cromaris

Climate Change Mitigation and Adaptation Policy

Content

1 Scope, Responsibilities, and Policy Availability

Activity:	**NACE – A 03.21 Marine aquaculture** - Hatchery, farming, grading, processing, packaging and distribution of Mediterranean white fish
Registered offices:	**Cromaris d.d.,** Gaženička cesta 4b, 23 000 Zadar **Cromaris Italia Sr.l.,** Via delle Industrie n 2/1 31032 Casale sul Sile TV, Italia
Contact for policy-related enquiries:	**e-mail:** info@cromaris.hr
Policy prepared by:	**Head of ESG, Finance**
Policy approved by:	**Management Board Member and Director of Finance**
Person responsible for policy implementation:	**President of the Management Board (CEO)**
Business decarbonisation strategies:	**Climate Change Mitigation Transition Plan**
Sustainability matters (material topics) covered by the Policy:	- **Climate change mitigation** - **Climate change adaptation** - **Energy**
Methodology:	- **GHG Protocol** – calculation of the carbon footprint in Scopes 1, 2 and 3 - **Intergovernmental Panel on Climate Change (IPCC) scenarios –** analysis of business vulnerability and resilience to physical climate risks
Baseline / target year for Scope 1 and 2 carbon footprint reduction:	**2024/ 2030**
Greenhouse gases:	**CO_2, CH_4, N_2O and HFCs**
Policy scope of application:	**Locations under financial and operational control:** - Hatchery Nin, fish farms Lamjana, Košara, Lavdara, Kudica, Velo Žalo, Žman i Budava, processing and distribution centre in Gaženica, Cromaris Italia, retail shops and fishmongers in Zadar (Fish-point), Zagreb (2), Rovinj (1), Preko (1) and Vir (1) **Significant parts of the value chain:** - Fish feed manufacturers, packaging manufacturers, product carriers, local communities, waste management, customers and consumers
Responsibilities of organisational units for drafting and coordinating policy implementation:	**Finance, Research & Development and Commercial Excellence in cooperation with other organisational units**
Policy review frequency:	**Annually following the double materiality assessment**
Alignment of the Policy with the European Sustainability Reporting Standards (ESRS):	**The Policy is aligned with the requirements of:** - ESRS 2 General disclosures – Policies (MDR-P) – Policies adopted to manage material sustainability matters - ESRS E1-2 – Policies related to climate change mitigation and adaptation
Alignment of the Policy with key global, EU and Croatian climate strategies, action plans, legal provisions and implemented certified systems:	**The Policy is aligned with key requirements of:** - Paris Agreement - Regulation (EU) 2021/1119 – European Climate Law - Climate Change and Ozone Layer Protection Act (OG 67/25) - Revised Integrated National Energy and Climate Plan of the Republic of Croatia for 2021–2030 (ver. 3/2025) - Aquaculture Stewardship Council (ASC) – Seabass, Seabream and Meagre Standard - IFS – 1.1 Policies, sustainability - ISO 9001 and 14001 – 4.1 Understanding the organisation and its context; 4.2 Needs and expectations of interested parties; and 5.2 Environmental policy, climate objectives - GlobalG.A.P – AQ7 – Biodiversity protection, fish escapes
Key EU climate regulations not applicable to Cromaris:	- Regulation (EU) 2023/1115 on deforestation
Policy availability:	**The Policy is published in Croatian and English:** - https://cromaris.com/hr/politike-odrzivosti/ - HR - https://cromaris.com/sustainability-policies/ - EN

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ESRS E1-2

2 Material Impacts, Risks, Opportunities and Indicators

Material impacts, risks and opportunities (IROs) arising from climate-related sustainability matters are analysed and assessed through a double materiality assessment each reporting year. For every impact, risk and opportunity, Cromaris sets targets, measures and performance indicators to track target achievement and the effectiveness of the measures implemented. The Policy, the Climate Change Mitigation Transition Plan and the Strategic Business Plan are aligned with the outcomes of the double materiality assessment.

