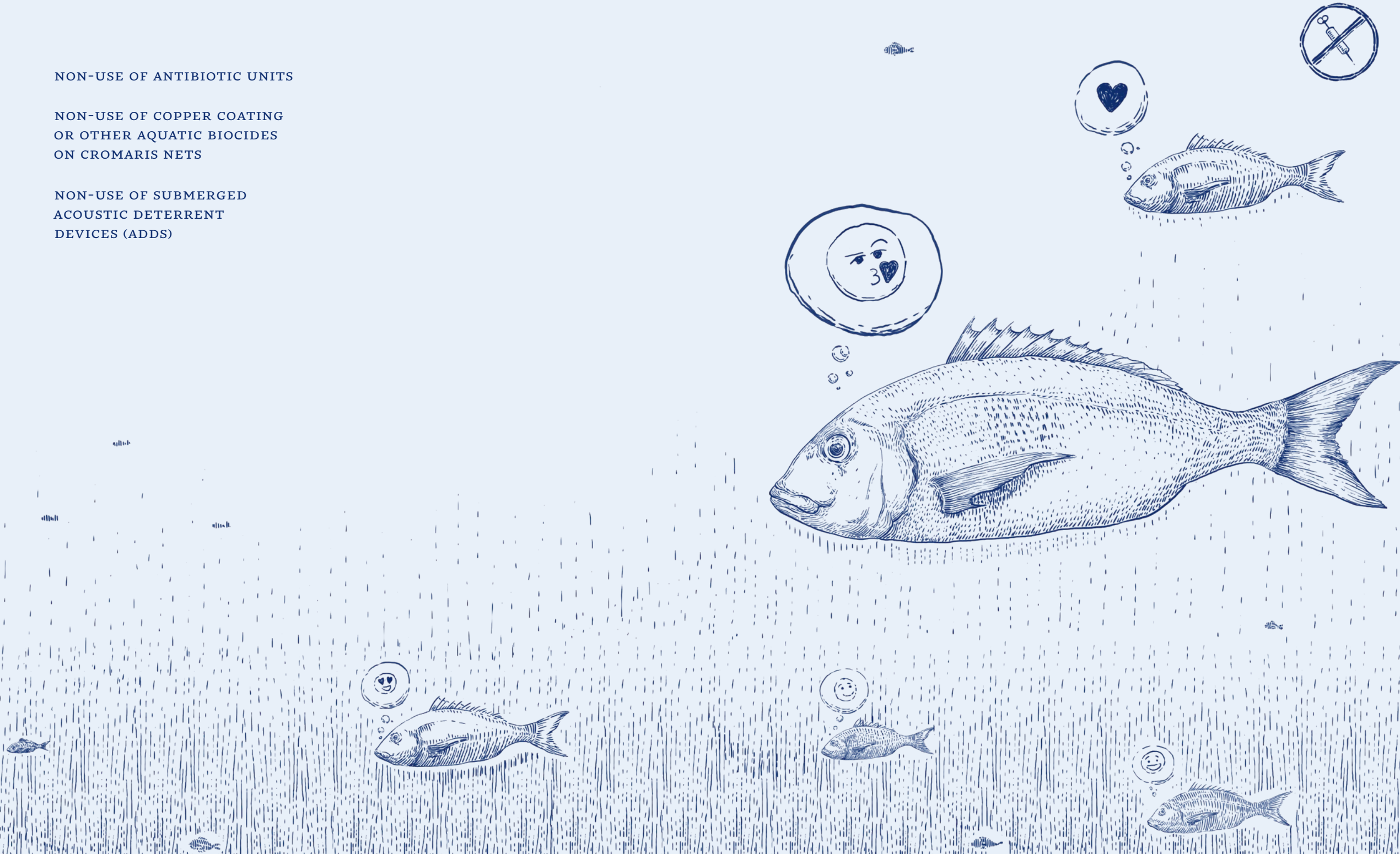
■ GJ per ton of fish ■ t CO₂e per ton of fish



NON-USE OF ANTIBIOTIC UNITS

NON-USE OF COPPER COATING
OR OTHER AQUATIC BIOCIDES
ON CROMARIS NETS

NON-USE OF SUBMERGED
ACOUSTIC DETERRENT
DEVICES (ADDs)



Interactions with wildlife

Cromaris **has always avoided using any submerged acoustic deterrent devices (ADDs)**, also known as acoustic harassment devices for predators on fish farms.

We try to lower our interaction with wildlife to the minimum. We steer clear from potentially lethal cases using increased cage surveillance and dedicated skilled workers who release entangled birds from cover nets.

The protocols applied during our staff training include interaction with several species of birds and mammals that may suffer accidents within our facilities.

Owing to our specialized team, in 2020 the number of lethal bird cases drastically decreased due to detection of potential causes, and implementation of corrective actions. The increased cage surveillance during winter, frequent replacement of cover nets and their maintenance, cover net patching with plastic seals directly on the fish cage are merely some of the actions taken to address

the abovementioned issue. Tighter, taut nets prevent birds from getting entangled. Extra attention devoted while installing a cover net over the fish cage to avoid loose nets led to positive results. The key step towards improvement is employee training on predator handling and management.

Any incidents with birds or mammals are publicly reported on Cromaris website as part of the ASC report.

Compared to 2019, in 2020 the number of lethal bird cases on fish farms drastically decreased.

THE NUMBER OF LETHAL BIRD CASES ON FISH FARMS IN 2019 AND 2020

FISH FARM	2019		2020	
	BIRDS	MARINE MAMMALS	BIRDS	MARINE MAMMALS
Lamjana	30	0	4	0
Košara	68	0	9	0
Velo Žalo	0	0	0	0
Budava	20	0	8	0
TOTAL	118	0	21	0

Non-use of antibiotics



Keeping fish antibiotic free for the whole life cycle is an extremely demanding process which is why **ANTIBIOTIC FREE CERTIFICATION** for the whole life cycle is very rare in the overall Mediterranean aquaculture industry.

Antibiotics are widely used for disease prevention and growth promotion in food animals. The use of antibiotics contributes to resistance, and therefore, the exact role of antibiotic use in human health or animals and food production in driving the spread of resistance in the ecosystem must be properly understood and addressed.

In addition, Cromaris earned the Antibiotic Free Certificate according to DNV's STP-80 technical specification for the first time in 2019, which proves that:

- Our products are antibiotic free.
- Our fish feed is antibiotic free.
- Our fish receive no treatments in any life stage.

The preventative measures have led to farming without the use of antibiotics. Besides the positive impact on the environment, in this way we join the global trend of antibiotic use reduction as a preventative measure. **Cromaris farming is performed without the use of antibiotics and without preventative use of any therapeutics.**

The Antibiotic Free Certificate according to DNV's STP-80 technical specification represents not only the highest possible standard for consumer health and safety protection but also proves Cromaris commitment to animal welfare and sustainability.



Antibiotic-Free Supply Chain

Eliminating fish escapes

Cromaris has developed various Standard Operating Procedures, trained its employees and has its own “Net Service Station” to test breaking strength of each net and repairs **to prevent fish escapes**. Our Standard Operating Procedures include regular inspections of vessels, moorings, and facilities to verify compliance, as well as inspections before and after harsh weather conditions

In this way, we eliminate the potential genetic stock alterations and impact in case of farmed fish escapes and interbreeds with the wild population. The genetic makeup of their offspring may be less suited to surviving and thriving in the wild. Escapees can impact wild populations by competing with them for food, habitat and spawning partners. On-farm diseases can potentially be transmitted to passing wild fish.

All the newly purchased Cromaris cage nets are in accordance with the Norwegian Standard NS 9415 specification, which guarantees the quality and cage farming

equipment made to prevent fish escapes. External experts inspect the condition of the anchor systems on all Cromaris farms on a yearly basis.

Fish escapes are publicly available on Cromaris website.

The data for all Cromaris farms are documented and published in ASC reports on a yearly basis.

In 2019 we had a fish escape incident as a result of extreme weather conditions.

According to some sources, the southeast wind was the strongest ever recorded in Croatia. The largest damage was recorded on Žman Fish Farm. All the required measures were taken in order to minimize the adverse effects of this incident.

In 2020 there were no recorded fish escapes.

Non-use of copper coating or other aquatic biocides on Cromaris nets

We are especially proud of non-use of copper nets or copper-treated nets, or other aquatic biocides as anti-fouling agent.

Of course, it requires additional effort to keep the nets on our cages clean.

Non-use of antifouling agents is in line with the environmental protection measures we decided to implement many years ago, in spite of having to multiply our actions to change the nets that would otherwise be avoided if the nets were treated with anti-fouling agents.

The copper-treated net change occurs only when it is time to change the net mesh size (2 to 3 times during the farming cycle), while in our case our team changes all the nets on all fish farms 8 to 10 times during the farming cycle. A specialized team in the field patrols all Cromaris fish farms to spot the nets that need to be washed or changed in time.

The net cages are only cleaned with seawater, without any special treatments that would affect the environment.



Animal welfare

Fish welfare is in the focus of Cromaris farming and production: photoperiod in the hatchery complies with the natural photoperiod of the species; the density in fish cages is regular; fish feed is adapted to different species; seabass is 100% vaccinated to directly affect the suppression of bacterial diseases; zoo hygiene is maintained at a high level; veterinary inspections are held on a daily basis and the team of veterinarians is deployed in the field; feed suspensions are properly regulated. Water quality and management are very important for fish welfare during all life stages and farming practices.

