FLUIDRA, S.A.

AND SUBSIDIARIES

Annual Financial Report

31 December 2021

(The English version of this document is a free translation from the original issued in Spanish. This translation has been carried out internally by Fluidra, S.A. under its sole responsibility and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.)

Audit Report on Financial Statements
issued by an Independent Auditor

FLUIDRA, S.A. and Subsidiaries
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2021

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of Fluidra, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Fluidra, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2021, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2021 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and other intangible assets

Description

At December 31, 2021 the Group shows goodwill and other intangible assets amounting to 1,316 and 900 million euros, respectively. At least annually, Group Management estimates the recoverable amount of each significant Cash Generating Unit (CGU) to which these assets are allocated. The purpose of this analysis is to conclude about the need to record an impairment loss on goodwill or any other intangible asset. The analysis requires Group Management to make estimates, which entails the use of judgments in the determination of the assumptions considered. Impairment tests are performed using the discounted cash flow method based on a risk-free rate.

We have considered this area a key audit matter since the analyses performed by Group Management require them to make complex estimates and judgments regarding the future results of the CGUs to which the aforementioned assets belong.

The description of the balance, movements and methodology and main assumptions used in the recoverability analysis performed on the CGUs to which the aforementioned goodwill have been allocated, as well as the information on other intangible assets, are described in Notes 3.d) and 8 to the accompanying consolidated financial statements.

Our response

Our audit procedures for this area consisted, among others, in:

- Understanding the processes established by Group Management in the determination of the impairment of goodwill and other intangible assets, including the assessment of the design and implementation of relevant controls.
- Reviewing, in collaboration with our valuation experts, the reasonableness of the method used by Group Management in the projection of the discounted cash flows of each CGU, covering, specifically, the discount rate used and the long-term growth rate.
- Reviewing the financial information projected in the business plan for each CGU by analyzing the historical financial and budget information, the current market conditions, and the forecasts about their potential evolution and public information provided by other sector companies.
- Reviewing the disclosures included in the notes to the consolidated financial statements required by the applicable regulatory framework for financial information.

Measurement of trade and other receivables

Description

At December 31, 2021 the Group has trade and other receivables, net of impairment losses, amounting to 257 million euros, as indicated in Note 15. As mentioned in Note 3. i) d) to the consolidated financial statements on the most relevant accounting principles applied, Group Management estimates trade and other receivables considered to be doubtful receivables and, if any, records a provision for the financial assets to adjust accounts receivable to their fair value. Group Management estimates this provision through individual reviews of trade and other receivables based on specific circumstances, as well as on the experience and collection trends in the sector taking into account the current economic and trade conditions.

Given the significance of the amounts involved and the complexity of the judgments that assessing the collection of trade receivables entails, we have considered this area a key audit matter.

Our response

Our audit procedures for this area consisted, among others, in:

- Understanding the processes established by Group Management in the determination of the correct measurement of trade and other receivables, including the assessment of the design and implementation of relevant controls.
- Comparing Group Management's estimates with historical collection trends.
- Conducting an analysis of ratios over Group Management's estimate of bad debts.
- Recalculating the provision for bad debts based on subsequent events (collections from customers, etc.) and the analysis of the economic situation of the debtor.
- Reviewing the disclosures included in the notes to the consolidated financial statements required by the applicable regulatory framework for financial information.

Measurement of inventory

Description

At December 31, 2021 the Group has inventory for a recorded amount, net of impairment losses, of 494 million euros, as indicated in Note 14. The several types of inventory are located at different warehouses and factories that the Group has in both Spain and abroad. As indicated in Note 3.k) to the accompanying consolidated financial statements, the Group measures inventories at cost and if their net realizable value becomes lower than acquisition cost the corresponding impairment loss is recorded as an expense in the income statement. Given the significance of these balances to the consolidated financial statements taken as a whole, and the subjectivity involved in estimating the net realizable value of inventories, we have considered this area a key audit matter.

Our response	Our audit procedures for this area consisted, among others, in:

- Understanding the processes established by Group Management in the measurement inventory, including the assessment of the design and implementation of relevant controls. For this purpose, we have engaged our IT experts to understand the computer process, including the assessment of the design and implementation, as well as the operating effectiveness, of general and application controls of the software program used to determine the provision for obsolescence recorded by the Group.
- Performing a test of detail, by means of a sample, of the historical cost, actual margins and net realizable value of obsolete inventory. Historical costs were tested using samples, by checking the acquisition cost against the original purchase invoice, and actual margin and net realizable amount were tested using samples by checking them against original sale invoices.
- Assessing whether any inventories were sold at a negative margin, by analyzing the last invoices of sales carried out subsequent to year end and up to the date we completed our work.
- Analyzing stock turnover to validate the estimates of obsolete inventories made by Group Management.
- Reviewing the disclosures included in the notes to the consolidated financial statements required by the applicable regulatory framework for financial information.

Other information: consolidated management report

Other information refers exclusively to the 2021 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a) Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2021 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Fluidra, S.A. and subsidiaries for the 2021 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of Fluidra, S.A. are responsible for submitting the annual financial report for the 2021 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on March 29, 2022.

Term of engagement

The ordinary general shareholders' meeting held on March 27, 2019 appointed us as auditors for 3 years, commencing on December 31, 2019.

Previously, we were appointed as auditors by the shareholders for 3 years and we have been carrying out the audit of the financial statements continuously since December 31, 2016.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Daniel Artigas

March 31, 2022

FLUIDRA, S.A.

AND SUBSIDIARIES

Consolidated Annual Accounts and Consolidated Director's Report

31 December 2021

(Together with the Consolidated Audit Report thereon)

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CONSOLIDATED ANNUAL ACCOUNTS

Fluidra, S.A. and Subsidiaries

Consolidated Annual Accounts

31 December 2021 and 2020

(Expressed in thousands of euros)

Fluidra, S.A. and Subsidiaries

Consolidated Statement of Financial Position

31 December 2021 and 2020

(Expressed in thousands of euros)

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Assets	Notes	31/12/2021	31/12/2020
Property, plant, and equipment	6	160,673	117,941
Investment property	7	2,139	2,940
Goodwill	8	1,316,466	1,075,483
Other intangible assets	8	899,726	641,717
Right-of-use assets	9	151,599	101,714
Investments accounted for using the equity method	10	735	28
Non-current financial assets	11	4,452	4,384
Other receivables	15	3,770	3,680
Deferred tax assets	29	111,080	90,389
Total non-current assets		2,650,640	2,038,276
Non-current assets held for sale	13	4,934	-
Inventories	14	494,014	281,838
Trade and other receivables	15	256,651	249,341
Other current financial assets	11	10,794	10,867
Derivative financial instruments	12	491	10
Cash and cash equivalents		87,808	225,631
Total current assets		854,692	767,687
TOTAL ASSETS		3,505,332	2,805,963
Equity			
Share capital		195,629	195,629
Share premium		1,148,591	1,148,591
Retained earnings and other reserves		435,971	227,648
Interim dividend		-	(40,752)
Treasury shares		(168,491)	(35,841)
Other comprehensive income		2,384	(73,969)
Equity attributable to equity holders of the parent	16	1,614,084	1,421,306
Non-controlling interests		8,349	6,734
Total equity		1,622,433	1,428,040
Liabilities			
Bank borrowings and other marketable securities	19	696,041	671,102
Lease liabilities		136,526	91,694
Derivative financial instruments	12	7,191	15,987
Deferred tax liabilities	29	221,938	165,365
Provisions	18	13,034	13,636
Government grants		217	241
Other non-current liabilities	21	9,918	18,602
Total non-current liabilities		1,084,865	976,627
Liabilities linked to non-current assets held for sale	13	1,686	-
Bank borrowings and other marketable securities	19	301,957	20,013
Lease liabilities		31,141	22,454
Trade and other payables	20	412,239	319,696
Provisions	18	50,830	37,602
Derivative financial instruments	12	181	1,531
Total current liabilities		798,034	401,296
Total liabilities		1,882,899	1,377,923
TOTAL EQUITY AND LIABILITIES		3,505,332	2,805,963

The accompanying notes are in integral part of the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the year ended 31 December 2021.

Fluidra, S.A. and Subsidiaries

Consolidated Income Statement

31 December 2021 and 2020

(Expressed in thousands of euros)

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	Notes	31/12/2021	31/12/2020
Operating income			
Sales of goods and finished products	24	2,186,919	1,488,108
Income from the rendering of services	25	31,659	22,752
Work performed by the Group and capitalised as non-current assets		15,106	14,848
Total operating income		2,233,684	1,525,708
Operating expenses			
Changes in inventories of finished goods and work in progress and raw material supplies	23	(1,031,424)	(702,053)
Personnel expenses	26	(363,731)	(272,436)
Depreciation and amortisation expenses and impairment losses	6, 7, 8, 9 & 13	(124,698)	(117,981)
Other operating expenses	27	(332,517)	(248,789)
Total operating expenses		(1,852,370)	(1,341,259)
Other gains and losses			
Gains/(losses) on sales of fixed assets		349	(386)
Total other gains and losses		349	(386)
Operating profit		381,663	184,063
Finance income/(cost)			
Finance income		2,612	7,378
Finance cost		(35,383)	(37,927)
Right-of-use finance cost		(5,465)	(4,861)
Exchange gains/(losses)		(5,943)	(9,660)
Net financial income/(cost)	28	(44,179)	(45,070)
Share in profit/(loss) for the year from investments accounted for using the equity method	10	5	28
Profit/(loss) before tax from continuing operations		337,489	139,021
Income tax expense	29	(81,521)	(39,118)
Profit/(loss) after tax from continuing operations		255,968	99,903
Profit/(loss) attributable to non-controlling interests		3,605	3,515
Profit/(loss) attributable to equity holders of the parent		252,363	96,388
EBITDA	35	506,366	302,072
Basic and diluted earnings/(loss) per share (euros)	17	1.32438	0.49702

The accompanying notes are in integral part of the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the year ended 31 December 2021.

Fluidra, S.A. and Subsidiaries

Consolidated Statement of Comprehensive Income
for the years ended 31 December 2021 and 2020

(Expressed in thousands of euros)

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		31/12/2021	31/12/2020
Profit / (loss) for the year		255,968	99,903
Items that will be reclassified to profit or loss			
Cash flow hedges	Note 12	8,973	(1,370)
Actuarial gains and losses		-	135
Exchange differences on translation of foreign operations		69,483	(66,097)
Tax effect		(2,105)	459
Other comprehensive income for the year, net of tax		76,351	(66,873)
Total comprehensive income for the year		332,319	33,030
Total comprehensive income attributable to:			
Equity holders of the parent		329,002	30,089
Non-controlling interests		3,317	2,941
		332,319	33,030

The accompanying notes are in integral part of the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the year ended 31 December 2021.

Fluidra, S.A. and Subsidiaries

Consolidated Statement of Changes in Equity
for the years ended 31 December 2021 and 2020

(Expressed in thousands of euros)

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	Equity attributable to equity holders of the Parent										
							Other comprehensive income				
	Capital	Share premium	Legal reserve	Retained earnings	Interim dividend	Treasury shares	Translation differences	Other	Total	Non-controlling interests	Total equity
Balance at 1 January 2020	195,629	1,148,591	40,140	73,068	-	(14,000)	8,006	(11,820)	1,439,614	5,878	1,445,492
Profit / (loss) for the year	-	-	-	96,388	-	-	-	-	96,388	3,515	99,903
Other comprehensive income	-	-	-	-	-	-	(65,523)	(776)	(66,299)	(574)	(66,873)
Total comprehensive income for the year	-	-	-	96,388	-	-	(65,523)	(776)	30,089	2,941	33,030
Inclusion of entities	-	-	-	-	-	-	-	-	-	5	5
Disposal of entities	-	-	-	-	-	-	-	-	-	(60)	(60)
Change in ownership interest	-	-	-	3,856	-	-	(3,856)	-	-	35	35
Treasury shares	-	-	-	5,921	-	(21,841)	-	-	(15,920)	-	(15,920)
Equity-based payments	-	-	-	9,091	-	-	-	-	9,091	-	9,091
Other	-	-	-	(816)	-	-	-	-	(816)	-	(816)
Dividends	-	-	-	-	(40,752)	-	-	-	(40,752)	(2,065)	(42,817)
Balance at 31 December 2020	195,629	1,148,591	40,140	187,508	(40,752)	(35,841)	(61,373)	(12,596)	1,421,306	6,734	1,428,040
Profit/(loss) for the year	-	-	-	252,363	-	-	-	-	252,363	3,605	255,968
Other comprehensive income	-	-	-	-	-	-	69,771	6,868	76,639	(288)	76,351
Total comprehensive income for the year	-	-	-	252,363	-	-	69,771	6,868	329,002	3,317	332,319
Inclusion of entities	-	-	-	-	-	-	-	-	-	12	12
Change in ownership interest	-	-	-	372	-	-	(286)	-	86	-	86
Treasury shares	-	-	-	46,543	-	(132,650)	-	-	(86,107)	-	(86,107)
Equity-based payments	-	-	-	25,728	-	-	-	-	25,728	-	25,728
Dividends	-	-	-	(116,683)	40,752	-	-	-	(75,931)	(1,714)	(77,645)
Balance at 31 December 2021	195,629	1,148,591	40,140	395,831	-	(168,491)	8,112	(5,728)	1,614,084	8,349	1,622,433

The accompanying notes are in integral part of the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the year ended 31 December 2021.

Fluidra, S.A. and Subsidiaries

Consolidated Cash Flow Statement
for the years ended 31 December 2021 and 2020

(Expressed in thousands of euros)

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	Note	2021	2020
Cash flows from operating activities			
Profit for the year before tax		337,489	139,021
Adjustments for:			
Amortisation and depreciation	6, 7 & 8	122,602	116,326
Impairment of receivables	27	361	3,720
Provision for/(reversal of) impairment losses on assets	6 & 8	2,096	1,655
Provision for/(reversal of) impairment losses on financial assets	28	342	493
Provision for/(reversal of) losses on risks and expenses		8,994	11,936
Provision for/(reversal) of losses on inventories	23	683	47
Income from financial assets	28	(661)	(5,318)
Finance cost	28	37,767	40,425
(Profit)/loss from the sale of associates		(123)	-
Exchange (gains)/losses		5,943	9,660
Share in profit/(loss) for the year from associates accounted for using the equity method		(5)	(28)
(Profit)/loss on the sale of property, plant and equipment and other intangible assets		(349)	295
(Profit)/loss from the sale of subsidiaries	5	-	91
Government grants recognised in profit and loss		(89)	(86)
Adjustments to consideration paid against gains/losses on business combinations	28	2,739	(1,195)
Share-based payment expenses	30	26,505	9,091
(Profit)/loss from derivative financial instruments at fair value through profit or loss		(1,828)	1,004
Operating profit before changes in working capital		542,466	327,137
Changes in working capital, excluding effects of acquisitions and currency translation differences			
Increase/(decrease) in trade and other receivables		31,917	55,909
Increase/(decrease) in inventories		(171,661)	(19,255)
Increase/(decrease) in trade and other payables		70,516	(2,189)
Utilisation of provisions		(523)	(195)
Cash from operating activities		472,715	361,407
Interest paid		(33,810)	(39,459)
Interest received		628	5,306
Corporate income tax paid		(96,949)	(35,190)
Net cash from operating activities (*)		342,584	292,064
Cash flows from investing activities			
From the sale of property, plant and equipment		1,780	655
From the sale of other intangible assets		496	141
From the sale of financial assets		7,547	3,406
From the sale of subsidiaries, net of cash utilised	5	-	(344)
Proceeds from the sale of subsidiaries in prior years		105	730
Acquisition of property, plant and equipment		(42,869)	(21,839)
Acquisition of intangible assets		(28,553)	(19,476)
Acquisition of other financial assets		(6,765)	(4,477)
Payments for acquisitions of subsidiaries, net of cash and cash equivalents	5	(415,628)	(10,637)
Payments for acquisitions of subsidiaries in prior years		(20,215)	(8,837)
Net cash from investing activities (*)		(504,102)	(60,678)

The accompanying notes are in integral part of the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the year ended 31 December 2021.

Fluidra, S.A. and Subsidiaries

Consolidated Cash Flow Statement
for the years ended 31 December 2021 and 2020

(Expressed in thousands of euros)

	Note	2021	2020
Cash flows from financing activities			
Payments for repurchase of treasury shares		(277,955)	(37,735)
Proceeds from the sale of treasury shares		191,848	21,815
Proceeds from grants		74	14
Proceeds from bank financing		385,430	42,976
Payments for bank borrowings		(177,392)	(202,093)
Payments for lease liabilities		(26,238)	(20,328)
Dividends paid		(77,646)	(42,817)
Net cash from financing activities (*)		18,121	(238,168)
Net increase/(decrease) in cash and cash equivalents		(143,397)	(6,782)
Cash and cash equivalents at 1 January		225,631	242,240
Effect of currency translation differences on cash flows		7,884	(9,827)
Cash and cash equivalents at 31 December		90,118	225,631

(*) Includes the cash flows arising from continuing and discontinued operations (Note 13).

(The English version of this document is a free translation from the original issued in Spanish. This translation has been carried out internally by Fluidra, S.A. under its sole responsibility and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.)

1. **Nature, principal activities and companies comprising the Group**

Fluidra, S.A. (hereinafter the Company) was incorporated as a limited liability company for an indefinite period in Girona (Spain) on 3 October 2002 under the name Aquaria de Inv. Corp., S.L., and changed to its current name on 17 September 2007.

The Company's corporate purpose and activity consists of the holding and use of equity shares, securities and other stock, and advising, managing and administering the companies in which the Company holds an ownership interest.

On 1 July 2021, the Company changed its registered address from the previous location in the municipality of Sabadell (Avenida Francesc Macià nº 60, planta 20, 08208 Sabadell, Barcelona) to a new location in the municipality of Sant Cugat del Vallès (Avda. Alcalde Barnils 69, 08174 Sant Cugat del Vallés, Barcelona).

The Group's activity consists of the manufacture and marketing of accessories and machinery for swimming-pools, irrigation and water treatment and purification.

Fluidra, S.A. is the parent company of the Group comprising the subsidiaries detailed in accompanying Appendix I (hereinafter Fluidra Group or the Group). Additionally, the Group holds ownership interests in other entities as detailed in Appendix I also. Group companies have been consolidated using their interim financial statements prepared/approved for issue by the corresponding managing bodies or Boards of Directors.

Share capital is represented by 195,629,070 ordinary shares with a par value of Euros 1 each, fully subscribed and paid up.

On 31 October 2007, Fluidra, S.A. (the "Company") completed its initial public offering process through the public offering of 44,082,943 ordinary shares with a par value of Euro 1 each. These shares representing share capital are quoted on the Barcelona and Madrid stock exchanges, and also on the continuous market.

On 2 July 2018, and within the framework of the merger agreement between the Fluidra Group and the Zodiac Group, Fluidra, S.A. increased its share capital for a nominal amount of Euros 83,000,000 by issuing and circulating 83,000,000 ordinary shares of Euros 1 par value each, which were fully subscribed by Piscine Luxembourg Holdings 2 S.à.r.l. (penultimate shareholder of the Luxembourg company Zodiac Pool Solutions S.à.r.l., which is the parent of the Zodiac Group) without entitlement, as per article 304.2 of the Spanish Corporations Act, to any preferential subscription rights. The difference between the fair value of the equity received by Fluidra, S.A. by virtue of the merger and the par value was allocated to the share premium.

2. Basis of presentation

The consolidated financial statements have been prepared from the accounting records of Fluidra, S.A. and the entities included in the Group using the going concern principle. The 2021 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other financial reporting framework provisions in order to present fairly the consolidated equity and consolidated financial position of Fluidra, S.A. and its subsidiaries at 31 December 2021 and its consolidated financial results, consolidated cash flows and changes in consolidated equity for the year then ended.

a) Basis of presentation of the consolidated financial statements

These consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and financial instruments at fair value through profit or loss.

b) Comparative information

For comparative purposes, the consolidated financial statements include the 2021 consolidated figures in addition to those of the prior year for each item of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the notes thereto, which were part of the 2020 consolidated annual accounts approved by the shareholders at their general meeting on 6 May 2021.

The Group's accounting policies that are described in Note 3 have been consistently applied to the year ended 31 December 2021 and the accompanying comparative information at 31 December 2020.

All significant mandatory accounting principles have been applied.

The Parent’s Directors expect these 2021 consolidated financial statements, which were authorised for issue on 30 March 2022, to be approved by the shareholders at their general meeting without modification.

c) Significant accounting estimates and key assumptions and judgements when applying accounting policies

In the preparation of the consolidated financial statements in accordance with IFRS-EU, Group Management is required to make judgements, estimates and assumptions affecting the adoption of the standards and the amounts of assets, liabilities, income and expenses. The estimates and assumptions adopted are based on historical experience and various other factors understood to be reasonable under the existing circumstances.

In the Group's 2021 consolidated financial statements, estimates were occasionally made in order to quantify certain assets, liabilities, income, expenses and commitments reported herein. These relevant accounting estimates and assumptions mainly relate to:

- The useful life and fair value of the customer portfolio and other intangible assets (see Note 8).
- The assumptions used in determining the fair value/value in use of the Cash Generating Units (CGUs) or group of CGUs for the purposes of evaluating potential impairment of goodwill and other assets (see Note 7).
- Assessment of technical and commercial feasibility of development projects in progress (see Notes 3 d) ii) and 8).
- Estimate of expected credit losses from receivables and obsolete inventory (see Notes 3 i) k), 14 and 15).
- The fair value of financial instruments and of certain unquoted assets (see Notes 11 and 12).
- Assumptions used in determining the fair values of assets, liabilities and contingent liabilities related to the business combination of Riiot Labs NV/SA (see Notes 3 a) i), 20 and 21). Liabilities for contingent considerations correspond to level 3 fair value hierarchy in accordance with IFRS 13.
- The fair value of the commitment to the Company's management team to acquire an ownership interest in the Company's share capital (see Notes 3 q) and 30).
- Estimates and judgements related to the provisions for litigation (see Notes 3 p) and 18).
- Assessment of the recoverability of tax credits, including prior years' tax losses and rights to deduction. Deferred tax assets are recognised to the extent that future tax profit is available against which temporary differences can be charged, based on the management’s assumptions about the amount of and payment schedules for future tax profit. Additionally, in the case of deferred tax assets related to investments in Group companies, their capitalisation takes into account whether they will be reversed in the foreseeable future (see Notes 3 s) and 29).

Although these estimates are made on the basis of the best information available on the events analysed at 31 December 2021 and 2020, events may occur in the future which require these estimates to be adjusted (upwards or downwards) in the coming years. Any effect of the adjustments made in future years shall be recognised prospectively.

Additionally, the main judgements made by the Company's management in identifying and selecting the criteria applied in the measurement and classification of the main items presented in the consolidated financial statements are as follows:

- Reasons supporting the transfer of risks and rewards in leases and in the recognition of disposals of financial assets and liabilities (see Notes 3 h) and 27)
- Reasons supporting the classification of assets as investment property (see Notes 3 e) and 7),
- Assessment criteria for impairment of financial assets (see Notes 3 i) d) and 11).
- Judgements made to calculate the lease terms of agreements that can be renewed (see Notes 3 f) iv)) and,
- Reasons supporting the capitalisation of development projects (see Notes 3 d) ii) and 8).

d) Changes to IFRS-EU standards in 2021

The accounting standards used to prepare the accompanying consolidated financial statements are the same as those used to prepare the consolidated annual accounts for the year ended 31 December 2020, except for the new standards and any amendments that are applicable as of 1 January 2021, the main ones being as follows:

- Standards and interpretations approved by the European Union applied for the first time in 2021.
  - Amendments to IRFS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest rate benchmark reform - phase 2
  - Amendment to IFRS 4 Insurance contracts - deferral of IFRS 9
  - Covid-19-related rent concessions beyond 30 June 2021 (Amendment to IFRS 16)

None of the standards, interpretations or amendments to the standards that are applicable for the first time this year have had a significant impact on the Group’s accounting policies.

The Group adopts the standards, interpretations and amendments to the standards issued by the IASB when they come into force, if applicable.

3. Significant accounting principles applied

The most significant ones are summarised as follows:

a) Consolidation principles

i) Subsidiaries and business combinations

Subsidiaries are companies, including structured entities, over which the Company holds direct or indirect control through subsidiaries.

The Company holds control over a subsidiary when it is exposed to, or has the right to receive, variable yield as a result of its involvement in it, and has the capacity to influence such yield through the power it exercises over the subsidiary. The Company is authorised to direct the relevant activities when valid substantive rights are held. The Company is exposed to, or has the right to receive, variable yield as a result of its involvement in the subsidiary when the yield it obtains from such involvement may vary based on the economic evolution of the entity (IFRS 10.6, 10 and 15).

The subsidiaries' income, expenses and cash flows are consolidated from the acquisition date, i.e., the date on which the Group obtains effective control over them. Subsidiaries are no longer consolidated from the date on which such control is relinquished.

The Group applied the exception contemplated in IFRS 1 First-time adoption of International Financial Reporting Standards so that only business combinations undertaken after 1 January 2005, the IFRS-EU transition date, have been accounted for using the acquisition method. Acquisitions completed prior to the transition date were accounted for in accordance with the then-prevailing accounting principles, corrected and adjusted as required as of the transition date.

Business combinations

The consideration transferred in the business combination is determined at the acquisition date and calculated as the sum of the fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any contingent consideration depending on future events or compliance with certain conditions in exchange for the control of the business acquired.

The consideration transferred excludes any amounts that do not form part of the exchange for the acquiree. Acquisition-related costs are recognised as incurred.

At the acquisition date the Group recognises any assets acquired and liabilities assumed at their fair value. The liabilities assumed include contingent liabilities to the extent that they represent present obligations that arise as a result of past events and their fair value can be reliably measured.

The excess over the consideration transferred, plus any non-controlling interest in the acquiree and the net amount of assets acquired and liabilities assumed, is recognised as goodwill. Any shortfall after assessing the amount of consideration transferred, the value assigned to non-controlling interests and the identification and measurement of the net assets acquired, is recognised in profit or loss.

Contingent consideration is classified as a financial asset or liability, equity instrument or provision in accordance with the underlying contractual conditions. To the extent that subsequent changes in fair value of a financial asset or liability are not due to an adjustment to the measurement period, they are recorded in consolidated profit or loss. The contingent consideration classified as equity is not subsequently updated, and its settlement is likewise recognised in equity. The contingent consideration classified as a provision is subsequently recognised at fair value through profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies have been eliminated on consolidation. If any, unrealised losses on the transfer of assets between group companies have been deemed an indication of the potential impairment of the assets transferred.

The subsidiaries' accounting policies have been aligned with those used by the Group for like transactions and events in similar circumstances.

The financial statements of the subsidiaries used in the consolidation process refer to the same presentation date and reporting period as those of the Parent.

ii) Non-controlling interests

Non-controlling interest in a subsidiary are recorded at the percentage of the ownership held in the fair value of the net identifiable assets acquired, and are presented in equity separately from the equity attributed to the equity holders of the Parent. Non-controlling interest in consolidated profit/(loss) and consolidated total comprehensive income for the year are likewise presented separately in the consolidated income statement and the consolidated statement of comprehensive income, respectively.

The Group's share and the non-controlling interest in consolidated profit/(loss) for the year (consolidated total comprehensive income for the year) and in changes in equity of the subsidiaries, net of adjustments and eliminations on consolidation, is determined based on the ownership interest held at year end, excluding the possible exercise or conversion of potential voting rights and after discounting the effect of agreed or non-agreed dividends on cumulative preference shares that may have been classified in the equity accounts. However, the existence or absence of control is determined considering the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently grant access to the economic benefits associated with the ownership interest, that is, the right to receive future dividends and changes in the value of subsidiaries.

Surplus losses attributable to non-controlling interests generated prior to 1 January 2010 that are not allocable to such interests, as they exceed the amount of the equity interest in the related subsidiary, are recognised as a reduction in equity attributable to owners of the parent, unless the non-controlling interests have a binding obligation to assume some or all of such losses and have the capacity to make any additional investments necessary. Any profits obtained subsequently by the Group are then allocated to equity attributable to owners of the parent until the amount of losses absorbed in prior reporting periods in respect of non-controlling interests has been replenished.

From 1 January 2010, the results and each component of other comprehensive income are allocated to equity attributable to owners of the Parent and to the non-controlling interests in proportion to their respective ownership interests, even if this implies a negative non-controlling interests balance. Agreements entered into between the Group and non-controlling interests are recognised as a separate transaction.

Transactions with non-controlling interests

The increase or decrease in non-controlling interest of a subsidiary with no loss of control is recognised as a transaction with equity instruments. Therefore, no new acquisition cost arises as a result of an increase, nor any gain or loss is recognised from a decrease, but the difference between the consideration paid or received and the carrying amount of non-controlling interest is recognised in the investing company's reserve, without prejudice to reclassifying the consolidation reserves and reallocating the other comprehensive income between the Group and the non-controlling interest. In a decrease in the Group's ownership interest in a subsidiary, non-controlling interest is recorded for its share in consolidated net assets.

Put and/or cross options granted

The Group recognises put options on ownership interest in subsidiaries granted to non-controlling interest at the date of acquisition of a business combination as an advance acquisition of such interest, recording a financial liability for the present value of the best estimate of the amount payable, which is part of consideration paid.

Subsequently, the change in the financial liability is recognised as a finance cost or income in profit or loss. Discretionary dividends, if any, paid to non-controlling interests up to the date the options are exercised, are recognised as a distribution of earnings, reflecting this amount as an increase in profits attributable to non-controlling interests. In the event that dividends are predetermined or incorporated into the measurement of the financial liability, settlement is discounted from the financial liability's carrying amount.

If finally the options are not exercised, the transaction is recognised as a sale of shares to non-controlling interests.

iii) Associates

Associates are defined as the entities over which the Company has significant influence, either directly or through other subsidiaries. Significant influence is the power to participate in the financial and operating policy decisions of an entity but no control or joint control over is held.

Investments in associated entities are recorded using the equity accounting method from the date significant influence is exercised until the date on which the Company can no longer prove this influence exists.

The acquisition of associates is recorded by applying the acquisition method used for subsidiaries. Goodwill, net of accumulated impairment losses, is included in the carrying amount of the investment accounted for using the equity method.

iv) Impairment

The Group applies the impairment criteria contained in IAS 9: Financial instruments, so as to determine whether it is necessary to recognise any additional impairment loss with respect to the net investment in the associate or in any other financial asset held with it as a result of applying the equity method.

b) Foreign currency

i) Functional and presentation currency

The consolidated annual accounts are presented in thousands of euros rounded to the nearest thousand. The euro is the Parent company's functional and presentation currency.

ii) Transactions and balances in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing between the functional currency and the foreign currency at the transaction dates. Monetary assets and liabilities in foreign currency are translated to the functional currency at the closing exchange rate, while non-monetary items measured at historical cost are translated at the exchange rates prevailing at the transaction date. Exchange gains and losses arising on the settlement of foreign currency transactions and on the translation into the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

In the presentation of the consolidated statement of cash flows, cash flows from transactions in foreign currencies are translated into euros applying the exchange rates approximate to those existing at the date the cash flows occurred. The impact of fluctuations in exchange rates on cash and cash equivalents denominated in foreign currency is presented under a separate caption in the statement of cash flows as "Exchange gains/(losses) on cash and cash equivalents".

The Group presents the effect of the conversion of deferred tax assets and liabilities denominated in foreign currency together with the deferred income tax in profit or loss.

iii) Translation of foreign operations

The translation into euros of foreign operations whose functional currency is not the currency of a hyperinflationary country is made using the following criteria:

- Assets and liabilities, including any goodwill and any adjustments to the net assets arising on the acquisition of foreign operations, including comparative balances, are translated at the closing exchange rate at the balance sheet date;
- Income and expenses, including comparative balances, are translated at the exchange rate prevailing at the date of each transaction; and
- All exchange gains or losses derived from applying the above-mentioned criteria are recognised as translation differences in other comprehensive income.

In the presentation of the consolidated statement of cash flows, cash flows, including comparative balances, from the foreign subsidiaries are translated into euros applying the exchange rates prevailing at the date the cash flows occurred.

Translation differences related to foreign operations recognised in other comprehensive income are recorded jointly under one line in profit or loss and when recognition in profit or loss related to the disposal of such operations occurs.

c) Property, plant and equipment

i) Assets for own use

Property, plant and equipment are measured at acquisition cost less any accumulated depreciation and any impairment losses. The cost of property, plant and equipment built by the Group is determined following the same criteria as those used for acquired property, plant and equipment, considering also the principles established for the production cost of inventories. The capitalisation of the production cost is recognised under Work performed by the Group and capitalised as non-current assets in the consolidated income statement.

The cost of property, plant and equipment includes the acquisition price less any trade discounts or rebates plus any cost directly related to its location on the place and under the conditions necessary for it to operate as expected by the Directors and, where appropriate, the initial estimate of dismantling or disposal costs, as well as the restoration of the land it is located on, provided that these obligations are assumed as a result of its use and for purposes other than the production of inventories

The Group records separately the items of a complex asset whose useful lives are different from the main asset's.

ii) Investments in rented premises

The Group recognises permanent investments in properties leased from third parties following the same criteria as the ones used for property, plant and equipment items. These investments are depreciated over the shorter of the useful life of the asset or over the lease term. To this effect, the determination of the lease term is consistent with that established for its classification. In the event that the full-term execution of the lease agreement is uncertain, a provision is recorded for the estimated amount of the net carrying amount of irrecoverable investments. Likewise, the cost of these investments includes the estimated costs of dismantling and disposing of the assets and restoring the land they are located on that the Group shall pay at the end of the agreement; thus, a provision is recorded for the present value of the estimated cost that is expected to be incurred.

iii) Costs subsequently incurred

The Group recognises as an increase in the cost of the assets, the replacement cost of an asset's items when incurred, provided that it is probable that additional future economic benefits will be obtained from the asset and that the cost can be measured reliably. Other costs, including repair and maintenance expenses on property, plant and equipment items are charged to the profit and loss account in the period incurred.

iv) Depreciation

Property, plant and equipment items are depreciated by allocating their depreciable amount, which is the acquisition cost less residual value, on a straight-line basis over their useful lives. Depreciation is determined separately for each portion of a property, plant and equipment item that has a significant cost in relation to the total cost of the item.

Land is not depreciated. The depreciation of property, plant and equipment items is determined as follows:

	Estimated years of useful life
Buildings	33-45
Plant and machinery	3-10
Other installations, equipment and furniture	3-10
Data processing equipment	2-5
Transport equipment	3-8
Other property, plant and equipment	4-10

At each year-end, the Group reviews the residual value, useful life and depreciation method of property, plant and equipment items. Any changes to initially established criteria are accounted for as a change in accounting estimates.

v) Impairment

The Group measures and determines impairment losses on property, plant and equipment and any reversals thereof in accordance with the criteria described in Note 3 g).

d) Intangible assets

i) Goodwill

Goodwill is determined following the criteria indicated in Note 3 (a) i) Subsidiaries and business combinations.

Goodwill is not amortised but it is tested for impairment at least once a year, or more frequently if an event is identified that could give rise to a potential impairment loss on the asset. Goodwill arisen in business combinations is allocated to each cash-generating unit (CGU) or groups of CGUs that are expected to benefit from the synergies of the combination, applying the criteria outlined in section Note 3 g). After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Internally generated goodwill is not recognised as an asset.

ii) Internally generated intangible assets

Costs related to research activities are recognised as an expense when incurred. The costs related to development activities of certain products are capitalised to the extent that:

- The Group has technical studies available that support the feasibility of the production process;
- There is a commitment by the Group to complete the production of the asset so that it is available for sale;
- The asset will generate enough economic profit through future sales in the markets in which the Group operates;
- The Group has the technical and financial (or other) resources necessary to complete the asset and has developed budget control systems and analytical accounting systems to monitor budgeted costs, modifications made and costs actually incurred in the projects.

The cost of the assets generated internally by the Group is determined following the same criteria as for determining the production cost of inventories. The production cost is capitalised through the payment of the costs attributable to the asset in the Work performed by the Group and capitalised as non-current assets caption in the consolidated income statement.

Additionally, the costs incurred in the performance of activities that contribute to developing the value of the businesses in which the Group operates as a whole are recorded as expenses when incurred.

Also, replacements or subsequent costs incurred on intangible assets are generally recorded as expenses, unless they increase the future economic benefits expected from the assets.

iii) Intangible assets acquired in business combinations

Since 1 January 2005 identifiable intangible assets acquired in business combinations have been measured at fair value at acquisition date, provided that fair value can be determined reliably. Subsequent costs related to research and development projects are recorded following the criteria used for internally generated intangible assets.

Customer portfolios acquired mainly include the value of the relation existing between the corresponding company and their customers, which has arisen as a result of a contract and, therefore, are identified as intangible assets in accordance with a contractual and legal criterion. Additionally, the patents acquired include the value of the technologies for manufacturing certain products, and arose as a result of a contract. They have been measured at market value using generally accepted measurement methods based on discounted cash flows. Additionally, finite useful lives have been calculated based on historical evidence of the renewal of the continuing relation with these customers and based on the residual period for the right to use the patents, considering expected technical obsolescence.

iv) Other intangible assets

Other intangible assets are presented in the consolidated statement of financial position at cost, less any accumulated amortisation and any impairment losses.

v) Useful life and amortisation

The Group assesses the intangible asset's useful life to be either finite or indefinite. An intangible asset is deemed to have an indefinite useful life when the period over which it will generate net cash inflows has no foreseeable limit.

Intangible assets with indefinite useful lives are not amortised, but tested for impairment.

Intangible assets with finite useful lives are amortised by allocating the amortisable amount over their useful lives using the following criteria:

	Amortisation method	Estimated years of useful life
Development costs	Straight-line	3-15
Industrial property and patents	Straight-line	5-8
Computer software	Straight-line	3-5
Customer relations	Declining-balance method	3-30
Other intangible assets	Declining-balance method / Straight-line	5-8

To this end, depreciable amount is understood as acquisition cost less residual value.

The Group reviews the residual value, useful life and amortisation method of intangible assets at the end of each reporting period. Changes to initially established criteria are accounted for as a change in accounting estimates.

vi) Impairment of assets

The Group measures and determines impairment losses on intangible assets and any reversals thereof in accordance with the criteria described in Note 3 g).

e) Investment property

Investment property is property fully or partially held for obtaining income, gains or both rather than for producing or providing goods or services. Investment property is initially measured at cost, including transaction costs.

Investment property is subsequently measured following the cost criteria established for property, plant and equipment. Depreciation methods and useful lives are presented in that section.

f) Right-of-use assets and Lease liabilities

i) Right-of-use assets

The Group recognises the right-of-use at the start of a lease. That is, the date on which the underlying asset is available for use. Right-of-use is measured at cost, less accumulated amortisation and impairment losses, and is adjusted for any changes in the measurement of the associated lease liabilities. The initial cost of the right-of-use includes the recognised lease liabilities, initial direct costs and lease payments made before the start of the lease. Incentives received are deducted from the initial cost. Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the right-of-use is amortised on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use is subject to impairment analysis.

ii) Lease liabilities

At the start of the lease, the Group recognises the lease liabilities at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments (including in-substance fixed payments) less lease incentives, variable payments depending on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if the Group is reasonably certain of exercising this option and lease termination penalty payments if the term of the lease reflects the Group's exercising of the option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers the payment arises.

When calculating the present value of lease payments, the Group uses the incremental interest rate at the lease start date if the interest rate implicit in the lease cannot be easily determined. After the start date, the lease liability amount is increased to reflect the accrual of interest and reduced by the lease payments made. In addition, the lease liability is re-measured if an amendment is made, the lease term is changed, the in-substance fixed lease payments are changed or the assessment for purchasing the underlying asset is changed. The liability also increases if there is a change in future lease payments arising from a change in the index or rate used to calculate these payments

The incremental financing rate used by the Group is differentiated by the homogeneous portfolio of leases, country and lease term. The weighted average of the incremental interest rate in 2021 is 2.21% (2.68% in 2020).

iii) Short-term and low value leases

The Group applies the practical exemption for recognising the short-term leases of its machinery and equipment where the lease term is twelve months or less from the start date and where there is no purchase option. It also applies the low-value asset recognition exemption to office equipment leases that are considered low-value. Lease payments under short-term and low-value leases are recognised on a straight-line basis over the term of the lease.

iv) Judgements made to calculate the lease terms of contracts with renewal options

The Group calculates the lease term as the non-cancellable period, plus the optional extension periods, if there is reasonable certainty that this option will be exercised. It has been estimated that all optional extensions will be exercised for most leases. Periods covered by the option to terminate the lease early are also included, if there is reasonable certainty that this option will not be exercised.

g) Impairment of non-financial assets

The Group assesses whether there are indications that depreciable or amortisable non-financial assets may be impaired, including entities accounted for using the equity method, in order to determine if the carrying amount of said assets exceeds their recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. The calculation of an asset's value in use reflects an estimate of the future cash flows expected to derive from the asset, expectations about possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing uncertainty inherent in the asset and other factors that market participants would reflect in pricing the future cash flows expected to derive from the asset.

Negative differences arisen as a result of comparing the carrying amounts of the assets with their recoverable amounts are recorded in profit or loss.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

Impairment losses on cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit up to the highest of its fair value less costs to sell, its value in use and zero.

The Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Impairment losses on goodwill may not be reversed. Impairment losses on assets other than goodwill are reversed if, and only if, there has been a change in the estimates used to calculate the asset's recoverable amount.

Any reversals of impairment losses are charged to income. The increased carrying amount of an asset attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset.

The reversal of an impairment loss on a CGU is allocated between the assets of the unit, except for goodwill, pro rata on the basis of the carrying amount of the assets down to the lowest of their recoverable amount and carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for the asset.

h) Finance leases

At the commencement of the lease term, the Group recognises an asset and liability at the lower of the fair value of the leased property and the present value of the minimum lease payments. Initial direct costs are added to the asset's carrying amount. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Finance costs are recognised in the consolidated income statement using the effective interest rate method. Contingent rents are recognised as an expense when it is probable that they will be incurred.

The accounting policies applied to the assets used by the Group under lease agreements that qualify as finance leases are the same as those outlined in Note 3 f).

i) Financial assets

The Group classifies its financial assets in the following measurement categories:

- Those measured subsequently at fair value (through other comprehensive income or recognised in income), and
- Those measured at amortised cost.

The classification depends on the business model of the entity to manage the financial assets and contractual terms of the cash flows.

For assets measured at fair value, profit and loss is recognised in income or other comprehensive income. For investments in equity instruments held for trading, it will depend on whether the Group has made an irrevocable choice upon initial recognition to recognise investments in equity at fair value through other comprehensive income.

The Group only reclassifies investments in debt when its business model for managing these assets changes.

Upon initial recognition, the Group measures a financial asset at fair value plus, in the case of a financial asset not recognised at fair value through income, the transaction costs directly attributable to the acquisition of the financial asset. The transaction costs of financial assets at fair value through income are taken to income.

Financial assets with embedded derivatives are recognised in full since their cash flows are deemed to comprise solely the payment of the principal and interest.

a) *Debt instruments*

The subsequent measurement of the debt instruments depends on the Group's asset management business model and the nature of the cash flow on the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets held for collection of contractual cash flows when these cash flows only represent payments of principal and interest are measured at amortised cost. Income on these financial assets are included in financial income according to the effective interest rate method. Losses arising as a result of disposals are expensed directly. Impairment losses and the value are recorded in separate income statement captions.

- Fair value through other comprehensive income (FVOCI): Assets held for collection of contractual cash flows and for the sale of financial assets, when these cash flows only represent payments of principal and interest, are measured at fair value through other comprehensive income. Changes in the carrying value are taken to other comprehensive income, except for recognition of impairment gains and losses, ordinary interest income and exchange gains or losses, which are recognised in the income statement. When financial assets are written off, the accumulated gain or loss previously recognised in other comprehensive income is reclassified from equity to income and recognised in other gains/(losses). Income on these financial assets are included in financial income according to the effective interest rate method. Exchange gains and losses are taken to other gains/(losses) and impairment expenses are recorded in a separate income statement caption.

- Fair value through other income (FVOI): Assets that do not meet the criteria for recognition at amortised cost or fair value through other comprehensive income are recognised at fair value through income. A gain or loss in a debt investment subsequently recognised at fair value through income is recognised as net within other gains/(losses) in the years in which it arises.

b) *Equity instruments*

The Group subsequently measures all equity investments at fair value. When Group management has opted to record gains and losses in the fair value of equity investments in other comprehensive income, there is no subsequent reclassification of the gains and losses in fair value through income following the disposal in investment accounts. Dividends on these investments continue to be recognised in income for the year with other income when the Group's distribution entitlement is established.

Changes in the fair value of financial assets at fair value through income are recognised in other gains/(losses) in the income statement where applicable. Impairment losses (and reversals of impairment losses) in equity investments measured at fair value through other comprehensive income are not recognised separately to other changes in fair value.

c) *Derivatives and hedging activities*

Cash flow hedges that qualify for hedge accounting.

The effective part of the gain or loss on the hedging instrument classed as a cash flow hedge is recognised in the cash flow hedge reserve in equity. Gains or losses relating to the ineffective part are taken straight to income, under other income/(expenses).

The amounts accumulated in net equity are reclassified in the years in which the hedged item affects income for the year, as follows:

- When the hedged item subsequently leads to the recognition of a non-financial asset (such as inventories), the deferred hedging gains and losses are included in the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss for the year when the hedged item affects net income (e.g. through the cost of sales).

- Gains or losses corresponding to the effective part of interest rate swaps hedging variable rate loans is recognised in the income statement under finance cost at the same time as the interest expense on the hedged loans.

When a hedging instrument expires, is sold or ends, or when a hedge no longer meets the hedge accounting criteria, any accumulated deferred gain or loss and the deferred costs of the hedge in equity at that time remain in equity until the planned transaction occurs, resulting in the recognition of a non-financial asset, such as inventories. When the planned transaction is no longer expected to happen, the accumulated gain or loss and the deferred hedging costs that were recognised in equity are reclassified straight away to profit and loss.

d) Impairment

The Group evaluates the expected credit losses associated with the debt instruments recognised at amortised cost on a prospective basis and at fair cost through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in the credit risk.

For trade receivables, the Group applies the simplified approach under IFRS 9, which requires that losses expected over the life of the item are recognised from the initial recognition of the account receivable.

To measure the expected credit losses the insolvency risk matrix has been calculated in order to obtain the historical impairment rate of the trade debtor portfolio. This historical impairment rate has been corrected based on the budgeted future collection periods in order to obtain the expected credit losses.

j) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at the date of their initial recognition, where applicable, as financial liabilities at fair value through profit and loss, bank borrowings, accounts payable or derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are initially recognised at fair value and directly attributable transaction costs on bank borrowings and accounts payable are netted.

Group financial liabilities include trade and other payables, bank borrowings, including current account overdrafts, financial guarantee contracts and derivative financial instruments.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as follows:

(iii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated in their initial recognition at fair value through profit and loss.

Financial liabilities are classified as held for trading if their purpose is to be repurchased in the short term. This category includes derivative financial instruments contracted by the Group which have not been designated as hedging instruments in the hedging relationships. Embedded derivatives that have been separated are also classified as held for trading, unless designated as effective hedging instruments.

Gains and losses on liabilities held for trading are recognised in the income statement.

Financial liabilities designated in the initial recognition at fair value through profit and loss are only designated at the initial recognition date if they meet the criteria established in IFRS 9.

(iv) Bank borrowings

This is the most significant financial liability category for the Group. After initial recognition, bank borrowings are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised, as well as the interest accrued using the effective interest rate method.

Amortised cost is calculated taking into account any acquisition premium or discount and the instalments and costs that are an integral part of the effective interest method. Interest accrued in accordance with this effective interest rate method is included in “Financial expenses” in the income statement.

This category generally applies to bank borrowings with interest.

(v) Derecognition

A liability is derecognised when the obligation is discharged, cancelled or expires.

When an existing financial liability is replaced with another from the same lender with substantially different conditions, or when the conditions of an existing liability are modified significantly, this exchange or modification is treated like a derecognition of the original liability and the new obligation is recognised. The difference in the respective carrying amounts is recognised in the income statement.

k) Inventories

Inventories are measured at the lower of acquisition or production cost and net realisable value.