Sustainability Factors	Impact / Risk / Opportunity	Short- / Medium- / Long-term	Indicators
Climate Change Mitigation			
GHG emissions – Scope 1	Negative impact of operations	Long-term	Scope 1 carbon footprint – t CO_2(e)
GHG emissions – Scope 2	Negative impact of operations	Medium-term	Scope 2 carbon footprint – t CO_2(e)
GHG emissions - Scope 1 and 2	Negative impact of operations	Long-term	Emission intensity per unit of product / revenue – t CO_2(e)/ t WFE / €
GHG emissions – Scope 3	Negative impact of the value chain	Long-term	Scope 3 carbon footprint - t CO_2(e)
GHG emissions – Scope 1, 2 and 3	Negative impact of operations and the value chain	Long-term	Emission intensity per unit of product / revenue – t CO_2(e)/ t WFE / €
Transition to low-carbon vehicles, vessels and equipment	Technological transition climate risk to operations	Long-term	Types and number of vehicles and vessels that could have been in use but were replaced with low-carbon alternatives
	Positive impact of operations	Long-term	Avoided emissions – t CO_2(e)
Emissions Trading System – road transport fuel distributors – ETS 2	Political and legal transition climate risk to operations and the value chain	Long-term	Impact on unit product price – €/ product
Carbon Border Adjustment Mechanism (CBAM)			
Amendments to CSRD and EU Taxonomy requirements	Political and legal transition climate risk to operations and the value chain	Medium-term	Share of significant suppliers that provided emissions intensity data – %
Climate Change Adaptation			
Sudden and severe weather changes	Physical climate risk to operations	Short-term	Number of days per month when vessels could not sail due to weather
Increase in average sea temperature	Physical climate risk to operations	Long-term	Number of days in June, July, August and September with T > 25°C at sea surface and T > 23°C at 10 m depth
Increase in average air temperature and heatwaves	Physical climate risk to operations and the value chain	Long-term	Number of days in June, July, August and September with UV Index 6 and UV 8

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Sustainability Factors	Impact / Risk / Opportunity	Short- / Medium- / Long-term	Indicators
Energy			
Production and consumption of energy from fossil fuels	Negative impact of operations	Medium-term	Production and consumption in MWh and share of fossil fuels in total production and consumption – %
Energy efficiency measures	Positive impact of operations	Long-term	Avoided emissions – – t CO_2(e)
Production and consumption of energy from renewable sources	Positive impact and opportunity of operations	Long-term	Generation – MWh with Guarantees of Origin (GoO)

3 Policy Principles

a) Compliance with climate requirements of global, EU and Republic of Croatia strategies, action plans and legal provisions

b) Operation according to the following hierarchy:

   i. Prevent the impacts of the undertaking's operations and material parts of its value chain on the climate, and the impacts of the climate on the undertaking's operations.

   ii. Mitigate and remediate the impacts of the undertaking's operations on the climate, and the impacts of the climate on the undertaking's operations

   iii. Implement compensatory measures to mitigate the impacts of the undertaking's operations on the climate, where applicable

c) Activities and measures to mitigate the impacts of the undertaking's operations on the climate and of the climate on the undertaking's operations must not have adverse effects on other components of the environment—water, the marine environment, soil and biodiversity—and on society—employees, suppliers, local communities, customers and consumers

d) The transition to low-carbon operations shall be just, and information on changes in operations caused by climate factors shall be provided in a timely manner so as to enable the adaptation and protection of employees, small and medium-sized suppliers, local communities, and customers and consumers

4 Objectives

4.1 General objectives

a) Inform affected employees about key organisational changes, and external stakeholders (suppliers, customers and consumers) about changes in business processes caused by climate-related sustainability factors, at least one month prior to the commencement of the change, unless the nature of the business or exceptional circumstances require a different notification period

b) Report on climate-related matters in sustainability reports and, as needed, via social media and in direct communications with the undertaking's employees, suppliers, local communities, and customers and consumers

c) Calculate and disclose in the sustainability report the key performance indicators for sustainable activities and operations in accordance with the EU Taxonomy, measured against the technical screening criteria for the climate objectives
d) Develop a proposal for a remuneration scheme for members of the operational, administrative, management and supervisory bodies by 2028 to incentivise the achievement of climate targets