High biosafety standards are implemented throughout the production process.

By developing our own fish feed formulations to improve the breeding performance, regular veterinary inspections and controlled feeding, we have a positive impact on the health status of fish, which directly affects its survival. The increased survival is a basic indicator of animal welfare. Compared to 2015, **in 2020 the survival rate of seabass and seabream in Cromaris increased by 20%.**

Every fish farm has DO (dissolved oxygen) probes, continuously sending information back to a centralized feeding barge. Oxygen saturation never drops below 70% and is controlled twice a day by feeders. In addition, minimum DO limits are set for feeding and, if exceeded, feeding is suspended until DO rises to an acceptable level to lower the stress and potential mortalities.

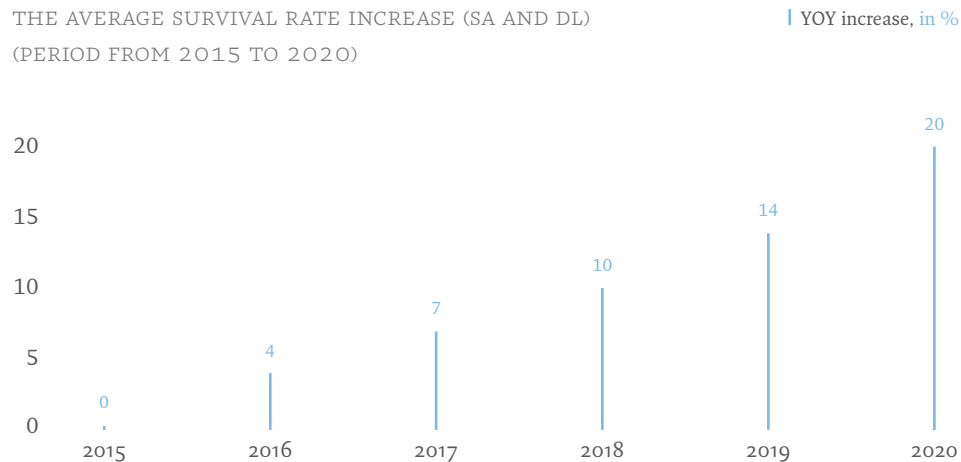
The EU has one of the world's highest animal welfare standards. The first EU legislation on animal welfare was adopted in 1974, addressing the protection of animals at slaughter.

THE FIVE FREEDOMS

Determined by an independent scientific advisory committee composed of leading experts in the fields of agriculture, the species-specific animal behavior, and ethics, is centered around the internally accepted **Five Freedoms of Animal Welfare**, ensuring that certified animals have appropriate space, lighting, air quality, food and water. These Five Freedoms are globally recognized as the gold standard in animal welfare, encompassing both the mental and physical well-being of animals.

1. FREE FROM HUNGER
2. FREE FROM DISCOMFORT
3. FREE FROM FEAR AND DISTRESS
4. NORMAL BEHAVIOUR
5. FREE FROM PAIN, INJURY AND DISEASE

THE AVERAGE SURVIVAL RATE INCREASE (SA AND DL)
(PERIOD FROM 2015 TO 2020)



Animal welfare

Cromaris was part of the **Friend of the Sea** and **Fish Etho Base** project, back in 2018 and 2019, recognized as an example of good practice for animal welfare. The Fish Etho Base scientist came to visit twice, in order to bring closer and establish a connection between academia and industry, which resulted in the Friend of the Sea Standard upgrade to the Fish Welfare Standard in aquaculture.



Our fish feed

In order to achieve exquisite nutritional composition of our products according to sustainable farming principles and animal welfare, we pay great attention to fish feed. The development of fish feed is a multidisciplinary process. In 2016 Cromaris decided to develop its own fish feed. After years of hard work and improvements made to the formulation (desired nutritional composition of the fish, selection of sustainable raw materials as well as trial farming) Cromaris now cultivates fish rich in omega-3 fatty acids with a positive ratio between omega-3 and omega-6 fatty acids.

The fish feed produced according to Cromaris formulations comes from sustainable raw materials, and is L_{AP} and G_{MO} free.

Cromaris started cooperation with feed suppliers to calculate the Scope 3 emissions for 2020, for produced and used fish feed. The results overview will be presented in 2021. The feed manufacturers are responsible for G_{HG} emissions calculations which include growing, harvesting, processing and transportation of raw materials per feed unit.

We are currently having a discussion with suppliers to establish collaboration on the development of new sustainable feed ingredients as well.

Our partners/suppliers produce fish feed according to Cromaris formulation using raw materials from sustainable sources and are members of the ISEAL organization, a global membership association with reliable sustainability standards. The control and protection of our own formulations is a continuous process carried out at three levels: regular audits with feed producers, feed control in our own laboratory and final control of feed performance on the experimental platform. The Cromaris fish feed is certified according to the requirements of GlobalG.A.P. and ASC standards, and the organic feed is in line with additional EU Organic Farming standards and Naturland certification.



Waste & recycling

In keeping with the trends in the food industry, Cromaris has launched new products in the so-called skin packaging. Quality fish – seabass, gilthead seabream and meagre – is available to consumers filleted and cleaned of bones, in innovative and recyclable PET packaging. For our products, we use recyclable, eco-friendly packaging without EPS and nanomaterials. In 2020 our MAP packaging was redesigned from EPS (styrofoam) tray to 100% recyclable PET tray.

At the EU level, **food waste** (all steps of the lifecycle) accounts for at least 227 million tons CO₂ eq. a year, i.e. about 6% of total EU emissions in 2012 (EU FUSIONS, 2016).

Reducing food waste and tackling food loss is a key to achieving sustainability.

We are constantly looking for ways to reduce waste and better utilize our remaining raw materials.

Fish mortalities from the farms and fish trimmings from processing are disposed separately.

In both 2019 and 2020 steps were taken to sell “waste” components from processing and convert them into high-value pet food. Fish by-products obtained after processing are sold fresh to our partner, a pet food production company, generating savings, less animal waste and contributing to circular economy. A minor segment of by-products was sold for fish oil production.

In early 2018 Cromaris introduced a practice of returning the used styrofoam crates and styrofoam MAP trays from processing to their producer for recycling. Another good practice example is our usage of reusable and washable plastic crates to transport and handle the fish inside the factory, from grading to processing sector, instead of using the disposable styrofoam crates.

Regarding wood waste, our supplier of wooden pallets buys back the broken pallets from us. Therefore, we avoid any wood waste during our production.

One partner company, which produces plastic items and has its own recycling facility, takes our 25 kg fish feed bags for free,

relieving us of plastic waste from purchased fish feed used on our farms.

As for big bags (1 t), we had small volumes of sale from 2018 to 2020. **The plan for 2021 is to find a new customer for this by-product and sell big bags to lower our plastic waste production and follow the trend of circular economy.**

By selling, recycling and reusing materials from 16-meter old nets, we have also managed to reduce the amount of waste produced on farms.

Due to collaboration with one of our partners, a self-pressing container for paper and cardboard was installed next to the Cromaris processing facility in mid-August 2020. The press containers reduce the volume of bulky waste materials (cardboard, paper), the benefits of which are clearly visible: the waste is collected on a monthly basis instead of 3 times per week, less truck transportation means less GHG emissions, the hygiene and tidiness of the surrounding area are improved, and time, space and manpower savings generated. The press for

balancing plastic fish feed bags was installed both on the farms and in the warehouse, resulting in waste volume reduction and easier storage.

Owing to additional training of our employees and extra attention paid to proper waste separation, we were able to achieve better results. Cromaris waste is properly disposed by registered authorized collectors. Cromaris will continue looking for innovative ways to reduce, re-use, and recycle waste and circular waste management solutions for the greener future.

**HIERARCHICAL REPRESENTATION
OF PRODUCTS AND BY-PRODUCTS UTILIZATION**

	ELIGIBILITY	ECONOMIC VALUE	
Maximising share of the edible part	_____	_____	Skilled workers in Cromaris processing facility
Processing by-products for human consumption	_____	_____	Maximum utilization of Cromaris fish for human consumption by developing new products and exotic market expansion (e.g., soup mix, fish heads, swim bladders ...)
Animal feed	_____	_____	Fish by-products from Cromaris processing facility sold to pet food production company
Use in industry	_____	_____	Small amount of fish by-products from Cromaris processing facility sold for fish oil production
Composting	_____	_____	Yet to be considered and implemented
Disposal	_____	_____	Properly disposed by authorized registered collectors in Croatia

SOURCE: BIO-ECONOMY RESEARCH DRIVEN INNOVATION REGIONAL STRATEGY (CROATIA), 2018

Sustainable and socially responsible suppliers



We carefully select our suppliers and partners, who are sustainable and socially accountable.

When selecting suppliers, we consider all types of suppliers and encourage supplier diversity, treating everyone on an equal footing. Every new supplier must fill in a self-audit questionnaire, a supplier self-assessment and approval form stating the certificates they hold. All our suppliers have FSC certificates and ISO 9000, most of them hold ISO 14000 and ISO 22000, as well as FSSC and BRC certificates. Cromaris requires suppliers to fulfill the requirements with regard to traceability, hygiene and quality, as well as social and environmental conditions contained in our Supplier Code

of Conduct. In case the suppliers lack their own social accountability policies, we require from them to comply with our Quality, Food Safety, Environmental Protection and Social Accountability Policy.