The purchase price comprises the amount invoiced by the seller, after deduction of any discounts, rebates or other similar items, such as interest incorporated into the nominal amount, and any additional costs incurred to bring the goods to a saleable condition, other costs directly attributable to the acquisition, as well as borrowing costs and indirect taxes not recoverable from the Spanish taxation authorities.

Trade discounts granted by suppliers are recognised as a cost reduction of the acquired inventories as soon as it is probable that the necessary conditions for the discounts to qualify as such will be met, and the excess amount, if any, is recognised as a reduction in consumption in the consolidated income statement.

The production cost of inventories includes the acquisition cost of the raw materials and other consumables and the costs directly related to the units produced and a systematically calculated portion of either the variable or fixed indirect costs incurred during the transformation process. Indirect fixed costs are distributed based on whichever is higher: normal working conditions for the means of production, or production output.

The cost of raw materials, other supplies, goods, and conversion are assigned to the different cash-generating units in stock, based on the average weighted price method.

The Group uses the same cost formula for all inventories having the same nature and similar use within the Group.

When the cost of inventories exceeds net realisable value, an adjustment is made to profit and loss. Net realisable value is understood to be:

- Raw materials and other consumables: replacement cost. However, the Group does not make any adjustments if the finished products in which the raw materials are incorporated are expected to be sold at a price equivalent to their production cost or higher;
- Goods and finished products: estimated selling price less costs to sell;
- Work in progress: the estimated selling price of the related finished goods, less the estimated costs to complete production and the costs necessary to make the sale;

The previously recognised reduction in value is reversed against profit or loss when the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances. The reversal of the reduction in value is limited to the lower of the cost and the revised net realisable value of the inventories.

l) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and demand deposits at banks, without significant restrictions on cash availability. This caption also includes other short-term highly-liquid investments readily convertible into specific amounts of cash that do not mature beyond three months.

For the purpose of the cash flow statement, demand bank overdrafts that are part of the Group's cash management and that are recorded in the consolidated statement of financial position as bank borrowings under financial liabilities are included as cash and cash equivalents.

The Group classifies the cash flows from interest received and paid as operating activities, including interest from lease liabilities (see Note 3 f) ii)), except for the interest received on loans granted for reasons other than the Group's ordinary activity. Dividends received from associates are classified as investing activities and dividends paid by the Company, as financing activities.

m) Own equity instruments

The acquisition by the Group of equity instruments of the Company is presented separately at acquisition cost as a decrease in consolidated shareholders' equity in the consolidated statement of financial position. In the transactions entered into with own equity instruments no profit or loss is recognised in the consolidated income statement.

Transaction costs related to own equity instruments, including issue costs related to a business combination, are recorded as a decrease in reserves, net of any tax effect.

Subsequent repayment of the parent's equity instruments gives rise to a capital reduction for the amount of those shares, and the positive or negative difference between acquisition cost and the nominal amount of the shares is charged or credited to reserve accounts for retained earnings.

Dividends related to equity instruments are recorded as a reduction in consolidated equity when they are approved by the shareholders in general meeting.

n) Government grants

Grants awarded by public administrations are recorded when there is reasonable assurance that the conditions associated with their awarding will be met and they will be received.

i) Capital grants

Capital grants awarded as monetary assets are recorded with a credit to the "Government grants" caption of the consolidated statement of financial position, and are recorded in the "Other income" caption as the corresponding financed assets are depreciated or amortised.

ii) Operating grants

Operating grants are recorded as a reduction in the expenses they finance.

Grants received as compensation for expenses or losses incurred, or in order to provide immediate financial support not related to future expenses, are recorded with a credit to other income accounts.

iii) Interest rate grants

Financial liabilities comprising implicit assistance in the form of below-market interest rates are initially recognised at fair value. The difference between this value, adjusted where necessary for the issue costs of the financial liability and the amount received, is recognised as a government grant based on the nature of the grant awarded.

o) Employee benefits

i) Termination benefits

Termination benefits are recognised at the earlier of the date from which the Group can no longer withdraw its offer and that on which it recognises the costs of a restructuring effort that will entail the payment of termination benefits.

In respect of termination benefits as a result of the employees' decision to accept a voluntary redundancy offer, the Group is deemed unable to withdraw its offer at the earlier of the date on which the employees accept the offer and the date of effectiveness of some form of restriction on the Group's ability to withdraw the offer.

In respect of involuntary termination, the Group is deemed unable to withdraw its offer when it has communicated the plan to the affected employees or their union representatives and the actions needed to complete the plan suggest that it is unlikely that there will be significant changes in the plan; the plan identifies the number of employees whose services are to be terminated, their job classification of function, their location and their expected termination date; and the termination benefits to be received by the laid-off employees have been established in sufficient detail to enable them to determine the type and amount of remuneration they will receive upon termination.

If the Group expects to fully settle the termination benefits within twelve months after year end, the liability is discounted using the market returns for issues of high-rated bonds.

ii) Termination benefits linked to restructuring processes

Termination benefits related to restructuring processes are recognised when the Group has a constructive obligation, i.e., when there is a detailed formal plan for such process identifying at a minimum the business (or parts of the business) concerned, the main locations affected, the function and approximate number of employees who will be compensated for termination of their services, the termination benefits to be paid, and the plan's implementation timing, and a valid expectation has been raised among those affected that the restructuring will be carried out either because the plan has started to be implemented or because the main features of the plan have been announced to those affected by it.

iii) Other long-term employee benefits

The Group has assumed payment to its employees of the obligations derived from the collective agreements to which certain Spain group companies are adhered, whereby the employees adhered to them with at least 25 or 40 years of service in the company shall receive 45 or 75 days, respectively, of the last fixed salary. The Group has recorded the estimated liability for this commitment in the "Provisions" caption of the consolidated statement of financial position.

Additionally, in accordance with prevailing regulations in the corresponding country, certain foreign group companies have commitments to their employees for retirement bonuses, recording the estimated liability in the above-mentioned caption, whereby upon retirement employees will receive an amount accrued over their working lives at the company based on an annual amount accrued derived from applying a ratio over the overall annual remuneration of the employee, with the liability recorded at the beginning of the year subject to the increase in the cost of living. Some of these commitments are financed through the payment of insurance premiums.

The liability for long-term employee benefits recorded in the consolidated statement of financial position corresponds to the present value of the obligations assumed at year end.

In the case of externalised commitments the liability for long-term employee benefits recorded in the consolidated statement of financial position corresponds to the present value of the defined benefit obligations existing at year end less the fair value of the plan assets at that date.

The Group recognises as an expense or income accrued for long-term employee benefits the net amount of the service cost for the year, the net cost of interest and the recalculation of the measurement of the net liability for long-term benefits, as well as the one related to any reimbursement and the effect of any reduction or settlement of the commitments acquired.

The present value of the obligations existing at year end and the service cost is calculated periodically by independent actuaries using the projected unit credit method. The discount interest rate is determined based on the market interest rates for issues of high-rated bonds, denominated in the currency in which the benefits will be paid and with maturity periods similar to those for the corresponding benefits.

The reimbursement rights to some or all payment obligations for defined benefits are only recognised when collection is virtually certain.

The asset or liability for defined employee benefits is recorded as current or non-current based on the realisation or maturity period of the corresponding benefits.

iv) Short-term employee benefits

The Group recognises the expected cost of short-term employee benefits as paid leave, the right to which accumulates from period to period, as employees render the services that vest the right to this remuneration. If paid leave is not cumulative, the cost is recognised as the leave is taken.

The Group recognises the expected cost of share in profit or employee bonus plans when it has a legal or constructive present obligation as a result of past events and a reliable estimate of the obligation can be made.

p) Provisions

Provisions are recognised when the Group has a present obligation (legal or implicit) as a result of a past event; it is more probable than not that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount of the obligation can be reliably estimated.

The amount recognised as a provision in the consolidated statement of financial position is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated. The discount rate is a pre-tax rate that reflects the time value of money and the specific risks for which future cash flows associated with the provision have not been adjusted at each reporting date.

The financial effect of the provisions is recorded as a finance cost in profit or loss. The provisions do not include the tax effect, nor the disposals or abandonment of assets.

The provision is reversed if it is less probable than not that an outflow of resources will be required to settle the obligation. The provision is reversed against the profit or loss caption in which the corresponding expense was recorded, and the surplus, if any, is recognised in the "Other income" caption.

q) Share-based payment transactions

The Group recognises the goods and services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. If the goods or services are received as part of an equity-settled share-based payment, it recognises an increase in equity; if they are received as part of a cash-settled share-based payment, it recognises a liability along with a balancing charge in profit or loss or an asset in the consolidated statement of financial position.

The delivery of equity instruments as consideration for the services performed by the employees of the Group or third parties providing similar services are measured by reference to the fair value of the equity instruments granted.

Employee benefits paid in the form of equity instruments are recognised by applying the following criteria:

- If the equity instruments granted vest immediately on the grant date, the services received are recognised with a charge to profit or loss, with a corresponding increase in equity;
- If the equity instruments granted vest when the employees complete a specified service period, those services are accounted for during the vesting period, with a credit to equity accounts.

The Group measures the fair value of the instruments granted to employees at the grant date.

Market-related vesting conditions and other non-determining vesting conditions are taken into account when measuring the fair value of the equity instruments granted. Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for services received is based on the number of equity instruments that eventually vest. Consequently, the Group recognises an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest, revising this estimate if the number of equity instruments expected to vest differs from previous estimates.

Once the services received and the corresponding increase in equity have been recognised, no additional adjustments to equity are made after the vesting date, without prejudice to making the corresponding reclassifications in equity.

r) Recognition of revenue from contracts with customers

The Group has adopted IFRS 15 Revenue from contracts with customers since 1 January 2018, which has entailed adapting certain accounting policies.

i) Sale of goods

Revenue from the sale of goods is recognised when control of the goods is transferred to the customer. Delivery is complete when the products have been dispatched to the specific location, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products as per the sales contract, the acceptance conditions have expired or the Group has objective evidence that all the acceptance criteria have been met.

A receivable is recognised when the goods are delivered as this is the point in time when the consideration is unconditional, because only the passage of time is required before payment is due.

When the customer is entitled to return the product within a specific period, the company is obliged to refund the acquisition cost. Ordinary income is adjusted by the expected value of the refunds and the cost of sales is adjusted by the value of the corresponding expected goods returns. Under IFRS15, a refund liability is recognised for expected customer returns as an adjustment in ordinary income in trade and other payables. At the same time, the Group is entitled to recover the product from the customer when the customer exercised their right to return and recognise an asset and a corresponding adjustment in the cost of sales. The asset is measured by reference to the former carrying amount of the product.

ii) Services rendered

Income from services is recognised in the year in which they are rendered. In the case of fixed-price contracts, revenue is recognised on the basis of the actual service rendered until the end of the reporting period, as a percentage of the total services to be rendered. This is determined on the basis of the total actual costs incurred in relation to the total expected costs.

Some contracts include multiple deliverables, such as installation services. However, installation is simple, does not entail an integration service and could be carried out by a third party. Therefore, it is recognised as a separate execution obligation. In this case, the transaction price will be allocated to each execution obligation based on the separate sale prices. When these are not directly discernible, they are estimated based on the expected cost plus margin.

If the circumstances change, the estimated revenue, costs and degree of completion is reviewed. Any resulting increase or decrease in revenue or estimated costs is reflected in profit and loss for the year in which management becomes aware of the circumstances calling for the review.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If payments exceed the services rendered, a contract liability is recorded.

iii) Financial components

The Group does not expect to have any contracts in which the period between the transfer of goods and services promised to the customer and the payment received exceeds one year. Therefore, the Group does not adjust any of the transaction prices on account of the time value of money.

iv) Dividend income

Income from dividends on investments in financial instruments are recognised in profit or loss when the Group's right to receive payment is established.

s) Income tax

Tax expense (income) comprises current tax and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of consolidated taxable profit (tax loss) for the year. Current tax liabilities and assets are measured at the amount expected to be paid or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences while deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits. Temporary differences are defined as differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Current and deferred tax is recognised in profit or loss, except to the extent that the tax arises from: (i) a transaction or event which is recognised, in the same or a different period, outside profit or loss, directly in consolidated equity; or (ii) a business combination.

Tax credits on the income tax granted by public administrations as a decrease on the amount payable for this tax are recognised as a decrease in the income tax expense when there is reasonable assurance that the conditions related to the right to deduction will be met.

In certain territories, the Group has availed itself of the consolidated tax regime, as mentioned in Note 29.

i) Recognition of taxable temporary differences

A deferred tax liability is recognised for all taxable temporary differences, except:

- to the extent that the deferred tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss);
- to the extent that the deferred tax liability relates to taxable temporary differences associated with investments in subsidiaries or joint ventures where the Group has the capacity to control the date of reversal and it is not probable that reversal will happen in the foreseeable future.

ii) Recognition of deductible temporary differences

Deferred tax assets are recognised provided that:

- it is probable that sufficient future taxable profit will be available against which the they can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss);

- they relate to deductible temporary differences associated with investments in subsidiaries or joint ventures to the extent that temporary differences will be reversed in the foreseeable future and future taxable profit will be available to offset the differences;

Tax planning opportunities are only considered for the purpose of assessing the recoverability of deferred tax assets if the Group intends to use them or it is probable that it will use them.

iii) Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and factoring in the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities.

The Group reviews the carrying amounts of its deferred tax assets at the end of each reporting period with a view to reducing these carrying amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow part or all of the assets to be utilised.

Deferred tax assets that do not satisfy the above conditions are not recognised in the consolidated statement of financial position. At the end of each reporting period, the Group reassesses unrecognised deferred tax assets to determine whether the recognition criteria have been met.

iv) Offsetting and classification

The Group only offsets current tax assets and current tax liabilities if it has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group only offsets deferred tax assets and liabilities if it has a legally enforceable right, when they relate to income taxes levied by the same taxation authority and on the same taxable entity and when the taxation authority permits the Group to make or receive a single net payment, or to recover the assets and settle the liabilities simultaneously in each future year in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

t) Offsetting of assets and liabilities, income and expenses

Assets and liabilities and income and expenses are not offset, unless offsetting is required or allowed by a Standard or Interpretation.

u) Classification of current and non-current assets and liabilities

The Group classifies assets and liabilities in the consolidated statement of financial position as current and non-current. For these purposes, assets and liabilities are classified as current in accordance with the following criteria:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, they are held primarily for trading, they are expected to be realised within twelve months from the reporting date, or are cash or cash equivalents, unless they are restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months after the reporting period, or the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- Financial liabilities are classified as current liabilities when they are due to be settled within twelve months after the reporting date, even if the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated annual accounts are authorised for issue.
- Deferred tax assets and deferred tax liabilities are recognised in the consolidated statement of financial position as non-current assets and non-current liabilities, irrespective of the expected date of recovery or settlement.

v) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment, assess its performance, and for which discrete financial information is available.

w) Environment

The Group carries out activities whose primary purpose is to prevent, reduce or repair damages caused to the environment from its operations.

For further details of Fluidra's Environmental Master Plan, as well as the related non-financial figures, see section 2 of the Consolidated Directors' Report, Non-Financial Information and Diversity statement.

Expenses incurred for environmental activities are recognised under "Other operating expenses" during the year in which they are incurred.

Property, plant and equipment acquired by the Group for long-term use to minimise the environmental impact of its activity and protect and improve the environment, including the reduction and elimination of future pollution from the Group's activities, are recognised as assets applying the measurement, presentation and disclosure criteria described in section (c) above.

Where appropriate, the Group records provisions for environmental activities when such expenses are known in the same year or previous year, and when the related concepts are clearly specified. These provisions are recorded based on the criteria indicated in section (p) Provisions of this note. Compensation to be received by the Group in connection with environmental obligations is recognised as an amount receivable in assets on the consolidated statement of financial position, provided that there is no doubt as to whether this compensation will actually be received, and that it does not exceed the amount of the recorded obligation.

4. **Segment reporting**

The Fluidra Group's organisational structure has four divisions, three of them covering a geographical approach, which manage the Group's sales and distribution activity, and the fourth one, which comprises the manufacturing and logistics chain for the whole Group. A manager is assigned to each division and they report directly to the Management Advisory Committee, maintaining regular contact to deal with operations, operating results and financial profit/(loss), forecasts and plans for each segment. The Management Advisory Committee monitors financial information based on the following division structure.

The Business Divisions are EMEA, North America and APAC.

The EMEA segment (Europe, Middle East & Africa) relates to Europe, Africa (excluding South Africa) and South America, including mature markets showing more modest growth and a larger market share where the strategy is to improve profitability through operating leverage and also other emerging markets, with higher growth expectations.

The North America segment relates to markets in the USA and Canada and the focus is on increasing market share in the largest global pool market, taking advantage of growth in the smart pool market, customer loyalty and a wider range of products.

The APAC (Asia-Pacific) segment includes Australia, Asia and South Africa as its main markets, including mature markets with more moderate growth but lower market share than in the European markets, and emerging markets with higher growth expectations, due to new swimming pool construction and a greater focus on public swimming pools in the Asian markets.

Lastly, the Operations Division, which is mainly located in Spain, France and China, focuses on increasing cost efficiency through the rationalisation of production plant structure, improving quality, demand planning and the optimisation of industrial assets.

This organisational structure also affects the identification of the Group’s cash generating units (CGUs) (Note 8) .

In addition to the four segments mentioned above, the holding, real estate and/or services companies (where there are no operational or sales activities and which do not generate significant revenue for third parties) are included in the Shared Services caption. This breakdown is provided for the purposes of reconciling the segment information in the total consolidated figures in the financial statements, as it does not constitute an operating segment under IFRS 8.

The inter-segment selling prices are established based on standard terms and conditions available to unrelated third parties.

The difference between the sum of the items of the different business segments and the total thereof in the consolidated income statement corresponds to the “Shared services” caption and to the intra-segment consolidation adjustments, basically the sales between the Operations division and the Sales divisions, and their corresponding margin adjustment in inventories, as well as other adjustments derived from the business combinations and consolidation.

The Management Advisory Committee uses EBITDA (see Note 35) to measure the segment results. Amortisation and depreciation and impairment losses are linked to the assets directly allocated to the segment activity, excluding the impact of allocating the acquisition price of business combinations and investment portfolio provisions. Net financial profit/(loss) and income tax expense are not allocated by segment, as these activities are dealt with by the Group's central departments.

Intangible assets, deferred taxes, goodwill and financial assets and liabilities are not allocated by segment, as they are dealt with at Group level. Each segment manages non-current property, plant and equipment and working capital (NWC), as defined in Appendix III.

A breakdown of the Group’s segment information for 2021 and 2020 is shown in Appendices II and III to these consolidated annual accounts.

5. Business combinations and sales of Group companies

A breakdown of the transactions resulting in business combinations in 2021 and 2020 is as follows:

2021

On 13 January 2021, the subsidiary Zodiac Pool Systems LLC, indirectly wholly-owned by Fluidra, completed the acquisition of all substantial assets of the business Built Right Pool Heaters LLC ("Built Right"), a heat pump manufacturer located in Florida, U.S.

Built Right specialises in the manufacture and servicing of high-quality heat pumps. Adding Built Right to the Fluidra catalogue significantly reinforces the Company's position in the pool and spa heat pump solutions business, while also enabling Fluidra to better meet the needs of customers through a broader product offering.

The price of this acquisition amounted to USD 11.1 million.

Due to commercial and management synergies, this acquisition has been integrated into the North America CGU.

On 10 March 2021, Fluidra Holdco North America, Inc., a wholly-owned subsidiary indirectly held by Fluidra, S.A. signed a share purchase agreement whereby it has acquired 100% of the share capital of the US company Custom Molded Products, LLC ("CMP").

CMP is a Georgia-based firm considered one of the leaders in the US business of designing, manufacturing, marketing and selling pool and spa products, including built-in equipment, sanitising systems, water fountains and lighting. The company operates several manufacturing and distribution facilities in multiple locations in the United States and China, and has a broad portfolio of pool and wellness products that complement Fluidra's product offerings. CMP's product reputation, together with its operational and manufacturing expertise, will help Fluidra to accelerate growth by providing its customers with a wider range of pool and spa technology, as well as greater product supply capacity.

The consideration paid for the transaction amounts to USD 189.8 million, with an initial payment and a net working capital adjustment to offset the seasonality of working capital.

Due to commercial and management synergies, this acquisition has been integrated into the North America CGU.

On 31 August 2021, Fluidra Holdco North America, Inc., a wholly-owned subsidiary indirectly held by Fluidra, S.A., signed a share purchase agreement whereby it has acquired 100% of the share capital of SRS Holdco, LLC ("S.R. Smith"), a leading US manufacturer specialising in commercial and residential pool equipment, outdoor equipment and accessories, with a presence in several countries.

With the acquisition of S.R. Smith, whose headquarters are in Canby (Oregon) and with manufacturing facilities in several locations in the United States and Australia, Fluidra expects to boost its growth in the commercial and residential pool segments, as well as to offer a better service to its customers in North America and around the world. S.R. Smith's product portfolio is extensive and perfectly complements Fluidra's offer, as well as having the support of distributors throughout the globe, especially in the United States, Australia, Canada and Europe.

The transaction is valued at USD 229.0 million, fully paid at the transaction close.

Due to commercial and management synergies, this acquisition has been integrated into the North America and Asia-Pacific CGUs, in line with the businesses' location.

On 3 November 2021, Fluidra Holdco North America, Inc., a wholly-owned subsidiary indirectly held by Fluidra, S.A., signed a share purchase agreement whereby it has acquired 100% of the share capital of the US company Taylor Water Technologies LLC ("Taylor Technologies").

Taylor Technologies is a Maryland-based firm considered a leading manufacturer of reagents and kits for water testing. Its product portfolio complements Fluidra's product offering in the United States, providing a solid, experienced brand in the field of chemical water testing.

The acquisition was closed at USD 76.4 million, fully paid at the transaction close.

Due to commercial and management synergies, this acquisition has been integrated into the North America CGU.

During the period comprised between the date of acquisition and 31 December 2021, the acquired business has generated consolidated total sales of goods and finished products amounting to Euros 153,892 thousand and consolidated total profit after tax amounting to Euros 10,455 thousand.

If the acquisition had occurred on 1 January 2021, the Group's sales of goods and finished products would have increased by Euros 114.845 thousand and consolidated profit after tax would have increased by Euros 37.367 thousand.

The breakdown of the consideration paid, of the fair value of the net assets acquired and goodwill for the business combinations carried out during the year ended 31 December 2021 is as follows:

Consideration paid	
Cash paid	424,881
Contingent consideration	-
Total consideration paid	424,881
Fair value of net assets acquired	233,120
Goodwill	191,761

The intangible assets that have not been recorded separately from goodwill and have therefore been included in it since they do not meet the separability criterion required by IFRS-EU mainly relate to the work force and synergies of the acquired business.

The accounting of the S.R. Smith and Taylor Technologies businesses is not final.

The most significant differences that have arisen between the carrying amounts of the businesses acquired during the year and their fair values relate to brands, technology and client portfolio.

The fair value of brands and technology is based on measurements made by an independent expert using the royalty relief method. The customer portfolio has been measured using the MPEE method (multi-period excess earnings). The key assumptions used are based on the strategic plans approved by Management.

The amounts that have been recorded in the consolidated statement of financial position at the date of acquisition of the assets, liabilities and contingent liabilities of the businesses acquired during the year ended 31 December 2021, by significant categories, are as follows:

	Thousands of euros
Property, plant and equipment	20,731
Other intangible assets	246,178
Right-of-use assets	31,066
Investments accounted for using the equity method	563
Non-current financial assets	129
Deferred tax assets	32,408
Inventories	52,277
Trade and other receivables	32,923
Cash and cash equivalents	9,253
Total assets	425,528
Bank borrowings and other marketable securities - non-current	5,645
Non-current lease liabilities	30,432
Deferred tax liabilities	63,457
Non-current provisions	5
Other non-current liabilities	2,678
Bank borrowings and other marketable securities - current	52,225
Current lease liabilities	2,397
Trade and other payables	32,744
Current provisions	2,825
Total liabilities and contingent liabilities	192,408
Total net assets	233,120
Total net assets acquired	233,120
Paid in cash	424,881
Cash and cash equivalents acquired	9,253
Cash paid for the acquisitions	415,628

In the year ended 31 December 2021, cash was disbursed in connection with the acquisition of subsidiaries in prior years and non-controlling interests for Euros 20,215 thousand.

2020

On 14 February 2020, Fluidra Group Australia Pty Ltd., a wholly-owned subsidiary, owned indirectly by Fluidra, S.A. acquired 80% of the share capital of the Australian company Fabtronics Australia Pty Ltd.

Fabtronics has its registered address in Melbourne and is considered one of the leading companies in the Australian market for the design of electronic parts for pool equipment, with a particular emphasis on research and development in this industry. Fabtronics' sales figure in the year ended 30 June 2019 amounts to approximately 18 million Australian Dollars with EBITDA in the aforementioned period of approximately 6 million Australian Dollars.

The acquisition of this business meant the acquisition of its technology, property, plant and equipment, inventories, employees and the other assets and liabilities related to this activity.

An initial amount of Euros 9,094 thousand was paid for this acquisition and contingent amounts were established mainly subject to the results that the acquired business obtains during 2020. The Group recognised an amount of Euros 3,778 thousand related to this contingent consideration at the date of acquisition. The Group estimated a fair value for this consideration based on projections provided by the company's Management. The agreement did not establish any maximum limit to be paid.

As a consequence of the above-mentioned acquisition, the Group granted a put option right to the minority shareholders for 20% and the minority shareholders a call option right to the Group, the exercise period of which is between 15 February 2021 and 15 April 2023 and the price of which is mainly subject to the development of new products. At acquisition date, the Group recorded a non-current liability for the present amount of the price of said put option amounting to Euros 3,887 thousand, and no non-controlling interest has been recognised.

During the period comprised between the date of acquisition and 31 December 2020, the acquired business generated consolidated total sales of goods and finished products amounting to Euros 2,005 thousand and consolidated total profit after tax amounting to Euros 1,981 thousand.

If the acquisition had occurred on 1 January 2020, the Group's sales of goods and finished products would have increased by Euros 210 thousand and consolidated profit after tax would have increased by Euros 364 thousand.

Due to commercial and management synergies, this acquisition was integrated into the new Asia-Pacific CGU included in the APAC segment.

On 1 July 2020, Fluidra Commercial France, SAS, a wholly-owned subsidiary indirectly held by Fluidra, S.A., signed a share purchase agreement whereby it acquired 100% of the share capital of the Belgian company AYW Concept BV/SRL (”Aquafive”).

Aquafive has its registered office in Wavre, Belgium, and via its wholly-owned subsidiary Pentagone APCD (“Pentagone”), it distributes pool products, including those relating to heaters, dehumidifiers and pool covers, and also pool cleaning and treatment products. Aquafive has a long-standing relationship with the Fluidra Group, as it is an exclusive distributor of Zodiac products in the Benelux region (Belgium, Netherlands and Luxembourg). Aquafive's sales figure in the year ended 31 December 2019 amounts to approximately Euros 7 million with EBITDA in the aforementioned period of approximately Euros 900 million.

The signed agreement valued Aquafive and its subsidiary Pentagone at approximately Euros 4,801 thousand, including a deferred payment of Euros 1,500 thousand. The purchase price of 100% of registered capital was paid as follows: an initial payment made on the day the agreement was signed for Euros 3,301 thousand; furthermore, three deferred payments of Euros 500 thousand were agreed in each of the coming three years.

This acquisition was integrated into the existing operations of Fluidra in Belgium, and enabled the scope of the Group’s product portfolio to expand, and provide a better service to the broad customer base.

During the period comprised between the date of acquisition and 31 December 2020, the acquired business generated consolidated total sales of goods and finished products amounting to Euros 3,612 thousand and consolidated total profit after tax amounting to Euros 68 thousand.

If the acquisition had occurred on 1 January 2020, the Group's sales of goods and finished products would have increased by Euros 5,377 thousand and consolidated profit after tax would have decreased by Euros 581 thousand.

Due to commercial and management synergies, this acquisition was integrated into the Europe CGU.

On 11 August 2020, Fluidra Brasil Indústria e Comerçio, Ltda, a wholly-owned subsidiary indirectly held by Fluidra, S.A., signed a share purchase agreement whereby it acquired 100% of the share capital of the Brazilian company Ten Four Indústria e Serviços, Ltda.

The consideration for this acquisition was to take on all liabilities, paying a purchase price of 1 Brazilian Real.

During the period comprised between the date of acquisition and 31 December 2020, the acquired business generated consolidated sales of goods and finished products amounting to Euros 943 thousand and a loss of Euros (149) thousand for the Group.

If the acquisition had occurred on 1 January 2020, the Group's sales of goods and finished products would have increased by Euros 321 thousand and consolidated profit after tax would have decreased by Euros 3,554 thousand.

The breakdown of the consideration paid, of the fair value of the net assets acquired and goodwill for the business combinations carried out during the year ended 31 December 2020 is as follows:

Consideration paid	
Cash paid	12,395
Contingent consideration	9,165
Total consideration paid	21,560
Fair value of net assets acquired	4,844
Goodwill	16,716

The intangible assets that were not recorded separately from goodwill and were therefore included in it since they do not meet the separability criterion required by IFRS-EU mainly relate to the work force and synergies of the acquired business. The goodwill on these acquisitions is not expected to be deductible for tax purposes.

The accounting of these business combinations is definitive.

The most significant differences that arose between the carrying amounts of the businesses acquired during the year and their fair values correspond to technology and client portfolio.

The fair value of technology is based on measurements made by an independent expert using the royalty relief method. The customer portfolio was measured using the MPEE method (multi-period excess earnings). The key assumptions used were based on the strategic plans approved by Management.

The amounts that were recorded in the consolidated statement of financial position at the date of acquisition of the assets, liabilities and contingent liabilities of the businesses acquired during the year ended 31 December 2020, by significant categories, are as follows:

	Thousands of euros
Property, plant and equipment	1,048
Other intangible assets	7,565
Non-current financial assets	301
Inventories	3,551
Trade and other receivables	3,683
Cash and cash equivalents	1,416
Total assets	17,564
Bank borrowings and other marketable securities - non-current	136
Deferred tax liabilities	1,875
Non-current provisions	766
Government grants	11
Bank borrowings and other marketable securities - current	1,209
Trade and other payables	8,177
Current provisions	546
Total liabilities and contingent liabilities	12,720
Total net assets	4,844
Total net assets acquired	4,844
Paid in cash	12,395
Cash and cash equivalents acquired	1,416
Cash paid for the acquisitions	10,979

Furthermore, following Fluidra's strategy to divest its non-essential activities in order to focus on the Group's core business, on 31July 2020 the German company SET Energietchnick GmbH was sold for an amount of Euros 94 thousand.

On 3 December 2020, the Spanish company Tecnical Pool Services, S.L. was also sold for Euros 47 thousand.

Details of the sale of the abovementioned companies are as follows:

	Thousands of euros
Amount received in cash	141
Deferred collections	-
Total	141
Total net assets sold	232
Loss on the sale	(91)

The amounts that were derecognised in the consolidated statement of financial position at the date of disposal of the assets, liabilities and contingent liabilities of the businesses sold, by significant class, are as follows:

	Thousands of euros
Property, plant and equipment, intangible assets and right-of-use assets	20
Non-current financial assets	4
Deferred tax assets	2
Inventories	392
Trade and other receivables	316
Cash and cash equivalents	485
Total assets	1,219
Lease liabilities	483
Trade and other payables	504
Total liabilities and contingent liabilities	987
Total net assets	232
Total net assets sold	232
Amount received in cash	141
Cash and cash equivalents sold	485
Net cash from the sale	(344)

In the year ended 31 December 2020, cash was disbursed in connection with the acquisition of subsidiaries in prior years and non-controlling interests for Euros 8,837 thousand.

6. Property, plant and equipment

Movement in Property, plant and equipment during 2021 and 2020 is as follows:

Thousands of euros

	Balances at 31.12.20	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.21
Cost								
Land and buildings	67,972	3,514	724	(317)	-	(3,996)	793	68,690
Plant and machinery	126,004	5,559	15,321	(9,243)	(719)	(382)	1,693	138,233
Other installations, equipment and furniture	161,257	6,839	7,414	(22,627)	(270)	8,644	2,573	163,830
Other PPE	26,757	3,627	3,333	(6,277)	(15)	(232)	550	27,743
Under construction	11,862	1,192	16,544	(171)	-	(9,876)	684	20,235
	393,852	20,731	43,336	(38,635)	(1,004)	(5,842)	6,293	418,731
Accumulated depreciation								
Buildings	(33,690)	-	(1,373)	306	-	4,123	(394)	(31,028)
Plant and machinery	(95,037)	-	(7,277)	8,947	-	6,900	(1,348)	(87,815)
Other installations, equipment and furniture	(126,798)	-	(10,243)	22,463	-	(4,323)	(1,842)	(120,743)
Other PPE	(20,386)	-	(3,173)	6,210	-	(774)	(349)	(18,472)
	(275,911)	-	(22,066)	37,926	-	5,926	(3,933)	(258,058)
Net carrying amount	117,941	20,731	21,270	(709)	(1,004)	84	2,360	160,673

Thousands of euros

	Balances at 31.12.19	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.20
Cost								
Land and buildings	77,202	442	62	(613)	-	(8,649)	(472)	67,972
Plant and machinery	125,847	1,343	6,242	(6,098)	(105)	312	(1,537)	126,004
Other installations, equipment and furniture	153,233	38	5,416	(4,547)	(102)	9,447	(2,228)	161,257
Other PPE	27,347	211	2,899	(3,197)	(18)	153	(638)	26,757
Under construction	9,389	-	9,312	(74)	(6)	(6,248)	(511)	11,862
	393,018	2,034	23,931	(14,529)	(231)	(4,985)	(5,386)	393,852
Accumulated depreciation								
Buildings	(33,635)	(82)	(1,352)	853	-	353	173	(33,690)
Plant and machinery	(95,392)	(757)	(5,755)	5,704	-	437	726	(95,037)
Other installations, equipment and furniture	(122,635)	-	(9,322)	4,250	-	(336)	1,245	(126,798)
Other PPE	(21,380)	(147)	(2,838)	3,349	-	226	404	(20,386)
	(273,042)	(986)	(19,267)	14,156	-	680	2,548	(275,911)
Net carrying amount	119,976	1,048	4,664	(373)	(231)	(4,305)	(2,838)	117,941

a) Property, plant and equipment pledged as guarantees

At 31 December 2021 and 2020 no items of property, plant and equipment are mortgaged or pledged as guarantees.

b) Insurance

The consolidated Group has taken out several insurance policies to cover the risks to which its property, plant and equipment items are exposed. The coverage of these policies is considered sufficient.

c) Fully depreciated assets

The cost of fully depreciated property, plant and equipment still in use at 31 December 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Buildings	24,470	30,006
Plant and machinery	87,511	83,195
Other installations, equipment and furniture	104,139	114,238
Other property, plant and equipment	19,313	19,858
	235,433	247,297

d) Assets located abroad

At 31 December 2021 property, plant and equipment located outside Spain amount to Euros 81,849 thousand (Euros 47,567 thousand at 31 December 2020).

e) Gains/(losses) on disposals of fixed assets

In 2021 and 2020, there were no significant disposals of fixed assets.

7. **Investment property**

Movement in investment property during 2021 and 2020 is as follows:

	Thousands of euros				
	Balances at 31.12.20	Additions	Disposals	Transfers	Balances at 31.12.21
Cost					
Land	1,880	-	-	-	1,880
Buildings	3,516	-	(2,049)	6,352	7,819
	5,396	-	(2,049)	6,352	9,699
Accumulated amortisation					
Buildings	(2,456)	(22)	1,851	(6,933)	(7,560)
	(2,456)	(22)	1,851	(6,933)	(7,560)
Net carrying amount	2,940	(22)	(198)	(581)	2,139

	Thousands of euros				
	Balances at 31.12.19	Additions	Disposals	Transfers	Balances at 31.12.20
Cost					
Land	1,880	-	-	-	1,880
Buildings	3,540	-	(24)	-	3,516
	5,420	-	(24)	-	5,396
Accumulated amortisation					
Buildings	(2,254)	(204)	2	-	(2,456)
	(2,254)	(204)	2	-	(2,456)
Net carrying amount	3,166	(204)	(22)	-	2,940

The fair value of investment property does not substantially differ from the net carrying amount.

8. Goodwill and Other intangible assets

Movement in Goodwill and other intangible assets during 2021 and 2020 is as follows:

a) Goodwill

	Thousands of euros						
	Balances at 31.12.20	Business combinations	Additions	Disposals	Impairment	Exchange gains/(losses)	Balances at 31.12.21
Carrying amount							
Goodwill	1,075,483	191,761	-	-	(94)	49,316	1,316,466

	Thousands of euros						
	Balances at 31.12.19	Business combinations	Additions	Disposals	Impairment	Exchange gains/(losses)	Balances at 31.12.20
Carrying amount							
Goodwill	1,103,856	16,716	-	-	-	(45,089)	1,075,483

b) Other intangible assets

	Thousands of euros							
	Balances at 31.12.20	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.21
Cost								
Development expenses for work in progress	103,566	1,724	12,836	(14,606)	(795)	10,810	5,617	119,152
Customer relations/Contractual relations	537,781	132,363	4,939	-	-	4,935	47,392	727,410
Computer software	49,622	564	9,990	(877)	(1)	(356)	374	59,316
Patents, Trademarks and Other intangible assets	165,581	111,527	2,323	(875)	(2)	1,194	16,376	296,124
	856,550	246,178	30,088	(16,358)	(798)	16,583	69,759	1,202,002
Accumulated amortisation								
Product development expenses	(38,901)	-	(9,232)	14,156	-	(9,833)	(2,544)	(46,354)
Customer relations/Contractual relations	(134,469)	-	(56,222)	-	-	(4,935)	(11,185)	(206,811)
Computer software	(36,496)	-	(5,708)	876	-	(7)	(235)	(41,570)
Patents, Trademarks and Other intangible assets	(4,967)	-	(1,950)	830	-	(1,201)	(253)	(7,541)
	(214,833)	-	(73,112)	15,862	-	(15,976)	(14,217)	(302,276)
Net carrying amount	641,717	246,178	(43,024)	(496)	(798)	607	55,542	899,726

	Thousands of euros							
	Balances at 31.12.19	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.20
Cost								
Development expenses for work in progress	102,952	-	12,987	(9,379)	(36)	3,018	(5,976)	103,566
Customer relations/Contractual relations	594,893	1,000	-	(12,753)	(58)	-	(45,301)	537,781
Computer software	46,743	253	6,026	(3,104)	(542)	647	(401)	49,622
Patents, Trademarks and Other intangible assets	176,920	6,501	463	(7,156)	(326)	(52)	(10,769)	165,581
	921,508	7,754	19,476	(32,392)	(962)	3,613	(62,447)	856,550
Accumulated amortisation								
Product development expenses	(40,751)	-	(10,062)	9,254	-	-	2,658	(38,901)
Customer relations/Contractual relations	(101,891)	-	(54,677)	12,787	-	-	9,312	(134,469)
Computer software	(33,544)	(189)	(6,172)	3,068	-	56	285	(36,496)
Patents, Trademarks and Other intangible assets	(9,137)	-	(3,150)	7,144	-	(90)	266	(4,967)
	(185,323)	(189)	(74,061)	32,253	-	(34)	12,521	(214,833)
Net carrying amount	736,185	7,565	(54,585)	(139)	(962)	3,579	(49,926)	641,717

No intangible assets have been pledged as guarantees.

Additions to product development expenses in 2021 amounting to Euros 12,836 thousand (Euros 12,537 thousand in 2020) correspond to work performed by the Group and capitalised as non-current assets, and are included in said caption of the consolidated income statement.

Additions to customer relations in 2021 amounting to Euros 4,939 thousand relate to the acquisition of part of the customer portfolio and distribution contracts of Realco, S.A. in Belgium by Manufacturas Gre, SAU.

The cost of fully amortised intangible assets still in use at 31 December 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Development expenses for work in progress	54,136	55,983
Computer software	32,823	25,988
Patents, Trademarks and Other intangible assets	35,004	35,023
	121,963	116,994

At 31 December 2021, intangible assets located outside Spain amount to Euros 874,647 thousand (Euros 627,000 thousand at 31 December 2020).

c) Impairment and allocation of goodwill to CGUs.

The CGU structure resulting from the merger with the Zodiac Group and the reorganisation carried out in the second half of 2020 is as follows:

- North America
- Europe
- Operations
- Asia-Pacific
- EMEA expansion
- SIBO Fluidra Netherlands B.V.
- Certikin International, LTD

The Group has allocated goodwill to its cash-generating units (CGUs) in accordance with IAS 36, where a CGU is defined as a smaller identifiable group of assets which generates cash inflows that are largely independent of those from other assets or groups of assets.

The breakdown of goodwill allocated by CGU or group of CGUs at 31 December 2021 and 31 December 2020 is as follows:

		Thousands of euros	
	Segment	31.12.2021	31.12.2020
North America	North America	712,936	478,046
Europe	EMEA	300,997	300,968
Operations	Operations	186,562	186,562
Asia-Pacific	APAC	67,523	61,567
EMEA expansion	EMEA	39,904	39,904
SIBO Fluidra Netherlands B.V.	EMEA	5,048	5,048
Certikin International, LTD	EMEA	3,496	3,388
Total		1,316,466	1,075,483

Movement in goodwill is essentially explained by the acquisition of Built Right, CMP, S.R. Smith and Taylor Technologies (see Note 5), as well as currency translation differences arising from the goodwill denominated in foreign currency, chiefly as a result of fluctuations in the exchange rates of the US dollar and the pound sterling.

The recoverable amount of each CGU is determined based on the greater of fair value less disposal costs, calculated using a Level 3 methodology in line with the hierarchy established in IFRS 3, and continuing value in use. These calculations use cash flow projections based on finance budgets and/or strategic plans, approved by Management, for the cash generating units to which goodwill has been allocated and cover a period of five years. The process for preparing the strategic plans of the CGUs considers the current situation of each CGU's market, analysing the macroeconomic and competitive environments, as well as the CGU's position in those environments and the opportunities for growth. Key factors for business development are chiefly evolution in the existing pools in each market in terms of the maintenance business and evolution in the construction of new pools. In addition, potential operating efficiencies due to growth are taken into consideration. These projections are corrected on the basis of the level of compliance with strategic plans and/or financial budgets achieved in prior years. The said projections and estimates are consistent with those that would be made by a market participant.

The key assumptions used in the strategic plans relate to sustained business growth in pools (aftermarket), moderate growth in the construction of new pools in mature markets and sustained growth in emerging markets, combined with an increase in our penetration in commercial pools in some geographical areas where our presence is still small and increased market share in the American market.

In terms of the Operations division, revenues are linked to the increase in sales divisions resulting from the partial integration of manufacturing within Fluidra. The assumptions used in the strategic plans relate to a recovery in profitability due to greater efficiency obtained through the lean management plans in production plants, the integration of the logistics chain and the operating leverage due to growth.

The quantitative assumptions used for 2021 are shown in the accompanying table:

CGU	Sales CAGR (*) 2022-2026	EBITDA CAGR (*) 2022-2026	g (**)	WACC (***) 2021	WACC (****) 2021
North America	5.73%	5.52%	1.73%	6.59%	8.80%
Europe	4.58%	6.18%	1.78%	7.35%	9.36%
Operations	5.02%	5.04%	1.75%	8.19%	10.60%
Asia-Pacific	5.54%	4.55%	2.31%	8.54%	11.97%
EMEA expansion	5.82%	5.53%	2.33%	10.63%	13.01%
SIBO Fluidra Netherlands B.V.	5.22%	4.80%	1.98%	6.21%	8.13%
Certikin International, LTD	3.66%	3.39%	2.01%	7.02%	8.60%

(*) CAGR is the term used to represent the compound annual growth rate of the five-year periods used.

(**) Perpetual growth rate.

(***) After-tax discount rate.

(****) Before-tax discount rate.

The quantitative assumptions used for 2020 are shown in the accompanying table:

CGU	Sales CAGR (*) 2021-2025	EBITDA CAGR (*) 2021-2025	g (**)	WACC (***) 2020	WACC (****) 2020
North America	5.25%	5.43%	1.78%	6.60%	9.17%
Europe	3.55%	3.66%	1.69%	7.08%	9.20%
Operations	4.68%	5.31%	1.81%	8.66%	11.48%
Asia-Pacific	2.08%	5.46%	2.10%	7.66%	11.09%
EMEA expansion	3.92%	5.75%	2.26%	10.47%	12.97%
SIBO Fluidra Netherlands B.V.	2.19%	2.75%	1.64%	6.24%	8.06%
Certikin International, LTD	3.48%	4.68%	1.92%	7.15%	9.05%

(*) CAGR is the term used to represent the compound annual growth rate of the four-year periods used.

(**) Perpetual growth rate.

(***) After-tax discount rate.

(****) Before-tax discount rate.

From the last year, cash flow projections are calculated using a growth rate in perpetuity in accordance with each market. The growth rates applied are detailed in the tables above.

The discount rates applied to cash flow projections used for the CGUs have been calculated based on risk-free rates (interest rates for sovereign debt of each country, always the one applicable to each market at 31 December), tax rate, market risk premiums, and debt spreads for the markets in which the CGUs operate. The discount rates applied before and after tax are detailed in the tables above.

For the impairment test, the right-of-use assets arising as a result of IFRS16 have been taken into account in the carrying amount of each CGU's net assets, adjusting the cash flows and discount rates accordingly.

The Group performed a sensitivity analysis on the impairment calculation using reasonable variations in the key assumptions used. The following variations have been taken on for the CGUs and groups of CGUs:

- Decrease of 100 basis points in the EBITDA margin in perpetuity (EBITDA)
- Growth rate in perpetuity - Decrease of 0.5% (g)
- Discount rate – Increase of 0.5% (WACC)

The quantitative result of these reasonable variations on the model, shown as a percentage of surplus/shortfall over the carrying amount of goodwill at 31 December 2021 and 2020, is as follows:

CGU	EBITDA	g	WACC
North America	>100%	>100%	>100%
Europe	>100%	>100%	>100%
Operations	>100%	>100%	>100%
Asia-Pacific	>100%	>100%	>100%
EMEA expansion	>100%	>100%	>100%
SIBO Fluidra Netherlands B.V.	>100%	>100%	>100%
Certikin International, LTD	>100%	>100%	>100%

In a similar manner, it is deemed that none of the aforementioned variations to the key assumptions in the measurement model would imply the need to recognise a goodwill impairment at 31 December 2021.

Additional changes in the assumptions used to determine fair value/value in use could alter the impairment estimate.

The Group's market capitalisation at 31 December 2021 amounts to Euros 6,886.1 million (Euros 4,098.4 million at 31 December 2020).

9. Right-of-use assets

Details of and movement in right-of-use assets during 2021 and 2020 is as follows:

	Thousands of euros							
	Balances at 31.12.20	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.21
Cost								
Land and buildings	121,118	31,066	34,748	(3,828)	(150)	47	5,074	188,075
Plant and machinery	3,835	-	3,356	(935)	(53)	(2)	146	6,347
Other installations, equipment and furniture	1,461	-	1,349	(213)	-	3	5	2,605
Other PPE	9,016	-	3,347	(2,068)	(30)	80	79	10,424
	135,430	31,066	42,800	(7,044)	(233)	128	5,304	207,451
Accumulated amortisation								
Buildings	(27,597)	-	(22,233)	3,399	-	(260)	(821)	(47,512)
Plant and machinery	(1,716)	-	(1,671)	935	-	2	(84)	(2,534)
Other installations, equipment and furniture	(415)	-	(471)	200	-	(3)	(4)	(693)
Other PPE	(3,988)	-	(2,994)	1,989	-	(80)	(40)	(5,113)
	(33,716)	-	(27,369)	6,523	-	(341)	(949)	(55,852)
Net carrying amount	101,714	31,066	15,431	(521)	(233)	(213)	4,355	151,599

	Thousands of euros						
	Balances at 31.12.19	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.20
Cost							
Land and buildings	122,002	11,146	(7,275)	(463)	55	(4,347)	121,118
Plant and machinery	2,282	1,479	(125)	-	235	(36)	3,835
Other installations, equipment and furniture	1,145	773	(355)	-	(91)	(11)	1,461
Other PPE	7,467	3,171	(1,498)	-	-	(124)	9,016
	132,896	16,569	(9,253)	(463)	199	(4,518)	135,430
Accumulated amortisation							
Buildings	(16,641)	(18,491)	6,820	-	74	641	(27,597)
Plant and machinery	(467)	(1,216)	125	-	(172)	14	(1,716)
Other installations, equipment and furniture	(414)	(393)	322	-	66	4	(415)
Other PPE	(2,715)	(2,693)	1,410	-	-	10	(3,988)
	(20,237)	(22,793)	8,677	-	(32)	669	(33,716)
Net carrying amount	112,659	(6,224)	(576)	(463)	167	(3,849)	101,714

The right-of-use asset additions in 2021 relate mainly to the new corporate headquarters in Sant Cugat del Vallés, as well as new lease contracts for warehouses in the UK and Spain.