4.2 Climate Change Mitigation and Energy

a) Reduce total market-based Scope 1 and Scope 2 greenhouse gas emissions by 16.7% from 2024 to 2030
b) Include in the Scope 3 greenhouse gas inventory at least 67% of significant value-chain GHG emissions by 2028
c) Increase the share of total electricity consumption sourced from renewable energy by at least 80% by 2028 compared with 2024
d) Generate at least 7% of annual electricity consumption from own renewable energy sources
e) Replace existing lighting with high-efficiency LED lighting at the hatchery by 2028
f) Implement the second phase of the automatic backwash system for heat-recovery heat exchangers at the hatchery, in order to improve energy efficiency and reduce fossil-fuel consumption
g) Disclose greenhouse gas and energy intensity per unit of product (t CO_2e / t WFE and GJ / t WFE) in the sustainability report, in accordance with the Aquaculture Stewardship Council (ASC) Seabass, Seabream and Meagre standard
h) Reduce the annual quantity of waste sent to landfill, specifically:
   i. ≥ 90% of fish-processing residues are not classified as waste and are transferred as by-products to authorised companies producing pet food;
   ii. ≥ 90% of mortalities from fish farms are recovered in biogas plants;
   iii. Assess the feasibility of using fish bones and scales in the production of fertilisers and in the pharmaceutical and cosmetics industries by 2029
i) Replace controlled working substances (freons) in refrigeration systems with refrigerants having a Global Warming Potential (GWP) < 150 by 2030

4.3 Adaptation of business operations to climate change

a) Reduce vulnerability and increase the resilience of employees to work under extreme weather conditions:
   i. Storm/weather protection – by 2030, 100% of employees at farming sites are trained to work under adverse weather conditions, in sea-rescue procedures and evacuation protocols
   ii. Storm/weather protection – by 2030, 100% of employees at farming sites are trained to work under adverse weather conditions, in sea-rescue procedures and evacuation protocols
b) Reduce vulnerability and increase the resilience of juveniles, fish, critical infrastructure and logistics to extreme weather conditions:

i. Insurance coverage – all employees, fish stocks and assets are insured against adverse weather impacts
ii. Hatchery – electricity supply interruptions caused by weather:
    - by 2028, install a battery energy storage system to ensure operation of critical hatchery systems (pumps, UV, ozone, aeration)
    - ensure ≥ 24 h of full generator-backed operation for critical systems until the battery energy storage system is commissioned

iii. Hatchery – flood protection
    - the hatchery building is elevated by 1 metre relative to the surrounding ground
iv. Farms – strengthening infrastructure resilience in line with the ASC Seabass, Seabream and Meagre Standard requirements:
    - keep the total share of escapes of European seabass, gilthead seabream and meagre from known causes (including storms) at ≤ 4% of the number of stocked fish per certified farm site and production cycle
    - keep the total share of escapes due to uncounted/unexplained losses at ≤ 2% of the number of stocked fish per certified farm site and production cycle
    - exception: a total escape rate > 4% may occur once in 9 years at a certified farm site if the event was unforeseeable, documented and could not have been mitigated
v. Farms – rising sea-surface temperatures and prevention/mitigation of eutrophication (harmful algal blooms):
    - Reduce or temporarily suspend feeding
    - Suspend all handling operations with fish to reduce stress and mortality
    - Develop and begin applying an in vitro method by 2029 to increase feed digestibility, reduce nutrient loads to the marine environment and mitigate eutrophication
vi. Farms – increasing the climate resilience of sensitive species:
    - By 2029, develop and test a new feed formula for seabass and determine effects on species resilience and the feasibility of reformulating the existing feed
vii. Logistics and transport of products – ensuring the transport of fish juveniles, market-size fish, fish feed, packaging and finished products to customers and consumers under extreme weather conditions (storms, snow, ice):
    - For all key own-fleet routes, define at least one alternative corridor by 2028, with route-change triggers “meteo-triggers” (storms/snow/floods, wildfires) and customer notification ≤ 30 minutes from the rerouting decision
    - Include, by 2030, in procurement conditions for transport services (fish feed and packaging to Cromaris, and Cromaris products to customers/consumers) a requirement to submit the carrier’s adaptation plan for rerouting under extreme weather so as to minimise delays

5 Measures for monitoring the effectiveness of policy implementation

The measures below set out how the achievement of the policy's climate-change mitigation and adaptation targets will be monitored.