The supplier assessments and audits of key suppliers are carried out regularly, at least once a year. We expect our suppliers to adhere to the same rules as Cromaris and to conduct their operations in a sustainable manner. At the end of each year we have supplier evaluations.

From 2020 onward Cromaris will select only cardboard suppliers certified according to the Forest Stewardship Council (FSC) certification.

WHY IS IT SO IMPORTANT?

The FSC is an international, non-governmental organization dedicated to promoting responsible management of the world's forests. It is a defining force for improved forest management and market transformation, shifting the global forest trend toward sustainable use, conservation, restoration, and respect for all. The FSC has developed a system of forest certification and product labelling that enables people to identify responsibly sourced wood, paper and other forest products. We want our products to be as sustainably packaged as possible, and the use of FSC cardboard brings us one step closer to fulfilling that goal.

43% OF MIDDLE AND TOP
MANAGEMENT POSITION IN
CROMARIS HELD BY WOMEN

60.3% OF LOCAL EMPLOYEES
WORKING ON OUR FISH FARMS
COME FROM NEARBY ISLANDS



The winning team

We believe in healthy and balanced diet. We also think that healthy food can be tasty and delicious while its production sustainable and responsible. Our workplace represents an important part of our lives, and for that reason we are proud of our employees. We strive to be more modern, better and more innovative in everything we do, and success and innovation take courage, persistence and confidence in ourselves and in our team. We foster diversity and see the uniqueness of each individual as our advantage and opportunity for growth and development, because only as one team, through best practice sharing, knowledge and experience we become the best and stay on top.

We welcome new ideas, stimulate creativity and encourage professional and personal development.



Our people = Our value

EMPLOYEE SNAPSHOT 2020

| Male | Female



There were no incidents or reported cases of discrimination and harassment in 2020. All employees are trained in accordance with and familiar with our Anti-Discrimination Policy.

The Cromaris Anti-Discrimination Policy is adamant about zero tolerance to harassment and discrimination, and sets the standards and expectations for acceptable behavior. All individuals have to be treated with respect and dignity. They can all make their full contribution and have equal opportunities.

70% of Cromaris employees are high-school educated. 21% are highly educated workers holding a university, master's or doctor's degree.

The social audits, **GGAP GRASP**, **Naturland** and **ASC** certificates prove that Cromaris operates in accordance with the EU regulations and **SA 8000 standard**.

Our HR and business support employees are trained in compliance with **SA 8000 Social Accountability Standard** to demonstrate quality and work according to highest standards.

70% of Cromaris employees are high-school educated. 21% are highly educated workers holding a university, master's or doctor's degree.



workers: 554



53% indefinite contracts signed

EMPLOYEE STRUCTURE IN 2020 BY LEVEL OF EDUCATION

	% VALUE
High-school education	70 %
Higher education	16 %
Unskilled worker	5 %
College education	4 %
Skilled worker	3 %
M.Sc. and Ph.D.	1 %
Lower education	1 %

Cromaris team YOY expansion

Since 2009 Cromaris workforce grew from 191 to 554 employees, an average increase of 26% per year.

The graphs below clearly illustrate that Cromaris provides equal opportunities to older employees. Most companies consider older age as a competitive disadvantage.

Both in 2019 and 2020 women in the range from 50 to 60 years were the most represented group in Cromaris.

Cromaris has contracts signed with 100% of workers.

In the last 5 years the number of indefinite contracts rose by 12%, guaranteeing stability and satisfaction among workers.



Women in Cromaris



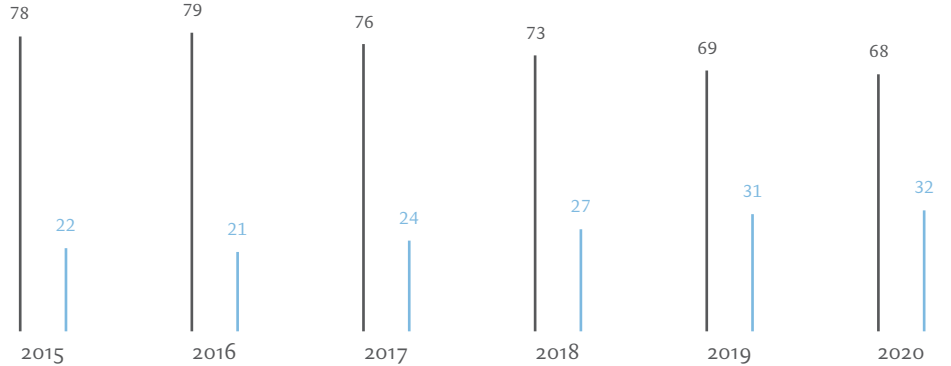
Cromaris is committed to being an equal opportunity employer. The selection process encourages equal and diverse opportunities for all. It is important to select "the right person for each position, regardless of gender, age or nationality".

The ratio of employed women rose from 22% in 2015 to 32% in 2020.

One in four appointed top management team members in Cromaris is a woman.

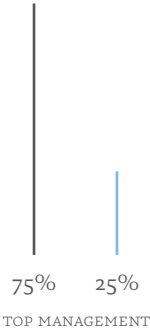
MALE / FEMALE RATIO
(PERIOD FROM 2015 TO 2020)

| Male % | Female %



MANAGEMENT SNAPSHOT 2020

| Male | Female



Women in middle and top management positions

Equality between men and women is a fundamental right of the EU Community law and a core commitment of the European Union. The ratio of women in top management positions is improving very slowly, even in countries scoring high on gender equality.

In 2020 the percentage of women in middle and top management positions in Cromaris stood at 43%.

We are proud to say that our female colleagues manage one of the most important sectors and teams in the company.

WOMEN IN MIDDLE AND TOP MANAGEMENT
(PERIOD FROM 2015 TO 2020)



Maternity leave

REVIEW OF THE USE OF MATERNITY LEAVE DURING THE REPORTING PERIOD

	2019		2020	
	FEMALE	MALE	FEMALE	MALE
Number of employees who could use maternity leave during the year	4	2	9	2
Number of employees who used maternity leave during the year	4	2	9	2
Number of employees who could return to work after maternity leave during the reporting period	4	2	9	2
Number of employees who returned to work after maternity leave during the reporting period	1	2	4	2
Number of employees who remained employed for at least another 12 months after the end of maternity leave	4	0	1	2

THE NUMBER OF EMPLOYEES WHO REMAINED EMPLOYED FOR AT LEAST ANOTHER 12 MONTHS AFTER THE END OF MATERNITY LEAVE REFERS TO EMPLOYEES WHO RETURNED TO WORK AFTER MATERNITY LEAVE IN THE PREVIOUS YEAR AND REMAINED EMPLOYED IN THE REPORTING YEAR.

Local employees from nearby islands

Farmed fish from Cromaris comes from a strictly controlled food safety system. Cromaris invests a lot in strict environmental conditions in production, workers' rights, and compliance with all other positive Croatian and EU regulations.

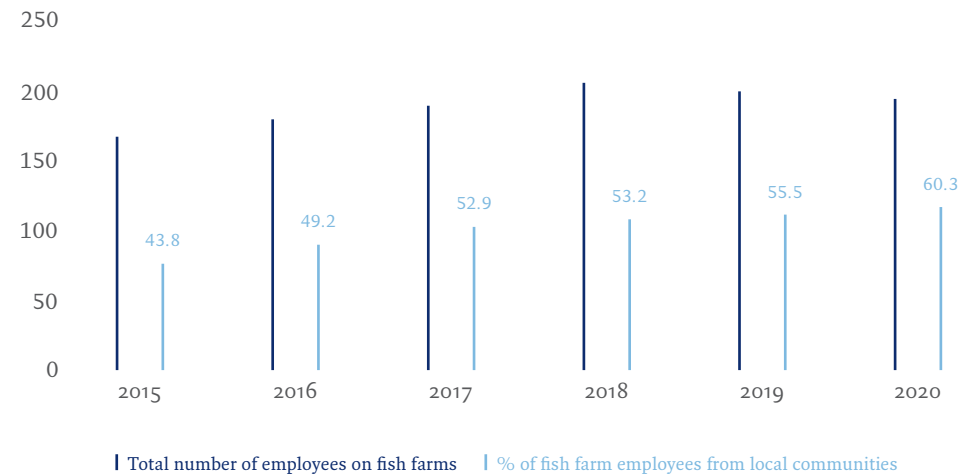
The production in Cromaris provides local employment opportunities, especially in rural areas.

The farming of seabass, seabream and meagre contributes significantly to wealth and job creation in Croatian rural and coastal areas. The fisheries sector in Croatia currently employs about 25,000 people, 30% of which comes from the Zadar County.

In the period from 2001 to 2011, employment in the fisheries sector in Zadar County almost tripled (208% increase). In the same period at the level of Croatia, it grew by 49%. **Cromaris creates jobs and contributes to the local economy particularly by employing local workers from**

the nearby islands to work on fish farms. The number of local employees increases year after year, showing a positive trend as visible on the graph below.