10. Investments accounted for using the equity method

The movements in investments accounted for using the equity method are as follows:

	Thousands of euros	
	2021	2020
Balance at 1 January	28	-
Share in profit/(loss)	5	28
Profits on sale/Disposals	123	-
Additions from business combinations	563	-
Exchange gains/(losses)	16	-
Balance at 31 December	735	28

The breakdown of the key financial figures of investments accounted for using the equity method in 2021 and 2020 is as follows:

			2021				
			Thousands of euros				
	Country	% of shareholding	Assets	Liabilities	Equity	Income	Profit/(loss)
Astral Nigeria, LTD	Nigeria	25	998	395	603	1,443	20
Aspire Polymers, Pty Ltd.	Australia	50	508	391	117	519	-
			1,506	786	720	1,962	20

			2020				
			Thousands of euros				
	Country	% of shareholding	Assets	Liabilities	Equity	Income	Profit/(loss)
Astral Nigeria, LTD	Nigeria	25	1,018	435	583	1,290	112
OCM Products Limited	Great Britain	50	453	501	(48)	196	-
			1,471	936	535	1,486	112

11. Current and non-current financial assets

A breakdown of Other current and non-current financial assets is as follows:

		Thousands of euros	
	Note	2021	2020
Financial assets at fair value through profit or loss		245	249
Deposits and guarantees		4,207	4,135
Total non-current		4,452	4,384
Deposits and guarantees		10,794	10,867
Derivative financial instruments	12	491	10
Total current		11,285	10,877

The Deposits and guarantees caption mainly includes term deposits that earn market interest rates and are classified in the Loans and receivables caption, as well as deposits and guarantees granted as a result of rental contracts. These are measured following the criteria established for financial assets in Note 3. The difference between the amount paid and fair value is recognised in the income statement as a prepayment over the lease term.

The fair value of quoted securities is determined based on their price at the reporting date of the consolidated financial statements.

12. Derivative financial instruments

A breakdown of derivative financial instruments is as follows:

	2021				
		Thousands of euros			
	Notional amount	Fair values			
		Assets		Liabilities	
		Non-current	Current	Non-current	Current
1) Derivatives held for trading					
a) Exchange rate derivatives					
Foreign currency contracts	23,276	-	491	-	181
Total derivatives traded on over-the-counter markets		-	491	-	181
Total derivatives held for trading		-	491	-	181
2) Hedging derivatives					
a) Cash flow hedges					
Interest rate swaps	593,696	-	-	7,191	-
Total hedging derivatives		-	-	7,191	-
Total recognised derivatives		-	491	7,191	181
			(Note 11)		

	2020				
		Thousands of euros			
	Notional	Fair values			
	amount	Assets		Liabilities	
		Non-current	Current	Non-current	Current
1) Derivatives held for trading					
a) Exchange rate derivatives					
Foreign currency contracts	52,613	-	10	-	1,531
Total derivatives traded on over-the-counter markets		-	10	-	1,531
Total derivatives held for trading		-	10	-	1,531
2) Hedging derivatives					
a) Cash flow hedges					
Interest rate swaps	572,788	-	-	15,987	-
Total hedging derivatives		-	-	15,987	-
Total recognised derivatives		-	10	15,987	1,531
			(Note 11)		

The overall amount of the change in fair value of derivatives held for trading, which has been estimated using measurement techniques, has been recognised in the income statement and amounts to a loss of Euros 1,828 thousand (profit of Euros 1,011 thousand in 2020).

The overall amount of the change in fair value of hedging derivatives, which has been estimated using measurement techniques and has been recognised in consolidated equity as it has been considered an effective hedge, has resulted in a decrease of Euros 6,868 thousand (a decrease of Euros 911 thousand in 2020).

The overall amount of cash flow hedges that has been transferred in 2021 from other comprehensive income in equity to the consolidated income statement (under financial cost) amounts to a loss of Euros 9,221 thousand (a loss of Euros 7.949 thousand in 2020).

a) Interest rate swaps

The Group uses interest rate swaps, at a floating interest rate without knock-out barriers, with fixed rate values ranging from 0.329% to 3.097% in 2021 (in 2020 the values ranged from 0.329% to 3.097%). These derivatives are used to manage exposure to fluctuations in the interest rates mainly of bank loans.

Hedging derivatives at 31.12.21			
Notional amount in thousands of euros	Start date	End date	Type of derivative
200,000	31/10/2018	31/10/2022	Fixed swap
60,000	31/10/2018	31/10/2022	Fixed swap
110,366	31/10/2018	31/10/2022	Fixed swap
10,000	05/11/2018	31/10/2022	Fixed swap
30,000	07/11/2018	31/10/2022	Fixed swap
110,366	08/11/2018	31/10/2022	Fixed swap
44,146	13/11/2018	31/10/2022	Fixed swap
28,818	13/12/2018	31/10/2022	Fixed swap
593,696			

Hedging derivatives 31.12.20			
Notional amount in thousands of euros	Start date	End date	Type of derivative
200,000	31/10/2018	31/10/2022	Fixed swap
60,000	31/10/2018	31/10/2022	Fixed swap
101,866	31/10/2018	31/10/2022	Fixed swap
10,000	05/11/2018	31/10/2022	Fixed swap
30,000	07/11/2018	31/10/2022	Fixed swap
101,866	08/11/2018	31/10/2022	Fixed swap
40,746	13/11/2018	31/10/2022	Fixed swap
28,310	13/12/2018	31/10/2022	Fixed swap
572,788			

The breakdown, by notional amount and residual maturity term, of the swaps prevailing at year end is as follows:

	Thousands of euros	
	2021	2020
From one to five years	593,696	572,788
	593,696	572,788

Since derivatives are not traded on organised markets, the fair value of swaps is calculated using the discounted value of expected cash flows due to the spread in rates, based on observable market conditions at the date of measurement (corresponding to the level 2 measurement method in accordance with IFRS 13).

b) Exchange rate derivatives

To manage exchange rate risk in future firm sales and purchases, the Group has arranged option contracts and currency forwards in the main markets in which it operates.

The breakdown by exchange rate of the notional amounts of exchange rate derivatives at 31 December 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
GBP / EUR	11,000	8,200
EUR / USD	6,181	21,188
GBP / USD	3,311	4,401
USD / CNY	2,207	-
USD / ZAR	503	-
EUR / ZAR	74	-
AUD / USD	-	18,743
ZAR / EUR	-	81
	23,276	52,613

At 31 December 2021 and 2020, all foreign exchange derivatives are held for trade, with no hedging derivatives at that date.

The breakdown, by notional amount and residual maturity term, of the exchange rate derivatives is as follows:

	Thousands of euros	
	2021	2020
Less than one year	23,276	52,613
	23,276	52,613

The fair value of these derivatives has been estimated using the discounted cash flow method based on forward exchange rates available in public databases at the reporting date (corresponding to the level 2 measurement method in accordance with IFRS 13).

The gains and losses from measuring and settling these contracts are taken to finance costs for the year.

13. Non-current assets held for sale and liabilities relating to non-current assets held for sale and discontinued operations

In line with the strategy in recent years of divesting non-strategic businesses (Puralia Systems, S.L.U., SET Energietechnick, GmbH and Tecnical Pool Service, S.L.), during 2021 Togama, S.A.U., a company engaged in manufacturing small glass pool tiles, which wasn't part of Fluidra's core business, was put up for sale.

For this reason, a letter of intent for the sale of this business was signed on 13 July 2021. Since the Group has a binding agreement to sell these clearly identified assets and liabilities, the sale is deemed likely to go ahead and it is expected to be completed in 2022, the accounting balances of these assets and liabilities have been reclassified under the caption "Non-current assets held for sale" and "Liabilities relating to non-current assets held for sale", in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". However, these have not been considered as discontinued operations as they do not represent a significant line of business, and therefore all income and expenses for the period relating to this business are presented under the relevant heading according to their nature.

Assets held for sale, less their related liabilities, have been measured at their carrying value or the expected sale amount less cost of sale, whichever is lower. This has led to the recognition of impairment of Euros 1,240 thousand at 31 December 2021.

Details of the nature of the assets classified as held for sale and the related liabilities, at 31 December 2021, are as follows:

Assets	31/12/2021
Non-current financial assets	66
Total non-current assets	66
Inventories	1,546
Trade and other receivables	1,012
Cash and cash equivalents	2,310
Total current assets	4,868
TOTAL ASSETS	4,934
Liabilities	
Lease liabilities	26
Deferred tax liabilities	45
Government grants	8
Other non-current liabilities	37
Total non-current liabilities	116
Lease liabilities	83
Trade and other payables	1,487
Total current liabilities	1,570
TOTAL LIABILITIES	1,686

14. **Inventories**

Details of inventories are as follows:

	Thousands of euros	
	2021	2020
Goods, finished products and work in progress	353,289	207,454
Raw materials and other consumables	140,725	74,384
	494,014	281,838

At 31 December 2021 and 2020 there are no inventories with a recovery period greater than 12 months from the date of the consolidated statement of financial position.

As a result of the business combinations carried out during 2021, inventories amounting to Euros 52,277 thousand (Euros 3,551 thousand during 2020).

Consolidated Group companies have taken out several insurance policies to cover the risks to which its inventories are exposed. The coverage of these policies is considered sufficient.

There are no significant commitments to purchase or sell goods.

During 2021, the Group has recorded allocations to inventories amounting to Euros 683 thousand to adjust them to their net carrying amounts (allocations of Euros 47 thousand during 2020) (see Note 23).

15. Trade and other receivables

A breakdown of this caption in the consolidated statement of financial position is as follows:

	Thousands of euros	
	2021	2020
Non-current		
Other non-current receivables	3,770	3,680
Current		
Receivables from sales and services rendered	209,615	236,623
Other receivables and advance payments	29,564	16,545
Public entities	25,105	13,939
Current income tax assets	16,317	8,504
Impairment and uncollectibility provisions	(23,950)	(26,270)
Total current	256,651	249,341

The fair value of trade and other receivables does not significantly differ from book value.

There is no significant concentration of credit risk over trade receivables in any of the Group segments.

The most significant balances in currencies other than the euro at 31 December 2021 and 2020 are:

	Thousands of euros	
	2021	2020
US dollar	67,464	99,671
Australian dollar	34,516	30,029
Pound sterling	6,958	8,339
South African rand	6,528	5,659
Canadian dollar	5,472	5,413
Arab Emirate dirham	5,936	5,226
Chinese renminbi	10,976	3,832
	137,850	158,169

Receivables from public administrations mostly relate to VAT receivable balances.

Movement in the valuation adjustments for impairment and bad debts for 2021 and 202 is as follows:

	Thousands of euros
Balance at 31 December 2019	27,073
Business combinations	249
Allocations for the year	6,970
Recoveries	(3,250)
Exchange gains/(losses)	(879)
Write-offs	(3,893)
Balance at 31 December 2020	26,270
Business combinations	904
Allocations for the year	7,987
Recoveries	(7,626)
Exchange gains/(losses)	237
Transfers to assets held for sale	(57)
Write-offs	(3,765)
Balance at 31 December 2021	23,950

16. **Equity**

A breakdown of consolidated equity and movement is shown in the consolidated statement of changes in equity.

- Share capital

At 31 December 2021, Fluidra, S.A.'s share capital consists of 195,629,070 ordinary shares with a par value of Euros 1 each, fully subscribed. The shares are represented by book entries and are established as such by being recorded in the corresponding accounting record. All shares bear the same political and financial rights.

On 31 October 2007, Fluidra, S.A. (the "Company") completed its initial public offering process through the public offering of 44,082,943 ordinary shares with a par value of Euro 1 each.

These shares representing share capital are quoted on the Barcelona and Madrid stock exchanges, and also on the continuous market.

On 2 July 2018, and within the framework of the merger agreement between the Fluidra Group and the Zodiac Group, Fluidra, S.A. increased its share capital for a nominal amount of Euros 83,000,000 by issuing and circulating 83,000,000 ordinary shares of Euros 1 par value each, which were fully subscribed by Piscine Luxembourg Holdings 2 S.à.r.l. The difference between the fair value of the equity received by Fluidra, S.A. by virtue of the merger and the par value was allocated to the share premium.

The Company only knows the identity of its shareholders through the information that they voluntarily provide or in compliance with applicable regulations. In accordance with the Company's information, the structure of significant ownership interest at 31 December 2021 and 2020 is as follows:

Ownership percentage	31.12.2021	31.12.2020
Rhône Capital L.L.C.	11.47%	32.22%
Boyser, S.R.L.	7.59%	8.13%
Dispur, S.L.	7.11%	7.11%
Edrem, S.L.	6.93%	6.92%
Piumoc Inversions, S.A.U.	5.50%	5.50%
G3T, S.L.	5.00%	0.00%
Maveor, S.L.	5.00%	5.00%
Other shareholders	51.40%	35.12%
	100.00%	100.00%

- Share premium

This reserve can be freely distributed, except for what is mentioned in the section on Dividends and limitations on the distribution of dividends in this note.

- Legal reserve

Pursuant to article 274 of the rewritten text of the Spanish Companies Act, 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

This reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase. Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

At 31 December 2021 and 2020 this legal reserve is fully funded.

- Parent company shares

The movement in treasury shares during 2021 and 2020 is as follows:

		Euros	
	Number	Nominal value	Average acquisition/disposal price
Balances at 01.01.20	1,581,398	1,581,398	8.8527
Acquisitions	2,416,594	2,416,594	15.6149
Disposals	(1,454,254)	(1,454,254)	(15.0182)
Balances at 31.12.20	2,543,738	2,543,738	14.0899
Acquisitions	9,318,560	9,318,560	29.8281
Disposals	(6,065,987)	(6,065,987)	(31.6353)
Balances at 31.12.21	5,796,311	5,796,311	29.0687

The time and maximum percentage limits of treasury shares meet the statutory limits.

No Group company owns shares in the Parent.

- Recognised income and expense

This caption mainly includes the currency translation differences and gains and losses on the measurement at fair value of the hedging instrument that corresponds to the portion identified as an efficient hedge, net of tax effect, if any.

During the financial years 2021 and 2020, translation differences have changed significantly due to the effect of US dollar denominated businesses.

- Dividends and limitations on the distribution of dividends

The Parent Company's voluntary reserves at 31 December 2021 amounting to Euros 342,795 thousand (Euros 248,318 thousand at 31 December 2020), as well as the share premium and profit/(loss) for the year of the Parent, are subject to legal limitations on their distribution.

The proposed appropriation of profit included in the Parent Company's financial statements for the years 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Basis of allocation:		
Profit/(loss) for the year	(29,870)	139,986
Distribution:		
To the legal reserve	-	-
To voluntary reserves	-	99,234
To interim dividend	-	40,752
To prior years' losses	(29,870)	-
Total	(29,870)	139,986

The Board of Directors of Fluidra, S.A. will propose to the General Shareholders' Meeting a dividend charged to the voluntary reserves amounting to 0.85 euros per share.

- Capital management

The objectives of the Group's capital management are to ensure that it maintains the ability to continue as a going concern so that it can provide returns to shareholders and benefit other stakeholders, and to maintain an optimal capital structure in order to reduce its cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue shares and sell assets in order to reduce debt.

Fluidra, S.A. controls its capital structure based on total leverage and net financial debt over EBITDA ratios (see Note 35).

  - The total leverage ratio is calculated as total assets divided by total equity.
  - The net financial debt ratio (NFD) over EBITDA is calculated as net financial debt divided by EBITDA. The net financial debt is determined by the sum of current and non-current bank borrowings, and other current and non-current marketable securities, lease liabilities and derivative financial liabilities less non-current financial assets, less cash and cash equivalents, less other current financial assets, less derivative financial assets.

During 2021 the strategy, which has remained unchanged over prior years, was to keep the total leverage ratio and the net financial debt over EBITDA ratio between 2 and 2.5. The ratios for 2021 and 2020 have been determined as follows:

Total leverage ratio:

	Thousands of euros	
	2021	2020
Total consolidated assets	3,505,332	2,805,963
Total consolidated equity	1,622,433	1,428,040
Total leverage ratio	2.16	1.96

Net Financial Debt / EBITDA ratio:

	Thousands of euros	
	2021	2020
Bank borrowings and other marketable securities	997,998	691,115
Plus: Lease liabilities	167,667	114,148
Plus: Derivative financial instruments	7,372	17,518
Less: Cash and cash equivalents	(87,808)	(225,631)
Less: Non-current financial assets	(4,452)	(4,384)
Less: Other current financial assets	(10,794)	(10,867)
Less: Derivative financial instruments	(491)	(10)
Net financial debt	1,069,492	581,889
Ebitda (Note 35)	506,366	302,072
Net Financial Debt over Ebitda	2.11	1.93

- Non-controlling interests

During 2021, movement in non-controlling interest has been as follows:

	Percentage of non-controlling interest	
Company	31.12.2021	31.12.2020
Fluidra SL D.O.O. (1)	40.00%	0.00%

(1) Newly-created company in 2021.

An amount of Euros 18 thousand has been paid as a result of transactions derived from these variations.

There are no significant restrictions on the group's capacity to act on the assets of non-controlling interest.

Details of the most significant non-controlling interests at 31 December 2021 and 31 December 2020 are as follows:

			2021				
			Thousands of euros				
	Country	% of shareholding	Assets	Liabilities	Equity	Income	Profit/(loss)
Fluidra Tr Su Ve Havuz Ekipmanlari AS	Turkey	49	1,376	330	1,046	3,205	535
Ningbo Dongchuan Swimming Pool Equipments Co, LTD	China	30	6,884	3,863	3,021	11,281	1,255
Fluidra Balkans JSC	Bulgaria	38.84	2,858	2,116	742	5,170	671
Fluidra Hellas, S.A.	Greece	13.036	944	265	679	1,292	147
Fluidra Kazakhstan Limited Liability Company	Republic of Kazakhstan	49	1,386	844	542	1,091	(45)

			2020				
			Thousands of euros				
	Country	% of shareholding	Assets	Liabilities	Equity	Income	Profit/(loss)
Fluidra Tr Su Ve Havuz Ekipmanlari AS	Turkey	49	1,472	323	1,149	2,634	207
Ningbo Dongchuan Swimming Pool Equipments Co, LTD	China	30	5,011	2,415	2,596	8,010	1,112
Fluidra Balkans JSC	Bulgaria	38.84	2,916	2,845	71	3,909	202
Fluidra Hellas, S.A.	Greece	13.036	844	201	643	1,046	110
Fluidra Kazakhstan Limited Liability Company	Republic of Kazakhstan	49	1,378	820	558	2,519	393

The figures indicated above correspond to the ownership percentage of each company.

17. Earnings/(losses) per share

a) Basic earnings

Basic earnings/(losses) per share are calculated by dividing consolidated profit/(loss) for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the twelve-month periods ended 31 December 2021 and 2020, excluding own shares.

A breakdown of the basic earnings per share calculation is as follows:

	31.12.2021	31.12.2020
Profit/(loss) for the period attributable to equity holders of the Parent (thousands of euros)	252,363	96,388
Weighted average number of ordinary shares outstanding	190,552,025	193,933,352
Basic earnings/(losses) per share from continuing operations (euros)	1.32438	0.49702

Profit/(loss) for the year corresponds to the profit/(loss) for the year attributable to equity holders of the Parent.

The weighted average number of ordinary shares during the year was calculated as follows:

	Number of shares	
	31.12.2021	31.12.2020
Ordinary shares outstanding at 1 January	195,629,070	195,629,070
Effect of changes in treasury shares	(5,077,045)	(1,695,718)
Weighted average number of ordinary shares outstanding at 31 December	190,552,025	193,933,352

b) Diluted

Diluted earnings/(losses) per share are calculated by adjusting profit/(loss) for the year attributable to equity holders of the Parent and the weighted average number of ordinary shares outstanding for all dilutive effects inherent to potential ordinary shares. Given that there are no potential ordinary shares, this calculation is not necessary.

18. Provisions

A breakdown of Other provisions is as follows:

	Thousands of euros			
	2021		2020	
	Non-current	Current	Non-current	Current
Guarantees	-	50,830	-	37,602
Provisions for taxes	107	-	-	-
Provisions for obligations with employees	9,132	-	7,941	-
Litigation and other liabilities	3,795	-	5,695	-
Total	13,034	50,830	13,636	37,602

The Provisions caption includes, on the one hand, current provisions for warranties provided to cover potential incidents related to the products sold by the Group and, on the other hand, non-current provisions that are described in the following three captions: Provisions for taxes to cover potential risks related to tax obligations in the countries in which the Group operates; Provisions for commitments to employees recorded in accordance with employment legislation in some countries in which the Group operates in order to cover potential future employee compensation and benefits; and Provisions for litigation and other liabilities, which include provisions recorded by Group companies in connection with contingencies arisen as a result of their activities.

According to the IFRIC 23 interpretation issued by the IASB, Provisions for taxes related to income tax have been reclassified to Current income tax liabilities under Trade and other payables.

Movement during 2021 and 2020 is as follows:

	Guarantees	Provisions for obligations with employees	Litigation and other liabilities	Provision for taxes	Total
At 1 January 2020	28,437	8,511	2,765	130	39,843
Business combinations	546	380	386	-	1,312
Allocations	11,891	944	4,287	5,871	22,993
Payments / disposals	-	(195)	-	(130)	(325)
Applications	(1,902)	(1,378)	(1,906)	(546)	(5,732)
Transfers	-	(129)	306	(5,325)	(5,148)
Exchange gains/(losses)	(1,370)	(192)	(143)	-	(1,705)
At 31 December 2020	37,602	7,941	5,695	-	51,238
Business combinations	2,825	-	5	-	2,830
Allocations	10,127	2,651	340	107	13,225
Payments / disposals	-	(368)	(154)	-	(522)
Applications	(1,812)	(1,265)	(1,155)	-	(4,232)
Transfers	-	(21)	(1,042)	-	(1,063)
Exchange gains/(losses)	2,088	194	106	-	2,388
At 31 December 2021	50,830	9,132	3,795	107	63,864

19. Bank borrowings and other marketable securities

A breakdown of this caption in the consolidated statement of financial position is as follows:

	Thousands of Euros	
	2021	2020
Non-current borrowings	696,041	670,939
Bank borrowings	-	163
Total non-current	696,041	671,102
Bank loans	135,044	801
Other marketable securities	120,004	-
ABL credit facility	41,704	174
Non-current borrowings	5,093	4,795
Bank borrowings	112	14,243
Total current	301,957	20,013
Total bank borrowings and other marketable securities	997,998	691,115

All the balances shown in the table above correspond to the financial liabilities at amortised cost category.

On 2 July 2018, the debt refinancing following the merger with the Zodiac Group took effect, as follows:

- Long-Term Euro Loan Tranche amounting to Euros 400 million.
- Long-Term USD Loan Tranche amounting to USD 500 million.
- Long-Term AUD Loan Tranche amounting to AUD 75 million.
- Multi-currency revolving credit facility amounting to Euros 130 million.
- ABL multi-currency credit facility (asset-based loan, mainly clients and inventories) amounting to USD 230 million.

The term agreed is 7 years for the loan in its three tranches with quarterly repayments of 0.25%, and repayment in full at the end of the term; 6 years in the case of the revolving credit facility, and 5 years for the ABL.

On 28 January 2020, the terms of the loan agreements were renegotiated for the Euro and USD tranches of the long-term loan and the revolving multi-currency credit facility, leaving the remaining refinancing conditions unaltered.

This financing entailed:

1. The voluntary partial repayment of Euros 90 million on the long-term Euro loan tranche with a 75 basis point decrease on the interest rate.

2. The voluntary repayment of USD 66.5 million on the long-term USD loan tranche with a 25 basis point decrease on the interest rate spread.

Based on the repricing of interest rates already index-linked to the Euribor, Libor or BBSY at 1 month, they were reduced from spreads ranging between 2.25% and 3.75% depending on the tranche and currency, to ranging between 2% and 3.75%; the revolving credit facility dropped from 2% and 2.5% based on the leverage ratio to a spread of between 1.5% and 2%; and for the ABL there is a margin of between 1.5% and 2% based on the drawdown.

The Group is obliged to report to the lenders quarterly and there are certain standard limitations on increasing borrowings in loans and credit facilities of this kind. Furthermore the revolving credit facility is subject to compliance with certain financial ratios based on the requirement to keep the Financial Debt/EBITDA ratio below 5.65 when the facility is drawn down more than 40%. With regard to the ABL credit facility, there is a trigger for entering the settlement period based on whether over 90% of the assigned asset base or the total facility is drawn down over five consecutive days.

These loans and facilities are subject to arrangement and issuance fees, and an availability commission in the case of credit facilities. The expenses incurred in the repricing have been added to those initially included in the aforementioned refinancing of 2 July 2018.

In order to reduce financial costs and diversify sources of financing, Fluidra, S.A. set into action a promissory notes scheme on the Alternative Fixed Income Market (MARF). On 3 June 2021 the scheme was extended for a further year and for Euros 150 million. There is a debt amount at 31 December 2021 of Euros 120 million (there was no debt amount at 31 December 2020).

No loans have been signed during 2021.

The most significant balances in currencies other than the euro at 31 December 2021 and 2020 are:

	Thousands of Euros	
	2021	2020
US dollar	610,717	346,335
Australian dollar	46,039	45,620
South African rand	11	1,126
Pounds sterling	28	-
Other currencies	3,880	1,517
	660,675	394,598

The Group has the following credit and discount facilities at 31 December 2021 and 2020:

	Thousands of euros			
	2021		2020	
	Drawn down	Limit	Drawn down	Limit
Credit facilities	135,044	210,302	801	260,831
ABL credit facility	41,704	203,073	174	187,434
Discounting facilities	-	6,000	-	6,000
	176,748	419,375	975	454,265

At 31 December 2021 and 2020, there are no borrowings backed by mortgage guarantees (see Note 6).

The maturity of the non-current loans taken out with financial institutions is as follows:

	Thousands of euros	
Maturity	2021	2020
Under one year	5,205	19,038
At 2 years	2,579	3,720
At 3 years	4,219	3,539
At 4 years	689,243	3,714
At 5 years	-	660,129
	701,246	690,140

During 2021 and 2020, the interest rate on all the loans taken out by the Group is renewed on a month, quarterly, six-monthly or yearly basis.

The only difference between the fair value and the carrying amount of the financial assets and liabilities corresponds to non-current loans, the fair value of which is Euros 712,873 thousand (versus a carrying amount of Euros 701,246 thousand). The rest of the financial assets and liabilities show no significant differences between fair values and carrying amounts.

Details of changes in liabilities for financing activities and in cash flows are as follows:

		Non-monetary changes						
	Balances at 01.01.21	Cash flows	Business combinations/Sale of companies	Accumulated interest	Exchange rate movement	New leases	Transfers	Balances at 31.12.21
Non-current borrowings	675,734	(7,121)	-	3,535	28,986	-	-	701,134
Non-current bank borrowings	163	(12,294)	5,645	19	-	-	6,467	-
Current bank borrowings	14,243	(58,832)	44,632	7	(1)	-	63	112
ABL credit facility	174	39,631	-	169	1,730	-	-	41,704
Current bank loans	801	126,650	7,593	-	-	-	-	135,044
Other marketable securities	-	120,004	-	-	-	-	-	120,004
	691,115	208,038	57,870	3,730	30,715	-	6,530	997,998
Lease liabilities	114,148	(26,238)	32,829	-	5,042	42,800	(914)	167,667
Cash and cash equivalents	225,631	(143,397)	-	-	7,884	-	(2,310)	87,808

		Non-monetary changes						
	Balances at 1.1.20	Cash flows	Business combinations/Sale of companies	Accumulated interest	Exchange rate movement	New leases	Transfers	Balances at 31.12.20
Non-current borrowings	864,177	(158,247)	-	(103)	(30,093)	-	-	675,734
Non-current bank borrowings	312	(394)	136	145	402	-	(438)	163
Current bank borrowings	2,657	10,491	899	158	(350)	-	388	14,243
ABL credit facility	5,797	(5,504)	-	84	(203)	-	-	174
Current bank loans	5,954	(5,153)	-	-	-	-	-	801
Discounting facilities	-	(310)	310	-	-	-	-	-
	878,897	(159,117)	1,345	284	(30,244)	-	(50)	691,115
Lease liabilities	121,760	(20,328)	(483)	-	(4,272)	16,569	902	114,148
Cash and cash equivalents	242,240	(7,713)	931	-	(9,827)	-	-	225,631

20. Trade and other payables

A breakdown of this caption in the consolidated statement of financial position is as follows:

	Thousands of euros	
	2021	2020
Debt from sales and services rendered	288,301	209,449
Other debt	931	1,041
Liabilities arising on business acquisitions / Suppliers of assets	4,509	15,300
Public entities	21,303	20,373
Current income tax liabilities	30,749	31,897
Remuneration payable	66,446	41,636
	412,239	319,696

At 31 December 2021 the Liabilities arising as a result of business acquisitions/Suppliers of fixed assets caption include Euros 1,105 thousand corresponding to the current amount payable for the purchase of the non-controlling interest I.D. Electroquímica, S.L.

Furthermore, it also includes Euros 200 thousand arising from the contingent liability on the acquisition of Riiot Labs NV/SA. In 2021, the fair value of this contingent consideration has been remeasured. As a result of this remeasurement, the Group has recorded an amount of Euros 9 thousand under Losses on the fair value of financial instruments.

Lastly, the item also includes Euros 500 thousand relating to the current deferred payments arising from the acquisition of Acquafive and its subsidiary, Pentagone.

At 31 December 2020, the Liabilities arising on business acquisitions/ Suppliers of fixed assets caption includes Euros 7,902 thousand from the cross put/call options with the minority shareholder of the company SIBO Fluidra Netherlands B.V., which could be exercised between 1 January 2021 and 30 June 2021. In 2020, the fair value of these cross put/call options with the minority shareholder were re-estimated, recording Euros 331 thousand under the Gains on the fair value of financial instruments heading.

The same item also includes Euros 3,509 thousand corresponding to the best estimate of the fair value of the current consideration arising on the acquisition of Fabtronics Australia Pty, Ltd. At 31 December 2020, the fair value of this contingent consideration was remeasured. As a result of this remeasurement, the Group has recorded an amount of Euros 734 thousand under Gains on the fair value of financial instruments.

Furthermore, Euros 850 thousand is included arising from the purchase commitment with the minority interest of Agrisilos, S.R.L. In 2020, the fair value of this purchase commitment was remeasured. As a result of this remeasurement, the Group has recorded an amount of Euros 859 thousand under Losses on the fair value of financial instruments.

Lastly, the item also includes Euros 500 thousand relating to one of the non-current deferred payments arising from the acquisition of Acquafive and its subsidiary, Pentagone.

The most significant balances in currencies other than the euro at 31 December 2021 and 2020 are as follows:

Debt from sales and services rendered

	Thousands of euros	
	2021	2020
US dollar	142,855	114,963
Australian dollar	32,530	19,694
Chinese renminbi	25,184	7,427
Pound sterling	9,963	8,699
South African rand	9,836	6,298
	220,368	157,081

Balances payable to Public Entities are as follows:

	Thousands of euros	
	2021	2020
Tax payables to tax authorities		
VAT	9,183	9,641
Withholdings	2,796	2,411
Social Security payable	8,678	7,332
Other	646	989
	21,303	20,373

21. Other non-current liabilities

A breakdown of non-current liabilities is as follows:

	Thousands of euros	
	2021	2020
Liabilities on acquisitions of businesses	5,394	11,401
Other	4,524	7,201
Total	9,918	18,602

At 31 December 2021 the Liabilities arisen as a result of business acquisitions caption include Euros 4,404 thousand corresponding to the non-current amount payable for the purchase of the non-controlling interest I.D. Electroquímica, S.L.

Furthermore, it also includes Euros 490 thousand arising from the contingent liability on the acquisition of Riiot Labs NV/SA.

Lastly, the item also includes Euros 500 thousand relating to the deferred payments arising from the acquisition of Acquafive and its subsidiary, Pentagone.

At 31 December 2020 the Liabilities arisen as a result of business acquisitions caption includes Euros 5,227 thousand corresponding to the non-current amount payable for the early execution of the sales option by the minority shareholders of I.D. Electroquímica, S.L.

The same item also includes Euros 4,176 thousand arising from the crossed put/call options with the minority shareholders of Fabtronics Australia Pty, Ltd.

Furthermore, it also includes Euros 998 thousand arising from the contingent liability on the acquisition of Riiot Labs NV/SA. In 2020, the fair value of this contingent consideration was remeasured. As a result of this remeasurement, the Group has recorded an amount of Euros 125 thousand under Gains on the fair value of financial instruments.

Lastly, the item also includes Euros 1,000 thousand relating to the non-current deferred payments arising from the acquisition of Acquafive and its subsidiary, Pentagone.

22. Risk management policy

Exposure to and controls over credit, liquidity, foreign exchange and interest rate risk are detailed below.

i. Credit risk

Credit risk is managed separately by each operating unit of the Group in accordance with the parameters set by Group policies, except for the subsidiaries in Spain, Portugal, France, Italy and Morocco, where credit risk is managed centrally by the Group's Risk Department.

Credit risk exists when a potential loss may arise from Fluidra, S.A.'s counterparties not meeting their contractual obligations, that is, due to not collecting the financial assets according to the established amounts and time frame.

In the case of the Group, the risk is mainly attributable to trade receivables. This risk, however, is mitigated since the Group has a highly diversified domestic and international customer portfolio, where no customer accounts for a significant percentage of total sales for the year.

Credit risk arising from the failure of a counterparty to meet its contractual obligations is duly controlled by policies and risk limits which establish requirements regarding:

- Appropriate agreements to the transaction made.
- Sufficient internal or external credit quality of the counterparty.
- Additional guarantees when necessary.

Additionally, there is an impairment loss policy for individual companies relating to trade receivables that ensures that fair values of accounts receivable do not significantly differ from their book value. This policy is mainly focused on accounts receivable more than 120 days past due. This policy is the internal credit risk management policy, without prejudice to applying the accounting policy explained in note 3 i) d).

The Group's exposure to past due not impaired financial assets is solely focused on the Trade and other receivables caption, and there are no other past due financial assets balances.

The tables below show the aging analysis of past due not impaired Trade and other receivables at 31 December 2021 and 2020:

	2021	2020
Not due	142,528	189,280
Past due	43,137	21,073
0 - 90 days	39,906	17,465
90 - 120 days	2,182	2,095
More than 120 days	1,049	1,513

ii. Liquidity risk

Liquidity risk is the possibility that Fluidra, S.A. will not have sufficient funds or access to sufficient funds at an acceptable cost to meet its payment obligations at all times.

The Group manages liquidity risk based on prudent criteria in order to maintain sufficient cash and marketable securities, secure the availability of committed credit facilities to provide financing, and ensure its capacity to exit market positions. Due to the dynamic nature of the underlying businesses, the Group's Treasury Department aims to maintain sufficient headroom on its undrawn committed borrowing facilities of various types, both long term structural and bilateral.

The table below shows the Group's exposure to liquidity risk at 31 December 2021 and 2020. The table below shows an analysis of financial liabilities by contractual maturity:

	2021					
	Thousands of Euros					
	1 year	2 years	3 years	4 years	5 years	Over 5 years
Bank borrowings and other marketable securities	334,102	29,681	32,266	709,380	-	-
Capital	301,957	2,579	4,219	689,243	-	-
Interest	32,145	27,102	28,047	20,137	-	-
Lease liabilities	36,450	31,880	26,547	22,828	19,472	64,417
Capital	31,141	26,888	22,232	19,126	16,331	51,949
Interest	5,309	4,992	4,315	3,702	3,141	12,468
Derivative financial liabilities	181	7,191	-	-	-	-
Trade and other payables	412,239	-	-	-	-	-
Other non-current liabilities	-	2,907	2,435	2,621	338	1,617
	782,972	71,659	61,248	734,829	19,810	66,034

	2020					
	Thousands of Euros					
	1 year	2 years	3 years	4 years	5 years	Over 5 years
Bank borrowings and other marketable securities	46,792	29,185	28,871	29,084	670,872	-
Capital	20,013	3,720	3,539	3,714	660,129	-
Interest	26,779	25,465	25,332	25,370	10,743	-
Lease liabilities	27,323	25,486	22,339	18,207	15,466	31,496
Capital	22,454	20,803	18,275	14,720	12,496	25,400
Interest	4,869	4,683	4,064	3,487	2,970	6,096
Derivative financial liabilities	1,531	15,987	-	-	-	-
Trade and other payables	319,696	-	-	-	-	-
Other non-current liabilities	-	10,130	5,074	1,380	1,695	323
	395,342	80,788	56,284	48,671	688,033	31,819

During the next few months, based on its cash flow forecasts and financing available, the Group does not expect any difficulties in terms of liquidity.

See note 36 Subsequent events regarding 2022 refinancing.

iii. Foreign currency risk

The Group operates in the international arena and therefore is exposed to foreign exchange risks on transactions denominated in foreign currencies, especially in US dollar and Australian dollar. Foreign exchange risk arises on future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Group companies manage the foreign currency risk of future commercial transactions, recognised assets and liabilities by forward currency contracts mainly entered into by the Group's Treasury Department. Foreign exchange risk arises when future commercial transactions or firm commitments, recognised assets and liabilities and net investments in foreign operations are denominated in a currency that is not the Company's functional currency. This risk also arises as a result of balances between group companies that have been eliminated on consolidation. The Group's Treasury Department is responsible for managing the net position of each foreign currency by entering into external forward currency contracts.

The purpose of the Group's risk management policy is to cover the risk arising in transactions carried out in dollars and the Euros through natural hedges (offsetting collections against payments), using forward instruments to hedge the excess or shortfall for USD risks outside the American market. All transactions in Australian dollar are hedged against the American dollar using forward instruments. No hedging instruments are used to hedge transactions carried out in the other foreign currencies. The Group has several investments in foreign operations whose net assets are exposed to foreign currency translation risk. The Group manages the foreign currency risk relating to the net assets of its foreign operations in Australia and the United States mainly by holding borrowings denominated in the related foreign currency.

Although the Group arranges forward contracts for the economic hedging of foreign currency risks, not all of them are recognised applying hedge accounting.

The main balances in currencies other than the euro are described in Notes 15, 19 and 20 to these consolidated financial statements.

iv. Cash flow interest rate risk

Since the Group does not have any significant remunerated assets, income and cash flows from operating activities are not significantly exposed to the risk of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. As indicated in Note 19, most loans taken out by the Group are linked to floating market interest rates that are updated every month.

The Group manages its cash flow interest rate risk with floating-to-fixed interest rate swaps without barriers. The effect of these interest rate swaps is to convert floating borrowings to fixed borrowings. Generally, the Group borrows at a floating rate and swaps for a fixed rate, which is generally lower than the fixed rate at which the Group could have borrowed. Under interest rate swaps, the Group agrees with other parties to exchange, on a regular basis (usually monthly), the difference between fixed interest and floating interest calculated on the notional principal agreed upon.

If interest rates at 31 December 2021 had been 25 basis points higher or lower, all other variables held constant, consolidated profit before tax would have been Euros 1,851 thousand lower or higher (Euros 1,556 thousand in 2020), mainly due to higher / lower finance costs at variable rates.

The potential impact of interest rate derivatives has not been included in the calculation above.

Apart from the swaps arranged by the Group mentioned in the section above, there are no significant price risks related to equity instruments classified as held for sale or at fair value through profit or loss.

23. Supplies and change in inventories of finished goods and work in progress

The breakdown of this income statement caption is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Purchase of raw and related materials	1,138,379	719,825
Changes in inventories of raw materials, finished products and work in progress and goods	(107,638)	(17,819)
Net charge to the provision for obsolescence	683	47
Total	1,031,424	702,053

24. Sales of goods and finished products

The breakdown of sales of goods and finished products by business unit in 2021 and 2020 is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Residential	1,660,118	1,072,898
Commercial	111,393	90,220
Water treatment	255,697	201,907
Fluid handling	108,305	81,868
Pool & Wellness	2,135,513	1,446,893
Irrigation, Industrial and Other	51,406	41,215
Total	2,186,919	1,488,108

In 2021, the Commercial Pool sales caption included Euros 13,167 thousand (Euros 8,583 thousand in the corresponding prior year period) relating to the execution of projects where the rendering of services is recognised based on the degree of completion at the closing date, as long as the result of the transaction can be reliably estimated.

The breakdown of sales of goods and finished products by geographical region (country of destination) in 2021 and 2020 is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Southern Europe	600,726	458,694
Rest of Europe	379,703	284,953
North America	890,786	486,309
Rest of the world	315,704	258,152
Total	2,186,919	1,488,108

At 31 December 2021, there is one client in the US that represents sales to third parties of 19.85% of total sales (15.22% at 31 December 2020).

25. Income from the rendering of services

This caption mainly includes the revenue from sales transportation services and other logistics services rendered by the Group.

26. Personnel expenses

A breakdown of personnel expenses in 2021 and 2020 is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Wages and salaries	290,181	216,682
Termination benefits	6,583	2,228
Social security expense	47,101	40,385
Other employee benefits expense	19,866	13,141
	363,731	272,436

The average headcount during the years 2021 and 2020 by professional category is as follows:

	31.12.2021	31.12.2020
Management	96	115
Sales, logistics and production staff	5,261	4,480
Administration and purchasing staff	1,067	905
	6,424	5,500

The average number of employees with a disability equal to or greater than 33% during 2021 is 55 employees (46 employees during 2020), with 46 of them belonging to the “sales, logistics and production” category and the other 9 to “administration and purchasing staff” (39 and 7, respectively, in the prior year).

The Group's headcount by gender at year end is as follows:

	31.12.2021		31.12.2020	
	Male	Female	Male	Female
Directors (*)	10	2	11	1
Management	85	13	95	14
Sales, logistics and production staff	3,893	1,844	3,052	1,365
Administration and purchasing staff	590	568	468	440
	4,578	2,427	3,626	1,820

(*) Senior managers are included in the Director category.

27. Other operating expenses

A breakdown of other operating expenses is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Leases and fees	11,897	11,072
Repairs and maintenance	28,838	20,119
Independent professional services	40,376	28,335
Temporary employment agency expenses	33,253	18,065
Commissions	13,794	7,154
Sales transportation and logistics services	101,684	71,174
Insurance premiums	6,443	4,872
Bank services	2,931	1,330
Advertising and publicity	26,214	17,164
Utilities	15,951	11,470
Communications	5,411	4,744
Travel expenses	10,203	10,386
Taxes	3,459	3,545
Adjustments due to impairment of receivables	361	3,720
Guarantees	18,288	20,907
Other (*)	13,414	14,732
	332,517	248,789

(*) Includes remuneration paid to the Board of Directors, research and development expenses and other expenses.

28. Finance income and costs

A breakdown of finance income and costs is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Finance income		
Other finance income	784	5,318
Gains on the fair value of financial instruments	1,828	2,060
Total finance income	2,612	7,378
Finance cost		
Non-current interest on loans	(28,760)	(31,463)
Interest on debt (leasing, loans, policies and bills discounting)	(1,855)	(2,068)
Other finance costs	(1,687)	(2,033)
Losses on the fair value of financial instruments	(2,739)	(1,870)
Impairment losses on financial assets at amortised cost other than trade and other receivables	(342)	(493)
Total finance cost	(35,383)	(37,927)
Right-of-use finance cost	(5,465)	(4,861)
Exchange gains/(losses)		
Exchange gains	31,817	23,726
Exchange losses	(37,760)	(33,386)
Total exchange gains / (losses)	(5,943)	(9,660)
Net profit / (loss)	(44,179)	(45,070)

At 31 December 2020, the Gains on the fair value of financial instruments caption includes Euros 2,054 thousand corresponding to the estimate at fair value of the contingent liabilities derived from acquisitions in the current and prior years.

At 31 December 2021, the entire Losses on the fair value of financial instruments heading relates to the estimate at fair value of the contingent liabilities arising on the acquisitions in prior years (this includes Euros 859 thousand at 31 December 2020).

29. Deferred taxes and Income tax

In 2021, the Group has availed itself of the consolidated tax return scheme using six tax sub-groups: Fluidra, S.A., Zodiac Pool Solutions LLC, Fluidra Holdings Australia PTY LTD, Fluidra Services Italia, S.R.L., ZPES Holdings, S.A.S. and Fluidra Holdco North America, Inc. The parent of each sub-group is the tax consolidation parent company which is responsible for making the relevant settlements to the tax authorities. The companies comprising each tax subgroup and the applicable tax rates are as follows:

Fluidra, S.A. (25%)

- Fluidra Export, S.A.
- Cepex, S.A.U.
- Fluidra Commercial, S.A.U.
- Fluidra Comercial España, S.A.U.
- Industrias Mecánicas Lago, S.A.U.
- Inquide, S.A.U.
- Poltank, S.A.U.
- Fluidra Global Distribution, S.L.U.
- Sacopa, S.A.U.
- Talleres del Agua, S.L.U.
- Togama, S.A.U.
- Trace Logistics, S.A.U.
- Unistral Recambios, S.A.U.
- Innodrip, S.L.U.
- I.D. Electroquímica, S.L.U.
- Fluidra Finco, S.L.U.

Zodiac Pool Solutions, LLC (23.26%)

- Zodiac Pool Systems, LLC
- Cover Pools Incorporated
- Fluidra Latam Export LLC
- Fluidra USA, LLC

Fluidra Holdings Australia PTY LTD (30%)

- Fluidra Group Australia PTY LTD
- Fluidra Australia PTY LTD
- Price Chemicals PTY LTD

Fluidra Services Italia, S.R.L. (24%)

- Fluidra Commerciale Italia, S.p.a.
- Agrisilos, S.R.L.

ZPES Holdings, S.A.S. (28%)

- Fluidra Commercial France, S.A.S.
- Fluidra Industry France, S.A.S.
- Fluidra Assistance, S.A.S.
- Piscines Techniques 2000, S.A.S.
- Poolweb, S.A.S.
- Zodiac Pool Solutions, S.A.S.
- Zodiac International, S.A.S.
- Zodiac Pool Care Europe, S.A.S.

Fluidra Holdco North America, Inc (24.33%) (*)

- Del Ozone Holding Company, Inc (*)
- Del Industries, Inc (*)
- Del Agricultural, Inc (*)
- CMP Holdco, Inc (*)
- SR Smith, LLC (*)

(*) Companies that joined the tax sub-group in 2021.

The Company and the remaining subsidiaries (except for Fluidra Middle East FZE) are required to file an annual corporate income tax return.