5.1 Climate change mitigation and energy

a) Annually analyse the climate targets and align them with new and amended requirements of applicable global, EU and Republic of Croatia climate strategies, plans and legislation.
b) Annually analyse the performance indicators for achievement of the climate targets and update alignment with the objectives of the Strategic Business Plan.
c) Annually analyse the performance indicators for achievement of the climate-change mitigation targets and confirm the continuation of effective measures, adopt new measures, and discontinue and/or amend ineffective measures.
d) Annually inform fish-feed producers, packaging suppliers, product transport providers, customers and consumers about Cromaris' carbon-footprint reduction targets, and collect data for the calculation
e) Through targeted training, annually encourage key employees to achieve savings in energy and energy carriers
f) Taking into account the share of greenhouse gas emissions in the Republic of Croatia's total emissions and the costs of carbon capture, storage and utilisation (CCS/CCU) technologies, consider the possibility of their application after 2030
g) Consider the possibility and applicability of using carbon credits available on the voluntary market to reduce the carbon footprint after 2030

5.2 Business adaptation to climate change

a) Annually analyse the vulnerability and resilience of own employees and business processes, significant suppliers of materials, goods and services, and significant customers and consumers to transition risks and physical climate risks
    i. The analysis includes physical climate risks applicable to mariculture pursuant to Table II, Annex A to Regulation (EU) 2021/2139 (ver. 8.1.2025)
    ii. The analysis includes legal, political, technological, market and reputational transition risks applicable to mariculture
b) Annually analyse the performance indicators for achievement of the climate-change adaptation targets and update alignment with the objectives of the Strategic Business Plan

6 Human and financial resources for achieving climate targets

Own employees are involved in achieving the targets related to climate-related sustainability matters, with external experts engaged as needed. The sources of financing for measures to achieve climate-change mitigation and adaptation targets are own funds, EU funds and the Environmental Protection and Energy Efficiency Fund applicable to the mariculture sector, as well as bank loans and credit facilities.

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7 Stakeholder involvement in policy development and updates

Significant stakeholders are involved in the development and updating of the Climate Change Mitigation and Adaptation Policy based on the results of the double materiality assessment, which is conducted annually for each reporting period. Significant stakeholders involved in developing the policy are the owner, own employees, producers of fish feed and packaging, product transport providers, waste management, local communities, significant customers and consumers, representatives and auditors of the Aquaculture Stewardship Council (ASC) for farms, and auditors for quality and environmental management systems under the ISO 14001 and 9001 standards, IFS Food and Global G.A.P. The methods of stakeholder involvement depend on the stakeholder type and may include: workshops and meetings, questionnaires, conferences, professional and scientific conferences, round tables, membership in associations, internal and external audits, electronic mail, social media and other applicable means of communication.

8 Linkage with policies governing other sustainability matters

The Climate Change Mitigation and Adaptation Policy is linked to the Water, Marine Environment and Biodiversity Policy, the Resource Use and Circular Economy Policy, the Impacts, Risks and Opportunities on Society Policy, and the Business Conduct Policy. The Impacts, Risks and Opportunities on Society Policy covers own employees, affected communities, and customers and consumers, while the Business Conduct Policy covers corporate culture, supplier relations, and animal welfare

Policy	Climate change mitigation and adaptation policy
Water, Marine Environment and Biodiversity Policy – ESRS E3 and ESRS E4	- 4.3 b), v. – fish escapes - 4.3 b), vi. – prevention and reduction of marine eutrophication
Resource Use and Circular Economy Policy – ESRS E5	- 4.2 h) and 4.3 b), ii., v and vii. – reduction of disposed waste volumes, use of by-products
Impacts, Risks and Opportunities on Society Policy – ESRS S1–S4	- 4.1 a) – informing employees, customers and consumers about significant organisational changes and changes to business processes - 4.1 b) – publication of the sustainability statement/report and informing interested stakeholders - 4.3 b), i. – insurance for employees against the effects of adverse weather conditions - 4.3 b), vii. – informing customers of route changes due to adverse weather conditions - 5.1 b) – employee training on measures to save energy and energy carriers
Business Conduct Policy – ESRS G1	- 4.1 a) – informing suppliers about significant organisational changes and changes to business processes - 4.3 b), ii. – preventing mortality at the hatchery – animal welfare - 4.3 c), iv. – preventing mortality at farms – animal welfare - 4.3 b), v. – improving fish-feed formulations to increase fish resilience – animal welfare

Zadar, 27 October 2025

President of the Management Bord

Ivan Leko

Cromaris d.d. Zadar

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