% OF FISH FARM EMPLOYEES FROM THE ISLANDS IN ZADAR COUNTY.
(TREND 2015-2020)



Salaries

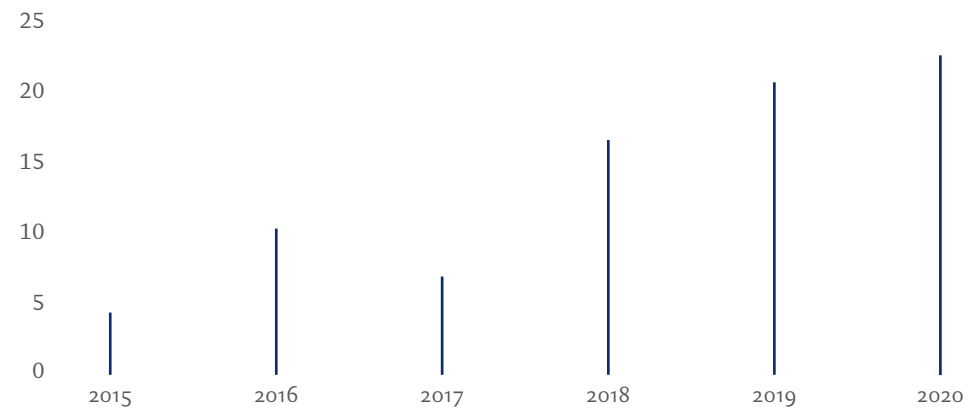
Creating stability and having the trust of employees are most important in a company. Cromaris pays overtime hours, respects obligatory minimum rest days, and rewards its workers with bonuses and incentives.

Compared to the average salary in the Republic of Croatia, **Cromaris gave 22.3% higher average salaries** to its workers in 2020.

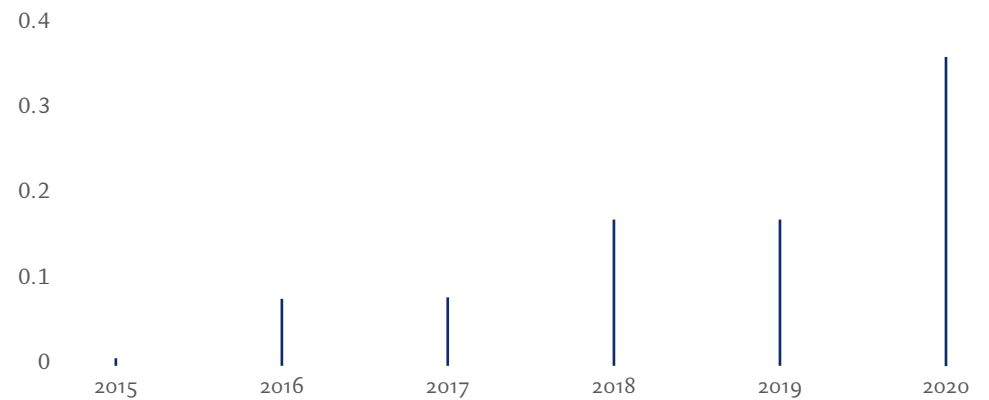
We expect to follow the upward salary trend in 2021, despite the COVID-19 pandemic.

The graph below shows the minimum gross salary in Cromaris, suggesting a 35% increase compared to 2015 minimum salary value, used as a baseline.

HIGHER AVERAGE GROSS SALARY. IN CROMARIS VS AVERAGE SALARY IN THE REPUBLIC OF CROATIA



MINIMUM GROSS SALARY INCREASE RATE IN CROMARIS COMPARED TO 2015



Employee rights, grievances and education

We work according to the Universal Declaration of Human Rights and ILO conventions.

Our employees have the right to form organizations, including trade unions, to advocate for and protect their rights.

They have access to trade unions and select their union representative by themselves, without interference from managers.

Cromaris has zero tolerance to child labor, as well as to forbidden, forced, bonded or compulsory labor.

We continuously invest in education and training of our employees and closely monitor market demand and modern consumer needs, knowing this is the only way to ensure our growth.

Confidential grievance procedures were established in 2019. There are complaint boxes installed on all Cromaris locations for anonymous grievances, complaints or comments.

In case our workers are subject or witness to incidents or wrongdoings, we encourage them to report their concerns to us. If reported, we are able to investigate their concerns and act upon them, as needed.

DISCRIMINATION INCIDENTS AND CORRECTIVE MEASURES

	2019	2020
Total number of discrimination incidents during the reporting period	0	0
Status of previous incidents and actions taken	0	0
Number of remediation plans in progress	0	0
Number of remediation plans implemented and follow-up results	0	0
Number of closed incidents (for which no action is required anymore)	0	0

Teambuilding

SPORTING EVENTS IN ADRIS GROUP

Cromaris knows that the team spirit is a key element of success and has to be nurtured, which is why we regularly organizing team “meet-up” occasions and various sporting events, most popular of which are Adris Corporate Games.

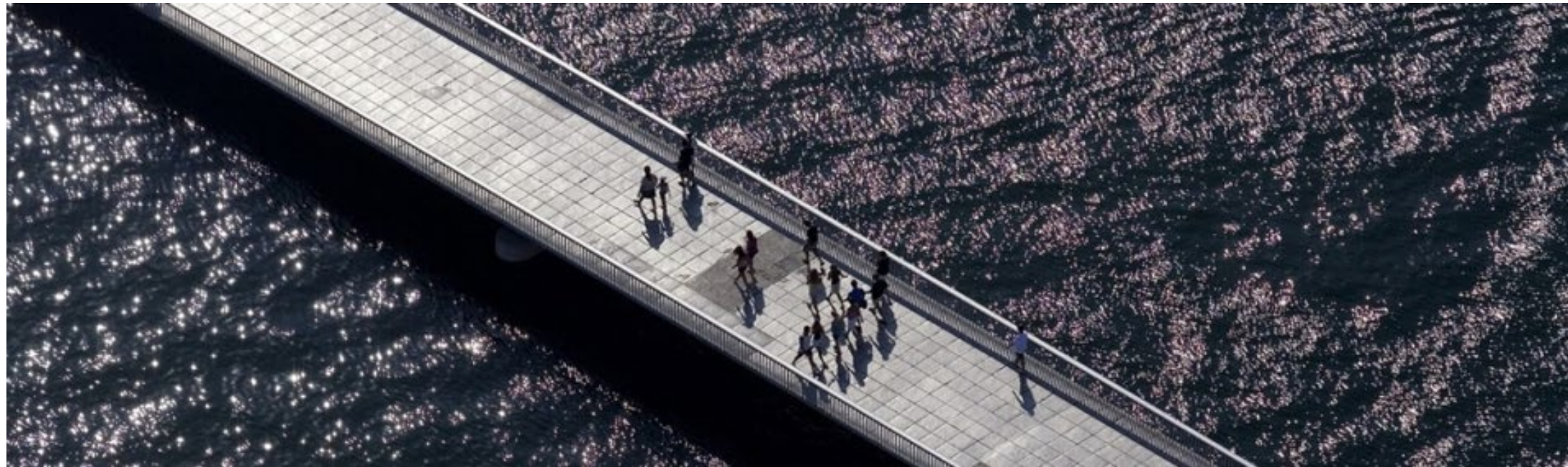
Unfortunately, this year Adris Corporate Games had to be cancelled due to COVID-19 pandemic in the country.



Community and social outreach – industry interactions

In accordance with our strategic priorities, as a socially responsible company whose goal is sustainable business, we are actively involved in numerous socially beneficial projects and activities that affect the improvement and progress of the immediate and wider community. We support a large number of projects and local initiatives in Istria and Zadar Counties. We gladly receive feedback from our stakeholders and build trustful relationship.

Almost from the very beginning, 2020 brought a new way of life, suspending events and other social gatherings. Due to changes in the course of “normal” life and the newly emerging epidemiological situation, last year the manifestations could not be held as in previous years, and were either cancelled or postponed.



Donations and collaboration

In 2020 Cromaris made some donations, despite the crisis and the ensuing pandemic. They were mostly focused on improving local communities and the environment for children, resulting in renovation and equipment purchased for children's playgrounds in municipalities on the surrounding islands.

Two collaboration projects with the City of Zadar were planned for 2020, but unfortunately both had to be postponed due to the pandemic:

CITY OF ZADAR

1. **“Tourism and local products”** – How to increase the consumption of local products through stronger cooperation between the production and catering sectors. Unfortunately, we were able to hold only a few meetings.

2. **“Maritime culture of the Zadar region in the past, present and future”** – A scientific conference planned for 10/2020. Due to the epidemiological situation, the event was postponed until further notice.

ACHIEVEMENTS IN 2020:

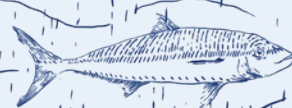
MUNICIPALITY OF TKON

- Equipment for a children's playground

MUNICIPALITY OF SALI

- Equipment for a playground and construction of a small stand for MNK (Five-a-Side-Football Club) Drakmar Sali and Sali Youth
- Equipment for a children's playground in Žman
- Equipment for a children's playground in Mala Rava

ONE OF OUR BIGGEST
DONATIONS THIS YEAR
WAS THE AID PROVIDED TO
PURCHASE EQUIPMENT FOR
ZADAR GENERAL HOSPITAL,
A VENTILATOR TO HELP
PEOPLE WITH SEVERE
COVID-19 SYMPTOMS.