Details of deferred tax assets and liabilities according to their nature are as follows:

	Thousands of euros					
	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
Property, plant and equipment and property investment	3,568	3,379	9,315	5,374	(5,747)	(1,995)
Provision for guarantees	9,428	6,740	-	-	9,428	6,740
Provision for obligations with employees	8,263	4,366	-	-	8,263	4,366
Impact of IFRS 15	7,402	4,241	-	-	7,402	4,241
R&D expenses	349	319	2,956	2,669	(2,607)	(2,350)
Contractual relations and customer portfolio	798	788	112,980	93,727	(112,182)	(92,939)
Trademarks and patents	3,696	1,372	60,259	43,164	(56,563)	(41,792)
Inventories	13,074	7,230	3,606	2,356	9,468	4,874
Provision for obsolete inventories	893	914	-	-	893	914
Impairment of receivables	3,178	2,634	-	-	3,178	2,634
Other provisions	24,108	14,885	-	-	24,108	14,885
Tax credit for unused tax loss carryforwards and deductions	27,227	35,350	-	-	27,227	35,350
Goodwill	-	-	7,101	6,421	(7,101)	(6,421)
Transaction costs	1,282	223	-	-	1,282	223
Deferred taxation of dividends	-	-	11,855	-	(11,855)	-
Other items	7,814	7,948	13,866	11,654	(6,052)	(3,706)
	111,080	**90,389**	**221,938**	**165,365**	**(110,858)**	**(74,976)**

Details of changes in net deferred assets and liabilities are as follows:

	Thousands of euros						
	31.12.2020	Losses and gains	Effect of interest rate change on P&L	Equity	Business combinations	Exchange gains/(losses) / Other	31.12.2021
Property, plant and equipment and property investment	(1,995)	(1,426)	(101)	-	(2,121)	(104)	(5,747)
Provision for guarantees	6,740	1,654	86	-	408	540	9,428
Provision for obligations with employees	4,366	3,842	(28)	-	-	83	8,263
Impact of IFRS 15	4,241	2,581	110	-	-	470	7,402
R&D expenses	(2,350)	386	(1)	-	(409)	(233)	(2,607)
Contractual relations and customer portfolio	(92,939)	12,809	(65)	-	(23,681)	(8,306)	(112,182)
Trademarks and patents	(41,792)	(630)	(106)	-	(11,803)	(2,232)	(56,563)
Inventories	4,874	3,899	4	-	691	-	9,468
Provision for obsolete inventories	914	7	7	-	-	(35)	893
Impairment of receivables	2,634	292	16	-	197	39	3,178
Other provisions	14,885	5,116	240	-	2,786	1,081	24,108
Tax credit for unused tax loss carryforwards and deductions	35,350	(9,654)	-	-	-	1,531	27,227
Goodwill	(6,421)	(428)	12	-	-	(264)	(7,101)
Transaction costs	223	220	13	-	657	169	1,282
Deferred taxation of dividends	-	(11,855)	-	-	-	-	(11,855)
Other items	(3,706)	(1,357)	(223)	(2,105)	2,226	(887)	(6,052)
Total	(74,976)	5,456	(36)	(2,105)	(31,049)	(8,148)	(110,858)

	Thousands of euros						
	31.12.2019	Losses and gains	Effect of interest rate change on P&L	Equity	Business combinations	Exchange gains/(losses) / Other	31.12.2020
Property, plant and equipment and property investment	(3,099)	735	(21)	-	-	390	(1,995)
Provision for guarantees	4,434	2,377	47	-	-	(118)	6,740
Provision for obligations with employees	2,500	1,467	-	-	-	399	4,366
Impact of IFRS 15	4,469	120	40	-	-	(388)	4,241
R&D expenses	(2,994)	371	(25)	-	-	298	(2,350)
Contractual relations and customer portfolio	(113,798)	13,354	(772)	-	-	8,277	(92,939)
Trademarks and patents	(43,971)	622	(199)	-	(1,875)	3,631	(41,792)
Inventories	3,295	1,424	(13)	-	-	168	4,874
Provision for obsolete inventories	1,148	(166)	-	-	-	(68)	914
Impairment of receivables	2,379	91	(13)	-	-	177	2,634
Other provisions	8,678	900	193	-	-	5,114	14,885
Tax credit for unused tax loss carryforwards and deductions	43,731	(9,518)	-	-	-	1,137	35,350
Goodwill	(6,237)	(220)	(11)	-	-	47	(6,421)
Transaction costs	5	4	(1)	-	-	215	223
Other items	3,894	(1,614)	(16)	466	-	(6,436)	(3,706)
Total	(95,566)	9,947	(791)	466	(1,875)	12,843	(74,976)

Based on the tax reform included in the General State Budget Act of 31 December 2020, which reduces dividend exemption to 95%, deferred taxes of Euros 11,855 have been recognised in Deferred taxation of dividends in line with the profit/(loss) for the year. The Group's policy in relation to distribution of subsidiary dividends to the parent corresponds to a policy of maximum distribution if the profit and financial situation allow, and therefore no distribution of reserves is expected in the future. The distribution of 2020 profit/(loss) was made in advance of the year-end closing and therefore the parent company did not recognise deferred tax for this item.

The items directly charged and credited to consolidated equity accounts for the year relate to hedging instruments amounting to Euros -2,105 thousand in 2021 (Euros 466 thousand in 2020 relating to hedging instruments).

The other deferred tax assets and liabilities recorded and reversed in 2021 and 2020 have been recognised with a charge or credit to the income statement, except for those arising from business combinations, exchange gains and losses and other concepts.

The breakdown of corporate income tax expense is as follows:

	Thousands of euros	
	2021	2020
Current tax		
For the year	102,315	48,346
Tax deductions	(5,263)	(3,327)
Prior years' adjustments	(2,445)	(2,916)
Provision for taxes (IFRIC 23)	(7,998)	5,743
Other/ Withholding at source on income earned abroad	332	428
Deferred taxes		
Origin and reversal of temporary differences	(15,110)	(19,465)
Tax credit for unused tax loss carryforwards and deductions	9,654	9,518
Effect of the change in the tax rate	36	791
Total income tax expense	81,521	39,118

The reconciliation of current income tax with current net income tax liabilities is as follows:

	Thousands of euros	
	2021	2020
Current tax	97,052	45,019
Withholdings and payments made on account during the year	(77,600)	(28,719)
Other	(1,843)	(1,462)
Transfer of provisions as per IFRIC 23	2,860	10,123
Exchange gains/(losses)	(86)	(718)
Additions from business combinations	518	183
Liabilities derecognised due to the sale of Group companies	-	34
Tax payable in 2020	(6,469)	-
Tax payable in 2019	-	(1,067)
	14,432	23,393

The relationship between income tax expense and profit from continuing operations is as follows:

	Thousands of euros	
	2021	2020
Profit for the year before tax from continuing operations	337,489	139,021
Profit at 25%	84,372	34,755
Effect of applying effective tax rates in other countries	(6,027)	311
Permanent differences	12,505	2,680
Offsetting of unrecognised loss carryforwards from prior years	(1,812)	(1,474)
Tax effect of unused loss carryforwards in current year	940	1,253
Differences in the income tax expense from prior years	(2,445)	(2,916)
Withholding at source on income earned abroad	332	428
Provision for taxes	(7,998)	5,743
Tax deductions generated in the year	(5,263)	(3,327)
Effect of the change in the tax rate	36	791
Other	6,881	874
Income tax expense	81,521	39,118

Deferred tax assets related to unused tax loss carryforwards and unused tax credits recorded in the consolidated financial statements of the Group at 31 December 2021 and 2020 are as follows:

	Thousands of euros	
	2021	2020
Deductions	38	1,016
Tax loss carryforwards	27,189	34,334
	27,227	35,350

The Group only recognises deductions and tax loss carryforwards for which recovery is considered probable. In 2021, tax loss carryforwards and deductions amounting to Euros 9,654 thousand and capitalised in prior years were utilised (Euros 9,518 thousand in 2020). In 2021 and 2020, no deductions or tax loss carryforwards have been capitalised.

In the business combination with the Zodiac Group, Euros 44,995 thousand in tax loss carryforwards were recorded from the group's French companies. Projections for the French companies as a merged group and the synergies obtained by integrating these businesses reasonably support the recovery of the said tax loss carryforwards in a period of less than ten years. At 31 December 2021, Euros 26,275 have not yet been utilised.

The amounts and periods of reversal for the capitalised deductions at 31 December 2021 are as follows:

Years	Thousands of euros	Last year
2010-2015	38	No time limit
	38	

The amounts and timings of the reversal of capitalised tax loss carryforwards at 31 December 2021 are as follows:

Years	Thousands of euros	Last year
2012-2016	27,176	No time limit
2017	13	No time limit
	27,189	

Deferred tax assets, unused tax loss carryforwards and deductions not recorded in the consolidated financial statements of the Group are as follows:

	Thousands of euros	
	2021	2020
Deductions	136	3,254
Tax loss carryforwards	6,393	9,597
	6,529	12,851

The amounts and timings of the reversal of uncapitalized deductions at 31 December 2021 are as follows:

Years	Thousands of euros	Last year
2005-2017	136	2020-2035
	136	

The amounts and timings of the reversal of unrecorded unused tax loss carryforwards are as follows:

Year	Thousands of euros	Last year
2018	40	2021-2038
2019	64	2021-2039
2008-2021	22,846	No time limit
	22,950	

The companies Fluidra Commerciale Italia, S.P.A., Zodiac Pool Solutions, LLC, Fluidra Commercial España, S.A.U., W.I.T. Egypt, Egyptian Limited Liability Company, Zodiac Pool Care Europe, S.A.S., Zodiac Pool Care South Africa PTY Ltd. and Fluidra Portugal, Lda. are currently undergoing inspections which are not expected to result in significant liabilities for the Fluidra Group.

The Spanish companies are open to inspection for the following tax periods:

Tax	Open tax periods
Corporate income tax	From 2017 to 2021
Value added tax	From 2018 to 2021
Personal income tax	From 2018 to 2021
Tax on Economic Activities	From 2018 to 2021

In April 2019 the Spanish tax authorities notified that partial verification and investigation proceedings had started on the VAT obligations of Fluidra, S.A. The year being inspected for VAT is 2018. The certificate of acceptance with regard these inspections was signed on 27 February 2020. The Tax Authorities did not make any adjustments and have refunded the amount charged, along with the corresponding interest in arrears.

The Company's Directors consider that, if there were additional inspections to the ones already mentioned, the possibility of additional contingent liabilities arising is remote and, the additional tax payable, if any, would not have a significant impact on the Consolidated Annual Accounts of the Group taken as a whole.

30. Related party balances and transactions

The breakdown of balances receivable from and payable to related parties and associates and their main characteristics is as follows:

	Thousands of euros			
	31.12.2021		31.12.2020	
	Receivable balances	Payable balances	Receivable balances	Payable balances
Customers	481	-	319	-
Receivables	36	-	21	-
Suppliers	-	1,095	-	705
Payables	-	-	-	-
Total current	517	1,095	340	705

a) Consolidated Group transactions with related parties

Current related-party transactions relate to the Group's normal trading activity, have been carried out on a reasonable arm's length basis and mainly include the following transactions:

a. Purchases of finished products, purchases of spas and accessories from Iberspa, S.L. (with ownership interest by Boyser, S.R.L., Edrem, S.L., Dispur, S.L. And Aniol, S.L.).
b. Lease contracts on properties between the Group and Inmobiliaria Tralsa, S.A., Constralsa, S.L. and Stick Inmobiliere (with ownership interest by Boyser, S.R.L., Edrem, S.L., Dispur, S.L. and Aniol, S.L.) included under Lease payments / expenses for services and other amounting to Euros 225 thousand in the year ended 31 December 2021 (Euros 1,895 thousand in the year ended 31 December 2020).
c. Sales of necessary components and materials produced by the Group for the manufacture of spas to Iberspa, S.L.
d. Rendering of services by the Group to Iberspa, S.L.

The nature of the relationship with the above-mentioned related parties is the existence of significant shareholders in common.

The amounts of the consolidated Group transactions with related parties are as follows:

	Thousands of euros			
	31.12.2021		31.12.2020	
	Associates	Related parties	Associates	Related parties
Sales	976	1,754	856	1,153
Income from services	176	176	94	166
Purchases	(310)	(6,774)	(194)	(4,354)
Lease payments / expenses for services and other	-	(269)	-	(1,934)

b) Information on the Parent Company's Directors and the Group's key management personnel

No advances or loans have been given to key management personnel or Directors.

The remuneration earned by key management personnel and Directors of the Company is as follows:

	Thousands of euros	
	2021	2020
Total key management personnel	6,654	5,620
Total Directors of the Parent Company	6,596	6,814

The members of the Parent Company's Board of Directors have earned a total of Euros 1,214 thousand in 2021 (Euros 1,216 thousand in 2020) from the consolidated companies in which they act as board members. In addition, for the performance of executive duties, they have earned a total of Euros 5,262 thousand in 2021 (Euros 5,478 thousand in 2020). Executive duties include payments in kind relating to vehicles, life insurance, medical insurance and income from share plans. Similarly, the members of the Board of Directors have received Euros 120 thousand in compensation for travel expenses in 2021 (Euros 120 thousand in 2020).

The Company has life insurance policies whereby the Company has recognised an expense of Euros 48 thousand in 2021 (Euros 92 thousand in 2020). These life insurance policies consist in an income supplement in the event of total permanent invalidity.

Furthermore, the Company has made contributions to benefit and pension plans of Euros 114 thousand (Euros 111 thousand in 2020).

During 2021, civil liability insurance premiums for all the Group's directors to cover damages arising from the performance of duties during the year have been paid amounting to Euros 172 thousand (Euros 91 thousand in 2020).

The Group's key management includes the executives that answer directly to the Board of Directors or the Company's CEO as well as the internal auditor.

On 27 June 2018 the General Meeting of Shareholders approved a long-term variable remuneration plan for executive directors and the executive team of Fluidra, S.A. and the subsidiaries comprising the consolidated group. This plan includes the delivery of Fluidra, S.A., shares, taking place following the merger.

The 2018-2022 plan entails the concession of a certain number of PSUs (point of sale units) which will be taken as a reference to determine the final number of shares to be delivered to the beneficiaries after a certain period of time, provided that certain strategic objectives of the Fluidra Group are met and the requirements set forth in the Regulations are fulfilled.

The specific number of shares in Fluidra, S.A. in terms of the PSUs on concession and attached to the compliance of the financial targets, will be established based on the following metrics:

a) The evolution of Fluidra, S.A.'s Total Shareholder Return (TSR) in absolute terms.

b) The evolution of the Fluidra Group's EBITDA.

For the purposes of measuring the evolution of the TSR, the initial value taken shall be the price per share in Fluidra, S.A. that was used to calculate the exchange equation resulting from the merger between the Fluidra and Zodiac Groups, i.e. Euros 8. The target EBITDA is the amount resulting from the approved Fluidra, S.A. strategic plan.

The 2018-2022 plan covers the years from 1 January 2018 to 31 December 2021 and there is, therefore, an additional period of one year up to 31 December 2022 during which the beneficiaries will remain on the plan.

The maximum number of shares to be distributed under the 2018-2022 plan is 5,737,979 shares.

At 31 December 2021 the best estimate of the fair value of the plan's total amount comes to approximately Euros 51,460 thousand, which will be settled in full in equity instruments. At 31 December 2021, an equity increase was recorded in this respect for the amount of Euros 24,332 thousand (Euros 6,889 thousand at 31 December 2020).

Furthermore, certain members of Zodiac Group management held payment agreements based on shares in the company Piscine Luxembourg Holdings 1 S.à r.l. (LuxCo) signed between both parties during the first half of 2017 (the Original Plan), The merger agreements between Fluidra and LuxCo stipulated the replacement of this Original Plan with an alternative plan (the Replacement Plan) in the terms signed between Rhône Capital L.L.C. and beneficiary management staff, in order for the plan to be aligned with, and not to preclude, the objectives and schedule of the 2018-2022 Incentive Plan to be implemented by Fluidra.

The Replacement Plant grants management staff three different instruments:

- Share units in LuxCo convertible to shares in Fluidra, S.A. or cash at the date of their liquidation by the management staff who are currently shareholders of LuxCo and subject to the Original Plan ("Common Equity roll-over").

- Share units in LuxCo convertible to shares in Fluidra, S.A. or cash at the date of their liquidation by the management staff who hold the MIV in an equivalent number of shares to the value of the MIV under the Original Plan ("MIV Interest roll-over").

- Restricted additional share units in LuxCo, convertible to shares in Fluidra, S.A. or cash at the liquidation date ("Restricted shares").

Generally speaking, the stated instruments are subject to conditions of permanency as employees of the Company, complying with Rhône Capital L.L.C.'s financial objectives, share lock-up periods and repurchase options in the event the member of management staff leaves the company. The periods of consolidation of rights and/or lock-in periods, whichever the case, depend on the total or partial departure of Rhône Capital L.L.C. from Fluidra, S.A. in line with the different tranches contained in the three aforementioned instruments of the plan. In all cases the commitments are payable entirely in Fluidra, S.A. shares or cash.

In accordance with IFRS 3, the change of plan in these circumstances should be analysed in order to determine to what extent the impact should be counted as services performed before the transaction, after it, or a combination of both. The services counted prior to the transaction were included in the price paid, whilst services counted after the transaction date are taken to the income statement as long-term salaries throughout the remaining period until the right accrues. In this case, although it impacts on the income statement by way of services rendered by management staff who are beneficiaries of the plan, Fluidra, S.A. is not required to settle the Replacement Plan since Rhône Capital L.L.C. is obliged to pay for the plan.

The best estimate of services counted after the transaction amounts to Euros 11,479 thousand. At 31 December 2021, an equity increase was recorded in this respect for the amount of Euros 1,396 thousand, net of the tax effect (Euros 2,202 thousand at 31 December 2020).

c) Transactions performed by the Directors of the Parent Company outside of its ordinary course of business or other than on an arm's length basis

During 2021 and 2020, the directors of the Parent Company have not carried out any transactions with the Company or with Group companies other than those conducted on an arm's length basis in the normal course of business.

d) Conflicts of interest for the Directors of the Parent Company.

Neither the Company's directors nor any persons related to them were party to any conflicts of interest requiring disclosure in these notes pursuant to the provisions of article 229 of the consolidated text of the Corporate Enterprises Act.

31. Environmental information

The significant systems, equipment or installations incorporated into property, plant, and equipment at 31 December 2021 and 2020 for the purpose of minimising environmental impact and protecting and improving the environment are as follows:

	2021		
	Thousands of euros		
	Cost	Accumulated amortisation	Net carrying amount
Waste treatment	1,140	(953)	187
Energy savings	3,205	(1,549)	1,656
Reduction in emissions	1,445	(665)	780
Reduction in pollution	603	(581)	22
	6,393	(3,748)	2,645

	2020		
	Thousands of euros		
	Cost	Accumulated amortisation	Net carrying amount
Waste treatment	3,234	(3,071)	163
Energy savings	2,969	(1,495)	1,474
Reduction in emissions	1,303	(764)	539
Reduction in pollution	659	(624)	35
	8,165	(5,954)	2,211

Expenses incurred in 2021 and 2020 for the protection and improvement of environment were as follows:

	Thousands of euros	
Description of expenses	2021	2020
External services	522	383
Environmental protection	293	203
	815	586

The Directors estimate that there are no significant contingencies related to environmental improvement and protection and, therefore, no provision for risks and expenses has been recognised in any group company at 31 December 2021 and 2020.

No grants in connection with environmental activities have been received at 31 December 2021 and 2020.

32. Other commitments and contingencies

At 31 December 2021 and 2020 the Group has not presented any mortgage guarantees.

At 31 December 2021, the Group has guarantees with financial institutions and other companies amounting to Euros 5,523 thousand (Euros 6,950 thousand in 2020), of which Euros 201 thousand relate to technical guarantees (Euros 1,266 thousand in 2020).

33. Auditors' and related Group companies' fees

Net fees accrued to Ernst & Young, S.L. as the auditor of the Group's consolidated financial statements for the year ended 31 December 2021 and 2020 for professional services were as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Audit services	836	571
Other assurance services	75	69
Total	911	640

Other assurance services includes: the report on the system of internal control over financial reporting (SCIIF), the ECOEMBES reports, the review report on royalties, the review report on non-financial information, the integrated review report and the review of the financial reports of certain R+D projects.

The amounts detailed in the above tables include the total fees for services rendered in 2021 and 2020, irrespective of the date of invoice.

Additionally, the professional services invoiced to the Group by other companies associated to Ernst & Young Global Limited during the year ended 31 December 2021 and 2020 were as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Audit services	864	833
Other assurance services	26	-
Total	890	833

Other assurance services in 2021 includes certain work related to certificates issued upon legal requirement in certain corporate transactions of the French and Belgian subsidiaries.

Additionally, net fees accrued by the Group to auditors other than Ernst & Young, S.L. during the year ended 31 December 2021 and 2020 for professional services were as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Audit services	152	139
Other assurance services	61	17
Tax advisory services	33	107
Total	246	263

34. Information on late payment to suppliers

According to Law 31/2014 of 3 December establishing measures on combating late payment in commercial transactions, the information on late payment to suppliers in Spain is as follows:

	2021	2020
	Days	Days
Average payment period to suppliers	65.92	66.27
Transactions paid ratio	67.50	70.01
Transactions outstanding ratio	54.61	34.90
	Amount (thousands of euros)	Amount (thousands of euros)
Total payments made	562,026	394,461
Total payments outstanding	78,452	47,021

35. EBITDA

The consolidated income statement shows the amount relating to EBITDA, whose definition for the purpose of these financial statements is as follows:

Sales of goods and finished products + Income from services rendered (see Note 25) + Work performed by the Group for its own non-current assets + Profit from sales of fixed assets – Change in inventories of finished products and work in progress and consumables of raw materials – Personnel expenses – Other operating expenses + Share in profit/(loss) for the year from investments accounted for using the equity method.

Calculation of EBITDA for 2021 and 2020	Thousands of euros	
	31.12.2021	31.12.2020
Sales of goods and finished products	2,186,919	1,488,108
Income from services rendered	31,659	22,752
Work performed by the Group and capitalised as non-current assets	15,106	14,848
Profit/(loss) from sales of fixed assets	349	(386)
Change in inventories of finished products and work in progress and raw material supplies	(1,031,424)	(702,053)
Personnel expenses	(363,731)	(272,436)
Other operating expenses	(332,517)	(248,789)
Share in profit/(loss) for the year from investments accounted for using the equity method	5	28
EBITDA	506,366	302,072

36. Subsequent events

On 27 January 2022 Fluidra cancelled the non-current loans in its three tranches (Euro, USD and AUD), the revolving credit line and the ABL credit line that were signed on 2 July 2018 (see Note 19).

To meet the financial needs arising from this cancellation, the Group has signed a non-current loan with two tranches (Euro and USD) and a revolving credit line. The terms of the non-current loans and the credit line are linked to environmental objectives.

The new non-current loans consist of a USD 750 million tranche at SOFR (Secured Overnight Funding Rate) plus a spread of 200 basis points and a Euros 450 million tranche at Euribor plus a spread of 225 basis points, maturing in 2029. The new revolving credit line is for Euros 450 million and is valid until 2027.

This transaction does not increase net debt and Moody's and Standard & Poor's have kept Fluidra's credit ratings at Ba2 and BB+, respectively.

On the 24th of February 2022 the invasion of Ukraine by the Russian army took place. From that date onwards, the military attack continues, while on an international level, many actions have been taken in order to isolate and weaken the Russian economy. Amongst these measures are included, financial sanctions, sanctions on trade and transport of goods and the closing off the Russian air space.

In this context, the Group has evaluated the exposure to the Russian and Ukrainian market, considering that in the actual state of events, this risk is of low significance in the global figures (the combined zone represents less than 1% of sales in 2021).

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

(The English version of this document is a free translation from the original issued in Spanish. This translation has been carried out internally by Fluidra, S.A. under its sole responsibility and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.)

Subsidiaries accounted for using the full consolidation method

- Agrisilos, S.R.L., domiciled in Vescovato (Italy), is mainly engaged in the production, processing, assembly and marketing of plastic products and other materials for use in agricultural and industrial settings, swimming pools, swimming pool equipment and supplies, water treatment products, robotic cleaning devices and membranes for projects in the gas industry and, in general, products and accessories, spare parts, expandable structures and products relating to the wellness market, including maintenance, repair, management and other services relating to the abovementioned activities.

- AO Astral SNG, domiciled in Moscow (Russia), is mainly engaged in the marketing of swimming-pool materials.

- Aqua Sun Zone, LLC, domiciled in Newnan, Georgia (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.

- Astral Aqua Design Limited Liability Company, domiciled in Moscow (Russia), is mainly engaged in the distribution, design, installation and project management of fountains and ponds.

- Astral Bazénové Prislusentsvi, S.R.O., domiciled in Modletice-Doubravice (Czech Republic), is mainly engaged in the marketing of pool accessories.

- Astral India Private, Limited, domiciled in Chennai (India), is mainly engaged in the marketing of pool material.

- Astralpool Cyprus, LTD, domiciled in Limassol (Cyprus), is mainly engaged in the distribution of pool-related products.

- Astralpool Hongkong, CO., Limited, domiciled in Wang Chai (Hong Kong), is mainly engaged in the marketing of pool, water treatment and irrigation products.

- Astralpool (Thailand) Co., Ltd, domiciled in Samuthprakarn (Thailand), is mainly engaged in the marketing of pool, spa and irrigation products.

- Astralpool UK Limited., domiciled in Fareham (England), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.

- Bobe Water and Fire, LLC, domiciled in Phoenix, Arizona (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.

- Century Composites of Georgia, LLC, domiciled in Newnan, Georgia (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.

- Cepex Mexico, S.A. de C.V., domiciled in Mexico City (Mexico), is mainly engaged in the marketing of fluid handling products.

- Cepex S.A.U., domiciled in Granollers (Barcelona, Spain), is mainly engaged in the manufacture and distribution of plastic material by injection systems or similar and, in particular, plastic parts for valves and the manufacture of plastic injection molds.

- Certikin International, Limited, domiciled in Witney Oxford (England), is engaged in the marketing of swimming-pool products.

- Certikin International (Ireland) Limited, domiciled in Dublin (Ireland), is mainly engaged in providing financial advisory services in the acquisition of new shares.

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

- Certikin Swimming Pool Products India Private Limited, domiciled in Bangalore (India), is mainly engaged in the marketing of swimming-pool products.

- CMP Holdco Inc, domiciled in Newnan, Georgia (United States), is mainly engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.

- CMP Pool & Spa (Shanghai) Co, LTD, domiciled in Shanghai (China), is mainly engaged in production and processing of thermoplastic products, thermosetting plastics and related metal / support products, rubber products and electronic luminescent products supporting plastic products, cables, power devices and engines, a variety of plastic pump and valve products, control products, sales of the company's products manufactured in-house; the import and export, wholesale and other ancillary services related to the above products and their similar goods.

- Cover Pools Incorporated, domiciled in West Valley City (USA), is mainly engaged in the manufacture and distribution of automatic pool covers.

- Custom Molded Products, LLC, domiciled in Newnan, Georgia (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.

- Custom Molded Products Shanghai, Inc., domiciled in Shanghai (China) is essentially engaged in the sale of bathroom equipment, plastic products, rubber products, electronic products and metal materials as well as the import and export of goods and technology.

- Del Agricultural, Inc, domiciled in San Luis Obispo, California (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.

- Del Industries,Inc, domiciled in San Luis Obispo, California (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.

- Del Ozone Holding Company, Inc, domiciled in San Luis Obispo, California (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.

- Fabtronics Australia Pty Ltd, established in Braeside, Australia, has as its object the design and sale of electronic components.

- Fluidra Adriatic D.O.O., domiciled in Zagreb (Croatia) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, products and special equipment for pool and water system maintenance.

- Fluidra Al Urdoun Fz, domiciled in Zarqa Free Zone (Jordan) is mainly engaged in the marketing of pool material.

- Fluidra Assistance, S.A.S., domiciled in Perpignan (France), is mainly engaged in the installation, assembly and implementation of all products and materials relating to pools and water treatment and the provision of post-sales services and the maintenance and installation of these products and materials.

- Fluidra Australia Pty Ltd, domiciled in Melbourne (Australia), is mainly engaged in the purchase, sale and distribution of machinery, equipment, products and special equipment for pool and water system maintenance. It owns 100 % of the capital of Hurlcon Staffing Pty Ltd and Hurlcon Investments Pty Ltd, and Astral Pool Australia Pty Ltd.

- Fluidra Balkans JSC, domiciled in Plovdiv (Bulgaria) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, products and special equipment for pool and water system maintenance.

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

- Fluidra Belgique, S.R.L. (absorbing company of AYW concept SRL and Pentagone APCD, SRL), domiciled in Courcelles (Belgium), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.

- Fluidra BH D.O.O. Bijeljina, domiciled in Bijeljina (Bosnia and Herzegovina) is mainly engaged in selling swimming pool products.

- Fluidra Brasil Indústria e Comércio LTDA (absorbing company of Ten four Industria e Serviços LTDA), domiciled in Itajaí (Brazil), is mainly engaged in the marketing, import, export and distribution of equipment, products and services for fluid handling, irrigation, swimming-pools and water treatment, as either partner or shareholder in other companies. Rendering of technical assistance services for machines, filters and industrial and electrical and electronic equipment. Rental of machines and industrial and/or electrical and electronic equipment.

- Fluidra Chile, S.A., domiciled in Santiago de Chile (Chile), is mainly engaged in the distribution and marketing of swimming-pool, irrigation and water treatment and purification products.

- Fluidra Colombia, S.A.S., domiciled in Funza (Colombia), is engaged in the purchase and sale, distribution, marketing, import, export of all types of machinery, equipment, components and machinery parts, tools, accessories and products for swimming-pools, irrigation and water treatment and purification in general, built with both metal materials and any type of plastic materials and plastic derivatives.

- Fluidra Comercial España, S.A.U., domiciled in Sant Cugat del Vallés (Barcelona, Spain), is engaged in the manufacture, purchase, sale and distribution of all kinds of machinery, filters, instruments, accessories and specific products for swimming-pools, as well as for the treatment and purification of water in general, irrigation and fluid conduction, made of both metallic materials and all kinds of plastic materials and their transformation; as well as the construction and manufacture of all kinds of elements and products that can be manufactured with fibreglass, metal, vacuum thermoformed materials or injected materials.

- Fluidra Comercial Portugal Unipessoal, Lda., domiciled in São Domingo da Rana (Portugal), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.

- Fluidra Commerciale France, S.A.S., domiciled in Perpignan (France) is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.

- Fluidra Commercial, S.A.U., (absorbing company of Fluidra Industry España, S.A.U. And Fluidra JV Youli S.L.U.) domiciled in Sant Cugat del Vallés (Barcelona, Spain) is engaged, among other things, in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

- Fluidra Commerciale Italia, S.P.A. (absorbing company of ME2000 SRL), domiciled in Brescia (Italy), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products..

- Fluidra Cyprus, LTD, domiciled in Limassol, (Cyprus), is essentially engaged in the import, export, manufacture, purchase and sale and distribution of all types of product specifically for pools, saunas or similar products.

- Fluidra Deutschland, GmbH (previously called Zodiac Pool Deutschland GmbH and absorbing company of Fluidra Deutschland GmbH from where it takes its name) domiciled in Großostheim (Germany), is mainly engaged in the distribution and sale of pool products and accessories.

- Fluidra Egypt, Egyptian Limited Liability Company, domiciled in Cairo (Egypt), is mainly engaged in the marketing of swimming-pool accessories.

- Fluidra Export, S.A.U., domiciled in Sant Cugat de Vallés (Barcelona, Spain), is engaged in both domestic and foreign marketing of all types of products and goods, mainly in the marketing of pool-related products, basically acquired from related parties.

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

- Fluidra Finco, S.L.U., (absorbing company of Fluidra Industry, S.A.U. and Pischine Luxembourg Holdings 3 S.A.R.L.) domiciled in Sant Cugat del Vallés (Barcelona, Spain), is engaged in the manufacture, purchase and sale and distribution of all types of products for swimming-pools, irrigation and water treatment and purification, as well as the marketing of such products both in the domestic market and abroad, and the representation of brands and commercial and industrial enterprises engaged in the manufacture of the aforementioned products.. The company is also engaged in investing in all types of business and enterprises, and advising, managing and administering the companies in which it holds an ownership interest

- Fluidra Global Distribution, S.L.U., domiciled in Sant Cugat del Vallés (Barcelona, Spain), is engaged in the purchase and sale of all types of swimming-pool products and their distribution.

- Fluidra Group Australia Pty Ltd, domiciled in Smithfield (Australia), is mainly engaged in the manufacture, assembly and distribution of pool equipment and other related products.

- Fluidra Hellas, S.A. domiciled in Aspropyrgos (Greece), is mainly engaged in the distribution of pool-related products.

- Fluidra Holdco North America, Inc, domiciled in Carlsbad, California (United States), is mainly engaged in taking part in any legal act or activity whereby limited liability companies may be created under the law and to engage in any and all activities required or incidental thereto.

- Fluidra Holdings Australia Pty Ltd, domiciled in Smithfield (Australia) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

- Fluidra Holdings South Africa Pty Ltd, domiciled in Johannesburg (South Africa) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

- Fluidra India Private Limited, domiciled in Chennai (India), is mainly engaged in the marketing of pool material.

- Fluidra Indonesia PT, domiciled in Jakarta (Indonesia), has as its corporate purpose the import and distribution of products and equipment for swimming-pools, as well as chemical products and accessories.

- Fluidra Industry France, S.A.S., with registered offices in Perpignan (France), is mainly engaged in the manufacture of automatic covers for swimming pools of all types, as well as the purchase and sale of materials, accessories and products for swimming pools.

- Fluidra Kazakhstan Limited Liability Company, domiciled in Almaty City (Kazakhstan), is engaged in the purchase of swimming-pool material for subsequent sale in the domestic market.

- Fluidra Latam Export LLC, domiciled in Wilmington (US), is mainly engaged in distributing pool materials in the Latin American market.

- Fluidra Magyarország, Kft, domiciled in Budapest (Hungary), is mainly engaged in the marketing and assembly of machinery and accessories for swimming-pools, irrigation and water treatment and purification.

- Fluidra Malaysia SDN.BHD, domiciled in Selangor (Malaysia) is mainly engaged in the marketing of swimming-pool material.

- Fluidra Maroc, S.A.R.L., domiciled in Casablanca (Morocco), is engaged in the import, export, manufacture, marketing, sale and distribution of spare parts for swimming-pools, irrigation and water treatment.

- Fluidra México, S.A. DE CV, domiciled in Mexico City (Mexico) is engaged in the purchase and sale, import, export, storage, manufacture and, in general, marketing of all types of goods, equipment, components, machinery, accessories and chemical specialties for swimming-pools, irrigation and water treatment.

- Fluidra Middle East Fze, domiciled in Jebel Ali (Dubai), is engaged in the marketing of equipment for swimming-pools and water treatment, as well as related accessories.

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

- Fluidra Montenegro DOO domiciled in Podgorica (Montenegro) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, accessories, products and special equipment for pool and water system and irrigation maintenance.

- Fluidra (N.Z.) Limited, domiciled in North Shore City (New Zealand), is engaged in the distribution and sale of pool material.

- Fluidra Nordic AB, domiciled in Källered (Sweden) is mainly engaged in the purchase, sale, import, export of product categories and products relating to swimming-pools, water treatment and irrigation.

- Fluidra Nordic A/S (formerly Fluidra Danmark A/S), domiciled in Rödekro (Denmark) is mainly engaged in the purchase, sale, import and export of product categories and products relating to swimming-pools, water treatment and irrigation.

- Fluidra Österreich GmbH “SSA”, domiciled in Grödig (Austria) is mainly engaged in the marketing of swimming-pool products.

- Fluidra Polska, SP. Z.O.O., domiciled in Wroclaw (Poland) is mainly engaged in the marketing of pool accessories.

- Fluidra Romania S.A., domiciled in Bucharest (Romania) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, accessories, products and special equipment for pool and water system and irrigation maintenance.

- Fluidra Serbica, D.O.O. Beograd, domiciled in Belgrade (Serbia) is mainly engaged in the marketing of swimming-pool material.

- Fluidra Services France, S.A.S., domiciled in Perpignan (France), is mainly engaged in the rendering of administrative services, legal, tax and financial advisory services, staff management and training, IT, logistics, marketing and financial brokering services for the benefit of the other companies in the Group to which it belongs.

- Fluidra Services Italia, S.R.L., domiciled in Brescia (Italy), is engaged in the rendering of services, including and mainly, accounting, administrative and financial.

- Fluidra SI D.O.O., domiciled in Ljubljana (Slovenia) is mainly engaged in marketing pool-related goods, products and materials.

- Fluidra Singapore, PTE LTD, domiciled in Singapore (Singapore), is mainly engaged in the marketing of pool-related accessories.

- Fluidra Switzerland, S.A., domiciled in Bedano (Switzerland) is mainly engaged in the marketing of pool material.

- Fluidra (Thailand) Co., Ltd, domiciled in Samuthprakarn (Thailand), is engaged in the holding and use of equity shares and securities.

- Fluidra Tr Su Ve Havuz Ekipmanlari AS, domiciled in Tuzla (Turkey), is engaged in the import of equipment, chemical products and other secondary materials necessary for swimming-pools, and their subsequent distribution.

- Fluidra Tunisie, S.A.R.L., with its registered office in El Manar (Tunisia), has as its main purpose the provision of manufacturing services and related activities aimed at promoting and strengthening the Fluidra Group's activity in Tunisia.

- Fluidra USA, LLC, domiciled in Jacksonville (USA), is engaged in the marketing of pool-related products and accessories.

- Fluidra Vietnam LTD, domiciled in Ho Chi Minh City (Vietnam) is engaged in advising, allocating and installing pool filtering systems and water applications, as well as the import, export and distribution of wholesale and retail products.

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

- Fluidra Waterlinx Pty, Ltd, domiciled in Johannesburg (South Africa), is mainly engaged in the manufacture and distribution of swimming-pools, equipment and spa and garden accessories.

- I.D. Electroquímica, S.L.U., domiciled in Alicante (Alicante, Spain), is engaged in the sale of all types of process development machines and eletrochemical reactors.

- Industrias Mecánicas Lago, S.A.U., domiciled in Sant Julià de Ramis (Girona, Spain), is engaged in the manufacture and marketing of liquid and fluid transfer pumps, swimming-pools and their accessories.

- Innodrip, S.L.U., domiciled in Sant Cugat del Vallés (Barcelona, Spain) is engaged in the rendering of services aimed at the sustainable use of water.

- Inquide, S.A.U., (absorbing company of Metalast S.A.U.) domiciled in Polinyà (Barcelona, Spain), is mainly engaged in the manufacture of chemical products and specialties in general, excluding pharmaceutical products.

- Laghetto France, S.A.R.L., domiciled in Saint-Cannat (France), is mainly engaged in the purchase and sale of sports, leisure and pool materials and equipment and related accessories.

- Manufacturas Gre, S.A.U. (merged with Swimco Corp, S.L.U.), domiciled in Munguia (Vizcaya, Spain), is engaged in the manufacture and marketing of products, accessories and pool-related products.

- Ningbo Dongchuan Swimming Pool Equipment Co., LTD, domiciled in Ningbo (China), is engaged in the production and installation of swimming-pool equipment, brushes, plastic and aluminum products, industrial thermometer, water disinfection equipment and water testing equipment. Import and export of technology for own use or as an agent.

- Piscines Techniques 2000, S.A.S., domiciled in Perpignan (France), is engaged in the sale of spare parts for swimming-pools; the purchase and sale of swimming-pool equipment and used water systems; the sale, distribution, marketing, repair and maintenance of swimming-pool equipment, gardening, irrigation and water treatment; and technical advice to swimming-pool and water professionals.

- Poltank, S.A.U., domiciled in Sant Jaume de Llierca (Girona, Spain), whose corporate purpose is the construction of all kinds of elements that can be manufactured with fibreglass and, in particular, of elements or instruments, filters and accessories for water treatment, as well as their sale, distribution, marketing, export and import.

- Poolweb, SAS, domiciled in Chassieu (France), is engaged in the purchase and sale of equipment used in pools and other businesses related to water and relax, technical assistance to professionals in the field and creation and sale of computer programs related to the above activities.

- Price Chemicals Pty Ltd, domiciled in Melbourne (Australia) is engaged in the production and distribution of chemical products for swimming-pools and spas. It imports and locally produces its own brands of renowned chemical products in both the residential and commercial markets.

- Productes Elastomers, S.A., domiciled in Sant Joan Les Fonts (Girona, Spain), is engaged in the manufacture of rubber molded parts, as well as all types of natural and synthetic rubber; the execution and development of techniques for the maintenance of pressure rollers; their repair and trueing; and in general, the production, manufacture and processing of all types of rubber and plastic products.

- Riiot Labs NV/SA, domiciled in Harzé, Aywaille (Belgium), is mainly engaged in the design, development, manufacture, marketing and operation, by any means, including via the granting of patents and licences to third parties, of objects linked to the analysis and treatment of swimming-pool water quality and IT software relating to these objects and any similar, comparable or supplementary product.

- SR Smith, LLC, domiciled in Canby, Oregon (United States), has as its corporate purpose to engage in any lawful act or activity that limited liability companies may engage in under Delaware law, including consulting, brokering, commissions or investments in other companies.

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

- Sacopa, S.A.U., domiciled in Sant Jaume de Llierca (Girona, Spain), is mainly engaged in the processing, marketing and sale of plastic materials, as well as the manufacture, assembly, processing, purchase and sale and distribution of all types of lighting and decoration devices and tools. Foreign and domestic trading activities of all types of goods and products directly and indirectly related to the above products, their purchase and sale and distribution. Representation of domestic and foreign brands and commercial and industrial enterprises engaged in the manufacture of the aforementioned products.

- Saline Generating System LLC, domiciled in Tempe, Arizona (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.

- Shenandoah Manufacturing LLC, domiciled in Newnan, Georgia (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.

- SIBO Fluidra Netherlands B.V., domiciled in Veghel (The Netherlands), has as its corporate purpose to act as a wholesale technician and to carry out all activities directly or indirectly related thereto; as well as to incorporate, participate in and direct the management, to have financial interests in other companies; and to provide administrative services.

- SRS Australia Pty LTD, domiciled in Brisbane, Queensland (Australia), is principally engaged in the sale of swimming-pool cover equipment and materials to both residential and commercial retail and wholesale customers.

- SRS Holdco, LLC, domiciled in Canby, Oregon (United States), is essentially engaged in defending directly or indirectly the ownership interests of SRS and may engage in any necessary, related, convenient, desirable, incidental or appropriate activity or commence through SRS or any other entity, any activity related to SRS's line of business. In connection with that purpose, and in order to carry it out, the company may undertake any necessary activity.

- Sunbather Pty LTD, domiciled in Hastings, Victoria (Australia), is principally engaged in the manufacture and distribution of swimming-pool heating equipment and thermal pool covers..

- Talleres del Agua, S.L.U., domiciled in Polígono Industrial de Barros, Ayuntamiento de los Corrales de Buelna (Cantabria, Spain), is engaged in the building, sale, installation, air-conditioning and maintenance of swimming-pools, as well as the manufacture, purchase and sale, import and export of all types of swimming-pool tools.

- Taylor Water Technologies LLC, domiciled in Sparks, Maryland (USA), is principally engaged in the manufacture and distribution of water testing solutions, testing stations and test strips for swimming-pools and plastic bottles.

- Togama, S.A.U., domiciled in Villareal (Castellón, Spain), whose corporate purpose is the manufacture and marketing of ceramic and vitreous products and, in general, products intended for swimming-pool linings, regardless of the material used, and for which it may carry out all transactions that are unrelated and complementary.

- Trace Logistics North, B.V.., domiciled in Veghel (Holland), is engaged in receiving third-party goods in consignment in its warehouses or premises for their storage, control and distribution to third parties at the request of its depositors; performing storage, depositing, loading and unloading duties and any other function required for managing the distribution of these goods in accordance with the instructions of the depositors and arranging and managing transport.

- Trace Logistics, S.A.U., domiciled in Maçanet de la Selva (Girona, Spain), is engaged in receiving third-party goods in consignment in its warehouses or premises for their storage, control and distribution to third parties at the request of its depositors; performing storage, loading and unloading duties and other supplementary activities that are necessary for managing the distribution of these goods in accordance with the instructions of the depositors and arranging and managing transport.

- Turcat Polyester Sanayi Ve Ticaret A.S., domiciled in Tuzla (Turkey), is engaged in the production, import, export and marketing of products and accessories, purification filters and chemical products.

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

- Unistral Recambios, S.A.U., domiciled in Maçanet de la Selva (Girona, Spain), is engaged in the manufacture, purchase and sale and distribution of machinery, accessories, spare parts, parts and products for water treatment and purification in general.

- Veico. Com. Br Indústria e Comércio LTDA, domiciled in Ciudad de Brusque (Brazil), is engaged in the manufacture and marketing of all types of swimming-pool articles and accessories.

- W.I.T. Egypt, Egyptian Limited Liability Company, domiciled in Cairo (Egypt), is mainly engaged in the marketing of swimming-pool accessories.

- Ya Shi Tu Swimming Pool Equipment (Shanghai) Co, Ltd,. domiciled in Tower E, Building 18, nº 238, Nandandong Road, Xu Hui District (Shanghai), is mainly engaged in the marketing of swimming-pool products.

- Zodiac International, S.A.S., established in Belberaud (France), is principally engaged in the construction, purchase, sale and rental of space, maritime and air navigation equipment and objects made of rubberised or ungummed fabrics, as well as the manufacture and marketing of inflatables (boats or semi-rigid craft).

- Zodiac Pool Care Europe, S.A.S., domiciled in Belberaud (France), is engaged in the distribution and sale of pool-related products and accessories.

- Zodiac Pool Care South Africa (Propietary) Limited, domiciled in Centurion (South Africa), is engaged in the manufacture, distribution and sale of pool equipment and products and chemical specialties.

- Zodiac Pool Solutions, LLC, domiciled in Carlsbad (USA) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

- Zodiac Pool Systems Canada, INC, domiciled in Vancouver (Canada), is engaged in the distribution and sale of pool-related products and accessories.

- Zodiac Pool Systems, LLC, domiciled in Carlsbad (USA), is mainly engaged in the manufacture and distribution of several Group brands relating to pool equipment.

- Zodiac Swimming Pool Equipment (Shenzen), Co, Ltd, domiciled in Shenzen (China), is mainly engaged in the rendering of technical services for pool and spa equipment; the distribution, sale, import and export of pool and spa products and elements and post-sales services.

- ZPES Holdings, S.A.S. (Absorbing company of Zodiac Pool Solution SAS), domiciled in Belberaud (France) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

- ZPNA Holdings, S.A.S., domiciled in Belberaud (France) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

Associates consolidated using the equity method

- Astral Nigeria, Ltd., domiciled in Surulere-Lagos (Nigeria), is engaged in the marketing of swimming-pool products.

- Aspire Polymers Pty. LTD, domiciled in Mornington, Victoria (Australia), is principally engaged in the manufacture and distribution of a wide range of rubber rollers.

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

	% Ownership interest		
	Direct	Indirect	
List of subsidiaries accounted for using the full consolidation method			
FLUIDRA FINCO, S.L.U	**100.00%**		
AGRISILOS, S.R.L.		100.00%	
AO ASTRAL SNG		90.00%	
AQUA SUN ZONE, LLC		100.00%	(5)
ASTRAL AQUADESIGN LIMITED LIABILITY COMPANY		58.50%	
ASTRAL BAZENOVE PRISLUSENTSVI, S.R.O.		100.00%	
ASTRAL INDIA PRIVATE, LIMITED		100.00%	
ASTRALPOOL CYPRUS, LTD		90.00%	
ASTRALPOOL HONGKONG, CO., LIMITED		100.00%	
ASTRALPOOL THAILAND CO., LTD		99.00%	
ASTRALPOOL UK LIMITED		100.00%	(3)
BOBE WATER & FIRE LLC		100.00%	(5)
CENTURY COMPOSITES OF GEORGIA LLC		100.00%	(5)
CEPEX MEXICO, S.A. DE C.V.		100.00%	
CEPEX S.A.U.		100.00%	
CERTIKIN INTERNATIONAL (IRELAND) LIMITED		100.00%	
CERTIKIN INTERNATIONAL, LIMITED		100.00%	(3)
CERTIKIN SWIMMING POOL PRODUCTS INDIA PRIVATE LIMITED		100.00%	
CMP HOLDCO INC		100.00%	(5)
CMP POOL & SPA (SHANGHAI) CO, LTD		100.00%	(5)
COVER - POOLS INCORPORATED		100.00%	
CUSTOM MOLDED PRODUCTS LLC		100.00%	(5)
CUSTOM MOLDED PRODUCTS SHANGHAI INC.		100.00%	(5)
DEL AGRICULTURAL INC.		100.00%	(5)
DEL INDUSTRIES INC.		100.00%	(5)
DEL OZONE HOLDING COMPANY INC.		100.00%	(5)
FABTRONICS AUSTRALIA PTY LTD		100.00%	
FLUIDRA ADRIATIC D.O.O.		100.00%	
FLUIDRA AL URDOUN FZ		70.00%	
FLUIDRA ASSISTANCE SAS		100.00%	
FLUIDRA AUSTRALIA PTY LTD		100.00%	(2)
FLUIDRA BALKANS JSC		61.16%	
FLUIDRA BELGIQUE, S.R.L.		100.00%	(13)
FLUIDRA BH D.O.O. Bijeljina		60.00%	
FLUIDRA BRASIL INDÚSTRIA E COMÉRCIO LTDA		100.00%	(11)
FLUIDRA CHILE, S.A.		100.00%	
FLUIDRA COLOMBIA, S.A.S		100.00%	
FLUIDRA COMERCIAL ESPAÑA, S.A.U.		100.00%	
FLUIDRA COMERCIAL PORTUGAL Unipessoal, LDA		100.00%	
FLUIDRA COMMERCIAL FRANCE, S.A.S.		100.00%	
FLUIDRA COMMERCIAL, S.A.U.		100.00%	(14)
FLUIDRA COMMERCIALE ITALIA, S.P.A.		100.00%	(12)
FLUIDRA CYPRUS, LTD		100.00%	
FLUIDRA DEUTSCHLAND GmbH		100.00%	(8)
FLUIDRA EGYPT, Egyptian Limited Liability Company		90.00%	
FLUIDRA EXPORT, S.A.U.		100.00%	
FLUIDRA GLOBAL DISTRIBUTION, S.L.U.		100.00%	
FLUIDRA GROUP AUSTRALIA PTY LTD		100.00%	
FLUIDRA HELLAS, S.A.		86.96%	
FLUIDRA HOLDCO NORTH AMERICA INC		100.00%	(4)
FLUIDRA HOLDINGS AUSTRALIA PTY LTD		100.00%	
FLUIDRA HOLDINGS SOUTH AFRICA PTY LTD		100.00%	

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

FLUIDRA INDIA PRIVATE LIMITED	100.00%	
FLUIDRA INDONESIA PT.	100.00%	
FLUIDRA INDUSTRY FRANCE, S.A.S	100.00%	
FLUIDRA KAZAKHSTAN Limited Liability Company	51.00%	
FLUIDRA LATAM EXPORT LLC	100.00%	
FLUIDRA MAGYARORSZÁG Kft.	95.00%	
FLUIDRA MALAYSIA SDN.BHD.	100.00%	
FLUIDRA MAROC, S.A.R.L.	90.00%	
FLUIDRA MEXICO, S.A. DE C.V.	100.00%	
FLUIDRA MIDDLE EAST FZE	100.00%	
FLUIDRA MONTENEGRO DOO	60.00%	
FLUIDRA N.Z. LIMITED	100.00%	
FLUIDRA NORDIC A/S	100.00%	
FLUIDRA NORDIC AB	100.00%	
FLUIDRA ÖSTERREICH Gmbh "SSA"	98.50%	
FLUIDRA POLSKA, SP. Z.O.O.	100.00%	
FLUIDRA ROMANIA S.A.	66.66%	
FLUIDRA SERBICA, D.O.O. BEOGRAD	60.00%	
FLUIDRA SERVICES FRANCE, S.A.S.	100.00%	
FLUIDRA SERVICES ITALIA, S.R.L.	100.00%	
FLUIDRA SI D.O.O	60.00%	(4)
FLUIDRA SINGAPORE, PTE LTD	100.00%	
FLUIDRA SWITZERLAND, S.A.	100.00%	
FLUIDRA THAILAND CO, LTD	100.00%	
FLUIDRA TR SU VE HAVUZ EKIPMANLARI AS	51.00%	
FLUIDRA TUNISIE, S.A.R.L.	100.00%	
FLUIDRA USA, LLC	100.00%	
FLUIDRA VIETNAM LTD	100.00%	
FLUIDRA WATERLINX PTY, LTD	100.00%	
I.D. ELECTROQUÍMICA, S.L.U.	100.00%	
INDUSTRIAS MECANICAS LAGO, S.A.U.	100.00%	
INNODRIP, S.L.U	100.00%	
INQUIDE, S.A.U.	100.00%	(9)
LAGHETTO FRANCE, S.A.R.L.	100.00%	
MANUFACTURAS GRE, S.A.U.	100.00%	
NINGBO DONGCHUAN SWIMMING POOL EQUIPMENT CO., LTD	70.00%	
PISCINES TECHNIQUES 2000, S.A.S.	100.00%	
POLTANK, S.A.U.	100.00%	
POOLWEB SAS	100.00%	
PRICE CHEMICALS PTY LTD	100.00%	
PRODUCTES ELASTOMERS, S.A.	70.00%	
RIIOT LABS NV/SA	100.00%	
SRS HOLDCO, LLC	100.00%	(5)
S.R. SMITH, LLC	100.00%	(5)
SACOPA, S.A.U.	100.00%	
SALINE GENERATING SYSTEMS LLC	100.00%	(5)
SHENANDOAH MANUFACTURING LLC	100.00%	(5)
SIBO FLUIDRA NETHERLANDS B.V.	100.00%	
SRS AUSTRALIA Pty LTD	100.00%	(5)
SUNBATHER Pty LTD	100.00%	(5)
TALLERES DEL AGUA, S.L.U.	100.00%	
TAYLOR WATER TECHNOLOGIES LLC	100.00%	(5)
TOGAMA, S.A.U.	100.00%	
TRACE LOGISTICS NORTH BV	100.00%	
TRACE LOGISTICS, S.A.U.	100.00%	
TURCAT POLYESTER SANAYI VE TICARET A.S.	75.50%	
UNISTRAL RECAMBIOS, S.A.U.	100.00%	
VEICO.COM.BR INDÚSTRIA E COMÉRCIO LTDA	100.00%	
W.I.T. EGYPT, Egyptian Limited Liability Company	89.99%	
YA SHI TU SWIMMING POOL EQUIPMENT (SHANGHAI) Co, Ltd.	100.00%	

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the corporate name and purpose
of the subsidiaries, associates
and joint ventures directly or indirectly owned

ZODIAC INTERNATIONAL SAS	100.00%	
ZODIAC POOL CARE EUROPE SAS	100.00%	
ZODIAC POOL CARE SOUTH AFRICA (Propietary) Limited	100.00%	
ZODIAC POOL SOLUTIONS LLC	100.00%	
ZODIAC POOL SYSTEMS CANADA, INC.	100.00%	
ZODIAC POOL SYSTEMS LLC	100.00%	
ZODIAC SWIMMING POOL EQUIPMENT (SHENZHEN) CO.,LTD.	100.00%	
ZPES HOLDINGS SAS	100.00%	(10)
ZPNA HOLDINGS S.A.S.	100.00%	

List of associates consolidated using the equity method

ASTRAL NIGERIA, LTD.	25.00%	(1)
ASPIRE POLYMERS Pty. LTD	50.00%	(5)

List of companies consolidated at cost

DISCOVERPOOLS COM, INC.	11.00%	(1)

(1) Companies belonging to the Fluidra Commercial, S.A. and subsidiaries sub-group.
(2) Fluidra Australia Pty Ltd is a group of companies in which the parent fully owns the companies Astral Pool Australia Pty Ltd, Pool Holdings Pty Ltd, Hurlcon Staffing Pty Ltd, and Hurlcon Investments Pty Ltd.
(3) The companies Certikin International Limited and Astralpool UK Limited, wholly-owned sub-subsidiaries of Fluidra, S.A. and registered in England under numbers 03047290 and 01823941, respectively, are exempt from the requirement of the Companies Act 2006 in relation to the audit of the individual annual accounts by virtue of section S479C.
(4) Newly-created companies during the year ended 31 December 2021.
(5) Companies acquired during the year ended 31 December 2021.
(6) During the year ended 31 December 2021, the Group has wound up the companies Ningbo Linya Swimming pool & water treatment CO, LTD and Fluidra South Africa PTY, LTD.
(7) In the year ended 31 December 2021, Fluidra Services España, S.L.U. and Fluidra Engineering Services, S.L.U have been integrated into Fluidra, S.A.
(8) Company previously called Zodial Pool Deutschland Gmbh, and absorbing company of Fluidra Deutschland Gmbh, from which it has adopted its name.
(9) Absorbing company of Metalast, S.A.U.
(10) Absorbing company of Zodiac Pool Solution SAS
(11) Absorbing company of Ten four Industria e Serviços LTDA.
(12) Absorbing company of ME2000 SRL
(13) Absorbing company of AYW concept SRL and Pentagone APCD SRL
(14) Absorbing company of Fluidra JV Youli S.L.U.

Fluidra, S.A. and Subsidiaries

Details of segment results
for the year ended 31 December 2021
(Expressed in thousands of euros)

(The English version of this document is a free translation from the original issued in Spanish. This translation has been carried out internally by Fluidra, S.A. under its sole responsibility and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.)

	EMEA	NORTH AMERICA	OPERATIONS	APAC	Shared services	Adjustments & eliminations	Total consolidated figures
	31.12.2021	31.12.2021	31.12.2021	31.12.2021	31.12.2021	31.12.2021	31.12.2021
Sales to third parties	1,020,223	875,113	89,330	202,243	10	-	2,186,919
Sales to third parties in USA	214	827,528	11,971	1,215	-	-	840,928
Sales to third parties in Spain	176,470	396	41,658	-	10	-	218,534
Sales to third parties in France	238,263	179	5,396	-	-	-	243,838
Inter-segment sales	119,583	6,460	469,873	2,407	-	(598,323)	-
Segment sales of goods and finished products	1,139,806	881,573	559,203	204,650	10	(598,323)	2,186,919
COGS	(759,152)	(415,171)	(339,888)	(96,527)	-	579,314	(1,031,424)
Gross margin	380,654	466,402	219,315	108,123	10	(19,009)	1,155,495
OPEX	(197,907)	(221,750)	(109,145)	(73,388)	(46,401)	(182)	(648,773)
Adjustments due to impairment of receivables	(171)	(188)	(13)	1,377	(33)	(1,333)	(361)
Depreciation and amortisation expenses and impairment losses	(21,006)	(17,701)	(13,457)	(8,393)	(56,055)	(8,086)	(124,698)
Operating profit/(loss) from reporting segments	161,570	226,763	96,700	27,719	(102,479)	(28,610)	381,663
Share in profit/(loss) of associates	-	-	-	-	-	5	5
EBITDA	182,576	244,464	110,157	36,112	(46,424)	(20,519)	506,366

OPEX = Personnel expense + Other operating costs – Income from the rendering of services – Work performed by the Group and capitalised as non-current assets – Profit/(loss) from sales of fixed assets – Adjustments due to impairment of receivables.
COGS = Changes in inventories of finished goods and work in progress and raw material supplies

This appendix is an integral part of Note 4 to the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the years ended 31 December 2021 and 2020 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Details of segment results
for the year ended 31 December 2020
(Expressed in thousands of euros)

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	EMEA	NORTH AMERICA	OPERATIONS	APAC	Shared services	Adjustments & eliminations	Total consolidated figures
	31.12.2020	31.12.2020	31.12.2020	31.12.2020	31.12.2020	31.12.2020	31.12.2020
Sales to third parties	784,991	465,013	68,120	169,889	95	-	1,488,108
Sales to third parties in USA	374	442,839	11,010	2,305	-	-	456,528
Sales to third parties in Spain	145,678	-	32,335	-	35	-	178,048
Sales to third parties in France	172,827	-	5,367	-	-	-	178,194
Inter-segment sales	99,241	4,999	350,380	2,620	-	(457,240)	-
Segment sales of goods and finished products	884,232	470,012	418,500	172,509	95	(457,240)	1,488,108
COGS	(593,435)	(214,575)	(254,681)	(83,164)	-	443,802	(702,053)
Gross margin	290,797	255,437	163,819	89,345	95	(13,438)	786,055
OPEX	(162,700)	(129,692)	(92,339)	(72,584)	(23,311)	335	(480,291)
Adjustments due to impairment of receivables	(2,086)	5	(60)	(540)	7	(1,046)	(3,720)
Depreciation and amortisation expenses and impairment losses	(26,734)	(12,054)	(13,725)	(8,012)	(20,506)	(36,950)	(117,981)
Operating profit/(loss) from reporting segments	99,277	113,696	57,695	8,209	(43,715)	(51,099)	184,063
Share in profit/(loss) of associates	-	-	-	-	-	28	28
EBITDA	126,011	125,750	71,420	16,221	(23,209)	(14,121)	302,072

OPEX = Personnel expense + Other operating costs – Income from the rendering of services – Work performed by the Group and capitalised as non-current assets – Profit/(loss) from sales of fixed assets – Adjustments due to impairment of receivables.
COGS = Changes in inventories of finished goods and work in progress and raw material supplies

This appendix is an integral part of Note 4 to the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the years ended 31 December 2021 and 2020 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Details of segment assets and liabilities
for the year ended 31 December 2021
(Expressed in thousands of euros)

(The English version of this document is a free translation from the original issued in Spanish. This translation has been carried out internally by Fluidra, S.A. under its sole responsibility and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.)

	EMEA	NORTH AMERICA	OPERATIONS	APAC	Shared services	Adjustments and eliminations	Total consolidated figures
	31.12.2021	31.12.2021	31.12.2021	31.12.2021	31.12.2021	31.12.2021	31.12.2021
NON-CURRENT ASSETS							
Property, plant, and equipment	26,810	48,387	61,076	9,476	12,524	2,400	160,673
Property, plant and equipment in Spain	5,537	-	58,843	-	12,524	1,919	78,823
NWC	**132,603**	**78,160**	**136,230**	**55,711**	**(3,181)**	**(61,097)**	**338,426**
Inventories	127,146	182,263	177,058	49,968	-	(42,421)	494,014
Trade and other receivables	90,894	71,096	32,130	46,087	21,806	(5,362)	256,651
Trade and other payables	85,437	175,199	72,958	40,344	24,987	13,314	412,239

NWC = Inventories + Trade and other receivables – Trade and other payables

This appendix is an integral part of Note 4 to the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the years ended 31 December 2021 and 2020 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Details of segment assets and liabilities
for the year ended 31 December 2020
(Expressed in thousands of euros)

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	EMEA	NORTH AMERICA	OPERATIONS	APAC	Shared services	Adjustments & eliminations	Total consolidated figures
	31.12.2020	31.12.2020	31.12.2020	31.12.2020	31.12.2020	31.12.2020	31.12.2020
NON-CURRENT ASSETS							
Property, plant, and equipment	23,572	20,670	55,525	6,540	10,506	1,128	117,941
Property, plant and equipment in Spain	5,572	-	53,758	-	10,257	787	70,374
NWC	102,139	42,693	88,066	49,566	(15,638)	(55,343)	211,483
Inventories	83,498	65,447	115,672	45,353	-	(28,132)	281,838
Trade and other receivables	85,101	96,834	18,957	42,505	11,615	(5,671)	249,341
Trade and other payables	66,460	119,588	46,563	38,292	27,253	21,540	319,696

NWC = Inventories + Trade and other receivables – Trade and other payables

This appendix is an integral part of Note 4 to the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the years ended 31 December 2021 and 2020 prepared in accordance with IFRS as adopted by the European Union.

CONSOLIDATED DIRECTORS' REPORT

(The English version of this document is a free translation from the original issued in Spanish. This translation has been carried out internally by Fluidra, S.A. under its sole responsibility and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.)

Fluidra, S.A. and Subsidiaries
Consolidated Directors' Report
2021

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1. General business outlook

1.1. Business outlook and results

The Fluidra Group's turnover at the December 2021 close amounts to Euros 2,186.9 million, which reflects a 47% increase in comparison with the prior year (+47.4% at a constant exchange rate). In line with the prior year's trend and the Covid crisis, the residential business has grown thanks to the cocooning and stay at home effect, which has led to greater use of existing facilities and therefore more maintenance work, as well as new installations. The effect of business combinations (see Note 5) on turnover was Euros 153.9 million (10.3% of the growth for the year).

The quarterly growth was an increase of 61.0% in the first quarter with an unusual comparison due to the effect of the Covid crisis in the first quarter of 2020, the impact of the storm in Texas (USA) and the anticipation of a strong campaign. The second quarter shows growth of 51.2% with a constant growth trend in the aftermarket and new residential swimming-pool segments. The third and fourth quarters showed growth of 39.1% and 40% respectively, led by North America and driven by demographic trends and the builders' backlog.

With regard to sales performance by geographic area, it is worth highlighting the growth of the North American market with an increase of 83.2% due to the effect of strong growth throughout the year and the effect of acquisitions. The other areas show double digit growth with a slightly lower performance in Rest of the world due to the still weak activity in the commercial swimming-pool segment in Asia.

In progress of sales by business unit, the positive performance of the Pool&Wellness unit stands out (47.6%), driven by outstanding performance in residential pools (54.7%) and smaller growth in the commercial pools unit, although this segment has benefited from the effect of acquisitions.

EBITDA was up by Euros 204.3 million, increasing from Euros 302.1 million last year to Euros 506.4 million this year, driven essentially by the operational leverage of increased sales.

The gross margin (defined as the difference between sales of goods and finished products less changes in inventories of finished goods and work in progress and raw material supplies divided by sales of goods and finished products) has stayed constant at 52.8%. Price increases and value enhancement initiatives offset increased inflationary pressures on gross margin.

Net operating expenses (personnel expenses, other operating expenses net of income from services rendered, work carried out by the Group for non-current assets, gains on the sale of fixed assets and before changes in operating provisions) increased by 35.1% due to several effects. On one hand, the impact of the acquisitions made during the year, and on the other hand, the improved results which led to a greater impact of the long-term variable remuneration plan approved in June 2018, and finally the increase in turnover.

Changes in trading provisions were positive, from Euros 3.7 million to Euros 0.4 million, improving customer collections in all geographic areas and significantly reducing the average customer collection period.

Amortisation expenses and impairment losses increased from 118.0 million to 124.7 million, mainly due to the amortisation of intangible assets from new acquisitions which offset the decreasing amortisation of intangible assets from the merger with Zodiac, as well as the increase in amortisation of right of use assets from business combinations and additions in the year (see Notes 8 and 9).

Financial income/cost remained very stable from Euros -45.1 million to Euros -44.2 million, offsetting lower exchange rate losses with higher finance costs.

Net profit/(loss) attributed to the Parent has increased from Euros 96.4 million to Euros 252.4 million, mainly due to the improvement in operating profits described above.

With regard to the Group's consolidated balance sheet, it is worth mentioning the increase in net working capital by Euros 126.9 million, mainly due to the increase from business combinations, as well as the increase in inventories to face the 2022 campaign. Trade and other receivables increase 3%, which is well below turnover.

Investments in property, plant and equipment, right-of-use assets and other intangible assets have increased by Euros 56.2 million to Euros 116.2 million in 2021, due to new lease agreements for our subsidiary in England, the new headquarters in Sant Cugat, Barcelona, and investments in production plants and distribution subsidiaries.

Net Financial Debt (including lease liabilities) increased from Euros 581.9 million to Euros 1,069.5 million due to payments made on acquisitions, the increase in investments mentioned in the previous paragraph, the increase in working capital and the purchase of treasury shares to meet the needs of the long-term variable remuneration plan.

Staff turnover has seen an increase of 1,559 people with respect to the same period in the prior year due to the business combinations. The average headcount at 31 December 2021 is 6,424 people, split into 66% male staff and 34% female.

As for the environment, Fluidra has kept its commitment to optimise the natural resources that it uses in production processes and to promote alternative energies. Additionally, one of the main focuses of R&D projects is the responsible use of water and energy.

1.2. Related-party transactions

A breakdown of information on third-party transactions is disclosed in note 30.

1.3. Treasury shades

Over 2021 the Company has carried out several purchase and sale transactions of treasury shares (9,318,560 shares purchased and 6,065,987 sold). At year end, the Company owned 5,796,311 treasury shares, which account for 2,96% of share capital and a cost of Euros 168,491 thousand.

1.4. Events after the reporting period

Refer to note 36.

FLUIDRA, S.A. AND SUBSIDIARIES

Non-Financial and Diversity Report

(Section 2 of the Consolidated Directors' Report) at 31 December 2021

(Together with the Independent Verification of Non-Financial Data)

Independent limited assurance report on the Consolidated Statement of Non-Financial Information for the year ended December 31, 2021

FLUIDRA, S.A. AND SUBSIDIARIES

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Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

To the shareholders of Fluidra, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Statement of Non-Financial Information (hereinafter NFIS) for the year ended December 31, 2021, of Fluidra, S.A. and subsidiaries (hereinafter, the Group), which is part of the Consolidated Management Report of the Group.

The content of the NFIS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in section 7.4 "Traceability list of contents according to Law 11/2018", included in the accompanying NFIS.

Directors' Responsibility

The Directors of the Group are responsible for the approval and content of the NFIS included in the Consolidated Management Report of Fluidra, S.A. The NFIS has been prepared in accordance with the contents established in prevailing mercantile regulations and following *Sustainability Reporting Standards* criteria of the selected *Global Reporting Initiative* (GRI standards), as well as other criteria described in accordance with that indicated for each subject in section 7.4 "Traceability list of contents according to Law 11/2018", included in the accompanying NFIS.

This responsibility also includes the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFIS that is free from material misstatement, whether due to fraud or error.

The directors of Fluidra, S.A. are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our Firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our work has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Guidelines on assurance engagements on the Non-Financial Statement issued by the Spanish Institute of Chartered Accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are less extent in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFIS, reviewing the process for gathering and validating the information included in the NFIS, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to gain understanding of the business model, policies and management approaches applied, and of the main risks related to these matters, and obtaining the necessary information for our external review.
- Analysing the scope, relevance and integrity of the content included in the 2021 NFIS based on the materiality assessment made by the Group and described in section 7.1 "Materiality analysis" of the NFIS, considering the content required by prevailing mercantile regulations.
- Analysing the processes for gathering and validating the data included in the 2021 NFIS.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2021 NFIS.
- Checking, through tests, based on a selection of a sample, the information related to the content of the 2021 NFIS and its correct compilation from the data sources.
- Obtaining a representation letter from the Directors and Management.

Paragraph of emphasis

Regulation (EU) 2020/852 of the European Parliament and the Council, June 18 2020, on the establishment of a framework to facilitate sustainable investments settles the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered environmentally sustainable in relation to climate change mitigation and adaptation objectives for the first time for the financial year 2021, provided that the Non-Financial Statement is published as of January 1 2022. Consequently, comparative information on this matter has not been included in the accompanying NSF. Additionally, information has been included, for which the Board of Directors of Fluidra, S.A. have chosen to apply the criteria that, in their opinion, best enable compliance with the new obligation and which are defined within the chapter 7.3 "EU Taxonomy" of the accompanying NFS. Our conclusion has not been modified in relation to this matter.

Building a better working world

Conclusion

Based on the procedures performed in our verification and the evidence obtained, no matter has come to our attention that would lead us to believe that the 2021 NFIS of the Group for the year ended December 31, 2021 has not been prepared, in all material respects, in accordance with the contents established in prevailing mercantile regulations and following the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in section 7.4 "Traceability list of contents according to Law 11/2018", included in the NFIS.

Use and distribution

This report has been prepared to comply with prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.
(Signature on the original in Spanish)

Antonio Capella Elizalde

March 31, 2022

Index

1. Winning Identity

1.1. A company focused on success

[102-2]

Founded in 1969, Fluidra has vast experience developing, producing, distributing and marketing innovative products and services for the residential and commercial pool sector on a global scale. Our portfolio includes some of the most recognized brands in the industry, such as Jandy®, AstralPool®, Polaris®, Cepex®, Zodiac®, CTX Professional® and Gre®.

We are a global leader in the Pool and Wellness sector following the merger with Zodiac in 2018. Fluidra has more than 140 sales offices and nearly 40 factories in 47 countries. At the end of 2021, the workforce totaled nearly 7,000 people.

The company has been listed on the Spanish stock exchange since 2007 and in March 2021 joined the IBEX 35, which comprises the 35 most liquid companies traded on the Spanish stock exchange regardless of the sector they belong to.

2021 - Fluidra joins the IBEX 35. Expansion in the U.S. with the acquisition of BuiltRight, CMP, S.R. Smith and Taylor.
2019 - Fluidra celebrates its 50th anniversary
2018 - Merger of Fluidra and Zodiac
2016 - SIBO joins the Fluidra group
2015 - Presentation of the 2015-2018 Strategic Plan, new branches and acquisitions
2014 - Creation of Fluidra Accelera
2008-2013 - Fluidra reinvents itself during the crisis
2007 - Fluidra becomes a listed company on 31 October 2007
2006 - The group is configured in preparation to become a listed company
2004 - Focus on Asian market and consolidation in Europe
2003 - Sponsor of the BCN03 World Swimming Championships
2002 - Creation of the logistics operator Aquaria
2001 - AstralPool Spain is founded
1990 -1999 - International expansion and companies arranged in holding companies
1980 - 1989 - Creation of the manufacturing platform
1970 - 1979 - Astral launches expansion
1969 - Creation of Astral S.A.

1.2. One Fluidra, One Culture

[102-16]

Fluidra's mission, vision and values are our pole stars, guiding the daily performance of the people who make up the organization and contributing to the creation of a strong and integrated corporate culture.

When Fluidra merged with Zodiac in 2018, one of the most important tasks at hand was to understand the culture and values of both companies in order to define the culture of the new

Fluidra. At the time, we sought to define a new way of doing things without neglecting the particularities of each company's cultural contexts.

Following the approval of the ESG Master Plan (*Responsibility Blueprint*), Fluidra's mission, vision and values were reviewed in an effort to integrate the commitment to responsible business conduct into the corporate culture.

Mission:

> *"Our mission is to create the perfect Pool and Wellness experience responsibly"*

Vision:

> *"To enhance lives through innovative and sustainable solutions that transform the way people enjoy water for recreation and health"*

All Fluidra employees receive training on the mission, vision and values when they join the company, with practical examples of their daily application. Likewise, the organizational culture is deployed in all new companies that join the group as a key element in the integration process.

This training is subsequently supplemented with regular promotional campaigns highlighting our values and reinforced with signs posted in the group's facilities around the world. Similarly, each one of the values is linked to the organization’s processes and initiatives as a way of showing how Fluidra's philosophy is put into practice on a day-to-day basis.

Introduction of Fluidra's culture to newly acquired companies
At the end of 2021, the group sponsored a series of activities to introduce Fluidra's values to the team at CMP, one of the companies acquired during the year. The HR teams worked closely with the CEO of the new company, Tom Moore, to look for synergies between CMP’s and Fluidra's values in order to identify how the new values worked together and to share those experiences during the rollout. During this process, several meetings were held to make each one of our values known, explaining what they mean to Fluidra, how they are manifested in daily life and putting them

into practice in a fun competition. The CMP team showed their competitive spirit and enjoyed learning about Fluidra's values through real-life examples.

These initiatives will continue in 2022 with the rest of the companies acquired in 2021.

1.3. Business Structure

1.3.1. Integrated Business Model

Fluidra has an integrated business model that covers all phases, from design to the delivery of products to customers.

R&D+i & Design

Research, development and innovation are built into Fluidra's DNA. Fluidra has the experience and the highest standards of innovation to create pool products and equipment that are reliable, and easy to use and to maintain.

Moreover, the team of design experts uses the most highly advanced technology to offer customers complete 360º solutions in line with international quality standards. For more information see page 65.

- 230-strong team of engineers, designers and technicians
- More than 1,600 active patents
- €31.1M allocated to R&D+i projects in 2021.

Production

Fluidra's production centers are a benchmark in their category, always striving to achieve the objectives of sustainable operational excellence and maximum product quality. In 2021, Fluidra had 27 production companies, covering nearly 40 production centers. Learn more about our extensive product portfolio on page 11.

Applied Production Technologies

Injection-molded plastic	Laminating and bobbin-wound	Thermoplastic and blow-molding technique	Metal processing	Glass tiling

Logistics

Thanks to the extensive network of logistics centers on different continents, Fluidra is able to deliver a wide range of products when and where they are needed.

Distribution

Fluidra has its own distribution network that offers assistance and training to professional customers around the world on our wide range of products and solutions. Learn more about the distribution model on page 63.

Fluidra Projects

Fluidra Projects (formerly known as "Fluidra Engineering Services") is Fluidra's project department. The team has extensive experience in conceptualizing, designing and executing water and wellness projects around the world.

Fluidra Projects offers consultancy, advisory and development of conceptual designs services through preliminary research and needs studies, as well as advice on the general layout of spaces and the user circuit. Some of their projects can be consulted on the corporate website.

1.3.2. Business Lines

[102-6]

Piscina & Wellness

Fluidra's core business unit is Pool & Wellness. The Fluidra Group is responsible for manufacturing and distributing practically all the components necessary for the construction, renovation, improvement and maintenance of residential and commercial pools in the broadest sense. Thanks to continuous innovation, Fluidra is able to offer products and services that are increasingly automated, connected, efficient, sustainable and more economical to maintain.

This unit, in turn, is divided into four business lines:

- **Residential pools**

  Residential pools are the group's primary business line. With approximately 17 million pools installed worldwide, it is estimated that one out of every four residential pools in the world has some component manufactured by Fluidra.

  Fluidra's portfolio of residential pools includes alternative solutions to traditional concrete pools, such as GRE brand above-ground pools, Laghetto's high-end pools, AquaForte's natural pools and AstralPool's Inoxpool luxury pools.

  Thanks to our R&D centers, factories on all continents and an unrivaled distribution network, the Fluidra Group distributes and supplies the products and services that keep residential pools in perfect condition. Pumps and filtration equipment (the heart of every pool), LED lighting, protection and safety elements, liners, ornamental waterfalls, climate control, automatic pool cleaners and a world of connectivity... all contribute to creating the perfect pool & wellness experience, responsibly.

- **Commercial Pools**

  The commercial pool line refers to water facilities for public use such as hotel and resort pools, water parks, municipal pools, elite competition pools, spa & wellness centers, aquariums, lagoons and fountains.

  Beyond the sale of equipment and components, the company has its own engineering department, Fluidra Projects, with a team of professionals that brings together all the expertise necessary for the conceptualization, design and construction of water projects around the world.

- **Pool Water Treatment**

  Proper disinfection and treatment of pool and spa water is essential for users' health. In this regard, Fluidra offers the best and most comprehensive solutions currently available on the market, from products for manual dosing to fully automated measurement and regulation systems.

- **Fluid Handling**

  Fluidra manufactures and distributes the high-end valves and accessories needed to build the pool's hydraulic circuit under the Cepex and AstralPool brands.

Irrigation, Industrial and Others

In some southern European countries, Fluidra supplements its core Pool & Wellness business with irrigation accessories for gardens that are often adjacent to swimming pools. This unit represents only 2% of total sales for the year.

We also work in the field of fluid handling and flow control for the industry, an area that shares technology and know-how with Pools and Wellness.

1.3.3. Geographical Presence

[102-4, 102-6]

In a global pool market worth €11,500 million euros, Fluidra is the global leader with a market share of 13%[1]and a presence in 47 countries around the world. The business is organized into three main geographical areas, supported by a global team located at the corporate headquarters in Sant Cugat del Vallès:

[1] Figures corresponding to year 2020

North America

Countries: United States and Canada

Market volume: €5.700M

World market share: 49%

Fluidra's market share: 9%

Contribution to Group turnover: c.40%

Characteristics: In these markets, the company manufactures products and components which are distributed through third parties. Pool professionals are approached by the manufacturers themselves, building close ties of trust and collaboration with them. The group competes in the most important segments of the Pool & Wellness, residential and commercial pool sectors.

EMEA

Countries: Europe, Middle East/India, North Africa and Latin America

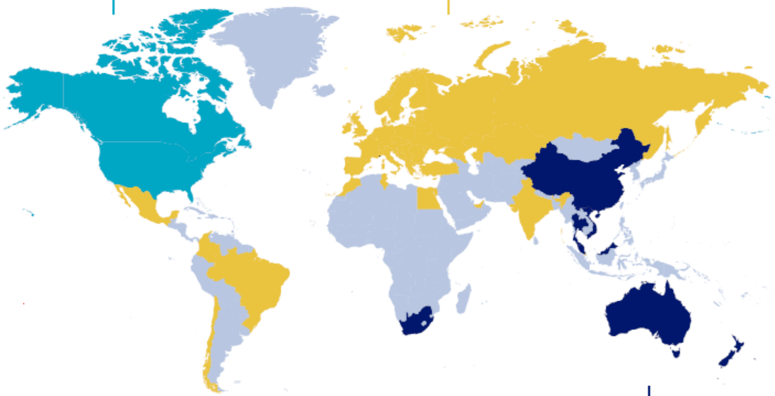
Market volume: €4,800M

World market share: 42%

Fluidra's market share: 17%

Contribution to Group turnover: c.50%

Characteristics: In these markets the company has a unique and vertically integrated business model, with our own R&D department, production centers, logistics and wholesale operators. Fluidra is unique within this market which has few global players but many national or even regional players.



APAC

Countries: Australia, China, Indonesia, Malaysia, New Zealand, Singapore, South Africa, Thailand, Vietnam

Market volume: €1,000M

World market share: 9%

Fluidra's market share: 16%

Contribution to Group turnover: c.10%

Characteristics: In these markets, the company has different strategies for different countries depending on the total installed pools. In some, there is vertical integration, while in others only manufacturing and still others only distribution centers. Direct collaboration with pool professionals to offer advice and solutions to satisfy their needs. Predominance of commercial pools, focus on new construction in highly fragmented markets with tourism as the main driver. Markets without a player of reference.

**Market figures refer to 2020, except contribution to the group, which refers to 2021.*

2. Our products and solutions

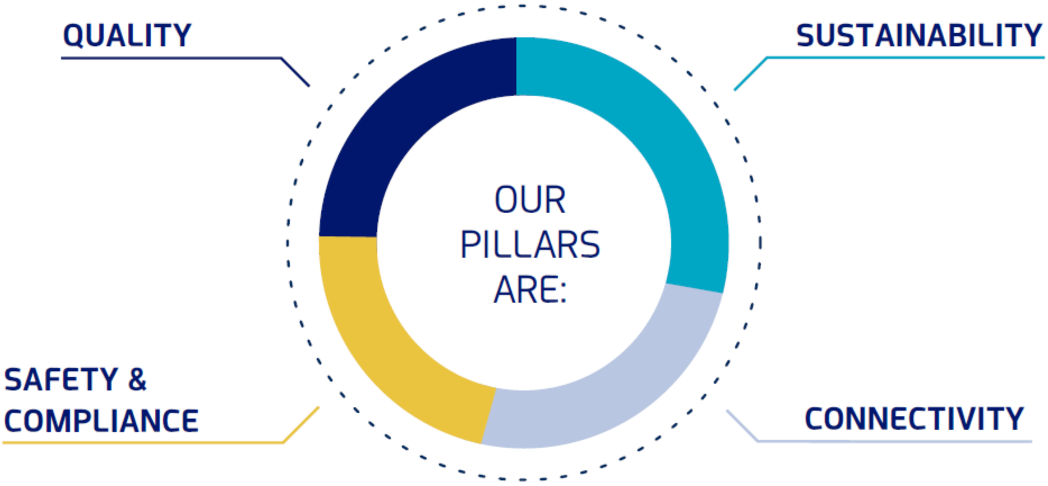
[103-1, 103-2, 103-3]

2.1. Product Catalogue

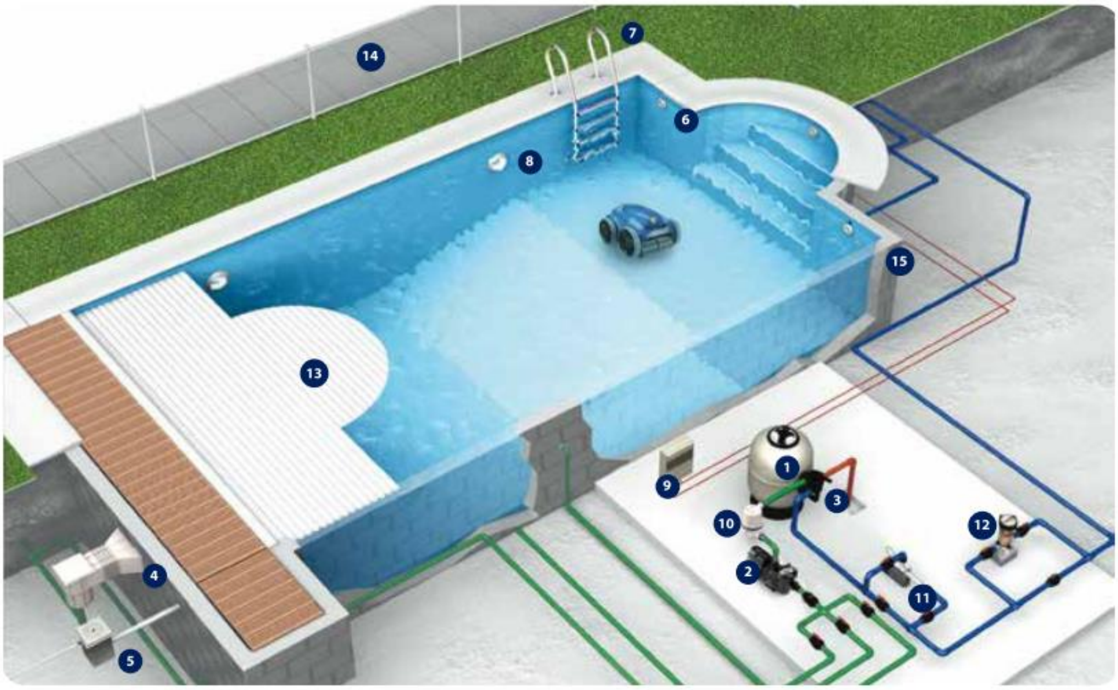
[102-2, 102-6, 102-7]

Fluidra's product portfolio includes more than 75,000 references of innovative and sustainable solutions for the pool and wellness sector. This includes ladders, showers, pumps, valves, filters, heaters, grids, pool cleaning robots, underwater lighting, fountains, disinfection equipment, fittings and chemicals, among others.

+75,000 references



General diagram of installation of swimming pool equipment



1 Filter
2 Pump
3 Multiport valve
4 Skimmer
5 Level regulator
6 Return inlet
7 Ladder
8 Light spot
9 Electric control cabinet
10 Hydrospin
11 Heat exchanger
12 Chlorine dispenser
13 Automatic pool cover
14 Safety barriers
15 Pool shell

This wide range of products, the most complete in the market, is supported by some of the most recognized brands in the swimming pool and wellness sector worldwide.

FLUIDRA BRANDS

- **AstralPool**
  Worldwide leading brand in the swimming pool and wellness sector (Europe - Latin America - Africa - Asia - Oceania)
- **Zodiac**
  Brand with a wide range of products that enhance the pool owner's comfort and peace of mind (Europe, USA and Canada, Oceania - Africa)
- **Jandy**
  A complete line of innovative energy-efficient equipment for residential pools and spas (USA and Canada)
- **Polaris**
  A world reference in pool cleaners for their quality, elegant design, innovative technology and high reliability (Europe - USA and Canada - Oceania).
- **Gre**
  Pioneers in the latest generation of wood, steel and composite above ground pools (Europe - Africa - Latin America).
- **CEPEX**
  Plastic valves and fittings to deliver the best fluid handling experience (Global).

In 2021, Fluidra earned the following recognitions for its products and solutions:

Recognitions to our products

Best Product Hardware and Building
2021 Australian Good Design Award (Australia)

Halo Connect

Innovative Connectivity Product Award
Feria de Piscina & Wellness (Barcelona, Spain)

Neolysis Solution 2UV + Salt Electrolysis by AstralPool

Pool Nation Awards
Pool Nation Association (USA)

- Heater of the year, to Jandy JxiTM Pool & Spa Heater
- Automation of the year, to Jandy AquaLink® RS
- Best Value Automation, to Jandy iAquaLink® iQ904 Bundle.
- Favorite Test Kit, to Taylor K-2005 Complete™ Test Kit

SPASA Awards of Excellence 2021
Swimming Pool & Spa Association of New Zealand (New Zealand)

- Product of the Year and New Product Award, to EvoluX EX5000 IQ.
- Finalist to Innovative Product Award, to MagnaPool.

2.2. Quality Management

Quality at Fluidra is focused on achieving customer satisfaction within a framework of sustainable and profitable growth. To that end, we listen and respond to the needs and concerns of our customers in order to be recognized as a company that is easy to do business with and that offers the highest quality products on the market.

At Fluidra, we strive to provide our customers with the perfect pool and wellness experience in a responsible manner, delivering exceptional products and services driven by a quality-focused approach in line with our values

One of Fluidra's priorities is to build a culture based on common attitudes, methodologies and tools to arrive at a global concept of quality that permeates all elements of the value chain. This philosophy is key to achieving profitable and sustainable performance, but also to building customer loyalty through a positive buying experience that is driven by more than just price.

2.2.1. Global Quality Management System

Following the merger with Zodiac, in 2020 Fluidra formed the Global Quality Department within the Global Operations Area, with a mandate to promote a quality-focused culture across the business globally.

The Global Quality Department has a diverse and multidisciplinary team of professionals in each of the regions where Fluidra does business. Together, they are collectively responsible for developing processes, assessing risks and opportunities, and driving continuous improvement in this area.

Since its creation, the Department has made significant strides in improving Fluidra's business processes and promoting quality concepts on a global level, while at the same time understanding the particularities and critical points on which the company must focus on at a local level.

These positive results are largely due to the implementation of the new **Global Quality Management System** in 2021, developed in accordance with ISO 9001:2015.

This is a set of tangible policies and procedures to emphasize the corporate vision and better align quality resources with high-level business objectives. This approach will allow us to raise the quality maturity level, reduce gaps and drive organizational alignment, as well as increase employee engagement.

The **Global Quality Policy** and the **Quality Management System Manual** contain Fluidra's guiding principles in this area, which are reinforced with more specific procedures for supplier management, new product development, or the management of non-conformities and corrective actions, among others. All policies and procedures are available to the entire organization in the Quality area on MyFluidra.

With the implementation of the Management System, progress has been made in the areas of customer satisfaction, handling problems by offering faster and more effective solutions, improving quality in the design of new products and enhancing the customer's experience. A clear example of this is the introduction of new quality requirements for design validation testing and manufacturing preparations, which contributes to significant reductions in product warranty costs and improved customer satisfaction.

Finally, like other areas of the company, the Quality team continues to focus much of its efforts on mitigating the risks associated with Covid-19. The restrictions on movement in the countries where the Group operates kept global quality teams restricted to their home bases.

This led Fluidra to implement an aggressive risk mitigation program, reinforcing the process quality teams at key locations, which has made it possible to considerably increase the scope and frequency of audits and thus guarantee compliance with all aspects of the Management System.

At present, the following companies have ISO 9001:2015 Quality Management Systems. Fluidra Global Distribution was certified for the first time in 2021 and the certification of Metalast and Inquide has been unified in the latter, following the merger of the two companies during the year. In addition, the certificates that expired in 2021 were renewed.

- Agrisilos SRL (valid from July 31, 2018 to December 14, 2021).
- CEPEX (valid from September 28, 2021 to September 27, 2024)
- Fluidra Brazil Indústria e Comerço (valid from February 18, 2020 to February 17, 2023)
- Fluidra Global Distribution (pending receipt of certificate)
- Fluidra Industry France (valid from February 26, 2019 to February 25, 2022)
- Fluidra Waterlinx (Pty) Ltd (valid from July 22, 2019 to July 16, 2022)
- Inquide (valid from April 26, 2021 to April 25, 2024)
- Manufacturas GRE (valid from February 25, 2019 to February 25, 2022)
- Poltank (valid from May 18, 2021 to May 17, 2024)
- Productes Elastòmers (valid from March 1, 2021 to February 28, 2024)
- Sacopa (valid from August 4, 2021 to August 4, 2024)
- Talleres del Agua (valid from November 25, 2019 to November 8, 2022)
- Trace Logistics (valid from March 7, 2021 to March 6, 2021)
- Togama (valid from December 14, 2020 to December 13, 2023)

Certification of the rest of the key locations around the world will continue in the coming years.

2.3. Product Safety and Compliance

[103-1, 103-2, 103-3, 416-1, 416-2]

In line with its commitment to quality, Fluidra continuously ensures that all products that are brought to market are free from risks to people and the environment, and also that they comply with the laws in force both at an international level and in the countries where they are sold.

To that end, Fluidra has a Global Product Compliance Department which, under the supervision of the Chief Technology Officer, is responsible for assessing the safety and compliance of all Fluidra products at all stages of their life cycle.

2.3.1. Product Safety

Fluidra strives to ensure that all of its products meet mandatory safety standards so that they do not pose any risk to users, customers, employees or the environment.

The company has had a Product Safety Council since 2019, which is an internal, global body where employees can go to seek information and guidance, ask questions and raise concerns about product safety and compliance.

A global strategy was implemented that same year, designed not only to continue effectively managing potential product safety considerations, but also to drive Product Compliance and Safety requirements prior to the New Product Development (NPD) process.

In 2021, the Product Safety Council focused on maintaining cadence, discipline, communication and risk mitigation across the global organization, and ensuring that issues were addressed promptly and effectively. To that end the council held quarterly meetings in each of the three operating regions (EMEA, Americas and APAC) to address the major incidents identified in each region.

The Group continued to manage the safety incident detected in 2020 in certain gas heater models manufactured and sold in Australia. In early 2021, Fluidra reported the situation to the ACCC (Australian Competition and Consumer Commission), which subsequently required Fluidra to recall the product. The recall was announced to the market in April 2021. At the year-end, the affected products were still being withdrawn from the market and those efforts will continue in 2022.

Fluidra has made a website available to its customers in Australia with information related to the process of recalling the affected products from the market. It explains the steps to follow to identify whether your product is among the affected models, along with a claim form. However, this incident did not result in a violation of the applicable regulations, and there were no cases of non-compliance in 2021 (as in 2020).

2.3.2. Product Compliance

[417-1, 417-2]

Due to the geographical dispersion of its operations and sales, Fluidra is subject to a wide variety of regulations affecting its products.

The Group closely monitors all applicable local and international regulations on a continuous basis, which allows us to anticipate regulatory changes and thus have sufficient time to integrate them into our processes and to inform and train our customers and suppliers. The most important regulations applicable to Fluidra include REACH (chemical substances), BPR (biocides), and CLP (classification, labelling and packaging of substances), as well as UNE-EN regulations on disinfectant products and chemicals.

Fluidra is assisted in this area by Assent Compliance, a company that helps Fluidra manage all stages of regulatory compliance, from data acquisition to reporting.

Fluidra is also in contact with the European Chemicals Agency (ECHA) on a regular basis as well as other international organizations such as CEFIC (European Chemical Industry Council), Euro

Chlor and IIAHC (Isocyanurate Industry Ad Hoc Committee) to keep track of the laws that apply to chemical products. At the end of 2021, Fluidra had 408 biocide products registered in the various countries where we operate, compared to 141 the year before. The sharp increase stems from the modification of national registrations for all tablets containing more than 0.3% boric acid in all European Union countries.

The Group also monitors labelling requirements closely in order to clearly and transparently communicate to customers and end users information on the origin, components and instructions for use, as well as product disposal and waste management, as required.

In 2021, there were two instances of non-compliance, both related to problems with the labelling on refrigerants used in heat pumps and dehumidifiers sold in Europe. In both cases, once the incident was reported by customers, Fluidra set up a working group with members from Compliance, Engineering, After-Sales and Quality to analyze the possible causes and identify the preventive and corrective measures needed to solve the problem.

In the first case, it was determined that the labelling on 48 dehumidifiers was missing the required "flammable" symbol, and that the refrigerant indicated on the label was not the correct one. In response, Fluidra immediately re-labeled the product, a process that was completed at the end of February 2021.

The second incident was detected at the end of November and affected 66 heat pumps sold to a customer, where the refrigerant indicated on the label was also not the correct one. As of the date of this report, the units were in the process of being relabeled in the field.

2.4. Towards an increasingly Sustainable Pool

[302-5]

One of the main challenges faced by Fluidra in ESG matters is to promote the sustainability of the products it produces and distributes so as to have a lower environmental impact by significantly reducing the consumption of resources (water, power and consumables), but without losing sight of viability in terms of maintenance costs and return on the initial investment.

Fluidra's efforts in the coming years will focus on two main lines of work: promoting the range of sustainable products to customers and end users, and reinforcing sustainability in all phases of the product life cycle.