Cromaris membership in associations

FLAG Plodovi mora (Seafood) – A local fisheries action group, as a European Union initiative trying to address the economic, social and environmental consequences of depletion of fish stocks in certain fisheries areas.

Croatian Chamber of Commerce – An independent professional and business organization, which promotes, represents and harmonizes the common interests of its members before state and other bodies in Croatia and abroad. Cromaris representatives actively participate in the group of aquaculture producers under the Croatian Chamber of Commerce, which operates within the FEAP (The Federation of European Aquaculture Producers). The FEAP supports and promotes the responsible development of aquaculture and provides common positions and opinions of the European aquaculture sector.

Mariculture Cluster – The only association in Croatian mariculture, which can certainly help growers in their business and relations with the departments of national, regional, local government and self-government. It has had an especially important function in adapting mariculture to EU standards and assisting farmers since Croatia's accession to the EU.

LAG Mareta – A local action group, a joint development micro-region. The main goal is to initiate and support the overall rural development in the territory it covers, while promoting a multi-stakeholder and multi-sectoral approach to development.

Projects merging academia and industry

We take part in innovation to develop the aquaculture industry. Therefore, we have singled out a few 2020 projects we were involved in:

PerformFish is one of our active projects. The project goal is to improve technical performance in Mediterranean aquaculture, as well as to integrate innovative approaches to competitive sustainability and sustainable production throughout the value chain of Mediterranean aquaculture. We are one among 28 partners from 10 countries participating in the project.



In 2020 within the FEAP and the HGK, Cromaris participated in the implementation of the **Healthy Fish Project** – a training program for the aquaculture sector that includes staff training in fish health and welfare, and physical and chemical control.



The **NewTechAqua** project brings together 26 partners, both academia and industry representatives. The project will develop and validate technologically advanced, resilient and sustainable applications to support the expansion and diversification of the European aquaculture industry.

The goal is to prepare aquaculture productions systems for the future, develop an integrated set of tools targeting five challenges currently faced by the sector: health, production efficiency, sustainability, diversification of species and new product development.



We are especially focused on collaboration with schools and universities and on providing education support through internship opportunities, site visits as well as participation in the publication of scientific papers, showing Cromaris synergy with the academia.

**COLLABORATION PARTNERSHIPS
WE ARE PARTICULARLY PROUD OF:**

- UNIVERSITY OF ZADAR, AQUACULTURE DEPARTMENT
- INSTITUTE OF OCEANOGRAPHY AND FISHERIES, SPLIT
- FACULTY OF AGRICULTURE, UNIVERSITY OF ZAGREB
- UNIVERSITY OF BOLOGNA, ITALY

ERASMUS+ TRAINEESHIPS

International students are welcome to apply and serve their internships or Erasmus+ Traineeship in one of Cromaris sectors.

From the beginning of 2017 until 2019, in cooperation with the University of Zadar, Cromaris aimed to create new skills and knowledge in the blue economy sector and to increase the competence of current and future employees in the aquaculture sector.



BLUE SMART: Blue Education for Sustainable Management of Aquatic Resources was a project co-funded by the European Maritime and Fisheries Fund, within the Blue Careers in Europe Call for Proposals. The project lasted from January 1, 2017 to December 31, 2018.

MORE PRECISELY, THE PROJECT OBJECTIVES WERE:

1. To create conditions for training a new generation of students and professionals equipped with the appropriate skills to match the needs of the industry
2. To provide people already working in the field with the new skills required.

THE SPECIFIC OBJECTIVES WERE ACHIEVED THROUGH TWO MAIN PROJECT RESULTS:

1. Establishment of Graduate Study Program “Sustainable Management of Water Ecosystems” at the University of Zadar: The graduate study program is based on interdisciplinary management of water ecosystems with special emphasis on environmental protection. The program includes both afternoon and weekend classes in order to enable students and professionals from other sectors to upgrade their existing education levels while working.

2. Design of a Training Course for Vocational Education and Training in “Introduction to Sustainable Fisheries Practice”: Development of an innovative online course enabled additional professionalization of workers in the sector. The course contents are available in the form of an open platform divided into different modules.

Within the project the activities were implemented to facilitate both initial and continuous education and training of current and future workers in blue economy sectors in need of specific professional profiles at the local, regional and cross-border level.



Contribution to local communities and society

A great number of our joint activities and projects with local communities show that we have a long and well-established cooperation.

Cromaris actively supports local communities (donations, sponsorship, various types of funding) in which our farms and facilities operate. Unfortunately, due to the pandemic most of the aforementioned events were not held this year.

ŠKRAPING ON THE ISLAND OF PAŠMAN

Škraping is a unique international trekking race on sharp island rocks and belongs to extreme sports. During the race competitors pass control points, near attractive locations of the Island of Pašman.

Škraping International Trekking Race has been sponsored by Cromaris, but unfortunately was postponed in 2020 due to COVID-19 pandemic.

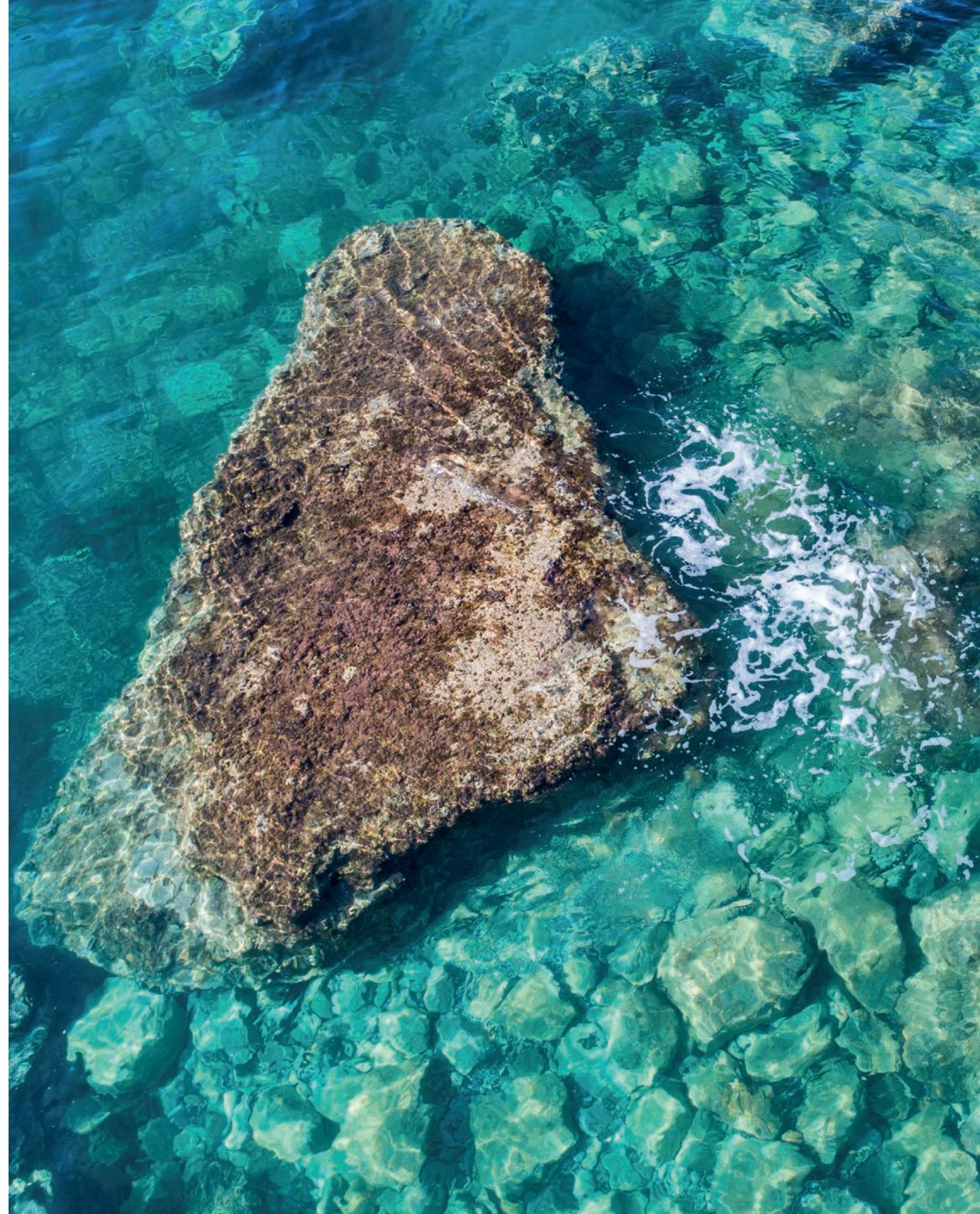
SCUBA DIVING – ECO ACTIONS AND CLEANING INITIATIVES

Every year our scuba divers get involved in local underwater actions to clean the seabed.

The purpose of these actions is to keep the sea bottom of the surrounding islands and places (Kali, Iž, Dugi Otok) clean but also to raise the citizens' awareness of the importance of environmental conservation.

KK (BASKETBALL CLUB) ZADAR Basketball tradition in Zadar

Cromaris is one of the team sponsors helping the club with donations. This season was different due to coronavirus pandemic. The club matches were either cancelled or played without the audience.