2.4.1. Our Sustainable Product Range

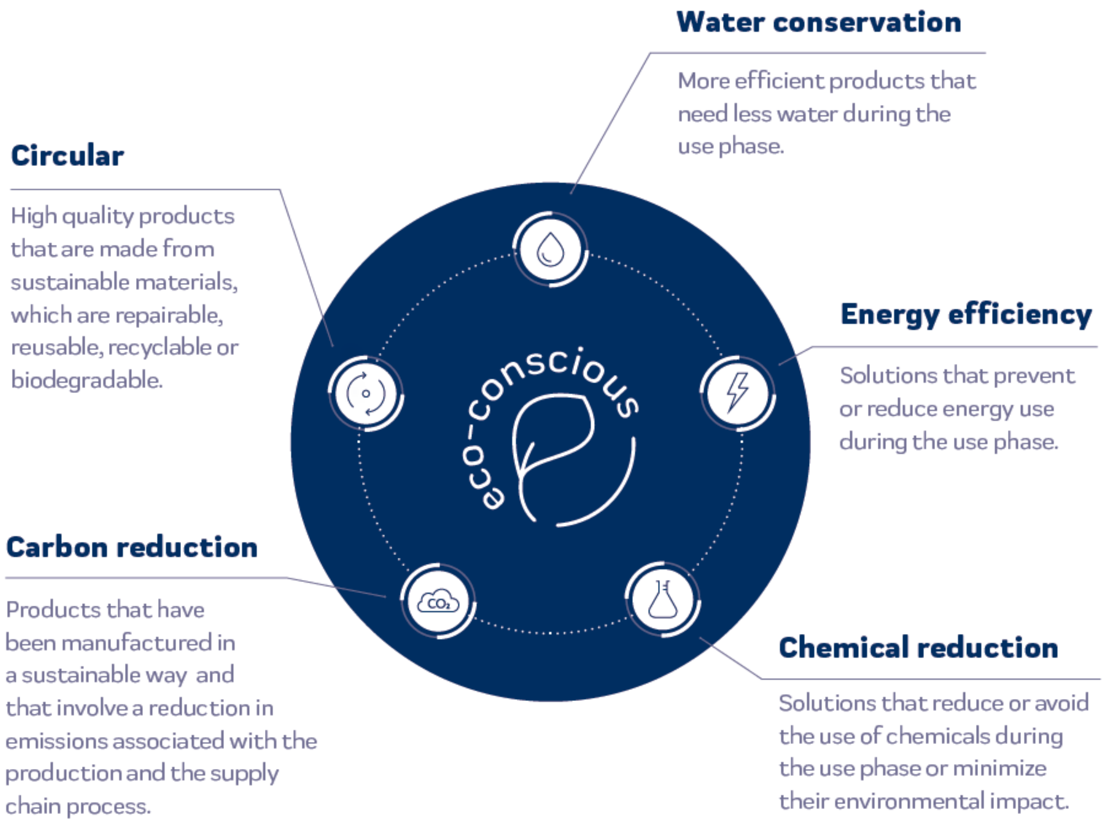
In 2021, 82% of the Fluidra Group's CO_2 emissions were associated with the use phase of its products. In response to this reality, in 2021 the organization has made progress in defining the concept of "Eco-Conscious" products, with which it seeks to classify all those products in its catalogue that generate a lower environmental impact and/or promote the social well-being of users.

Fluidra has set itself the target of having 60% of its product sales classified as "Eco-Conscious" by 2026, and 80% by 2035. In 2021, 55% of Fluidra's total sales (25% of units sold) were classified in at least one of the product categories considered in this classification, compared to 50.4% in 2020.

The new Global ESG Products Department, created within the Innovation area, is tasked with promoting innovation and the development of increasingly sustainable and responsible products and solutions. Because of the nature of its responsibilities, this department works closely and coordinates its activities with the regional business areas, as well as the Marketing and ESG departments.

This framework is currently composed of five product categories, although it is expected to be expanded in the future to incorporate other criteria such as "carbon neutral" products.

"Eco-Conscious" Product Range



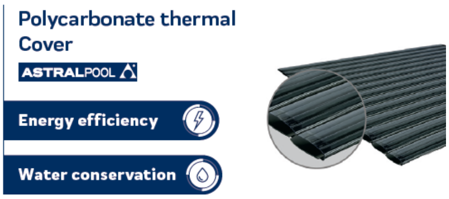
Water conservation

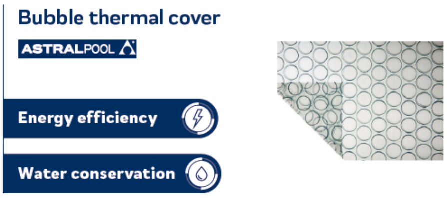
Water scarcity and water stress are two of the main challenges that Fluidra faces in terms of guaranteeing the continuity of its business. The company is therefore committed to more efficient products that make it possible to reduce water usage. In 2021, products that save on water usage accounted for 10% of Fluidra's sales (9% in 2020).

Generally speaking, the operation of a pool involves a series of processes that consume water: evaporation, filtration, filter washing, water replacement due to quality issues, structural leaks or water lost through pool usage.

There are several products in Fluidra's catalogue that promote water savings in three different ways: preventing evaporation, reducing the need for water replacement and using water-saving filtration processes.

Evaporation is influenced by climate conditions and pool design. For indoor pools, dehumidification equipment can be used to control environmental conditions (temperature and humidity) and to recover condensation. For outdoor pools, the most appropriate way to minimize evaporation losses is to use isothermal covers during periods when the pool is not in use.





Fluidra also markets filtration solutions that reduce the amount of water needed for backwash and keep it in good condition, such as cartridge, diatomaceous or regenerative media filters.

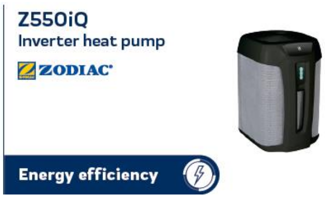
Finally, the concentration of disinfection by-products in the pool water requires that the water be renewed periodically, to keep the levels of these by-products within the authorized limits. Furthermore, the water that is discarded may be hot water (indoor pools) that needs to be not only replenished but also heated. Fluidra produces and markets technologies that reduce the formation and accumulation of these by-products, which in turn lessens the need for water renewal (for more information, see the "fewer chemicals" category).

Energy efficiency

These are solutions that reduce the electricity usage associated with pool operation. Water filtration pumps account for most of the electricity required to operate pools, in addition to water heating and climate control for indoor pools. In 2021, products that save on electricity usage accounted for 21% of Fluidra's sales (19% in 2020).

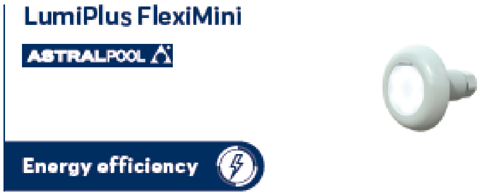
Using a variable speed pump makes it possible to adjust the water flow rate to the pool's needs at any given time and thereby reduces electricity usage. For example, a 50% reduction in speed means a 50% reduction in the flow rate and a 75% reduction in electricity consumption.

When it comes to heating pool water, energy efficiency can be increased by using a heat pump, which extracts the thermal energy naturally present in the air and transfers it to the pool water. A heat pump can transfer to the pool water up to five times more thermal energy than the electricity it consumes to run.



There are other energy-saving products such as the previously-mentioned floating covers. These covers significantly reduce evaporation from the pool surface and this reduces water and energy losses. They are recommended primarily for heated pools.

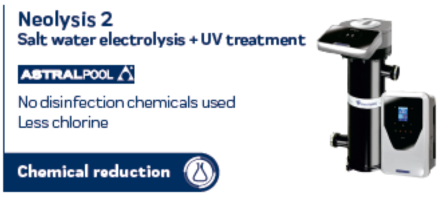
Another example is the use of LED lighting which can result in savings of 80% compared to the old incandescent and halogen solutions. In September 2021, Fluidra stopped marketing in Europe any pool lighting that does not use LED technology, in accordance with (EU) Directive 2019/2020.



Chemical reduction

These solutions reduce the quantity or eliminate the need for disinfectant chemicals to keep the pool running, or minimize their environmental impact. In 2021, 5% of Fluidra's sales were products in this category, same as in 2020.

For example, the use of UV-C equipment to disinfect the water reduces the amount of disinfectant needed to keep the pool in good condition and compliant with national regulations. Salt electrolysis equipment is another example, as is the combination of UV-C and electrolysis, which is called Neolysis. In addition, FreePool technology eliminates the need to add a pH regulator since it uses CO_2 gas to regulate pH.



Carbon reduction

These are all the products manufactured using sustainable methods that contribute to reducing the emissions associated with the production and supply chain processes. This includes all the products that require fewer raw materials for production or which are produced at facilities with renewable energy sources (in the case of products manufactured in Spain and Portugal).

Fluidra is also conducting two Life Cycle Assessment pilot projects (LCA, according to international standards ISO 14040 - 14044) that will allow us to do a global analysis of the life cycle of residential robots and pumps. These assessments will focus on manufacturing and production, but also on all the processes involved throughout the life cycle which will make it possible to analyze the hidden impacts (e.g. the carbon associated with extracting, shipping and producing the materials), and will help us make decisions and identify options for improvement.

In 2021, 14% of product sales met the requirements defined by Fluidra to be classified in this category, same as in 2020.

Circular

With these products we can transition from a linear economy model to a circular economy model by promoting the principles of reuse, repair, exchange, renew and recycle. In doing so, Fluidra is able to extend the life cycle of its products.

The Company is currently developing a pilot project in collaboration with the specialized consulting firm EIG to analyze the circularity of our products and to determine which actions will allow us to improve the circularity of our products according to the principles of Cradle to Cradle™ certification.

This project focuses on two key products offered by Fluidra: filtration pumps (specifically, AstralPool's Victoria Plus Silent pump, in both fixed and variable speed versions) and cleaning robots (Zodiac's Voyager RE-4400 iQ model). The first was selected for its impact, since it is a product that all pools require and one that accounts for a large part of the pool's electricity usage. The robots were chosen because of the strategic importance of these products.

In the coming years, further studies of the most relevant product families will be conducted. The goal is to make at least six products 100% circular by 2026.

Throughout the year several training sessions were held for the ESG, R&D and Purchasing teams and for factory engineers on the most salient features of the Circular Economy, with an emphasis on the circularity of products.

Environmental Certification of Products

In addition to this internal categorization, Fluidra's products have other environmental certificates issued by internationally recognized organizations, such as Energy Star (U.S. Federal Government) or the Climate Care Certificate (SPASA, Australia).

In 2021, Fluidra had 39 certified references, which accounted for 4.66% of sales during the year (1.9% in 2020). In the coming years, Fluidra plans to strengthen the environmental certification of its products, with the aim of complying with the new regulations on Minimum Energy Performance Standards (MEPS), increasingly required by the countries in which the Group operates, as a requirement for the marketing of our products.

ENERGY STAR

CLIMATE CARE CERTIFIED

THE NEW BENCHMARK IN ENVIRONMENTAL SUSTAINABILITY FOR SWIMMING POOLS & SPAS

Accessible Pools

In addition to our range of "eco-conscious" products, Fluidra also has a number of products that promote the social wellbeing of users, especially people with disabilities or reduced physical mobility, including a wide variety of automatic lifts, stairs and handrails for better accessibility to both commercial and residential pools.

Fluidra's catalog of products designed to promote pool accessibility has increased this year thanks to the recent acquisition of SR Smith in North America, a company specializing in this field.

2.4.2. Sustainability in the Life Cycle of Products

The ESG Product Department, in collaboration with the EMEA project office, has worked to include ESG criteria as an integral part of the new product development process. In doing so, Fluidra seeks to integrate sustainability as early as the design stage and to document in greater detail the benefits that Eco-Conscious products offer over other products.

This initiative is in addition to the efforts already being made by the company in the different phases of the product life cycle.

Raw Material Selection

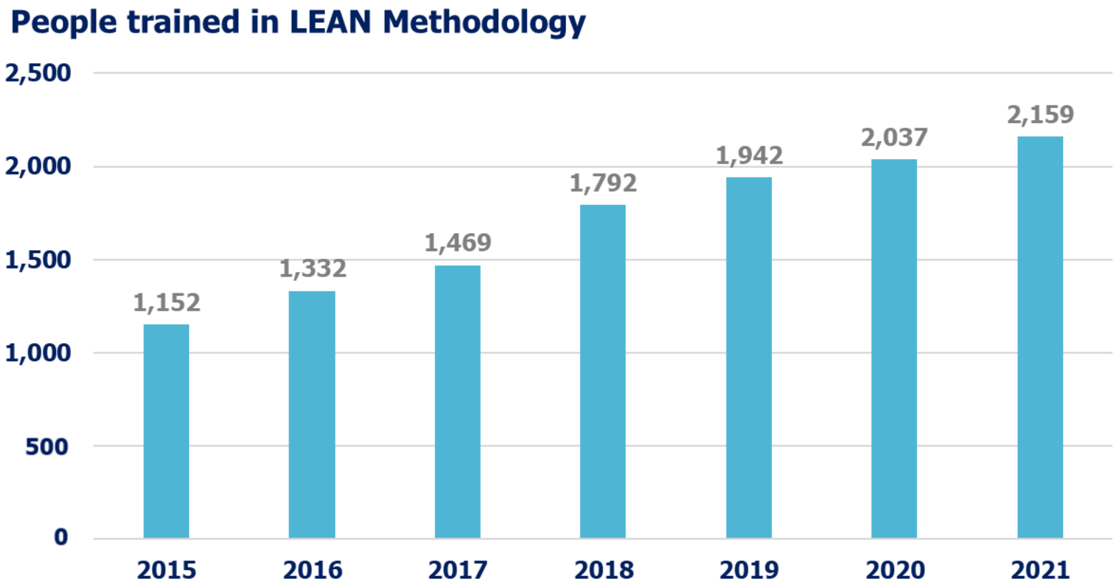
Fluidra has been working in recent years on the selection of materials and components with smaller environmental footprints, prioritizing those sourced from local suppliers, those made from renewable sources (as permitted by the product's technical requirements) or those that contribute to reducing water or electricity consumption as well as hazardous substances.

Several group companies, such as Sacopa and CEPEX, recover and reuse leftover injection materials which cuts down on the volume of raw materials used.

Production and Manufacturing

LEAN management is one of the fundamental pillars of Fluidra's production plants. Fluidra uses this methodology to focus its efforts on optimizing and continuously improving management and production processes, thereby minimizing waste and the inefficient use of resources while maximizing the creation of value for the customer.

Every year, Fluidra develops various training sessions and other activities to extend the LEAN culture at production plants and some of the company's suppliers. In 2021, a total of 2,159 employees participated, which represents 83% of the total workforce at the company's production plants (compared to 2,037 people the year before, representing 79% of the workforce at production plants).



The new tools, systems and technologies derived from this methodology are implemented through Value Improvement projects (also known as value generation or value-added projects) and by sharing best practices between factories.

The entire product creation and manufacturing chain is analyzed, from design to procurement and from manufacturing to logistics. This makes it possible to identify opportunities for improvement at any point, which translates into OPEX savings and consistently better margins, but also a positive ESG impact. Thanks to these projects, opportunities are identified to reduce the consumption of materials and energy, in line with the group's environmental impact reduction policy.

Fluidra's LEAN projects are focused on three main areas: processes, purchasing and product. In 2021, 219 Value Improvement projects were defined (97 processes, 60 purchasing and 62 product projects) compared to 62 projects in 2020. Some of the key initiatives in each one of these areas are described below.

Processes

In 2021, the company managed to save 551,119 kWh of electricity and 11,780 kg of materials thanks to the initiatives targeting the following areas: productivity, shrinkage, shipping and facility maintenance.

Productivity

Value Improvement projects increase productivity while reducing electricity consumption at facilities. The application of the LEAN methodology to plastic injection molding technology has improved overall equipment effectiveness (OEE), while reducing energy consumption by 180,000 kWh in 2021 compared to 2020 (approximately 35,85 tCO_2 emissions).

Shrinkage

Shrinkage is defined as the loss of materials. At the Poltank plant (a manufacturing plant of laminated and wound filters in Spain), the wastage of fiberglass, a material used to make the filters watertight, has been reduced. By installing an automated fiber cutting machine the plant was able to reduce wastage of this material by 11,780 kg 2021 compared to 2020.

Shipping

For companies that deal with physical products, shipping is a significant cost that is coming under increasingly closer scrutiny. Fluidra has analyzed the routes travelled by trucks from production plants to Trace Logistics warehouses in order to optimize routes. In 2021, the company managed to reduce the distances travelled by almost 30,000 km.

Facility Maintenance

To reduce the electricity use for lighting, Fluidra has been developing initiatives to replace halogen lighting with LEDs. LED lighting has a useful life that is 20 times longer and reduces electricity consumption by up to 97% compared to halogen bulbs. As an example of this effort, Fluidra South Africa replaced 274 halogen bulbs with LEDs. This change led to a reduction in electricity usage of 371,119 kWh in one year (approximately 347.60 tCO_2 emissions).

<u>Purchases</u>

In 2021, Fluidra implemented a group-wide project to reduce the rental cost of the forklift trucks used by group companies. As a result, more than 100 forklifts were replaced, mainly at Trace Logistics, but also at other group companies such as Cepex, Sacopa, Poltank or Inquide, resulting in annual cost savings of 150,000 euros (27% savings).

In addition to reducing operating costs, the project has also made it possible to replace some of the old diesel forklifts with electric equipment, cutting CO_2 emissions by 26 tons per year. In other cases, electric machines with old technology have been replaced with electric forklifts equipped with lithium batteries, which are 30% more efficient than traditional batteries.

<u>Products</u>

In 2021, Fluidra developed 45 cost improvement projects that impacted nearly all product families. For example, using simulation tools for calculations to optimize the materials and quality of commercial wound filters has saved 2,400 kg of material and enhanced quality by improving the distribution in the filter.

The goal for 2022 is to continue supporting Fluidra production companies, consolidate the activities begun in 2021 and define new value-generating projects that will help us to continue optimizing processes and reducing costs in a sustainable manner.

Packaging

With regard to packaging, Fluidra prioritizes the use of recycled and recyclable materials that meet the technical requirements of resistance in order to ensure the integrity of our products. Several projects have been carried out in recent years to optimize packaging, to the extent possible, and this has reduced the quantity of materials used.

Since 2021, Styrofoam packaging has been replaced with 100% cardboard packaging of some products. So, for example, in the Sena pump family alone this has prevented the use of approximately 2.8 tons of Styrofoam.

In addition, for products that are already packed in 100% cardboard, efforts have been made to reduce the amount of cardboard used by cutting down on the subcases, which is the case of the Std valve product family.

These initiatives will continue in 2022 and will be extended to include new products such as the Victoria Silent and Victoria Plus filtration pumps. Likewise, tests will continue on the use of compostable bags in spare parts packaging, with the aim of consolidating their use in 2023.

Fluidra is also starting work on a pilot project to shift the materials used for internal shipments to reusable packaging (i.e. to move components between factories).

Distribution, Storage and Shipping

Fluidra has a network of European distribution centers which are basically supplied by four logistics hubs located very close to the production centers. These centers are operated by Trace Logistics, the group's logistics operator.

In 2021, it was created a working group to measure and reduce its carbon footprint by using more efficient shipping solutions (e.g. multimodal transport by road and rail), decreasing the kilograms transported by reducing reverse logistics and using new truck loading solutions, thereby saturating all modes of transport to the fullest (i.e., double-decker trucks) and reducing the frequency of shipments through better product availability.

There have also been various initiatives to reduce shipping-related incidents in order to mitigate the impact of reverse logistics on emissions (i.e. those resulting from the goods having to be returned to the warehouse and subsequently reshipped to the customer). In addition to training operators in pallet assembly, Fluidra has made improvements to the packaging used by the group's suppliers and factories. This makes it more resistant to possible friction during transport and ensures that the product is delivered in perfect condition.

Product Usage

Products are designed to be as efficient as possible for their intended use, while avoiding any type of environmental pollution and waste of natural resources (for more information, see section 2.4.1.).

Fluidra encourages product repairs using our own spare parts to extend the useful life of our products. This reduces the quantity of materials used by eliminating the need to replace the entire product.

Consumers are increasingly looking to incorporate sustainable technologies into their homes, and swimming pools are an important part of that overall experience. Brands like Zodiac or AstralPool provide pool professionals with various calculation tools that can be used to assist customers in choosing the most efficient equipment in terms of the resources used (energy consumption, minerals, etc.), which will depend on the size of the pool and the end consumer's location.

Product Management at the End of Useful Life

Fluidra is committed to ensuring that all injected parts of the product are made of one material to facilitate subsequent recycling. Whenever possible, the company uses international material identification symbols to indicate the materials that were used to make each part of the product. Instructions on how to manage products at the end of their useful life are included in the product manuals.

In 2021 a campaign was launched at all Pro Centers in Spain to encourage customers to return halogen lamps and filter pumps that are no longer usable. In exchange, they receive a special discount on the purchase of new LEDs and variable speed filter pumps, respectively. The purpose was to promote the correct recycling of these products, while at the same time encouraging customers to replace these products with other more environmentally friendly ones.

2.5. Connected Pool: IoP

The Connected Pool (Internet of Pools or IoP) is made up of all the connected products that can make a pool smarter and more autonomous.

In 2021, Fluidra increased the number of customers with IoP solutions at their facilities by 30%, with a total of 560,000 customers by the end of the year. As a global leader in the industry and a pioneer in this segment, the group's goal is to reach one million connected pools by 2025.

For Fluidra, IoT applied to pools is critical to increasing user and customer engagement, generating a new income stream and, at the same time, a flow of data that provides a source of valuable information when developing new products and improving the performance of those already installed in its growing base of connected pools.

Internet of Pools is not just about smart products and services; it is also about enjoying a perfect pool experience in a responsible way

EFFICIENCY AND SUSTAINABILITY

Connected products can act together to manage the pool more efficiently.

Users are free to let their pools adapt to the surrounding conditions or they can adjust the parameters remotely if they wish.

ADDED SERVICES

Product connectivity makes it possible to offer services within the application, such as tips for easier pool maintenance or forecasts to better adjust pool settings.

Pool maintenance can also be entrusted to Pool Pros to optimise workloads

In 2021 the focus remained on the continued development and launch of connected products in key strategic product families, while continuing to modernize existing IoP platforms to deliver a best-in-class experience.

Efforts continued to expand internal resources in the IoP and Digital space to build industry-leading capabilities, always with security as the top priority in our quest to offer a secure IoP ecosystem at all levels. The advent of 5G is expected to trigger a quantum leap in the functionality of connected services.

Connected Pool Brands

iAquaLink

Products for easy control and total pool automation from your cell phone, tablet or internet-connected device. With iAquaLink, pool and spa elements such as lights, temperature, water features, pumps and cleaners can be easily managed anytime, from anywhere.

Fluidra Connect

Advanced pool automation system, designed for both the user and the professional, that allows the pool to be controlled remotely from the computer. With Fluidra Connect, the pool's temperature, lighting, disinfection levels and filtration settings can be controlled from any location, allowing for remote maintenance.

Blueriiot

Smart pool water analyzer that requires no installation. It works 24/7 and indicates the product to use and the right dosage to keep the pool in perfect condition.

Poolstation®

Domotic platform that allows an easy and intuitive control of all the functions of the garden and pool elements. This product is aimed at both professional users (integrators, installers, maintainers, etc.) and end users. With Poolstation®, the user can control all his home automation from any device (computer, cell phone, tablet, etc.) and from anywhere in the world.

3. We create the perfect Pool & Wellness experience, responsibly

3.1. Fluidra's Commitment to Sustainability

[102-20, 102-29, 102-31, 103-1, 103-2, 103-3]

Fluidra is convinced that a company with high environmental, social and governance (ESG) standards is a more economically sustainable company and more highly valued by its stakeholders.

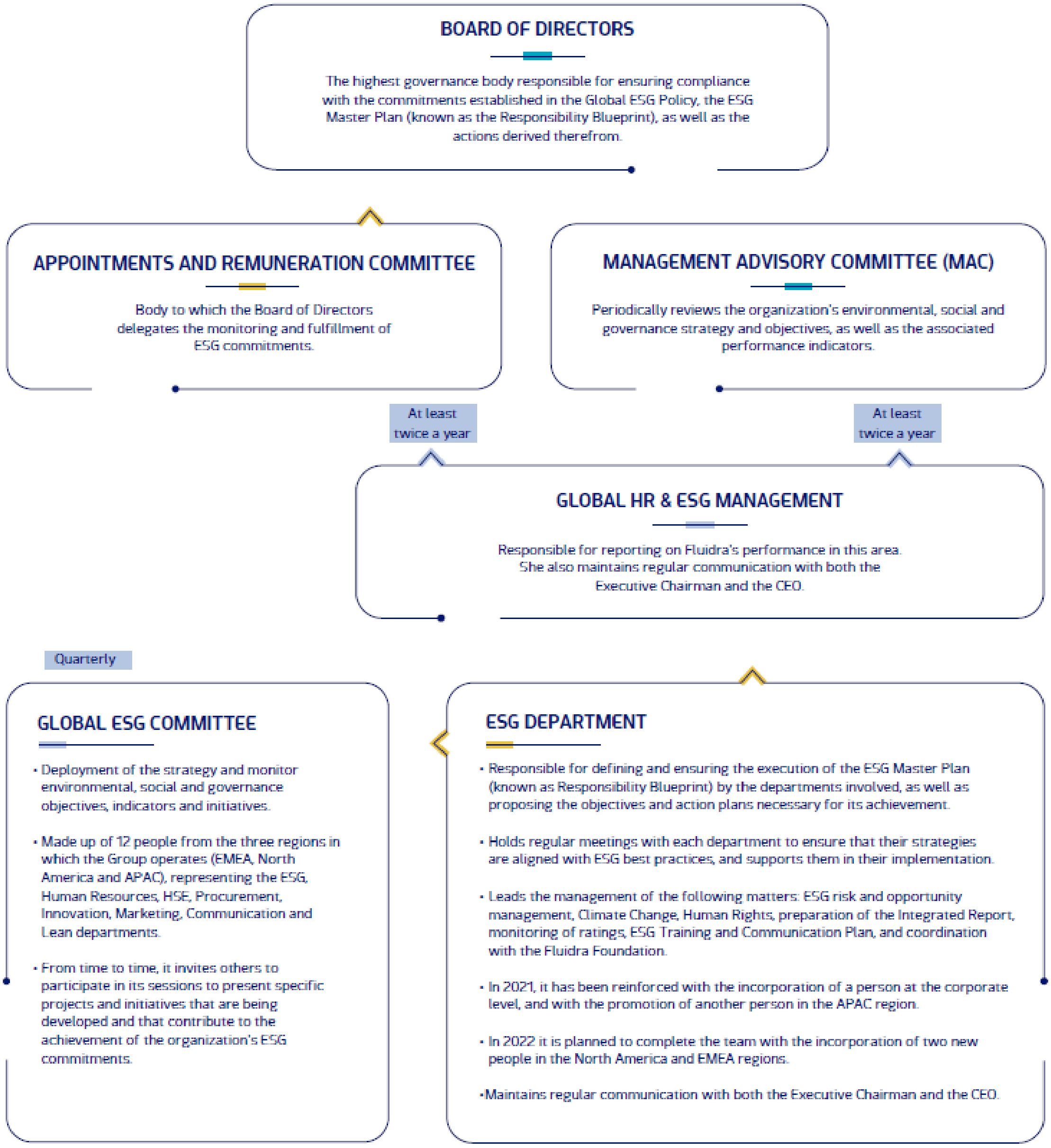
Our company works to create the perfect pool and wellness experience, responsibly, and continuously striving to improve people's well-being, protect the environment, and promote a responsible business culture all along the value chain.

These commitments are all reflected in the **Global ESG Policy**, which was approved by Fluidra's Board of Directors in 2020 and applies to all Group companies. In it, the company makes the following commitments:

- Implement due diligence based on ESG risk analysis and assessment in order to identify, prevent or mitigate actual or potential negative impacts.
- Develop and implement effective management systems to ensure optimal management of all aspects and build trust.
- Encourage our business partners (suppliers, contractors, etc.) to apply principles of responsible business conduct, to the extent possible.
- Encourage communication with local stakeholders when planning and making decisions regarding projects that may affect them.

This policy in line with the company's mission, vision and values, serves as a framework for all of the company's non-financial policies.

ESG Governance



3.2. Responsibility Blueprint: Our Roadmap

[102-31, 103-1, 103-2, 103-3]

To ensure compliance with the commitments assumed in the Global ESG Policy, in 2020 Fluidra approved the ESG Master Plan (known as the "Responsibility Blueprint") for the period 2020 - 2026.

With this roadmap, the organization seeks to align itself with the highest international ESG standards to become the leader in sustainability in the pool industry by the end of 2026. A working committee was created by the Board of Directors composed of the Executive Chairman, the CEO and several independent directors, whose main task was to formalize and approve the plan. The results of the 2019 materiality analysis, in which 129 people representing all stakeholders participated, were also taken into consideration in this process, integrating their needs and expectations on ESG issues.

The Responsibility Blueprint is made up of 10 strategic lines that cover the three pillars of ESG (Environmental, Social and Good Governance), all of them associated with one of the nine Sustainable Development Goals (SDGs) that Fluidra has identified as priorities based on the risks and opportunities they pose for our business.

Environment

Contribute to sustainable development through Fluidra's products and services.

			Results		Targets			Page
Challenges	**Commitments**	**Indicator**	**2020**	**2021**	**2021**	**2022**	**2026**	
Sustainable Products	Increase the number of "ESG Friendly" products in our catalog	% of "Eco-Conscious" sales (€)	50.4%	56%	N/A	N/A	60%	16
		No. of circular products	0	0	0	2	6	16
Environmental Management	Certification of the Environmental Management System	No. of ISO 14001-certified sites	8	8	8	10	18	75
	Improve waste segregation at our facilities	Waste generated send to landfill (% over total waste)	39.6%	24%	33%	20%	15%	85, 86, 146
Water	Reduce water consumption (own facilities)	Ratio of water consumption (liters) to sales (€)	0.084	0.056	0.079	0.053	0.042	86, 87
Climate Change	Achieve climate neutrality	Emissions from operations (Scopes 1 and 2) in tnCO_2 (vs. 2021)[2]	18,644	20,108	N/A	-10%	-90%	79-84, 147
		Value chain emissions (Scope 3) in tnCO_2	18.5 million[3]	9.2 million	N/A	N/A	N/A	79-84
	Reduce energy consumption (own facilities)	Ratio of energy consumption (GJ) to sales (€)	0.00022	0.00023	0.00018	0.00022	0.00018	81, 82, 147
	Increasing the consumption of energy from renewable sources	% of electricity from renewable sources	60%	80.7%	63%	83%	95%	81, 82

[2] Scope 2 emissions on a market basis

[3] The data for categories 1, 2, 11 and 12 of Scope 3 relating to fiscal year 2020 have been corrected.

In environmental matters, the significant increase in the percentage of electricity consumed from renewable sources stands out, significantly exceeding the targets that Fluidra had set for the coming years. The same applies to the targets for the reduction of water and the percentage of waste sent to landfill. As a result, the organization has recalculated its targets for 2022 and 2026 in order to increase its ambition.

Social

Improve the well-being of employees, the value chain and society.

			Results		Targets			
Challenges	**Commitments**	**Indicator**	**2020**	**2021**	**2021**	**2022**	**2026**	**Page**
Quality employment	Promote employee engagement	% participation in engagement survey	72%	80%	75%	N/A	N/A	94
		% engagement index	82%	89%	80%	N/A	N/A	94
	Ensure occupational health and safety	Accident rate (own workforce and third parties)	2.78	1.04	2.08	1	1	112-115
	Promote respect for human rights throughout the value chain.	No. of potential human rights impacts assessed (internal operations)	0	5	5	10	23	61-64
		No. of potential impacts assessed with action plans (internal operations)	0	0	0	5	23	61-64
Diversity, Equity, and Inclusion	Equal pay for equal work	Wage gap (adjusted)	23%[4]	6%	N/A	5.50%	±1%	106-108
	Increase the presence of women in positions of responsibility.	Women on the Board of Directors (%)	8.33%	16.66%	16.66%	16.66%	33.3%	96-98
		No. of women identified as successors to MAC and MAC-1 positions	N/A	28%	N/A	32%	36%	41-42, 96-98

[4] Non-adjusted.

Community engagement	Positively impact local communities through solidarity.	Invest in social action initiatives	€450k	€699k	€500k	€850k	1M	116-121
		No. of people benefited	N/A	3,385	N/A	12,320	136,255	116-121

In the social pillar, the good results in Health and Safety stand out, with a 62% reduction in the overall accident rate (including own and external workers), almost 40% more than the reduction planned for 2021.

Good Governance

Be at the forefront of the best corporate governance practices.

			Results		Targets			Pages
Challenges	**Commitments**	**Indicator**	**2020**	**2021**	**2021**	**2022**	**2026**	
Responsible management	Improve customer satisfaction	Satisfaction index (NPS)[5]	38	44	41	46	48	N/A
	Promote responsible business practices on the supply chain	Suppliers trained in ESG (% expenditure in €)	0	43.3%	10%	50%	75%	61-64
		No. Suppliers evaluated (cumulative)	80	297	250	320	350	61-64
		No. of suppliers audited (cumulative)	3	17	6	35	100	61-64
Transparency	Improve scores on the ESG indexes and rankings in which we participate	S&P CSA	47	60	52	63	72	N/A
		CDP	C	B-	B-	B-	A-	N/A

[5] The NPS score can range from -100 to 100 points.

Partnerships	Develop partnerships to promote sustainable development	No. of alliances with ESG organizations	2	2	2	3	6	39

In the area of Good Governance, the targets set for 2021 have been met and, in many cases, even exceeded. Looking ahead to next year, Fluidra expects to continue to improve its performance in all indicators, with the exception of the CDP rating, where it plans to maintain the score achieved this year.

Organizational focus on ESG objectives

The achievement of the ESG objectives defined in the Responsibility Blueprint is linked to the variable compensation of both the MAC (Executive Committee) and the directors who report to it (MAC-1). For more information on this matter, go to page 42.

In 2021, Fluidra converted the credit facility taken out in 2018 in the amount of €130 million into sustainable financing. The economic conditions of this financing then became the subject to the company's performance in environmental, social and governance matters, assessed by S&P through its "ESG Evaluation".

At the beginning of 2022, Fluidra refinanced its syndicated debt to increase the loan limits and extend the terms to 2029. In line with its ESG commitments, Fluidra has linked the terms of the financing to the achievement of two objectives set in the Responsibility Blueprint: 1. Climate neutrality for its own operations by 2027 (scopes 1 and 2), and 2. 100% of electricity consumption from renewable sources by 2027.

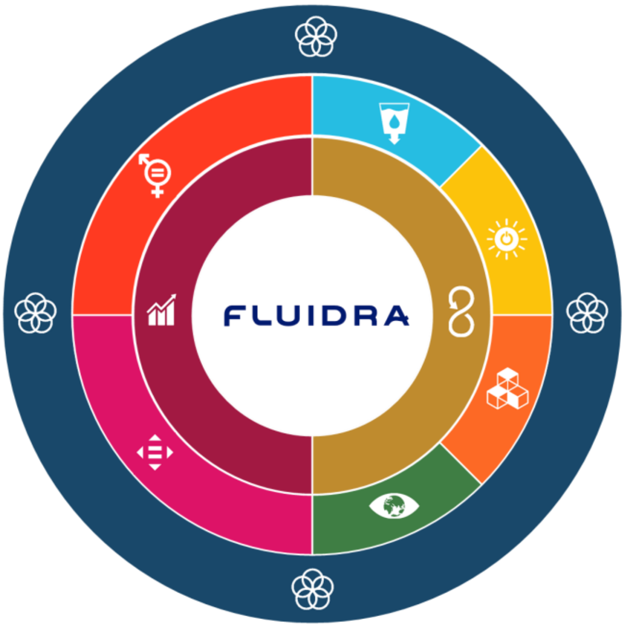
The funding was extended in accordance with the Sustainability-Linked Loan Principles. The KPIs will be checked by an external independent auditor on an annual basis as part of the verification of the Integrated Report.

3.2.1. Our contribution to the Sustainable Development Goals

As a member of the United Nations Global Compact, Fluidra is committed to contributing to the achievement of the Sustainable Development Goals through its ESG strategy. To that end, the company has analyzed the goals and targets defined by the UN in order to prioritize and focus its efforts on those most closely linked to our business.

There are three SDGs that Fluidra has identified as priorities and in response to which we will take actions to promote sustainable development:

- **SDG 8** (Decent Work and Economic Growth): commitments and initiatives in this area are aimed at promoting the sustainable development of people, both from within (people employed) and outside the organization (supply chain, society, etc.). In connection with this goal, SDG 5 (Gender Equality) and SDG 10 (Reduced inequalities) have been identified as goals to which the group can contribute through our activities.
- **SDG 12** (Responsible Consumption and Production): focuses on actions associated with the life cycle of products, from design to consumption by the end user. SDG 6 (Clean water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure), and SDG 13 (Climate Action) have been identified by Fluidra as goals to which we can contribute through our operations, products and services.
- **SDG 17** (Partnerships for the Goals): the object here is to foster cross-cutting partnerships and collaborations with other organizations to progress in achieving the goals indicated above.



3.2.2. Raising awareness on our commitments

Making Fluidra's ESG commitments and objectives known throughout the entire value chain is essential to achieving them.

In order to ascertain the communication and training needs of stakeholders on ESG issues, Fluidra sent out a survey regarding the organization's performance and to identify opportunities for improvement during the materiality analysis. All stakeholders indicated that there was room for the company to make improvements in this area.

As a result, the **ESG Training and Communication Model** was defined and developed with both internal actions (for Fluidra employees) and external actions (for external stakeholders like suppliers) to communicate, raise awareness and provide training on the importance of responsible business conduct. The pillars supporting this plan are as follows:

Employee-oriented training

Mandatory training on the Responsibility Blueprint (ESG Master Plan) was launched for all employees in early 2022. This training has also been incorporated into the Onboarding training plan, so from now on anyone who joins the group must complete it in the days following the signing of the contract.

New ESG training incorporated into onboarding plan

In addition, during the year the ESG Department has offered training to different areas of the company on human rights, carbon footprint or circular economy in connection with projects that are currently underway. A total of 72 employees received 127 hours of ESG training in 2021.

The ESG training and engagement program that won the 2020 edition of the Fluidra Innovation Week (now Fluidra Innovation Challenge) will be implemented gradually in 2022. This program will be delivered through a mobile application (known as "ResponseAbilities") available to the group's employees in several languages. Aside from learning how they can contribute to sustainability in their daily lives, employees can actively participate in the ESG strategy, proposing improvements throughout the organization and receiving awards for their level of involvement in the program.

In addition, in early 2022 a training session was offered to the Board of Directors on ESG and its strategic relevance to reinforce their knowledge in these areas.

Promoting sustainability along the value chain

As part of the commitment to encourage the group's business partners to apply principles of responsible conduct, Fluidra has trained its suppliers on the principles of its Code of Ethics and Human Rights (for more information, see page 91).

With regard to customers and users, at the Pool & Wellness Fair in Barcelona, Fluidra dedicated a space at its stand to the company's ESG commitments and gave attendees the opportunity to participate in the Materiality Analysis.

In 2022, the ESG department, in collaboration with the Marketing Department, plans to design a communication and training itinerary for these stakeholders with a view toward effecting a change in their consumption trends towards more sustainable products.

Communicating Fluidra's ESG commitments and performance

Along with the Training Plan, a series of information pills were created to publicize specific ESG aspects, both internally and externally.

Marking the sixth anniversary of the approval of the Sustainable Development Goals, Fluidra joined the "We support the SDGs" campaign sponsored by the UN Global Compact office in Spain. Each week, the company shared with employees its commitments, objectives and actions for each of its nine priority SDGs identified and offered advice on how they can contribute to the attainment of those goals in their daily lives.

Coinciding with the celebration of the World Water, Environment and Human Rights Days, among others, messages were posted on Fluidra's social networks to raise awareness of the importance of these issues, as well as the organization's objectives and commitments in these areas.

New ESG sections were also enabled on the corporate website and the intranet (MyFluidra), where the ESG Policy, the Responsibility Blueprint, and the company's Annual Reports are all available, along with other relevant information regarding the commitments adopted by Fluidra.

Finally, at the new corporate headquarters in Sant Cugat del Vallès (Barcelona) there is a space in the building dedicated to displaying the commitments of the Responsibility Blueprint. The information also appears on screens distributed throughout the headquarters.

3.3. Relationship with stakeholders

[102-40, 102-42, 102-43, 102-44]

Stakeholders are those groups whose needs, interests or expectations affect or are affected, directly or indirectly, by the company's business activities and who therefore have the ability to directly or indirectly influence Fluidra's strategy.

At the time of the merger with Zodiac in 2018, the company redefined its stakeholders, identifying as such all groups that help us or benefit from the achievement of our mission: to create a pool and wellness experience responsibly.

Fluidra provides stakeholders with various two-way communication channels through which they can convey their needs and expectations to the company for consideration.

Fluidra also invites stakeholders' representatives to participate in the biannual Materiality Analysis. In 2021, there were 14 Focus Groups with a total of 252 participants, including employees, suppliers, shareholders, investors, customers, end users and representatives of the Fluidra Foundation who were asked to evaluate material issues for the company. The results for the year are available in section 7.1. in this report.

FLUIDRA

Stakeholders	Shareholders and investors	Employees	Customers	Suppliers	End users	Planet and Society
Description	People or institutions that invest money in the group or plan to invest at some point.	People who work at Fluidra, regardless of their employment relationship.	Individuals or legal entities that purchase products marketed by Fluidra.	Individuals or legal entities that provide goods or services to Fluidra.	People who are occasional end users of a product marketed by Fluidra.	The environment in which Fluidra works.
Target	We create value in an ethical business and financial environment.	We provide an excellent environment where employees can develop their full potential and be recognized.	We help you grow your business by providing quality products and innovative services.	We develop strong partnerships through innovation, quality, service and cost control.	We create the perfect pool and wellness experience for your well-being and enjoyment.	We are committed to responsible and sustainable business conduct to protect present and future generations.
What Fluidra needs from them	Know what their concerns and interests are in order for the relationship with the company to continue.	Involvement in business development.	Information on demand and demand trends. Marketing agreements.	Financing, adequacy of market trend inputs (traceability).	Information on their preferences.	Identify needs in order to channel the response through the company's actions and the Fluidra Foundation.
What are their interests in Fluidra	Economic return.	Generation of quality and sustainable employment.	Response to market trends, quality products and correct delivery times.	Viability and profitability. Continuous supply.	Quality, price, diversity, others.	Allocation of resources and definition of social and environmental projects in line with the group's strategy.
Communication channels	● Corporate website: Investors and shareholders ● Shareholders' Office ● General Shareholders' Meeting ● National and international investor forums ● Conferences, roadshows, in-person meetings ● Call center ● Corporate LinkedIn	● Employee representation ● Corporate intranet ● Suggestion boxes ● Bulletin boards ● Performance evaluations ● Sporting and leisure activities ● Solidarity activities ● Informal meetings (coffee chats) with senior management	● Customer service ● After sales service ● Satisfaction surveys ● Organization of technical seminars and training sessions ● Websites and online applications ● Trade fairs ● Site visits	● Bilateral meetings with the highest volume suppliers ● Supplier audits ● Correspondence by mail	● Websites, PR and product applications	● Corporate website and social media ● Participation in awareness-raising events ● Collaboration with associations and NGOs ● Solidarity actions and contributions ● Fluidra Foundation

3.4. Partnerships

Through partnerships with other stakeholders we can make faster progress achieving our goals, since sharing information and being part of working groups provides access to a number of valuable resources.

In the field of ESG, Fluidra has been a signatory of the **United Nations Global Compact** since 2007, a United Nations instrument that seeks to find solutions that address global challenges from the corporate sphere. As a member of the initiative, Fluidra has integrated the UN's ten principles into the *Responsibility Blueprint*, thus reinforcing its commitments to human rights, labor, the environment and the fight against corruption in the operation of the business.

Moreover, Fluidra has been a member of the board of trustees of the **Enterprise and Climate Foundation (Fundación Empresa y Clima)** since 2011. This organization provides companies with the tools needed to face the challenges of climate change, along with guidance for actions to improve efficiency in reducing emissions.

Outside the field of sustainability, Fluidra is a member of various associations and organizations in the field of water and sports. It also partners with organizations to promote innovation, such as:

- Eurecat Technology Center
- Catalan Water Partnership
- Acció: Innovation Office of the Generalitat de Catalunya
- Leitat Technological Center
- Tech Barcelona
- University of Girona
- Catalonia School of Engineers
- Barcelona and Sabadell Chambers of Commerce
- French Chamber of Commerce
- Sant Joan de Deu Hospital

4. At the forefront of corporate governance best practices

Fluidra is committed to promoting responsible business management, both in its activities and throughout its value chain, transmitting our commitments and encouraging responsible and sustainable conduct in business relations with customers and suppliers.

Likewise, the Group works to lead best practices in corporate governance and transparency, making honest and accurate information on our performance and activities available to our stakeholders, both through this report and in the various ESG ratings and indexes in which we participate.

Finally, Fluidra periodically identifies and evaluates the risks it faces, with the aim of preventing them and offering a rapid response in case they materialize.

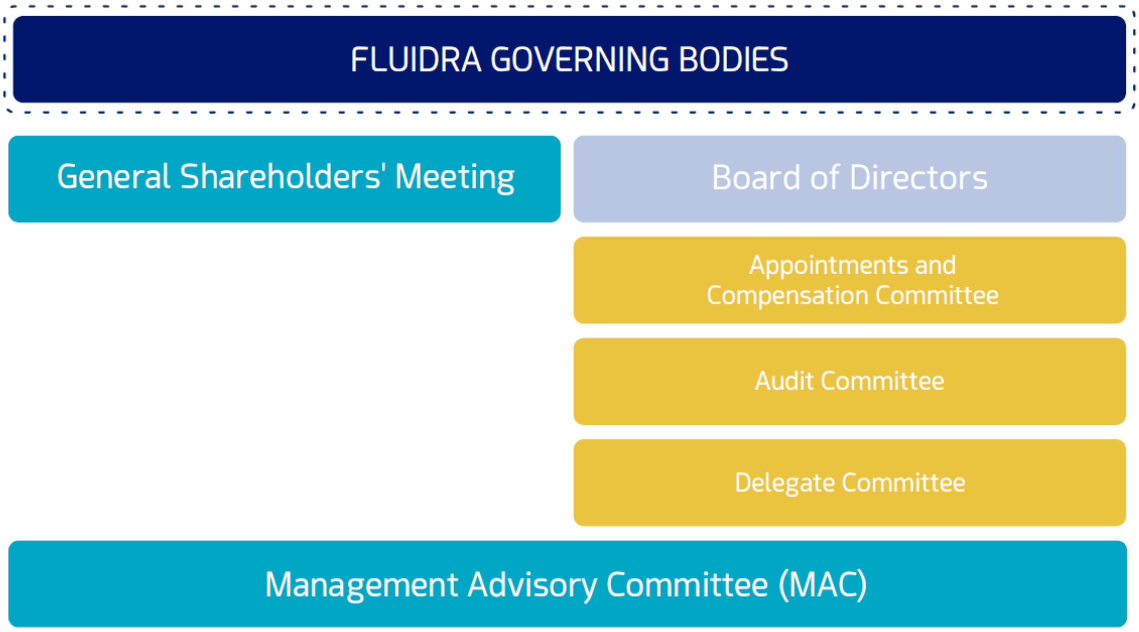
17% of Board members are women 6.3% in 2020	**Target: 50% of independent board members** 41.7% in 2021	**New Global Risk Management Policy approved**
78% of staff received training on the Code of Ethics 75% in 2020	**297 suppliers evaluated on ESG issues**	**1,316 hours spent on cybersecurity training**

4.1. Governing bodies

[102-18, 103-1, 103-2, 103-3]

The Bylaws, regulations (of both the General Shareholders' Meeting and the Board of Directors) and other internal standards and procedures make up the corpus of rules that govern Fluidra's corporate governance system. The company ensures compliance with the recommendations and the international good governance best practices, continuously revising and updating its rules.

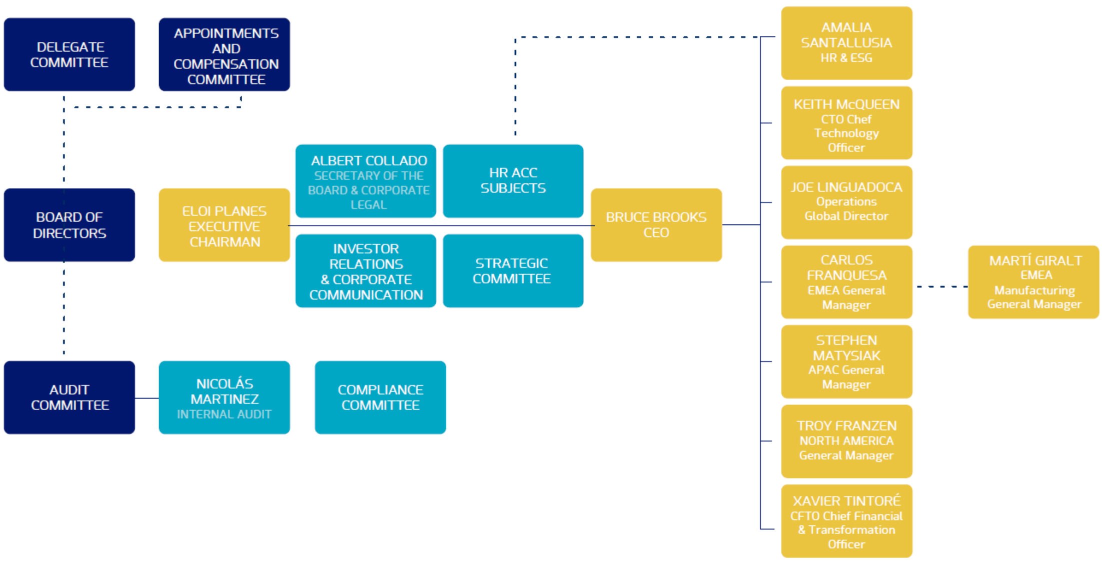
Fluidra approves and publishes the Annual Corporate Governance Report each year, which is governed by the corporate governance recommendations for listed companies. This document is available since its approval on the corporate website.



4.1.1. Management Advisory Committee (MAC)

The Management Advisory Committee (MAC) is the body in charge of the group's day-to-day management. It is made up of the Executive Chairman-CEO, the Co-CEO and the directors of the company's business areas.

Organizational Chart



MAC members

Eloi Planes (Executive Chairman - CEO)

A company director since 1994, he has held different posts in the group until he was appointed as CEO in 2006, and has been the Executive Chairman since 2016.

Bruce Brooks, Chief Executive Officer (Co-CEO)

More than 30 years of experience in global consumer and industrial products industries. Previously spent over 20 years at Stanley Black & Decker in various general management positions. Joined Zodiac as CEO in 2011.

Xavier Tintoré, Chief Financial and Transformation Officer (CFTO)

Joined Fluidra in 2010. Over 25 years of corporate and finance experience in multinationals and public companies.

Troy Franzen, North America General Manager

Joined Zodiac in 2010. More than 30 years of business, sales and operations experience.

Stephen Matysiak, APAC General Manager

Joined Zodiac in 2002. More than 25 years of business, sales and operations experience.

Carlos Franquesa, EMEA General Manager

Joined Fluidra in 2007. More than 30 years of business, sales and operations experience.

Martí Giralt, EMEA Manufacturing General Manager

Joined Fluidra in 2013. More than 30 years of operations and management experience.

Joe Linguadoca, Global Operations Director

Joined Zodiac in 2012. Over 25 years of operations experience in manufacturing and durable consumer goods.

Keith McQueen, Chief Technology Officer (CTO)

Joined Zodiac in 1995. More than 30 years of engineering and operations experience.

Amalia Santallusia, Global HR & ESG Director

Joined Fluidra in 2019. More than 25 years of experience managing human resources departments.

4.1.2. Remuneration Policy for Governing Bodies

[102-35]

The Remuneration Policy for the Board and Senior Management is based on the following general principles:

- Long-term value creation.
- Competitiveness, in line with remuneration trends and benchmarks for comparable companies in the domestic and international market.
- Rewards for quality, dedication, responsibility, business knowledge, impact on value creation and commitment to the Company.
- Non-discrimination on grounds of gender, age, culture, religion or race.
- Consistency with the Group's ESG objectives.

The composition of the remuneration packages of Board members and senior management for 2021 is described below.

4.1.2.1 Board of Directors Remuneration

[102-36]

At the ordinary General Meeting held on June 27, 2018 the shareholders approved the **Board Members' Remuneration Policy** for 2018-2021 fiscal years (both inclusive).

The remuneration system differentiates between the remuneration of directors for the supervisory and collegiate decision-making functions inherent to their status as directors, and the remuneration for the performance of executive functions in the company.

Remuneration of directors for non-executive functions

Remuneration consists, on the one hand, of a fixed and determined annual allowance and, on the other hand, of allowances for attending meetings of the Board of Directors and its delegated and consultative committees, depending on the position and responsibility within the Board of Directors and its committees.

The fixed remuneration of the President and the Coordinator of the Board of Directors is higher than that of the other members in view of their greater responsibility for the efficient functioning of the Board. Likewise, the amount received by the chairmen and chairwomen of the three board committees is higher than that of the other members. There are no other remuneration systems for directors for non-executive functions, nor other share-based incentive systems.

In 2021, the Board of Directors received a total of €1,334,000 for the performance of non-executive functions, which represents an average of €102,000 per director for men and €110,000 for women.

Fluidra does not differentiate based on gender and/or type of director (proprietary or independent) when defining the fixed remuneration for members of the Board. The difference in the average is due to the committee membership and chairmanships. In addition, until mid-December the Board had only one female member who also chaired the Appointments and Compensation Committee, with a higher remuneration than the rest of the directors who do not chair any of the committees.

Total Board Remuneration

In thousands of euros	2021	2020	2019
Fixed annual remuneration	1,214	1,216	1,216
Allowances	120	120	120
Total	**1,334**	**1,336**	**1,336**

Average remuneration by gender (including allowances for board and its committees meeting attendance)

In thousands of euros	2021	2020	2019
Men	102	112	100
Women	110	108	35*
Total	**103**	**112**	**95**

** Ms. Esther Berrozpe joined as a Director of the Fluidra Group in the middle of the year.*

The remuneration paid to directors for their executive functions has not changed since 2019. However, this year there is a slight decrease in the total remuneration due to the resignation of the proprietary director, Mr. Sebastien Mazzella, on June 8 and the subsequent appointment of Mr. Martín Ariel Atlas on June 14. This imbalance in the pro rata number of days of remuneration explains this variation.

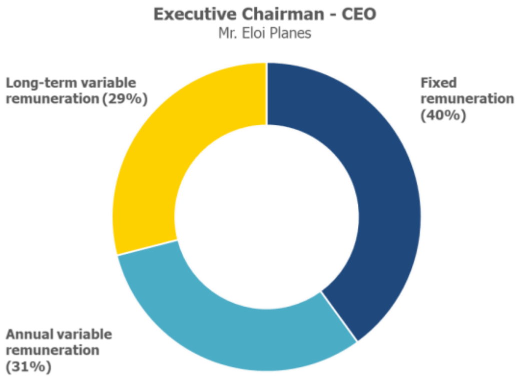
The average remuneration of women increased due to the fact that the independent director, Ms. Esther Berrozpe, served as Chairwoman of the Appointments and Compensation Committee for the entire year in 2021, a position that carries a higher remuneration (the appointment was effective in mid-2020, so she did not earn the full additional remuneration last year).

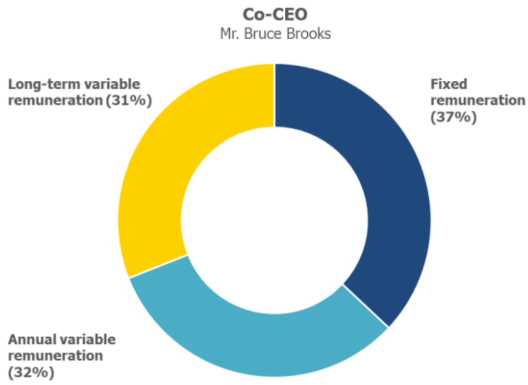
Directors' remuneration for executive functions

The remuneration of Executive Directors is a key issue for the Board of Directors and the Appointments and Compensation Committee. Therefore, the remuneration model is continuously reviewed, evaluated and updated by both bodies.

Fluidra has defined a competitive executive remuneration program which motivates and rewards executives for achieving financial and strategic objectives that generate long-term value for shareholders, while providing rewards commensurate with performance. This program applies to both executive directors and other senior executives who are considered critical to the company as a way of incentivizing growth and innovation, and attracting and retaining the best talent.

Executive remuneration consists mainly of the following three components: fixed remuneration, annual variable remuneration and long-term variable remuneration. In 2021, the remuneration of the two directors with executive duties, (the Executive Chairman - CEO, Eloi Planes, and the Co-CEO, Bruce Brooks) was as follows:



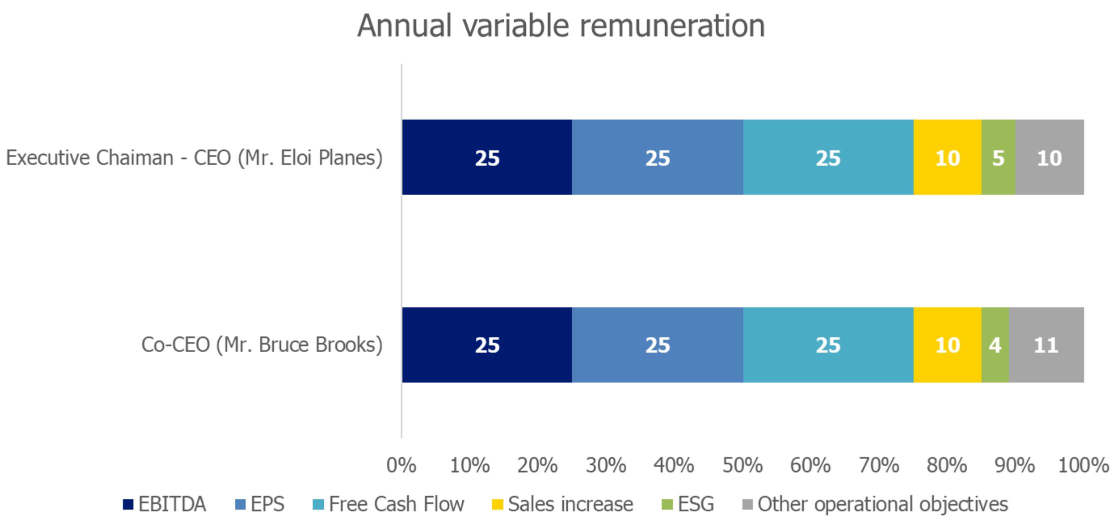


Fixed remuneration

The fixed remuneration based on level of responsibility assumed and professional background.

Annual variable remuneration

Linked to the achievement of previously-set annual objectives. In 2021, the annual variable remuneration was distributed as follows:



In both cases, the weight of financial targets (EBITDA, EPS, Free Cash Flow and Sales Growth) was 85%, while individual targets (Implementation of the ESG Responsibility Blueprint and other operational targets associated with the Strategic Plan) accounted for 15%.

Under the policy, annual variable remuneration may not exceed 100% of fixed remuneration for directors with executive functions. The achievement scale for economic objectives ranges up to a limit of 200% if the maximum values for each indicator are met or exceeded. For individual targets, it cannot be higher than 100%, so the maximum target achievement is **185%**.

On February 24, 2022, the Appointments and Remuneration Committee verified the degree of compliance with the objectives to which the accrual of the annual variable remuneration for 2021 was linked and submitted it for approval by the Board of Directors. In accordance with this verification, the degree of compliance has been of 184% for Mr. Eloi Planes and of 184.6% for Mr. Bruce Brooks. The corresponding amounts to be paid to each of them are detailed in section B.7. of the Annual Report on Remuneration of Directors.

Long-term variable remuneration

The executive directors participate in a long-term variable remuneration system based on share delivery plans (LTIP).

The current plan covers the period 2018-2022. It is a single-cycle plan in which units are allocated in the first year (2018), which turn into shares at the end of the plan. The period for measuring compliance with the economic objectives linked to the plan is four years, from January 1, 2018 through December 31, 2021. The main features of the plan are detailed below:

- Instrument: PSP (Performance share plan)
- Metrics: 70% TSR and 30% EBITDA
- Plan Duration: Five years with a performance period of four years and one year of vesting.
- Clawback, Malus and Holding period:
    - Executive directors must hold at least two times their annual salary in shares for a period of three years.
    - Malus: Two years after settlement.

At the end of the measurement period of the metrics, on December 31, 2021, the Board, on the recommendation of the Appointments and Compensation Committee, determined that the degree of achievement of the targets was 170% for the TSR metric and 170% for EBITDA. Consequently, the number of shares to be delivered to the beneficiaries will be 170% for executive directors and certain members of senior management and 156% for all other participants. The shares will be delivered in January 2023 subject to the participants remaining in Fluidra during 2022.

At the ordinary General Meeting held on May 6, 2021, the Fluidra Group's shareholders approved the **Board of Directors Remuneration Policy** for fiscal years 2022-2024 (both inclusive).

4.1.2.2. Remuneration of senior management

[102-36]

Regarding the remuneration of the members of the Management Advisory Committee (MAC), all members are bound by the same conditions governing the fixed and variable compensation that applies to the rest of the employees.

In this sense, 85% of the annual variable remuneration is linked to the achievement of financial objectives (EBITDA, cash flow and sales growth) and 15% to the achievement of personal management objectives (i.e., those defined in the Responsibility Blueprint, business objectives, people management, etc.).

In addition, all members of the MAC are part of the 2018-2021 long-term incentive plan (ILP), together with the executive directors. However, the terms and conditions of application vary for executives who are not directors. The Malus & Clawback clauses do not apply to non-directors, the weight of the metrics varies and is just a Performance Share Plan (PSP). The ILP also applies to those who report directly to the MAC (MAC-1), with the exception of the HR staff and secretaries, and in some very specific cases at MAC-2 and subsequent levels.

The average remuneration of the MAC members in 2021 (excluding executive directors) was €535,701 per annum (compared to €434,555 in 2020). As was the case last year, this information is not broken down by gender for confidentiality reasons, as the MAC has only one female member.

In short, the MAC's remuneration policy seeks to link the compensation of senior management to the following factors, always making sure it is competitive within the market:

- Achievement of financial and non-financial objectives
- Individual and group performance

- Alignment with shareholders' interests

In 2021, both MAC members and those who report to them directly in EMEA (MAC-1) had sustainability-related objectives representing 5% and 3% of their total bonus, respectively.

Following the communication of the ESG objectives last April, in 2022 Fluidra has decided to link the bonuses of both MAC and MAC-1 members (all regions) to these specific objectives, aligning them with the commitments of the Responsibility Blueprint.

For the members of the MAC (Management Advisory Committee), 4% of the Executive President’s and CEO's bonus, and 3% in the case of the other members of the MAC, will be linked to the achievement of nine of the objectives defined in the framework of the Responsibility Blueprint (three for each ESG dimension) at the group level. For MAC-1 members, 3% of their bonus will be linked to the achievement of four objectives in their region (1 environmental, 2 social and 1 governance).

The objectives defined for 2022 include increasing renewable energy consumption, reducing the carbon footprint, increasing the percentage of women in succession plans, narrowing the gender pay gap, raising the customer satisfaction index and increasing the number of suppliers audited under ESG criteria. For more information on ESG objectives, see pages 29 to 33.

4.2. Risk and opportunity management

[102-11, 103-1, 103-2, 103-3]

4.2.1. Risk Control and Management System

[102-29, 102-30]

The efficient management of potential risks is critical to the proper development, achievement of objectives and the future plans of any company. As an international industrial enterprise, Fluidra understands that managing corporate risks and opportunities is the backbone of our operations.

In 2021, Fluidra's Board of Directors approved the **Global Risk Management Policy**, that applies to all group companies and establishes the principles, key risk factors and general lines of action for monitoring and managing the risks that affect the group. This policy is further developed and supplemented by specific internal policies or regulations for certain areas of the group.

The company has also updated the **Enterprise Risk Management Framework**, known as ERM, to adapt it to the guidelines of the new Policy. These two documents make up Fluidra's **Risk and Opportunity Management System**.

This system strives to identify, evaluate and prioritize business risks and opportunities, and to define the mitigation plans needed to minimize and control the likelihood and impact of adverse events on the business, in addition to maximizing the realization of opportunities.

The three pillars of the risk management structure are as follows:

- Common management systems specifically designed to mitigate business risks.

- Internal control procedures to mitigate financial reporting risks and improve the reliability of financial information, designed in accordance with ICFR.
- Corporate Risk Map: this is the methodology used by Fluidra to identify, understand and assess the risks faced by the company. Its aim is to offer an overview of the risks in order to design an efficient response system aligned with the business objectives.

The Risk Control and Management System works comprehensively and continuously to enable effective risk management and mitigation at all levels of the organization. It is a global and dynamic system that encompasses the entire organization and its orbit, including all subsidiaries and geographical areas. Compliance with the system is mandatory for everyone employed by the group, in particular by the company’s managers and directors.

Three lines of defense

Fluidra's Risk and Opportunity Management System, based on the ISO 31000:2018 standard, is structured around three lines of defense: the regional businesses and their transactional support functions; the corporate functions of supervision and control of the group's operations; and Internal Audit. This structure was modified in 2021 to incorporate a risk management function separate from the internal audit team.

SUPERVISORY AUTHORITIES

1st LINE OF DEFENSE:
- Regional control areas.
- Internal control of operational functions.

2st LINE OF DEFENSE:
- Risk management.
- Other Corporate Functions.

3st LINE OF DEFENSE:
Internal Audit department:
- Independent oversight of the risk management system.
- Independent oversight of the internal control systems.
- Recommendations on ways to reduce the potential impact of risks to acceptable levels.
- Improvement of risk management, control and governance processes.

MAC / CEO
- Identification of different types of risks and opportunities, including financial and economic risks, contingent liabilities and other off-balance sheet risks, according to the provisions of the policy.
- Identification of the measures necessary to mitigate the impact of the identified risks, should they materialize
- Identification of the internal information and control systems to be used to control and manage the risks.

CFTO
- Responsible for overseeing the system and for the risk management function.

ERM DEPARTMENT
- Monitoring risks using the methodology and tools defined in the policy; coordinating the first and second lines of defense to ensure they are properly communicated and monitored; and promotion of a strong risk culture throughout the organization.

AUDIT COMMITTEE
Consultative and delegated body of the Board of Directors in charge of monitoring the Risk and Opportunity Management System.

FUNCTIONS:
- Periodic review of the results of the Risk and Opportunity Management System.
- Evaluation of the effectiveness of the internal control and management systems, as well as the measures established to mitigate the impact of identified risks.
- Assurances offered by the process in place to identify and reassess financial and non-financial risks.
- Identification and understanding of emerging risks and their warning mechanisms.
- Guarantee that risks are managed and kept within the tolerance levels established by the Board.

BOARD OF DIRECTORS

4.2.2. Corporate Risk Map

[102-15]

Fluidra's Risk and Opportunity Management System is designed to mitigate risks and to open up potential opportunities available to the company in the course of its business.

Through the Enterprise Risk Management (ERM) Framework, Fluidra has identified the 30 business risks that make up the group's **Corporate Risk Map** at present. Each of these risks has been classified into one of the following categories: strategic, operational, financial, regulatory and compliance, environmental, human resources and reputational.

The ERM department launched a survey to the heads of the different regions and business units, as well as the MAC, to prioritize the universe of risks identified in prior years by assessing their potential impact and probability of occurrence. At the same time, participants had the opportunity to complete the analysis by indicating new risks that were not included in the assessment but which, in their experience, affect or could affect Fluidra. Once validated by the MAC, these risks were then considered in the analysis.

The results of the assessment were first shared with the MAC and then with the Audit Committee and the Board of Directors for review and approval. Finally, following the discussion and comments, the company's existing controls to mitigate identified risks were reviewed. If the existing action plans were deemed insufficient, new ones were devised, assigning the people responsible for monitoring and following up on their progress.

In 2021, Fluidra sought the assistance of an external expert to analyze and quantify the impacts of three risks on the Corporate Risk Map, by means of sensitivity analyses and stress tests under different scenarios: Cybersecurity, exchange rate fluctuations and climate change (risk of flash flooding and water stress in particular). For each of these risks, we proceeded to define the mitigation plans that will reduce the impact of these events should they materialize and help the company to boost its resilience to them. The results of these analyses were presented to and approved by the Audit Committee.

Risk Universe

Strategic risks

They include a wide range of external events and trends (such as global megatrends, changes in government policies, technological evolution, etc.), which could impact Fluidra's strategic path and impede the generation of value for shareholders. Fluidra identified the following actions to prevent and mitigate any potential impact in this area:

- Sales of strategic new products are continuously analyzed and compared with those of our competitors using market research tools and statistical databases capable of breaking down figures by market and product type.
- Comparative studies are conducted to measure figures against those of competitors and to update product valuations with the information obtained.
- The company is aware of the constant changes happening in the markets linked to new technologies and therefore allocates resources to technological research and development.
- Fluidra is aware that customers' needs and expectations are constantly evolving and that they are increasingly aware of sustainability. The company therefore plans to conduct an in-depth study to identify risks and opportunities in market trends from an ESG point of view.
- The group is constantly analyzing new lines of business that add value to Fluidra. Aware that any new activity involves an intrinsic risk, the company engages the services of specialized external consultants to provide advice on development processes.
- A potential risk recently identified by Fluidra is the risk arising from requests for changes in the group's management and strategy, or even the risk of divestments if an activist investor or group of investors disagrees with the Fluidra management's decisions. Fluidra therefore monitors its investors in order to anticipate any impact in this regard.

- At the time of issuance of this report, Fluidra was also monitoring the current context of war between Russia and Ukraine, in order to be able to identify and assess as soon as possible any necessary action in relation to the Fluidra Group's activities in that environment.

Operational Risks

These are the internal and external risks associated with the group's day-to-day operations insofar as the interaction with customers, suppliers and other stakeholders are concerned. They include the risks associated with the eventuality of extraordinary events beyond Fluidra's control (fires, natural disasters, strikes by shipping companies or key suppliers, cyber-attacks, etc.) that could significantly impact normal operations:

- Given the business lines of Fluidra's various business units, protecting their technology and the products they develop is one of the most important aspects of maintaining a competitive advantage. To that end, the company has development criteria, policies and legal protocols in place to guarantee this protection, covering both information security and cybersecurity.
- Specific action plans have been designed to ensure that production matches anticipated demand for both new products and those already in the catalog.
- Fluidra seeks to expand within those territories where it already operates by acquiring companies in the sector. Clear examples of this are the acquisition during the year of CMP and SR Smith, among others. The group is aware of the importance of effectively integrating technology, regulations, processes, information systems and personnel management for the seamless integration of the newly acquired companies.
- The impacts of climate change on Fluidra's operations are closely monitored to avoid disruptions in the group's supply chain. For more information on this subject, please refer to section 5.2.2.

Financial risks

Financial risks include exchange rate, interest rate and credit risks, among others.

- Fluidra is fully convinced that reinforcing and standardizing internal procedures and controls at the Group's subsidiaries is the right way to promptly detect and eradicate any irregularity in the management of the subsidiaries. To that end, the Company has a Corporate Management Control department made up of professionals who provide support and analyze the procedures of subsidiaries located in different countries around the world in order to ensure the standardization of financial statements and daily practices. In an effort to standardize procedures and ensure the robustness of controls, there is also a plan to implement and update the subsidiaries' IT systems.
- Process-related risks are monitored and managed centrally by the Management Control Department and checked by the Internal Audit Department. The processes for obtaining and consolidating both financial and non-financial information are handled at headquarters following corporate guidelines, and are subsequently reviewed by external auditors.
- The geographical spread of Fluidra's production and commercial operations means that it is exposed to exchange rate risks, such as transaction risk and conversion risk. Although the group's functional currency is the euro, its operations in 47 countries entail international transactions involving many currencies. In 2021, a stochastic analysis was prepared to estimate Fluidra's value-at-risk. The group actively hedges transaction risk by reducing global exposure.
- Credit risk is continuously monitored, analyzing the financial health and profits obtained from those customers that represent a higher risk in relation to the fixed costs assumed by Fluidra.

Regulatory and compliance risks

These are the risks arising from regulatory changes introduced by regulators, such as intellectual property, data protection and privacy regulations, as well as changes to regulated activities, mandatory supply conditions, tax codes or regulations of publicly listed companies. This includes risks related to political changes that can affect legal protections and the legal framework applicable to the group's businesses in each jurisdiction (nationalization or expropriation of assets, cancellation of operating licenses, among others).

- Fluidra has defined a procedure for identifying and assessing legal and fiscal risks that it applies on a regular basis. The object of this procedure is to identify conflicts or litigation that could have an impact on the company's assets, or differences of opinion that may arise due to divergent interpretations of the law with respect to a specific tax. The company analyzes the situation and makes the appropriate accounting provisions to adequately cover the risk should it materialize.
- The company is subject to different non-financial reporting regulations according to which it must provide annual disclosures on environmental performance and management. The company strives to ensure the reliability and completeness of the information provided on energy use, waste generation or GHG emissions through the external verification of its Non-Financial Information Statement and Integrated Reports.

Environmental Risks

These are the risks related to the impact which the company has on the environment and climate change, the adaptation to new climate conditions, waste management and the use of natural resources and energy.

- Fluidra calculates the risk and financial impact associated with this risk as a result of the possibility of lower sales of seasonal products, as well as potential material damage and interruptions to its activity. The system currently used to offset the risk consists of diversifying the business geographically, increasing the portfolio of products for adverse weather conditions and researching and developing products with low water, energy and chemical consumption, as well as products and services that enable the swimming pools to be operated efficiently at any time of the year and in any weather situation.
- In addition, the ESG department performs a qualitative analysis of the physical and transitional risks associated with climate change and how they could affect the business, thus considering the double materiality of environmental aspects. Specifically, it has been determined that the acute physical risks of climate change on the company's infrastructures and the costs associated with prevention, adaptation and mitigation are the ones most likely to occur in the medium term and could have the greatest financial and operational impacts on the business. Because these risks have been identified as the ones with the greatest potential impact, in 2021 Fluidra continued to quantify the impacts associated with them. For more information on the results, see section 5.2.2. on Climate Change Risk Management.
- In the environmental law arena, the subsidiaries and regions are responsible for regulatory compliance, and are supported by the corporate ESG and HSE departments to study current and future regulations in this area in order to comply with all existing and future requirements.

Risks associated with Human Resources management

These are risks that stem from potential dependency on key personnel and the difficulty in properly identifying and retaining talent, as well as maintaining an optimal workplace environment at all locations.

- Talented employees are essential to the achievement of the company's objectives, and their absence can be detrimental to the group's success. Likewise, good people management reduces labor conflicts and helps to detect problems at an early stage, before they can affect the company's performance.

- Fluidra companies have bonus policies linked to the company's results and the individual contribution of employees through their personal goals, which helps to identify and reward the best professionals in order to attract and retain talent.
- It is also vital to define a succession plan that guarantees the company's continuity and this entails defining the individual and collective development plans.
- Occupational health and safety has always been a priority for Fluidra. Investments are made in the factories on a regular basis and the workforce receives continuous workplace accident prevention training.
- The group has a Confidential Channel managed by the Ethics Committee through which any employee can file a complaint about any issue of concern to them.
- Fluidra is committed to respecting internationally recognized Human Rights. As such, we strive to prevent and mitigate any potential and/or actual risk that may arise from our activities and/or business relationships. All company personnel and suppliers make a commitment to uphold the principles of the Universal Declaration of Human Rights by accepting the organization's Codes of Ethics.

Reputational risks

This refers to the possible negative effects on the company caused by behavior that does not meet stakeholders' (customers, employees, shareholders, society and suppliers) expectations, including the management of best corporate governance practices.

- Fluidra favors transparency in its communications with stakeholders and compares itself against different international benchmarks and ratings by external agencies to ensure compliance and plans for future improvements.
- The company publishes an Integrated Annual Report in which it reports on its management and performance in environmental, social and good governance matters, as well as the results of the sustainability indexes and rankings in which it participates, such as the S&P Corporate Sustainability Assessment or CDP.
- Finally, some of the countries in which Fluidra operates are not members of the United Nations Global Compact or the ILO principles. In 2021 the company continued to evaluate and audit suppliers and to offer suppliers training on the human rights commitments contained in the Code of Ethics.

Materialized Risks

The Fluidra Group operates globally and is therefore exposed to various external risks. In 2021, we witnessed an increase in raw material and commodity prices which also affected the Fluidra group. There were disruptions in the supply chain of some materials which delayed material deliveries affecting Fluidra's sales.

Also, in 2021, the risk of flash floods materialized again at our factory located in Dongchuan (China), shutting down operations for a month and a half. Heavy rain in the area caused the river adjacent to the facilities to overflow, resulting in flooding that reached one meter in height, twice as high as in 2019. The measures taken after that first flood were obviously insufficient to cope with the most recent one. To prevent a repeat of this situation, the company is studying the option of relocating the production plant to a safer area that would eliminate the risk of flooding.

4.2.3. Risk Culture

Fluidra's risk culture is characterized by "Tone at the top" leadership, i.e., the commitment and leadership exercised by the Board of Directors and Senior Management in this area.

Among the measures implemented in 2021 to strengthen the culture of risk and opportunity management within the organization is the publication of a new Global Risk Management Policy which was distributed to the entire organization.

The ERM department received risk management training from companies specialized in the field. In addition, everyone responsible for the group's various regions and business units received training on how to identify and assess risks, in accordance with Fluidra’s updated risk tolerance policy. As a result, several people in positions of responsibility identified new risks to the company that had not previously been considered.

Each business unit developed its own training courses to disseminate the risk culture to their areas of influence within the organization. Also notable is the training offered in 2021 on ESG risks, cybersecurity or occupational risk prevention.

Fluidra is building a stronger risk culture with the implementation of new tools and the analysis of ERM mitigation plans, as well as the definition of key risk indicators for all analyzed risks that are being monitored.

4.3. Ethics and Integrity

[102-12, 102-16, 103-1, 103-2, 103-3]

The company has an internal regulatory corpus of policies, standards and procedures that define and specify the conduct that is expected of the employees of the Fluidra group and the people and organizations with which it has commercial relationships. These policies are reviewed periodically and updated to align with the company's commitment to corporate governance best practices and continuous improvement of its compliance management systems.

Following the integration of the Compliance function in the Internal Audit Department in 2020, the Board of Directors defined and approved the **General Compliance Policy** in 2021, which lays out the structure, roles and responsibilities in this area.

The core function of the Internal Audit and Compliance Department is to promote a preventive culture based on the principle of "zero tolerance" for any illegal act or breach of the principles of ethical and responsible behavior, both within the company and in its relations with customers and suppliers or any other third party.

Moreover, the department reports periodically to the Audit Committee, which is the body responsible for supervising the operation of and compliance with the group's compliance model.

To assist the department in discharging the duties assigned to it in the policy, Fluidra created a **Compliance Coordination Committee** composed of the Internal Audit and Compliance Director, the CFTO, the Human Resources Director and the legal teams both at the corporate and US level. The Committee met six times in 2021, although starting in 2022 it plans to hold quarterly meetings.

4.3.1. Promoting Ethical Behavior

Fluidra has two codes of ethics that are mandatory and that lay out the values that should guide the conduct of the company, its employees and its partners: the Fluidra Group Code of Ethics and the Code of Ethics for Suppliers.

Both documents are based on the ten principles of the United Nations Global Compact, in addition to the international best practices contained in documents such as the OECD Guidance for Responsible Business Conduct, the Declaration of the International Labor Organization (ILO), or the Universal Declaration of Human Rights. They do not replace or override the application laws in each country, the internal regulations of the individual companies or the collective bargaining agreements that may apply.

Fluidra's commitments and expectations with regard to its stakeholders are presented below:

Society and Human Rights
Respect for the principles of the Universal Declaration of Human Rights.
Fluidra Members
Compliance and enforcement of current labor laws, creating workplace environments where respect, equality and safety prevail, with a special focus on the promotion of transparency and the fight against corruption and money laundering.

Stakeholders

Respectful conduct and a vocation of usefulness to shareholders, customers, suppliers, public administrations and competitors.

Environment

Preservation of the environment and respect for the balance of natural systems, embodied in a vocation to minimize and rationalize the consumption of resources and a thorough knowledge of the applicable regulations.

Legal Compliance

The company and its employees are committed to obey the law and to encourage compliance by others.

4.3.1.1. Code of Ethics

The **Fluidra Code of Ethics** was adopted by the Board of Directors in 2008 and subsequently revised in 2019 to reflect the new Mission and Values that define the new Fluidra following the merger with Zodiac. Given the group's multinational nature, the document is available to stakeholders in ten languages: Spanish, English, French, Italian, German, Portuguese, Turkish, Russian, Chinese, and Thai.

It is binding on all Group staff and management, regardless of position or function (including administrative bodies, management positions and other control bodies). In addition to compliance with the law, it strives to guarantee ethical and responsible behavior.

Anyone who joins any Fluidra Group company receives training in the principles and values of the Code as part of the onboarding process and must read and accept the rules of conduct established therein. By the end of the 2021 financial year, 5,474 people had been trained in this regard, which represents 78% of the total workforce, and 94% of the workforce of the companies that were part of the Fluidra Group in 2020 (compared to 2,616 people, 75% of the workforce in 2020).

78% of workforce trained in Code of Ethics

With a view to the year 2022, Fluidra's objective is to communicate and train the employees of the new companies acquired during the year on the commitments and objectives of the Code of Ethics.

The Code of Ethics is also available to customers, distributors, external professionals and representatives of the Fluidra Group on the corporate website.

4.3.1.2. Code of Ethics for Suppliers

In 2019, Fluidra's Board of Directors formalized the **Code of Ethics for Suppliers** with the aim of transmitting the group's values and principles throughout the supply chain and thereby ensuring the ethical and responsible behavior, the respect for human rights and the protection of the environment of all companies with which Fluidra does business.

Since it was approved, the group asks suppliers to accept and commit to the principles set out in the document in writing. By signing the document, suppliers agree that representatives of the group may visit their facilities to confirm their good practices. In the event of non-compliance with the provisions of the Code, the company reserves the right to propose a series of corrective measures or, as a last resort, to suspend the contractual relationship.

At the end of 2021, a total of 3,058 suppliers had accepted the Code of Ethics for Suppliers, representing 22.7% of the total number of suppliers, and 65.9% of the total volume of purchases for this fiscal year. Also, during the year, Fluidra developed for the first time several training sessions on the principles of the Code of Ethics for Suppliers and Fluidra's commitments and expectations on

Human Rights. In all, 73 suppliers (0.5% of total suppliers) were trained, representing 43.3% of the total volume of purchases this year.

	2021		2020	
	Number	% suppliers	Number	% suppliers
Suppliers who accepted and signed the Code of Ethics for Suppliers	3,053	22.7%	2,746	20%
Suppliers trained on the commitments of the Code of Ethics for Suppliers	73	0,5%	0	0%

Suppliers can report suspected breaches of the Code of Ethics for Suppliers through Fluidra's Confidential Channel or by contacting Fluidra's local purchasing teams. No breaches were detected in 2021 or the year before, nor were any complaints or warnings received in this regard. There are no reports of child labor or forced labor violations or in relation to the freedom of association or collective bargaining rights.

4.3.1.3. Confidential Channel

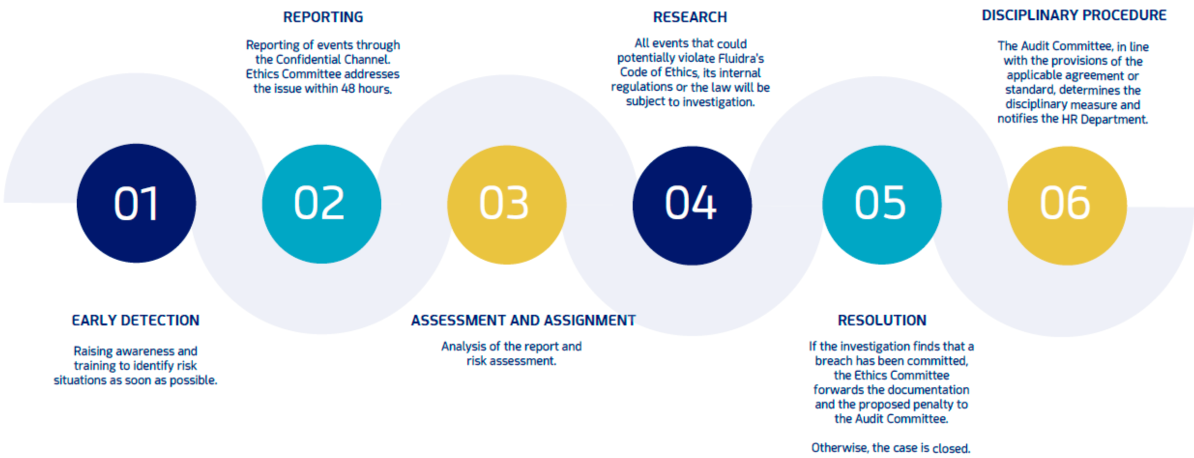
[102-17, 207-2, 406-1]

Fluidra provides all stakeholders with a **Confidential Channel** through which to ask questions, request advice or report irregularities in relation to the laws applicable to Fluidra, as well as the principles and values contained in the Code of Ethics, the Code of Ethics for Suppliers or the developing regulations of the Codes. The Channel can be accessed through the corporate website or by sending an email to ethics@fluidra.com.

6 meetings hold by the Ethics Committee

The communications received through the Confidential Channel are handled by the Ethics Committee which is composed of the Global HR & ESG Director, the Global Tax & Legal Director, and the Internal Audit & Compliance Director. The Committee meets at least once per quarter to monitor the Confidential Channel, and urgently when a non-compliance is reported. In 2021, there were six meetings.

According to the **Ethics Committee Regulations**, all communications received are treated confidentially and are only made public if it is considered essential to prevent the commission of a crime or to avoid serious risks. In all cases the protection of the whistleblower is guaranteed, avoiding any type of retaliation for reporting an illegal act or an act that goes against the internal policies of the Fluidra Group.



8 communications received through the Confidential Channel

In 2021, a total of eight communications were received, which were accepted for processing and investigated as provided for in the Committee's Regulations. 100% of the reports were settled with no disciplinary action required.

As happened in 2020, none of the reports received were related to equality, non-discrimination, human rights or corruption breaches.

4.3.2. Criminal Risk Prevention and Control Model

Fluidra has had a Global Crime Prevention and Control Model in place since 2016 to detect, prevent and mitigate the risk of criminal offenses within the organization and assign the corresponding responsibilities of each one of the member companies within the Fluidra Group. This model was reviewed by an independent expert that same year to ensure its effectiveness and the existence of a reasonable control environment.

Within this framework, Fluidra has a Global Crime Prevention and Control Policy that defines the resources available to prevent violations of the applicable laws, especially those acts that could be classified as crimes under the Spanish Penal Code or the applicable laws in the countries where the group operates.

The Internal Audit and Compliance Department is currently in the process of reviewing and updating the model and the accompanying Risk and Control Map in order to align it with the most recent regulatory developments and to reflect the company's current reality.

Below is a description of Fluidra's commitments and the actions it takes to prevent and mitigate criminal risks.

4.3.2.1. Anti-corruption

[205-1, 205-2, 205-3, 415-1]

As stated in the Code of Ethics, Fluidra's relationships are based on the principles of transparency and equal opportunities, and the company rejects actions aimed at gaining an advantage over competitors in the market or in public or private contracts by illegal means.

In order to uphold this commitment, the Board of Directors approved the **Anti-Corruption Policy** in 2016, which prohibits any type of action or activity that could be interpreted as corruption or money laundering.

This policy is binding for all Fluidra Group companies and must therefore be observed by all members of the organization. Whenever possible, the policy will also apply to suppliers, distributors and customers.

In addition to the Code of Ethics training that all employees receive when they join the company, a Q&A was launched in 2021 with advice and guidance for detecting and dealing with conflicts of interest, in order to raise the organization's awareness of this particular risk described in the policy.

Fluidra is not bound by the European regulations on the prevention of money laundering and terrorist financing. Despite this, the policy prohibits any Fluidra employee from directly or indirectly taking part or being involved in activities that could imply the commission of a crime of this kind. Moreover, employees must be vigilant and report any customer or supplier who attempts to use the Fluidra's corporate structure for a money laundering operation.

In line with this commitment, Fluidra limits the use of cash in payments to the extent possible. If they cannot be avoided, records must be kept of the payments made in cash. The records must specify the amount paid, for what purpose, the date of payment and the recipient of the payment. Under no circumstances, payments to or from individuals or enterprises other than the ones named on the invoice will be allowed.

Finally, Fluidra's employees assume the commitment to only contribute to or collaborate with political parties and/or public institutions, organizations or entities on a personal level and independently from the company. Contributions on behalf of Fluidra or that could be associated with it are prohibited.

No incidents involving corruption, bribery or money laundering were identified or reported in 2021 or 2020. Fluidra made no contributions to political parties or their representatives.

4.3.2.2. Trade Sanctions Policy

In recent years, the United Nations, the European Union and the United States, among other countries and bodies, have approved a series of economic sanctions and trade embargoes on certain countries, territories, institutions and individuals and these measures have both a direct and indirect impact on Fluidra's activity.

In 2020, the MAC approved **the Global Sanctions Policy** which is intended to prevent violations of the regulations on sanctions and trade embargoes and to ensure a rapid and effective response by the company to any investigation into its conduct.

Under this policy, Fluidra and its subsidiaries are prohibited from doing business with any distributor, customer or supplier that directly or indirectly involves or benefits any sanctioned or embargoed territory, country, institution or person.

4.3.2.3. Market competition rules

[206-1]

Fluidra's conduct in the market is guided by the principles of free competition and equal opportunities. The company rejects any action aimed at obtaining an unfair or illegitimate benefit or advantage over customers, suppliers, competitors and/or other market players. In accordance with the Code of Ethics, all members of the Fluidra organization agree not to take part in illicit agreements that may limit the free competition of the market in which it operates.

In 2021, Fluidra's Legal Department proposed and created a **Competition Policy**, which is intended to provide basic knowledge and a better understanding of Antitrust Law.

Along with the Competition Policy, the Legal Department has developed a series of supporting documents to provide employees with a better understanding of prohibited conducts, best practices and a practical guide on how to proceed in the event of a surprise inspection by the competition authorities. This supporting documentation is available to employees on Fluidra's intranet, along with a link for employees to submit their questions to the Legal Department.

This department, together with channel program, also provides training to the Fluidra Group subsidiaries’ management and sales teams, introducing them to the Antitrust Law, vertical agreements and prohibited conducts, while at the same time providing them with practical tools and advice to avoid breaching these laws.

To ensure compliance with antitrust regulations, the Legal Department has assigned a team member who works closely with Marketing and Sales teams to ensure the correct implementation of the Competition Policy and to identify and implement appropriate measures to avoid possible infringements. The Legal Department also reports to the Compliance Coordination Committee on all initiatives developed, controls implemented, ongoing competition proceedings and possible fines or sanctions in this area.

In 2021, unlike the previous year, no sanctions were imposed by the competent authorities for violations of free market competition. It should be recalled that in 2020 Fluidra was sanctioned by the Austrian Federal Competition Authority. The policies mentioned above were approved to prevent similar occurrences in the future.

Fluidra also has a rigorous **Internal Code of Conduct for the Markets**, which is binding on all Subject Persons, a group encompassing a broad spectrum of people within the organization (directors, managers, employees who work in areas related to the stock market, etc.). Subject Persons conduct themselves with diligence and transparency in all their actions to minimize the risk of conflicts of interest and to ensure, in short, that adequate and timely information is provided to investors to safeguard the integrity of the market.

4.4. Responsible Supply Chain Management

[103-1, 103-2, 103-3]

Fluidra's relationship with suppliers of products and services is essential for building solid and lasting relationships based on transparency and honesty, creating value and mutual benefits. Suppliers are critical to the company's operations, to optimizing production processes and improving our products and services.

The Purchasing Department has a matrix organizational structure, with some functions that are centralized, such as strategic decisions and purchases of intersectional or strategic categories for the Group, while others are decentralized, such as local purchases or the management of non-strategic categories.

The Supply Chain is highly relevant to Fluidra's results, given the impact which the cost of raw materials can have on the cost of our products, whether they are manufactured or purchased. 2021 was an extremely difficult year in this regard, in a context of product shortages and generalized inflation. The most widely used tool to reduce inflationary effects and secure supplies has been medium-to long-term planning, along with the value-enhancing projects that are present in all regions and areas of the company. For more information on this, see page 53.

Beyond the ever-present pursuit of cost savings in our day-to-day activities, one of the top concerns of the Purchasing and Supply Chain area is ensuring that the products and services required by the organization are available in the right quantities at the right time. To that end, we rely on a combination of local suppliers and suppliers in other parts of the world to optimize costs and availability while minimizing risk.

Given the international situation, one of the goals for 2022 will be to continue ensuring the availability of raw materials. We will also work on strengthening suppliers' commitment to Fluidra's ESG objectives.

4.4.1. Structure of the supply chain

[102-9, 102-10, 204-1]

Fluidra works with a varied and complex distribution of product and service suppliers, reaching a purchasing volume of around 1,478 million euros (around 960 million euros in 2020), with 13,452 active product and service supplier accounts in 2021 (around 14,000 in 2020)[6].

The company is supplied of raw materials and components for transformation at our own facilities and finished products for the brands or products we do not manufacture internally. There are no significant changes in the shareholding structure or location of Fluidra's suppliers that affect our supply chain, beyond the companies acquired by Fluidra directly in 2021, in which case they ceased to be suppliers and became part of the group.

In 2021, 36.7% of the Group's suppliers were product suppliers, accounting for 71.4% of the volume of purchases for the year (compared to 35% of suppliers and 70.3% of purchases the year before). By contrast, there are more service providers (63.3% of total suppliers in 2021, 65% in 2020), but they represent a smaller volume of purchases (28.6% in 2021 compared to 29.7% in 2020).

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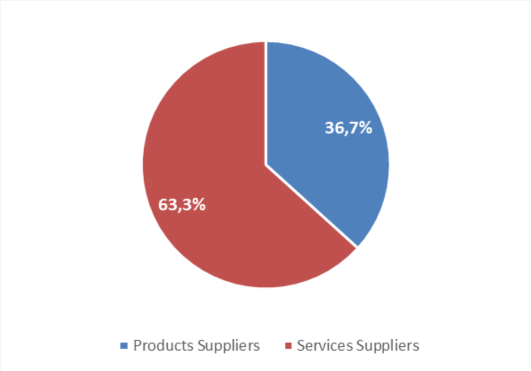
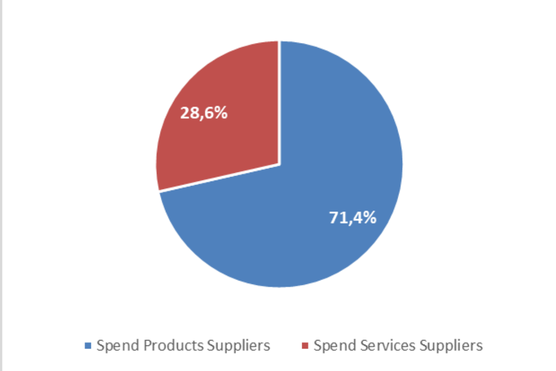
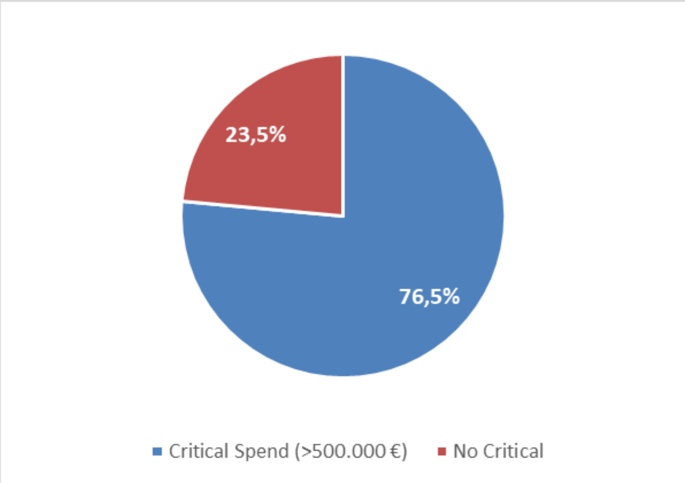
[6] The data relating to the structure and composition of the Supply Chain covers 97.25% of the Fluidra Group in terms of sales for the 2021 financial year. The following countries of operation are excluded: Belgium, Bosnia and Herzegovina, Croatia, Czech Republic, Kazakhstan, Montenegro, New Zealand, Russia, Serbia, Slovenia and Turkey.