We are proud holders of the following labels

The project “Fish from Croatia – Eat what is worth eating” was launched to promote fishery products of the Republic of Croatia, including products from fisheries, farming and processing. The aim of the project was to increase the consumption of local fishery products, to achieve their appropriate evaluation, and to develop/improve the culture of fish consumption in the Republic of Croatia. **Cromaris is one of the companies to meet the Fish from Croatia criteria, supporting the project as one of the partners.**

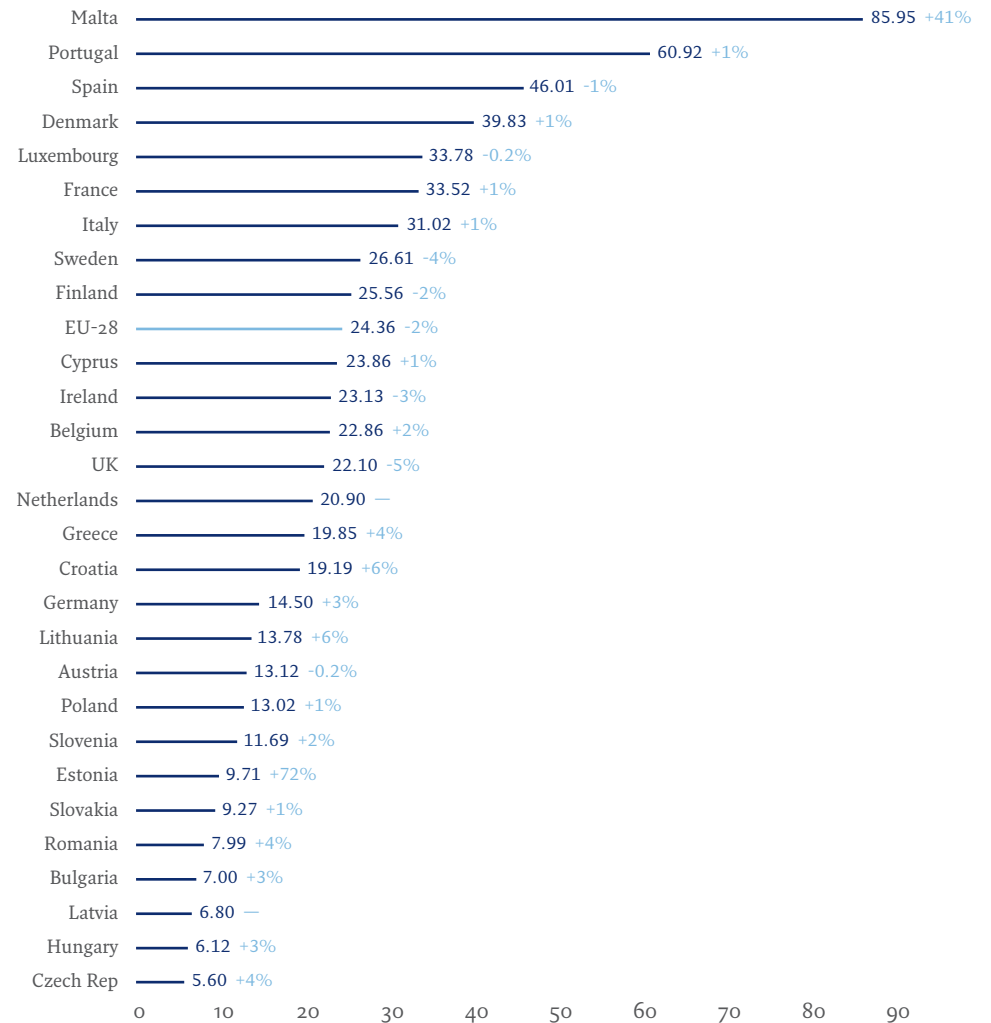
According to the European Market Observatory for Fisheries and Aquaculture Products (EUMOFA), **the European average consumption is 24.36 kg/capita**, while **the Republic of Croatia records 19.19 kg per capita.**

The Croatian Institute of Public Health signed the contract with Cromaris allowing us to use the label “**Živjeti zdravo**” (“Live healthy”) for our products.

“Živjeti zdravo” label proves that saturated fatty acid content in Cromaris products is below 4g/100 g and salt content below 1 g/100 g.



PER CAPITA APPARENT CONSUMPTION OF FISHERY AND AQUACULTURE PRODUCTS BY MEMBER STATE IN 2018 AND % VARIATION 2018/2017



kg live weight / capita / year | variation 2018/2017 (%) SOURCE: EUMOFA ESTIMATES

Cromaris products received the world's highest quality award – Superior Taste Award!

In 2020 products from 90 countries were evaluated by 175 judges selected among the most prestigious culinary and sommelier organizations such as: Maîtres Cuisiniers de France, Royal Academy of Culinary Arts, Académie Culinaire de France, Federazione Italiana Cuochi, World Master Chefs Society (WMCS), and Association de la Sommellerie Internationale (ASI).

Yet again this year Cromaris seabass received the maximum three golden stars for its exceptional taste, thus becoming the only fresh fish category product to receive the Crystal Award. Cromaris seabream and meagre also received excellent scores for

exceptional taste, **making Cromaris the only Mediterranean quality fish producer to win the award for seabass, seabream and meagre.**

“Top quality products are of imperative importance to us. We provide our customers with fish of impeccable freshness and superior nutritional value and taste, which was once again acknowledged by the jury of experts this year. Today Cromaris is recognized as a market leader in quality, as confirmed not only by consumer confidence and various certificates, but also by awards such as this one,” stated Cromaris CEO, Goran Markulin.



Cromaris continues with further brand awareness growth in Croatia in 2020

The results of research on consumption habits and Cromaris brand awareness for 2020 showed that the overall Cromaris brand awareness is at the record level of 72%, bringing an increase compared to last year's high 67%. Furthermore, the research revealed a continuously positive brand perception by consumers. The respondents' claims about Cromaris (healthy, from the Adriatic Sea, nutritional richness, good taste, high quality, fresh fish, brand I trust, good value for money, availability in most stores) received an average rating of 4.3 out of 5, which also records an increase over last year. 49% of respondents have experience with some of Cromaris products (2019 - 39%), 82% of consumers are satisfied with the products (2019 - 73%), 76% of

consumers intend to buy some of the products (2019 - 69%), and 75% of consumers would recommend Cromaris to others (2019 - 69%).

Career inspired by the sea

Following the example of Adris public employment program for trainees “Future in Adris”, Cromaris started the internship program “**Future in Cromaris**” for the first time in 2018 with the aim of encouraging a change in its corporate awareness to recruit young professionals in the field of aquaculture and to foster their development.

The second cycle of the internship program, now called “**Career inspired by the sea**”, was unfortunately postponed in 2020. With the normalization of the overall pandemic situation, we expect to reintroduce the program in April 2021.



Goal-setting for 2021

To be able to measure our progress and potential impacts, we have decided to set our sustainable goals and fulfill them during 2021.

We will evaluate the outcome at the beginning of 2022 and publish the results in the next Sustainability Report.

In 2021 our main goal and focus will be to implement the GHG emissions reduction measures, in keeping with the guidelines proposed in the Strategy with the Action Plan for greenhouse gas emissions reduction and to make calculations for the upcoming year.



SDG #13 CLIMATE ACTION

OVERVIEW

Taking urgent action to combat climate change and its impacts.

CROMARIS 2021 GOALS

Development of Carbon Management Strategy with Action Plan for GHG emissions reduction and implementation of measures. Measures are listed on pages 158-161.

EVALUATION **In 2022**



SDG #14 LIFE BELOW WATER

OVERVIEW

Protecting seas and oceans by eliminating pollution and overfishing and immediately starting to responsibly manage and protect all marine life around the world.

CROMARIS 2021 GOALS

Biomass Reduction Plan for Lamjana Farm for 2021. Restructuring certain farming fields for juveniles and pre-harvest fish size is expected to significantly reduce the biological impact on the seabed and sediment on Lamjana Farm. The Plan is outlined on pages 166-167.

EVALUATION **In 2022**



SDG #12 RESPONSIBLE PRODUCTION AND CONSUMPTION

OVERVIEW

Achieving economic growth and sustainable development requires that we urgently reduce our ecological footprint by changing the way we produce and consume goods and resources. Encouraging industries, businesses and consumers to recycle and reduce waste.

CROMARIS 2021 GOALS

Animal waste reduction - our goal is to sell 10% more animal waste for reuse in other industries in 2021, compared to sales in 2020. In 2021 our goal is to find a new customer for our plastic waste, big used fish feed bags (1 t), in order to comply with the trend of circular economy and lower our plastic waste production. See more on pages 168-169.

EVALUATION **In 2022**



SDG #2 ZERO HUNGER

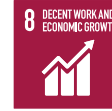
OVERVIEW

End hunger, achieve food security and improved nutrition and promote sustainable agriculture globally rising. Living standards increase the demand for animal protein, including farmed fish.

CROMARIS 2021 GOALS

Our goal is to increase sustainable organic production and raise organic quantities in Cromaris in 2021 and the upcoming years. See more on pages 170-171.

EVALUATION **In 2022**



SDG #8 DECENT WORK AND ECONOMIC GROWTH

OVERVIEW

Promote safe and secure working environments for all workers, achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value.

CROMARIS 2021 GOALS

- Keep the average wage growth trend, despite COVID-19 pandemic, higher than the minimum salary in the Republic of Croatia. Refer to pages 124-125.

EVALUATION **In 2022**

- Our goal is to put the safety of our workers in the first place, therefore in 2021 we plan to lower the number of injuries per 100 employees, and maintain 0 severe injuries. Overview on pages 172-175.

EVALUATION **In 2022**

1. Action Plan for GHG emissions reductions



#13 CLIMATE ACTION

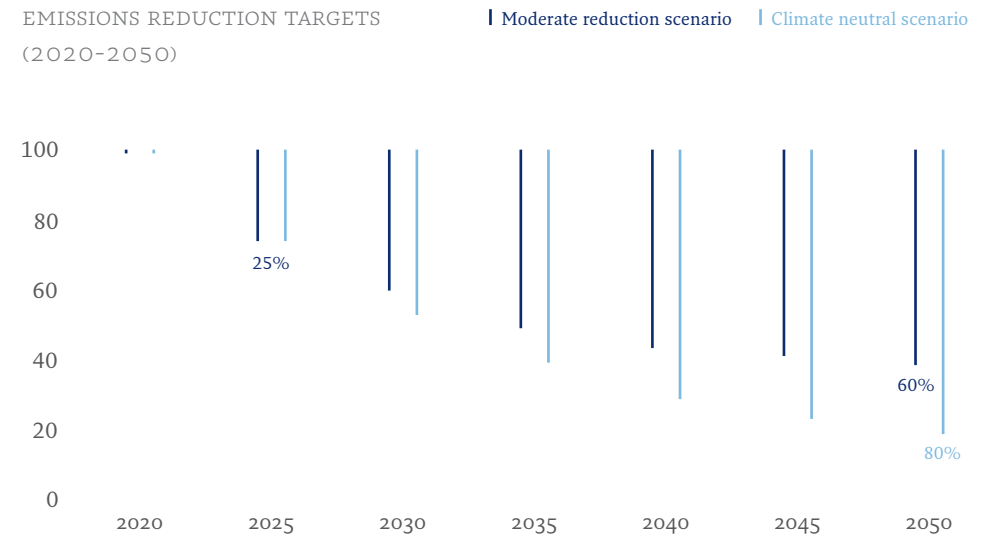
For Cromaris, GHG emissions were calculated for year 2020, which was chosen as a baseline year. The purpose of the baseline year is to allow progress monitoring in GHG emissions reduction (and removals increase) in Cromaris over time.

The implementation of the measures analyzed will allow us to achieve an absolute emission reduction of 4.4 % by 2025, compared to 2020 level. **Relative goals were set for 25% emissions reduction per ton of produced fish by 2025, compared to 2020 emissions level.** Besides emissions reduction, a significant increase in fish production is expected (95.5 % by 2025). The application of measures analyzed and the achievement of the increase expected in fish production will help us to reduce emissions per ton of fish produced by **as much as 51.1% by 2025, compared to 2020.**

Cromaris has a long-term goal to achieve carbon neutrality by 2050. This will be feasible chiefly through measures implemented in Cromaris business units, while the remaining emissions could be counterbalanced by purchasing carbon offset credits.

One of the carbon offset credit examples is CO₂ compensation by planting trees, a program we are considering to carry out in the future. It is the first and unique comprehensive program in Croatia and the region enabling companies, cities, municipalities and other interested parties to reduce their carbon footprint by planting trees.

EMISSIONS REDUCTION TARGETS (2020-2050)



Action Plan for GHG emissions reductions



#13: CLIMATE ACTION

FEATURES OF MEASURES FOR GHG EMISSIONS REDUCTIONS FOR CROMARIS, 2025

1. MOBILE COMBUSTION SOURCES

COMPLEXITY AND IMPACT LEVEL
Quick measure

MEASURE TITLE
Tire pressure regulation in passenger vehicles

MEASURE DESCRIPTION
Continuous tire pressure checks and their inflation to optimal values leads to savings in fuel consumption.

CO₂e EMISSIONS REDUCTION **8.0**

RETURN OF INVESTMENT +

GOAL DESCRIPTION FOR 2025
Reduction of diesel fuel consumption by 106.8 GJ

MONITORING INDICATORS
Tire pressure checks and inflation to the optimal value

2. MOBILE COMBUSTION SOURCES

COMPLEXITY AND IMPACT LEVEL
Desirable measure

MEASURE TITLE
Hybrid plug-in passenger vehicles

MEASURE DESCRIPTION
Replacement of existing vehicles with 5 new, more efficient hybrid plug-in vehicles will ensure fuel savings.

CO₂e EMISSIONS REDUCTION **16.3**

RETURN OF INVESTMENT -

GOAL DESCRIPTION FOR 2025
Reduction of diesel fuel consumption by 318.3 GJ (gasoline consumption: 72.5 GJ and electricity 15.6 MWh)

MONITORING INDICATORS
Number of hybrid plug-in vehicles

3. MOBILE COMBUSTION SOURCES

COMPLEXITY AND IMPACT LEVEL
Quick measure

MEASURE TITLE
Utilization of tires with higher energy classes for freight vehicles

MEASURE DESCRIPTION
Tires with higher energy classes have a lower coefficient of air resistance and require less energy to perform.

CO₂e EMISSIONS REDUCTION **36.6**

RETURN OF INVESTMENT +

GOAL DESCRIPTION FOR 2025
Diesel fuel reduction by 485.4 GJ

MONITORING INDICATORS
Proof of tire payment (energy class A or B)

4. MOBILE COMBUSTION SOURCES

COMPLEXITY AND IMPACT LEVEL
Desirable measure

MEASURE TITLE
Improvement of vehicle fleet management system

MEASURE DESCRIPTION
By implementing an ICT solution, it is possible to optimize the travel routes of vehicles, with the purpose to reduce fuel consumption and GHG emissions.

CO₂e EMISSIONS REDUCTION **56.1**

RETURN OF INVESTMENT +/-

GOAL DESCRIPTION FOR 2025
Diesel consumption reduction by 10%, for freight and passenger vehicles

MONITORING INDICATORS
Fuel consumption reduction per vehicle kilometer traveled

SCOPE 1 MEASURES (1-4) **117.0**

5. ELECTRICITY CONSUMPTION

COMPLEXITY AND IMPACT LEVEL
Desirable measure

MEASURE TITLE
Solar PV system installation

MEASURE DESCRIPTION
Energy audit recommended installation of PV plant with 500 kWp power, on cca 5,000 m² area of a flat roof of the business unit in Nin (hatchery facility).

CO₂e EMISSIONS REDUCTION **114.0**

RETURN OF INVESTMENT +/-

GOAL DESCRIPTION FOR 2025
Production of electricity for own purposes, in the amount of 700 MWh

MONITORING INDICATORS
Measuring the production of electricity for own purposes

6. ELECTRICITY CONSUMPTION

COMPLEXITY AND IMPACT LEVEL
Desirable measure

MEASURE TITLE
Existing lighting replacement with LED lamps

MEASURE DESCRIPTION
Energy audit recommended replacement of existing lighting with efficient LED lamps in Nin and Gaženica and the number of lighting for replacement is recognized.

CO₂e EMISSIONS REDUCTION **38.2**

RETURN OF INVESTMENT +

GOAL DESCRIPTION FOR 2025
Electricity consumption reduction by 234.3 MWh

MONITORING INDICATORS
Measuring the electricity consumption savings

SCOPE 2 MEASURES (5-6) **152.2**

TOTAL (SCOPES 1 AND 2) 269.2

Measures planned to be implemented in 2021



Tire pressure optimization in passenger vehicles. The measure includes energy savings resulting from continuous tire pressure checks and optimal inflation values for passenger vehicles. The activity is applicable to vehicles without the embedded automated Tire Pressure Monitoring System.

The utilization of tires with higher energy class for freight vehicles is planned throughout 2021. Tires of higher energy class have a lower resistance coefficient and, therefore, require less energy to perform their task. The savings will be calculated for new tires with energy class A or B, in place of the existing tires with lower energy classes. The calculation of potential savings is based on the vehicle fleet that encompasses 13 freight vehicles. The tire replacement plan for Cromaris freight vehicles has been made and the tire replacement will proceed according to the plan.

Improvement of the vehicle fleet management system – planned from October 2021. Cromaris already has specific vehicle fleet management modules, but not the vehicle route planning module. The introduction of this model is assumed to reduce the fuel consumption of road vehicles by additional 10% (freight and passenger vehicles).

Pilot project for Nin Hatchery – April 2021. Cromaris is currently working on a pilot plant for automatic filtration of service wastewater before recovering the heat invested on the exchangers. The purpose of the filtration plant is to examine how and to what extent the previous filtration of wastewater will increase the efficiency of heat transfer to the fresh sea in the recovery process and thus directly affect the efficiency of heat pumps, and consequently reduce anchor engagement and fuel oil consumption.

2. Biomass Reduction Plan for 2021



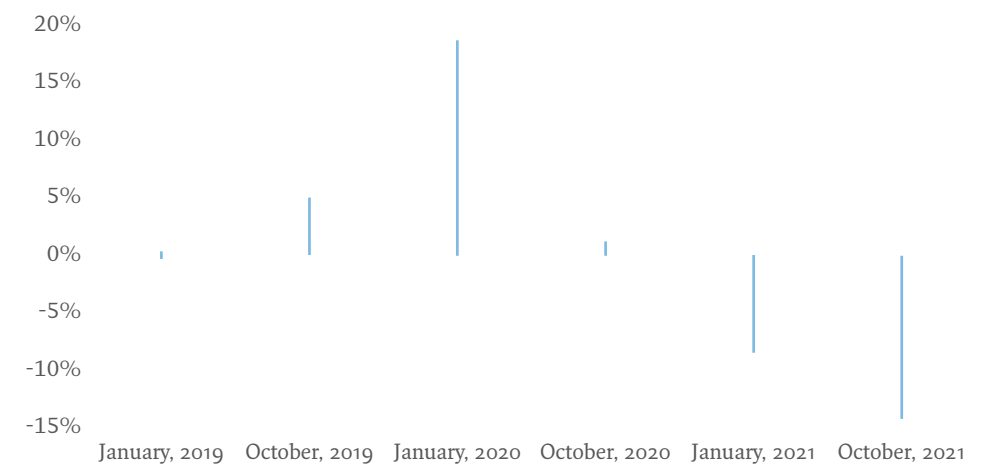
In order to reduce biomass in 2020, we started restructuring certain farming fields, i.e. acquiring new concessions to establish a new farm. Based on the implementation of new farming fields, new farming units will be set up on the new concession sites, facilitating restructuring of Lamjana.

In 2020 the farming fields on Lamjana Farm were structured as follows:

- GOLAC: juveniles
- VELI ŠKOJ 1: organic juveniles
- VELI ŠKOJ 2: pre-harvest and harvest
- VELI ŠKOJ 3: juveniles.

The abovementioned will result in a significant biomass reduction, as suggested by the review of fish stocks in 2019 compared to 2020 and the plan until October 2021:

FISH FARM LAMJANA — % OF FISH QUANTITIES (KG) REDUCTION, UNTIL OCTOBER 2021



3. Waste – circular management



A) REDUCING ANIMAL WASTE FROM PROCESSING QUANTITIES – OUR GOAL IS TO SELL 10% MORE ANIMAL WASTE FOR REUSE IN OTHER INDUSTRIES (ESPECIALLY FOR PET FOOD) COMPARED TO YEAR 2020.

Food waste has been a major barrier to achieving global food security and environmental sustainability for many decades. The food waste reduction has significant implications for several of the UN Sustainable Development Goals including: #2: Zero hunger; #12: Responsible consumption and production; #13: Climate action; #14: Life below water; and #15: Life on land.

In this way, we eliminate animal waste, contribute to circular economy and turn production “waste” into a resource.

In 2019 a total of **178.8** tons were sold to pet food producer company.

In 2020 the quantities sold to the same company increased by 40%, amounting to **250.9** tons of fish by-products in total.

In 2021 the plan is to increase sales by another **10%**, compared to 2020 and potentially expand the market to other similar customers.

There is a tremendous opportunity to recycle energy and nutrients from various food waste sources into animal feed.

B) REDUCING PLASTIC WASTE FROM OUR FISH FARMS – OUR GOAL IS TO FIND A NEW CUSTOMER AND SELL 40,000 BIG PLASTIC BAGS (FISH FEED PACKAGING) IN 2021.

According to FARNET publication, the aquaculture sector has to cope with plastic waste production and management. The overall target is to change our attitude towards waste from production processes. Revisiting the use of by-products is a fundamental part of the circular economy. In this way, by-products can be considered as a resource and channeled towards other production cycles.

Collecting and selling big used plastic bag packaging can bring Cromaris many benefits: we would decrease our plastic waste quantities as well as reduce the costs of waste disposal.

Plastic bag repair and reuse is crucial to keep products in longer use. Such actions decrease the quantities of raw materials (new plastic) that need to be used as well as reduce the amount of waste and pollution generated.

4. Organic production



Organic aquaculture is one of the several approaches that can be used to meet the objectives of sustainable aquaculture. It aims to provide fish and fishery products that are ecologically, economically and socially viable.

Increasing the consumption of local fishery products and making fish more available to consumers, by providing Cromaris organic fish rich in omega-3 fatty acids, proteins, phosphorus and vitamins D and E, can help to meet the increased demand and close the supply-demand gap.

Through our social networks and promotion of the “Fish from Croatia – Eat what is worth eating” project, we can raise awareness and improve the culture of fish consumption in the Republic of Croatia in general.

The organic market niche has a significant growth potential in the future. Organic

farming is a farming practice and process which is nature friendly and healthy, in harmony with the marine environment and avoids the use of harmful synthetic chemicals. It promotes non-use of GMOs, stocking density limitation, organic fish feed, highest level of animal welfare and intensive monitoring of the environmental impact.

Our goal is to raise the volume of organic seabass, seabream and meagre in the next few years.

This goal is based on the initiatives of the Aquaculture Advisory Council and the European Union. The Aquaculture Advisory Council has recognized organic aquaculture as one of the top 5 priorities for 2021.

According to the EU Commission, organic farming is an environmentally-friendly practice that needs to be further developed.

Under the European Green Deal, the EU has set an ambitious target for 2030, planning a significant increase in organic aquaculture. Organic farming – an action plan for the development of EU organic production – will help consumers, farmers, business operators, national governments and local authorities to reach this target. The European Maritime, Fisheries and Aquaculture Fund (EMFAF) will provide support for organic aquaculture.

The European Green Deal – From Farm to Fork – is an action plan for organic farming, which will contribute to the improvement of sustainability of the food system, and stimulate both supply and demand for organic products and ensure consumer confidence.

5. Overview of employee injuries



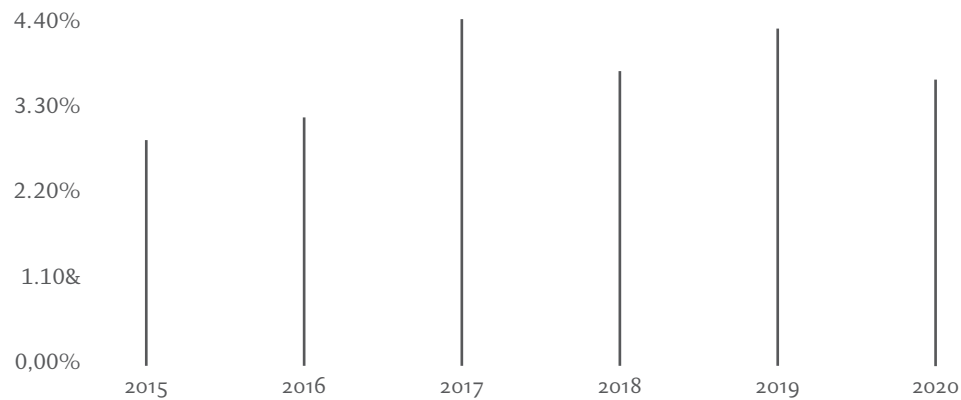
All Cromaris employees shall be safe and secure at work.

Cromaris strives to promote safe and secure working environment for all employees. Cromaris believes that safety is everyone's responsibility and aims to have everyone effectively trained to act as a safety leader. The number of injuries started to slightly

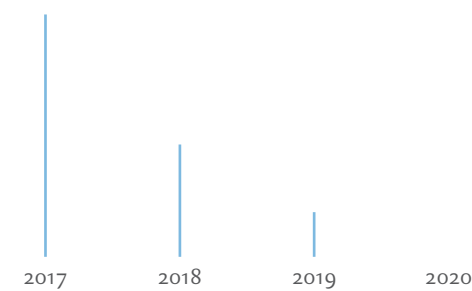
decrease in 2020, compared to 2018 and 2019. Our goal is to put the safety of our workers in the first place. Therefore in 2021 we will try to lower the number of injuries and monitor our progress. The ultimate goal is to provide safe conditions for all Cromaris employees. We hold ourselves accountable for every injury and strongly believe that our performance can be improved.

The percentage of severe injuries decreased over the years and reached 0 severe injuries in 2020.

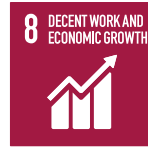
EMPLOYEE INJURIES TREND



SEVERITY OF INJURIES (%) | Severe injuries



Overview of employee injuries



Our scuba divers have been evaluated as employees at the highest risk of injury. Therefore Cromaris provides them with medical examinations once a year and with training at a level higher than the level prescribed by law. The first aid course is obligatory to enable timely and fast reactions in case of potential injury.

For extra safety, in 2021 each diver will be equipped with an additional diving regulator.

Cromaris regularly provides training for specific job positions. In 2020 several professional trainings of workers were performed. Employees were trained for the following professions: scuba diver, forklift driver, crane operator, work with compressor plants, work with gases, work with hazardous chemicals, management of B and C category boats.

Personal protective equipment (PPE) is procured before the winter and summer period. New PPE was purchased in 2020 - life vests for farm workers, helmets and protective

hearing devices (earplugs) for barge workers, as well as basic PPE - protective boots and clothing.

PPE is also purchased during the year for newly hired workers and for workers who, for justified reasons, are left without personal protective equipment. It is really important that all Cromaris workers are provided with prescribed personal protective equipment.

In 2020 there were no injuries of workers due to failures in the implementation of safety measures at work. The underlying cause of injuries was negligence in the workplace, and force majeure.

Our goal in 2021 is to focus on lowering the number of employee injuries by intensifying our trainings, providing new protective equipment and creating a safe environment for all Cromaris employees.

*“Aquaculture is the future of
seafood industry,
Cromaris is the future of
aquaculture.”*