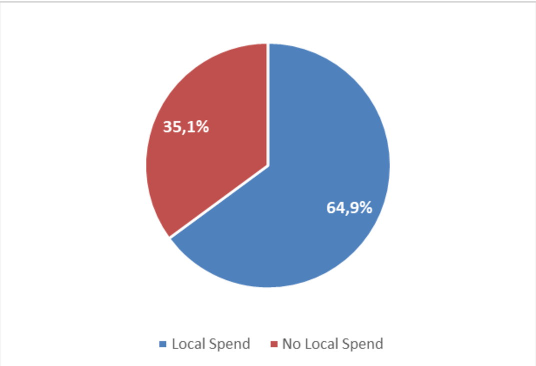


In terms of criticality, Fluidra considers critical suppliers to be those that exceed 500,000 euros in purchasing expenditure. At the close of the 2021 financial year, Fluidra had 440 suppliers classified as critical (compared to 314 in 2020), which represented 3.3% of the total number of suppliers and 76.5% of the total purchase (compared to 2.25% and 71% respectively in 2020).

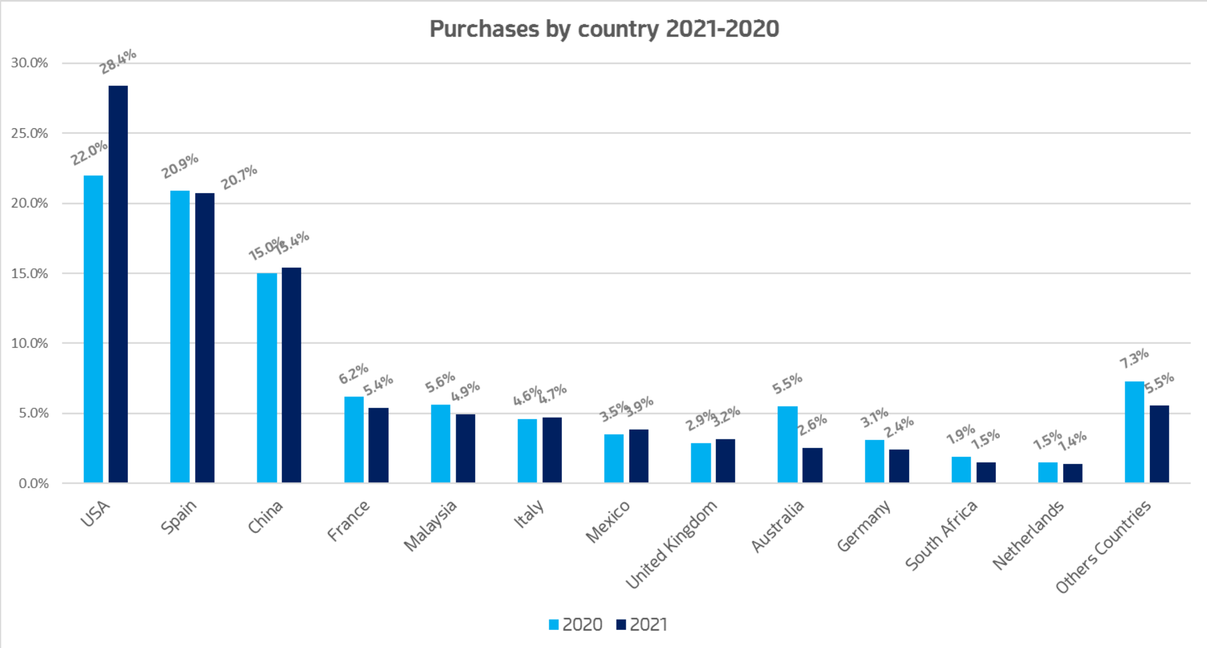


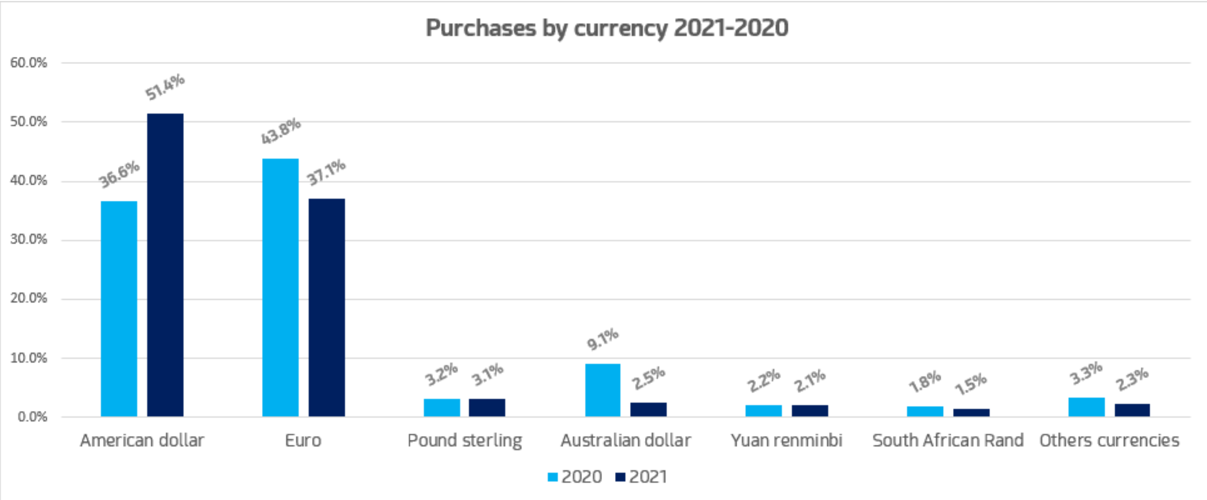
The increase in the number of critical suppliers is due, on the one hand, to the increase in purchasing volume to meet the increase in production levels and, on the other hand, to the increase in prices as a result of the global supply crisis experienced during the year 2021.

In line with its ESG commitments, Fluidra makes extensive use of the network of suppliers of local products and services in all cases where, due to efficiency and product availability, it is possible. Local purchasing is defined as when the country of origin is the same as the country of destination, thus, in 2021 local purchasing at Fluidra represented 64.9% of total purchasing compared to 63% in 2020.



Fluidra works in different countries and currencies, with the United States, Spain and China being the most significant of these, and the euro and the US dollar being the most common currencies, the same as in 2020.





The average days to pay suppliers in 2021 was 65.92 days (compared to 66.27 days in 2020). Fluidra reports this information on a timely and regular basis in compliance with article 539.2 of the Capital Companies Act.

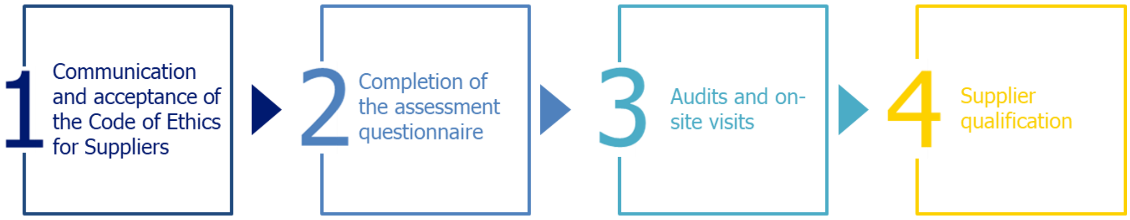
4.4.2. Promoting responsible business conduct

[308-1, 308-2, 414-1, 414-2]

Fluidra maintains ongoing relationships with its suppliers in order to convey our commitment to responsible business conduct throughout the entire supply chain.

In this line, in 2017 the MAC approved the update of the Procurement Policy, incorporating ESG criteria in the requirements to the supply chain. These commitments have been reinforced with the approval, at the end of 2021, of the new Supplier Qualification Procedure by the MAC, with the aim of defining the minimum criteria (environmental, social, corporate governance, regulatory compliance, information security and financial) that suppliers must meet in order to work with any of the companies in the Fluidra Group.

This new procedure, which will take effect in 2022, will apply to all suppliers (new or existing) with the potential to be considered critical (annual purchasing volume greater than €500,000), who produce or supply products that are considered complex, strategic or subject to strict legal and regulatory requirements, or who are considered risky by the Purchasing, ESG, Human Resources, Quality or Compliance departments. In these cases, the approval process will consist of the following phases:



1. Communication and acceptance of the Code of Ethics for Suppliers

Suppliers must first accept the Fluidra's Code of Ethics for Suppliers, either in a personalized Letter of Acceptance or in the specific clauses contained in all corporate contracts or on the order forms for products and services.

In the case of new companies that have been acquired or purchased, these clauses are being added gradually as they are incorporated into the corporate systems. This requirement does not apply when the supplier presents a Code of Ethics aligned with the principles of Fluidra's code or the ten principles of the United Nations Global Compact.

To ensure the understanding of and compliance with the principles set in Fluidra's Code of Ethics for Suppliers, a training program was developed in 2021 for the Group's main suppliers in Europe, the United States, Asia and Australia, during which the Group's Human Rights Management Framework was also presented (for more information, see page 92).

2. Completion of the assessment questionnaire

Once the Code of Ethics for Suppliers has been accepted, the next step is to complete an evaluation questionnaire on the Achilles platform. Among other things, the questionnaire asks whether suppliers have Management Systems certified in accordance with ISO 9001 (Quality), 14001 (Environment) and 45001 (Health and Safety) standards, or whether they have Human Rights policies or equality plans.

Fluidra evaluates and scores these suppliers based on the answers provided via the online platform. For a supplier to be considered qualified to work with Fluidra, it must exceed the threshold of 50% of the possible points in the evaluation questionnaire. Regardless of the overall score, a supplier may be automatically disqualified from working with Fluidra if it does not comply with some basic exclusionary restrictions, such as working with any of the countries embargoed by the United Nations.

Suppliers with a lower score will be invited to undergo an audit, and to implement an action plan within the next twelve months in order to give them an opportunity to align themselves with Fluidra's standards. If they refuse to undergo this process or if the results are unsatisfactory, the supplier will not be qualified to work for Fluidra and no Group company will be allowed to do business with the supplier.

The supplier evaluation process began in 2020, with a pilot test involving 80 suppliers. The program continued in 2021 with the evaluation of 217 new suppliers (1.6% of total suppliers), bringing the total number of suppliers evaluated in the last three years to 297, and the implementation of the scoring system provided for in the procedure. At the end of the year, the score obtained by the suppliers ranged from 86% of possible points for the best positioned to 60% for the worst positioned, and no significant impact was identified in the matters evaluated that required the definition of an action plan.

In accordance with the procedure, the evaluation process is repeated and updated every three years for existing suppliers.

	2021		2020	
	Number	% suppliers	Number	% suppliers
Suppliers evaluated in the last three years	297	2.21%	80	0.57%
Of which, "Critical Suppliers"*	42	9.5%*	39	12.4%*

** Calculated on the total number of critical suppliers.*

3. Audits and on-site visits

In addition to the platform, there is a program of on-site audits which is intended to further verify compliance with Fluidra's environmental, social, corporate governance and financial standards. These are external and independent audits also carried out by Achilles, which allows for the coordinated management of the entire supplier approval and evaluation process.

In addition to the evaluations, Fluidra ran a pilot test in 2020 in which it audited three of its main suppliers (Tier-1). In 2021, Fluidra continued to audit critical suppliers, from the highest to the lowest volume of spending, conducting 14 of the 17 audits planned for 2021 before the end of the financial year: 10 to Tier 1 suppliers and 4 to Tier 2 suppliers. The remaining 3 audits will take place in early 2022, having been delayed due to Covid-19 restrictions in China and Mexico.

In 2022, the objective is to increase supplier monitoring with the performance of 20 more audits, as well as to reach 320 suppliers analyzed and evaluated through the Achilles platform.

	2021		2020	
	Number	% sales	Number	% sales
Total number of suppliers audited in the year	14	14.26%	3	1.16%

As a result of the audits, Achilles proceeds to the definition and monitoring of corrective plans, which must be implemented by the suppliers within a maximum period of 3 months for major incidents and 12 months for minor incidents in order to solve the detected incidents.

With regard to the results of these audits, in 2021, 87 nonconformities were detected (5 major and 82 minor), which must be resolved in the coming months by the suppliers in accordance with the deadlines indicated above. In the case of the non-conformities detected in 2020, all were resolved during the year.

	2021 Audits		2020 Audits	
	Major non-conformities	Minor non-conformities	Major non-conformities	Minor non-conformities
Detected	**5**	**82**	**1**	**10**
Of which related to ESG areas	4	25	1	9
Resolved	**1**	**4**	**1**	**10**
Of which related to ESG areas	1	3	1	9

4. Supplier qualification

Based on the results of the evaluation and audits, suppliers are classified into three categories: A, B and C. This classification will become operational in 2022, once the procedure has been communicated and implemented.

Category A (Qualified) includes suppliers who score higher than 50% on the evaluation questionnaire, have not been flagged for any Compliance, Procurement, ESG, HR, HSE, Quality and/or Finance issues and who have satisfactorily passed the on-site audit.

Category B (Conditional Qualification) includes suppliers that meet the first two requirements mentioned above and who have an approved audit, but are subject to the implementation of corrective plans.

Once the corrective plans are implemented, these suppliers are re-qualified and move into category A. If they do not take the required steps within the allotted time, they will be re-classified in category C.

Finally, **category C (Disqualified)** refers to suppliers who score less than 50% of the points on the questionnaire and, in addition, have been flagged for the issues mentioned above or who fail the audit.

As mentioned above, these suppliers will have the opportunity to implement a corrective action plan agreed with Fluidra before a final decision is made on their disqualification from working with the Group's companies.

4.5. A Customer-Centric Model

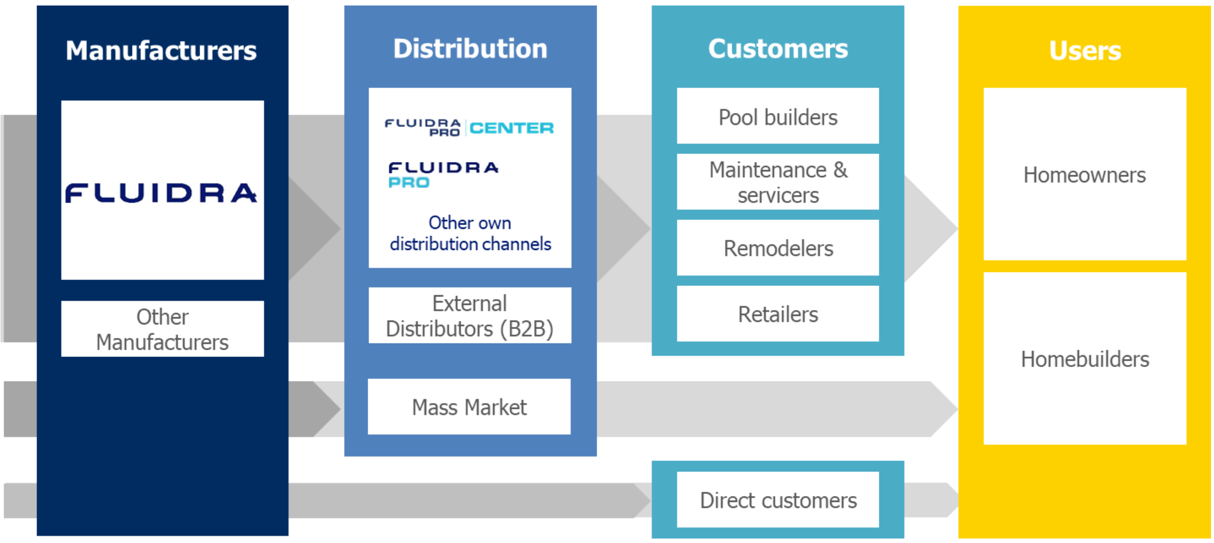
[102-6, 103-1, 103-2, 103-3]

At Fluidra, we are committed to helping our customers grow their business by providing them with quality products and innovative services. We are also committed to creating the perfect pool and wellness experience for end users to enhance their enjoyment and wellbeing.

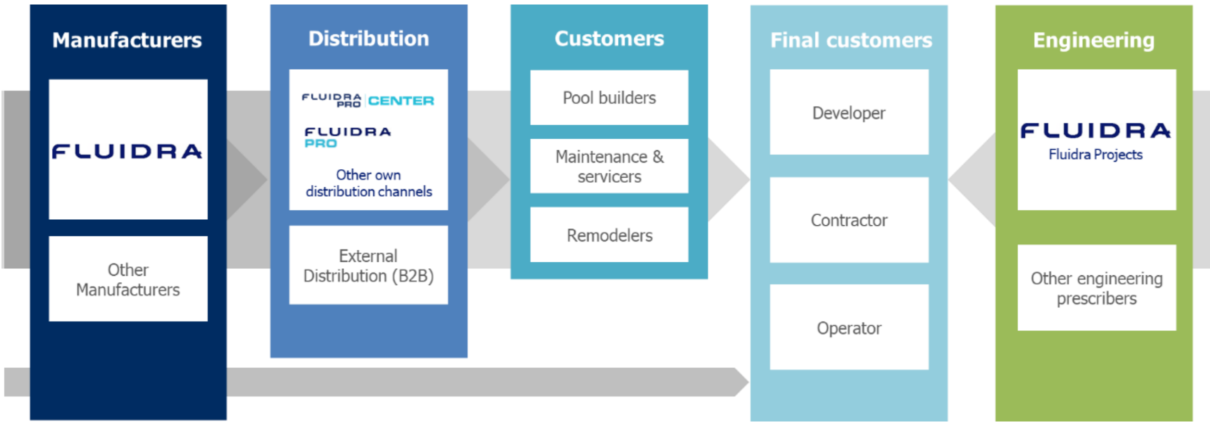
Fluidra has a B2B business model (Business to Business). The Company identifies and segments customers, dividing them into two groups: on the one hand, pool professionals dedicated to the installation, care and sale of pool and wellness products for end users; on the other hand, public or private customers who operate aquatic, sports or wellness centers.

Fluidra's relations with customers varies slightly depending on Residential or Commercial pool and also depending on the geographical region (while in EMEA and APAC much of the distribution is handled by the Company's own network, in North America the predominant model is a network of external B2B distributors).

Residential Pool Model



Commercial Pool Model



Fluidra has various methods for marketing and distributing our products, depending on whether we are targeting pool professionals or end users. For pool professionals, we have our own extensive distribution network (known as Fluidra Pro), but we also have agreements with external B2B distributors who are responsible for selling to these customers. On the other hand, Fluidra markets its products through large supermarkets (known as Mass Market), where the pool owners purchase the products directly.

Finally, the Fluidra Projects department is responsible for the conception, design and construction of Olympic pools, athletic pools, leisure pools, fountains, spas and lagoons all over the world, within the commercial pool business line.

4.5.1. The Customer's Voice

[102-6, 103-1, 103-2, 103-3]

For Fluidra, it is essential to listen to and capture the opinions and experiences of customers in order to keep their needs and expectations present in the organization's daily decision-making. That is what our Voice of the Customer (VOC) Program is all about.

The VOC is currently operational for customers in 25 countries, namely: Angola, Austria, Botswana, China, Cyprus, France, Germany, Greece, Ireland, Italy, Kenya, Malaysia, Mauritania, Namibia, Portugal, Slovakia, South Africa, Spain, Swaziland, Switzerland, United Kingdom, United States of America, Vietnam, Zambia and Zimbabwe. However, aside from this specific program, all Fluidra companies provide customers with various channels through which to ask technical questions about the industry, product specifications, quality incidents, etc. in relation to the products we manufacture and/or sell. Fluidra intends to extend the implementation of the program in the rest of the countries where we do business so that it becomes an essential part of daily operations in all the countries where our products are sold.

The program encompasses all channels of communication with customers, from Customer Service (daily interactions) to satisfaction and engagement surveys (twice a year).

One of the main challenges facing the Group in 2021 was the global supply chain crisis. Faced with this situation, Fluidra focused on providing as much information as possible to customers about product availability and shipments, which was reflected in an increase in customer loyalty throughout the year.

This open and transparent communication has enabled the Group to attract new distributors and consolidate new customers. Over the next few years, Fluidra will focus on building loyalty with these new customers by actively listening to their needs and expectations.

4.5.1.1. Customer Service

Fluidra’s Customer Service Department offers pool professionals a channel through which to ask questions or raise concerns in the following areas:

1 COMMERCIAL ATTENTION
Inquiries about your discounts, available stock or process your orders.

2 ORDER STATUS
Inquiries about the status of orders and deliveries.

3 AFTER-SALES
Processing of returns and management of repairs.

4 TECHNICAL INFORMATION
Contact with specialized technicians to solve any technical question about the products or their installation.

In line with our commitment to operational excellence and quality, Fluidra pays special attention to all incidents reported by customers in relation to the products manufactured and/or marketed by the Group. Since Fluidra does not have direct contact with the end consumers of our products, incidents are handled by our customers, and not by Fluidra itself.

Fluidra also monitors complaints or dissatisfaction reported by customers regarding the performance of the products or services offered by the company through the relationship survey and by analyzing the feedback on other platforms. A total of 2,589 complaints were received in 2021, of which 100% were analyzed and resolved by the end of the year[7].

4.6. Commitment to Innovation and Technology

[103-1, 103-2, 103-3]

Research, development and innovation are built into Fluidra's DNA and part of the company’s core values.

Success in the pool market depends on equipment that is easy to use, install and maintain and, above all, reliable. That success lies in offering customers the best solutions tailored to their needs and the perfect user experience. Engineering is one of the critical aspects that sets Fluidra apart by offering added value through highly innovative products.

Fluidra’s R&D+I Pillars

Quality	**Added value and continuous improvement**	**Sustainability**
Rigorous satisfaction of		Continuous reduction of the

[7] This year, the scope of the indicator has been reviewed in order to stop counting as complaints requests for product replacement within the warranty period. For this reason, the number of complaints reported in 2021 has decreased significantly compared to the data provided in 2020 (7,072 complaints). As for the 2021 data, in North America, complaints received through the relationship survey as well as other customer relationship tools (CRM) have been taken into consideration, in EMEA, complaints received through the survey have been considered, and in APAC, complaints managed through the customer relationship tool (CRM) have been considered.

user expectations.	Continuous product improvement (cost, quality) in all categories.	environmental impact of our products and solutions.
Digitalization and connectivity	**Innovation** Inclusion of high-level innovation in key products.	

4.6.1. Fluidra's Innovation Model

The R&D+i model at Fluidra includes all of the activities that lead to continuous and progressive innovation, enabling us to bring more efficient, higher quality products to market that are better adapted to the changing needs of customers and users.

Fluidra has a multidisciplinary team of more than 230 people comprising of engineers, designers and technicians, as well as a network of four own R&D+i centers strategically positioned in the main markets to meet the particular demands of each region with new products and solutions:

- North America: Carlsbad (San Diego, California) is responsible for the development of pool products and solutions for the North American market primarily.
- EMEA:
    - Polinyà (Barcelona, Spain): coordinates the activity of several R&D centers focused on different technologies and product families for both residential and commercial pools and wellness centers, mainly for the European, Asian and Southern Hemisphere markets.
    - Belberaud (France) is in charge of developing robotic pool cleaners for the global market, as well as automatic heating and disinfection equipment for the European markets.
    - The project to build a new R&D+i center in Polinyà was officially launched in the second quarter of 2021. This facility will centralize the region's activities, gaining in efficiency and focus. The new center will include a modern testing area with different pools and bodies of water as well as a fully-equipped R&D+i laboratory. We expect to complete the first phase of the project in 2022, including the integration of a considerable part of the engineering resources, as well as the commissioning of the testing area and the part of the laboratory dedicated to hydraulics and IoP.
- APAC: the product development center in Braeside, (Victoria, Australia) is where product development efforts for the Australian market are concentrated.

Key R&D+i figures

	2021	**2020**	**2019**	**2018**
Investment in R&D+i (millions of euros)	31.1	36.9	24.8	21.3
Investment vs. Sales (%)	1.44%	2.48%	1.81%	1.61%

Investment in R&D+i was 18% lower in 2021 than the year before due to the fact that a large part of the work done in 2021 was on projects already underway the year before. Likewise, the 47% increase in sales in 2021 also contributed to the investment vs. sales ratio falling to 1.44%.

4.6.2. Intellectual Property Protection

[103-1, 103-2, 103-3]

Fluidra is a leader in its sector in intellectual property, with a portfolio of approximately 1,607 active patents, 84 of which were obtained in 2021 thanks to the company's efforts to increase its patent portfolio internationally, especially in key technologies.

Intellectual Property rights give Fluidra the power to request that third parties stop selling competing products that infringe its rights, change the designs of their products and/or that they compensate Fluidra accordingly.

Because the company makes considerable investments in R&D+i, it is crucial to obtain these rights in order to protect its developments and prevent them from being misused by competitors. One of the main challenges for the company is to ensure that the scope of its intellectual property rights is sufficient to adequately protect itself from competitors' products. At the same time, the company is fully committed to respecting the rights of third parties and competitors.

In this regard, Fluidra regularly checks to find out whether intellectual property protection should be sought for its developments (in particular, patents). If so, there are procedures in place to evaluate how, when and where to file the applications. The applications made by third parties are also monitored on a regular basis.

Finally, Fluidra trains key employees in intellectual property practices in order to raise awareness of the importance of this issue within the company.

4.7. Tax

[103-1, 103-2, 103-3]

Fluidra upholds its commitments to good governance, transparency and integrity at all times. This, together with the creation of value for shareholders and investors, is an integral part of the management of its business activities.

Compliance with the tax laws in force at all times and in all places is a cornerstone of the Fluidra Group's corporate responsibility. By meeting our tax obligations in the 47 countries where we operate, we contribute to their development.

4.7.1. Tax strategy

[207-1, 207-2]

During the 2021 financial year, Fluidra's Board of Directors approved the update of the Group's **Tax Strategy** with the aim of incorporating some references to the most recent anti-abuse regulations, as well as certain aspects associated with ESG.

The Tax Strategy is applicable to the entities that make up the group in all the countries in which it operates and lays the foundations that should govern the decisions and actions adopted by the Group in tax matters.

These regulations are based on excellence and commitment to the application of good tax practices, within the framework of the Group's corporate and governance structure. Its main objective is to ensure compliance with the applicable tax regulations and to ensure adequate coordination of the tax practices followed by the Group's companies.

The Tax Strategy applies to all direct taxes on corporate profits, indirect taxes and taxes on earned income and other income that are globally applicable to the Fluidra Group. Likewise, it includes the information obligations that exist with the corresponding Tax Authorities. Due to the confidential nature of these matters, the participation of other external stakeholders in the determination of the group's tax policy is not considered.

The principles governing Fluidra's Tax Strategy are as follows:

- Comply with all applicable tax obligations in the territories where the group does business.
- Promote a collaborative relationship with the tax authorities.
- Protect the generation of sustainable value for stakeholders by promoting efficiency in the fulfillment of tax obligations and by supporting initiatives to provide stakeholders with information on the taxes paid by the group.
- Refrain from using opaque or artificial structures unrelated to the company's business for the sole purpose of reducing the tax burden.
- Refrain from operating in jurisdictions considered by the European Union to be tax havens for purposes other than Fluidra's normal business operations.
- Consider legal implications in the decision-making process, with the aim of minimizing tax risks, including reputational risk.

Fluidra also has a **Corporate Tax Policy** that develops the general principles established by the Tax Strategy. It defines the areas that must be monitored and controlled, while establishing the hierarchical and functional levels of the group with the duty to report certain controls to the Corporate Tax Department. These controls are established in the **Tax Risk Control Procedures**.

With regard to transfer pricing and related party transactions, because the Group is present in multiple jurisdictions, the preparation and presentation of transfer pricing documentation in these jurisdictions is especially important and something that the Group takes seriously. In fact, Fluidra has a global transfer pricing advisor to ensure compliance with our transfer pricing obligations.

The Corporate Tax Department, reporting directly to the CFTO, is responsible for implementing the tax strategy through the tax policy and for designing and implementing the internal procedures and control mechanisms needed to ensure compliance with current tax laws.

The rest of the group's areas, departments, and companies must report to and consult with the Corporate Tax Department on any actions or transactions that may have tax implications.

The Audit Committee is responsible for supervising the effectiveness of the tax risk management and control systems implemented by the Corporate Tax Department, and for reporting to the Board of Directors regularly on the Group’s policies for managing and meeting its tax obligations.

4.7.2. Tax contribution

[207-4]

The Fluidra Group is made up of 121 companies with a presence in 47 countries. In 2021, Fluidra allocated more than 37.4% of its profit before taxes paid to the payment of taxes in the different jurisdictions where it is present (compared to 42.1% in 2020). Likewise, as in the previous year, Fluidra did not receive any tax penalties.

Tax Contribution *(in thousands of euros)*	**2021**	**2020**
Turnover	2,186,919	1,488,108
Profit Before Tax	337,489	139,021
Pre-tax profit *	384,470	179,418
Total tax paid	143,931	75,587
Total tax collected	181,659	104,953
Tax Contribution**	325,590	180,540

** It does not consider corporate income tax or social security payments payable by the company.*
*** The tax contribution includes the corporate income tax paid, the social security paid by the company, the VAT charged minus the VAT borne, as well as the withholdings made on income classified as earned income.*

Taxes Paid *in thousands of euros)*	**2021**	**2020**

Corporate tax		
Corporate tax	412	35,190
Payroll tax		
Social security tax payable by the company	46,982	40,397

Taxes Collected *(in thousands of euros)*	**2021**	**2020**
Tax on products and services		
Value added tax	128,057	73,402
Payroll tax		
Personal income tax withholdings	53,602	31,551

4.7.3. Grants received

[201-4]

During the 2021 financial year, Fluidra received a total of €656,000 in public subsidies, compared to €1.2 million in 2020, mostly aimed at training workers, and boosting innovation and technology. Spain, France and China top the list of countries that have provided the largest subsidies to Fluidra Group companies in the last year. In any case, Fluidra does not have a state presence in its shareholding structure.

Grants *(in thousands of euros)*	**2021**	**2020**
Germany	13	0
Australia	0	530
Belgium	6	46
Chile	12	10
China	100	84
Croatia	0	13
Cyprus	0	6
France	138	9
Greece	1	1
The Netherlands	6	0
Poland	0	32
Singapore	55	98
Spain	325	418
Total	**656**	**1,247**

4.8. Information security

[103-1, 103-2, 103-3, 418-1]

Fluidra views Information Security and Cybersecurity as an integral part of our business. Aware of the high level of threat, since 2020 the company has had a **Chief Information Security Officer** (CISO), in addition to a **Security Committee** (ISSC) whose members include the CIO, the CISO and other corporate directors, and two members of the MAC: the CTO and the CFTO.

Starting at the end of 2021, the CIO and CISO now report to the Chief Technology Officer (CTO) instead of the Chief Financial and Transformation Officer (CFTO), who will jointly manage all areas impacting IT, IoT and Data. The CISO reports directly to the CTO at the same level as the CIO to ensure adequate independence of functions.

The CISO and the CIO also give regular updates (at least twice a year) to the Group's **Audit Committee** of the Group Board of Directors on security risk management and the steps taken by the organization to protect its assets. This ensures real and effective communication with senior management.

The Group has various policies and procedures in this area. A new **Data Protection Policy** was written in 2018 to bring internal corporate rules in line with new legal requirements in the European Union, Spain and other countries where Fluidra does business. This policy guarantees the protection of personal data, establishing the necessary mechanisms to prevent breaches of stakeholders' rights and liberties in this area.

Any breach of the provisions of this policy must be reported through Fluidra's Confidential Channel (see page 56). In 2021, no serious security incidents affecting the Group's data and/or assets were detected. There were no complaints or reports of data breaches or violations of Personal Data Protection rights.

In 2020, Fluidra adopted the **Information Security Policy** with the aim of developing and implementing a company-wide proactive security program to support Fluidra's strategic business objectives. With the approval of this policy, the management team has confirmed its commitment to protecting the data of Group companies, customers and employees from internal and external threats, in accordance with its business needs.

Under this policy, any employee who becomes aware of or suspects any incident that could affect the organization's security must immediately report it through the established channels. All reports are handled by the Fluidra Security Operations Center (FSOC), which analyzes them and proceeds accordingly.

In recent years, work has been ongoing to implement new technical and organizational data security measures based on the objectives and commitments set out in the group's policies, improving current internal controls and promoting Security-by-Design. The key initiatives that have been implemented are detailed below:

4.8.1. Security awareness

The information security awareness program continues to be crucial in the cybersecurity strategy.

For this reason, in 2021, the new security procedure for staff onboarding and offboarding was approved. The main objectives of this procedure are to ensure that Fluidra's employees are aware of and comply with their responsibilities in terms of Information Security and to preserve the confidentiality, availability and integrity of data as part of the start, change or termination of the employment relationship.

An **information security awareness program** has been developed as part of this process, which consists of various training sessions and social engineering simulation exercises (phishing and similar), which all Fluidra employees must complete when they join the Group or during their employment.

1,316 hours of cybersecurity training

In 2021, 1,316 hours of training were offered to all employees who work with IT resources, focused on phishing, social engineering, password security, corporate email obligations and secure remote access. In addition, coding courses were offered to external and internal software developers to train them in honing the skills needed to avoid security problems, fix vulnerabilities and write secure code.

Those who do not successfully complete these exercises are required to undergo additional training to ensure that they are aware of and prepared to deal with security risks.

4.8.2. Fluidra Security Operations Center (FSOC)

In 2021, Fluidra continued to improve the internal processes and technologies of the Security Operations Center for the detection, protection and response to security issues. Multidimensional projects have been put in place to reinforce perimeter and internal security in order to prevent and control cyber-attacks and data breaches.

4.8.3. Security maturity and metrics

The organization has enhanced its cyber risk management framework to identify and monitor cyber risks, measuring security maturity through NIST and CIS controls, and enabling risk treatment plans.

4.8.4. Security-by-Design

Fluidra is focused on continuing to develop Security-by-design in the different business units. Cybersecurity is taken planned for and incorporated into each layer of the system, beginning with a secure architectural design.

With this in mind, the Red Team and security architects have conducted numerous architecture reviews, security assessments of IT systems or applications and the infrastructures of IoT-connected devices. Fluidra also arranges for external vulnerability assessments and penetration tests (including hacking simulations) on a regular basis.

4.8.5. Incident Response Plan

Fluidra is updating the **Global Incident Response Plan** in an effort to continuously improve our ability to respond to cyber incidents, minimize impact, maximize recovery and ensure continuity of operations.

The Incident Response Plan also foresees the continuation of annual tests based on specific scenarios. The objective of these tests is to involve various departments of the organization in a simulation of the real-time decision-making process involved in reacting to a critical incident. During 2022, several simulations are planned with different working groups to identify areas for improvement of plans and procedures.

5. Contributing to sustainable development

[103-1, 103-2, 103-3]

Through the environmental pillar of its ESG strategy, Fluidra works to contribute to sustainable development, implementing actions to reduce the impact on the planet as a result of our products and activity.

The Fluidra Group's activity revolves around water, whether for sports, leisure or therapeutic use in the world of pools and wellness. That is why, due to the very nature of the company's business, sustainability and the protection of and commitment to the environment are its priorities.

One of the company's objectives is also to be the market leader in environmental matters and therefore strives to act responsibly, building a sustainable business in the long term. To this end, Fluidra is committed to promoting responsible resource management by applying rigorous sustainability and efficiency criteria in the development, manufacture, marketing and maintenance of its products and services, going beyond what is required by law in each of the geographies in which it operates.

For this reason, the Responsibility Blueprint defines four main lines of action in environmental matters: the fight against climate change, reduction of environmental impact, water management and sustainable products. The first three are addressed in this chapter, while the last is developed in section 2.4., Towards an increasingly sustainable pool.

9,235,559 tCO_2eq **Emissions** **-50%[8]**	**80.7%** **renewable electricity**	**24,095 Tn** **Recycled materials** **+21%**
492,993 GJ **Energy consumption** **+50%**	**0.0010 GJ/EBITDA** **Energy intensity** **-11%**	**29.62%** **production companies certified in accordance with ISO 14001**
-4.3% **Emissions reduction target*** *Scopes 1 & 2	**122.066 m^3** **Water consumed** **-2.12%**	**24% reduction in waste sent to landfill**

5.1. Environmental Management

Fluidra applies rigorous environmental criteria to its manufacturing and marketing processes on a daily basis, promoting the use of clean technologies and applying correct and appropriate treatment and

[8] Scope 2 emissions are market-based emissions.

recycling of resources, waste and spills. At the same time, the group seeks to minimize its carbon footprint and the environmental impact of its activity through the efficient use of raw materials, energy, water and the reduction of greenhouse gas emissions.

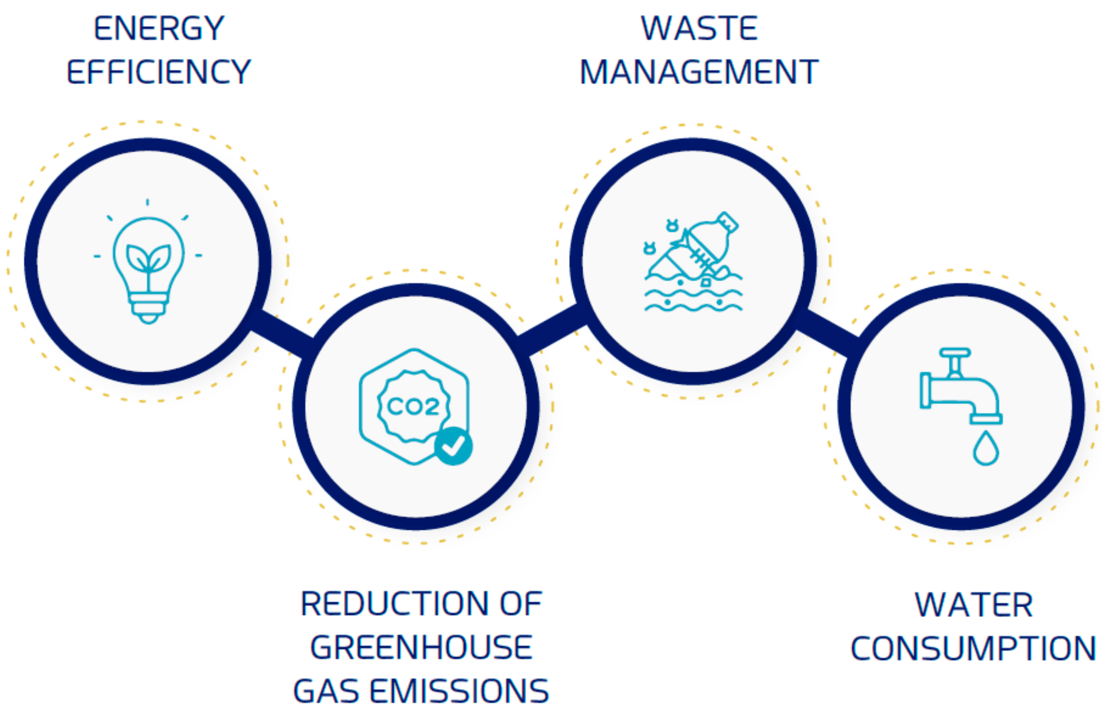
The HSE Department, under the Global Operations Area, is responsible for defining the global strategy in this topic, including the development of the policies, procedures and standards that make up the Environmental Management System; the definition of short, medium and long-term objectives; monitoring of results to identify risks and opportunities for improvement; and the promotion of a positive HSE culture through training and communication initiatives.

The HSE Department also advises and assists company management in their responsibility to ensure proper environmental management at the Group's facilities.

5.1.1. Environmental Policy

The **Global HSE Policy** (Health, Safety and Environment), approved in 2019 by the Fluidra Group's Board of Directors, constitutes the main reference framework in the field of the Environment, laying the foundation for the rest of the processes and procedures.

This policy is intended to protect employees, business assets, natural resources, the environment and any social group that is in contact with the company's activity, both in its manufacturing activity and when using its products and services. The Policy's commitments are structured in four main areas that will be addressed throughout this chapter:



Although the HSE Policy is coordinated at corporate level, in line with the requirements of ISO 14001 and EMAS standards, the managers or directors of each of the group's companies are responsible for defining the environmental objectives, and these, in turn, delegate this function to the corresponding environmental and safety managers.

Together with the Policy, Fluidra has various standards through which it develops the commitments of the Policy, such as the procedures for Hazardous Waste Management, Energy Management and Chemicals.

In line with the policy's commitments, Fluidra has set the following environmental objectives for 2021.

Target	Results

Continue with ISO 14001 certification in those production plants that do not yet have it.	No new ISO 14001 certification was planned for 2021. Certification of the plants in South Africa and Brazil is planned for 2022.
Definition of the HSE Communication Plan	The HSE 2021 Communication Plan has been developed to share Health, Safety and Environment advice among the Group's companies.
15% reduction in waste sent to landfill, and 3% increase in renewable energy consumption, in order to reduce the Carbon Footprint.	The 2021 target was to reduce waste sent to landfill by 15%. The final result has been a 24% reduction in waste sent to landfill, out of total waste. With regard to renewable energy, during 2021 the purchase of Energy Attribute Certificates (EACs) took place, in order to offset the emissions associated with electricity consumption in South Africa and North America. Fluidra has also promoted other measures such as the change of electricity supply with a guarantee of origin or the installation of photovoltaic panels, which will come into effect in 2022.
Improvements in the manufacture, storage and management of chemical products to avoid any risk of contamination in the event of an accident.	A global operating procedure (GOP) on chemical storage has been implemented in 2021. A GOP on hazardous waste management is planned for 2022.

5.1.2. Environmental Management System

[102-11, 413-2]

The company has an Environmental Management System, developed in accordance with European regulations and ISO standards, which is applicable to all the Group's companies.

Fluidra currently has a plan to progressively certify its production facilities in accordance with the ISO 14001 standard. Likewise, during this year, 4 of the certificates in force in the production companies in Spain have been renewed, while 3 will be renewed in 2022 and 1 in 2023.

On the other hand, it should be noted that in 2021, the merger of the companies Metalast and Inquide under the name of the latter took place, although the renewal of the ISO 14001 certification has continued separately. Currently, 8 of the Group's 27 production companies (29.62%) are certified under the ISO 14001 standard:

- Cepex - Effective: 2020-06-18 until 2023-06-17 (first audit 2011).
- Inquide - Polinyà and Monzón Centers. Effective: 2021-09-15 until 2024-09-14 (first Certification 2015). Metalast Center. Effective 2021-04-26 until 2024-07-25 (first certification 2016).
- Manufacturas GRE - Effective: 2019-02-25 until 2022-02-25.
- Poltank - Effective: 2021-05-16 through 2024-05-15. (first certification 2004)
- Sacopa - Effective: 2021-09-10 until 2024-09-09-09. (first certification 2009)
- Trace Logistics - Effective: 2021-03-07 to 2024-03-06. (first certification 2018)
- Talleres del Agua - Effective: 2019-11-25 until 2022-11-08.
- Togama - Effective: 2020-10-27 until 2022-12-08 (first audit 2019).

In addition, Poltank and Sacopa are also EMAS certified.

The certification of plants according to ISO 14001 will continue in the coming years until all of production plants have their environmental management systems certified. The certification of plants in Brazil and South Africa is planned for 2022, reaching 18 certified production plants by 2026.

5.1.3. Environmental risks

[307-1]

Environmental risks are integrated into the Group's risk management and, as such, are not treated differently, although the ESG and HSE departments carry out a more in-depth analysis of them.

Although Fluidra's activities are predominantly carried out in industrial estates and commercial offices, there may be a risk of causing some type of negative environmental impact, either directly or indirectly.

For this reason, based on the precautionary principle, Fluidra develops a risk assessment, both environmental and for the health and safety of people, prior to the start of any activity. This allows the organization to identify potential risks associated with the company's activity and location, and to adopt specific action plans to prevent them.

In 2021, costs for environmental risk management reached 1,780,385 euros (181,819 euros in 2020). On the one hand, Fluidra allocated 1,281,644 euros (39,176 euros in 2020), to remedy the impacts arising from the flooding at the Fluidra Group's facilities in Dongchuan (China). On the other hand, Fluidra has allocated 498,741 euros to the development of prevention measures and environmental improvements at the Group's facilities (691,405 euros in 2020), including the initiatives awarded in the Carbon Neutrality Contest, which will be implemented during 2022.

Thus, direct emissions associated with production and waste generation, which would be the most significant and direct impact on the environment, are managed and minimized by the teams dedicated to their control within each plant. Likewise, the production plants carry out annual emission controls in order to carry out the necessary repairs, changes or modifications, and thus proceed to their reduction.

Thanks to these measures, in line with previous years, in 2021 no negative impacts have been detected in the communities where the group operates. There is also no record of any fine related to environmental issues in any of the companies of the Fluidra Group.

In 2020 a request was received from the CHE (Confederación Hidrográfica del Ebro) to carry out a series of tests and analyses on the land of Inquide SAU's facilities in Monzón. In February 2021 the corresponding report was provided to this entity, with the results obtained after the tests were carried out by an external company contracted for this purpose. Since then, no other official communication has been received from the CHE. In the meantime, the company Inquide SAU’s facility continues with its plan to dismantle the brine ponds.

Finally, in compliance with current legislation, the Group has taken out an environmental insurance policy for a value of five million euros for the activity of the companies Inquide SAU, Metalast SAU and Trace Logistics S.A.

5.1.4. Training and awareness

Fluidra carries out various training and awareness-raising activities for its staff with the aim of raising awareness of the commitments made by the Group and improving our performance in this area.

Firstly, the corporate HSE department is responsible for training the people who carry out the HSE function at each of the facilities, in order to ensure the correct understanding and application of the requirements defined in the standards and global operating procedures. Likewise, training has been provided on the operation of the HSE reporting tool to the people designated as responsible for providing these indicators in each of the companies of the Fluidra Group.

On the other hand, each of the companies complements this global training itinerary with specific training adapted to their needs. This year, the companies have developed training courses on waste management and the incompatibility of chemical products, among other areas.

The HSE Department also prepares the HSE Corporate Communication Plan, through which advice, best practices and information that help to increase awareness and sensitization on Health, Safety and the Environment are passed on.

This communication plan consists of monthly communications to all employees of the group, with advice on how to work safely and to collaborate in the preservation of the environment. Among other initiatives, in 2021, specific communications were launched on the occasion of World Recycling Day, World Environment Day and World Energy Efficiency Day.

5.2. Climate Change

[103-1, 103-2, 103-3]

Fluidra is aware of the challenge posed by climate change for the world, for our society and for the business, which is why this issue is one of the main priorities within corporate ESG management.

The management approach is based on both mitigation and adaptation to climate change, so we are working both on analyzing and quantifying the potential risks and opportunities arising from this phenomenon, as well as on the direct management of greenhouse gas emissions.

5.2.1. Climate Change strategy

[305-5]

In 2020, the first steps were taken to define **Fluidra's Climate Change Strategy**, with the first calculation of the complete corporate carbon footprint in its three scopes, following the GHG Protocol methodology (operational control).

This allowed the organization to understand in which areas it had a greater contribution to global warming and to define emission reduction targets throughout its value chain. Thus, at the beginning of this year, Fluidra defined its carbon neutrality targets establishing 2027 as the target year for Scope 1 and 2 emissions and 2050 for Scope 3 emissions, although the ambition of these objectives is expected to be redefined and significantly increased.

Target: 4.3% emission reduction for Scope 1 and Scope 2

During 2021, efforts at the strategic level have focused on defining an **action plan** for carbon reduction for scopes 1 and 2, where the most relevant emission sources of the group have been analyzed, and reduction targets have been established that are in line with the recommendations of the SBTi and the Paris Agreement. This is why during 2022 all group companies will have specific carbon reduction targets for scopes 1 and 2 in absolute value compared to those of 2021 (base year). This strategy aims to reduce the group's emissions in these two scopes by 4.3%.

As a first initiative within the framework of this strategy, on the occasion of World Environment Day the Group launched an **internal competition** aimed at the companies with the greatest contribution to Fluidra's Carbon Footprint in scopes 1 and 2, so that they could present projects that would allow us to make progress towards achieving the goal of carbon neutrality in our own operations by 2027.

To this end, Fluidra made available a budget of nearly 500,000 euros to be invested in those initiatives that would contribute the most to reducing carbon emissions in the development of our activity. A total of 16 companies were involved, representing nearly 80% of the group's emissions in these two scopes.

As a result, 5 projects were awarded, which will begin to be implemented during 2022. Among the projects selected were initiatives such as the installation of solar panels, the replacement of the combustion fleet with an electric one, or improvements to the energy efficiency of the production process.

On the other hand, 2022 will be the year in which Fluidra will work on a detailed reduction strategy for Scope 3 emissions, analyzing the contribution to the carbon footprint by each stage of the value chain and defining our involvement with administrations, suppliers and customers to minimize it.

To this end, this year, the calculation has been extended to incorporate the impact associated with products more extensively, so that 2021 will be considered the base year on which to establish the reduction targets both globally and at the level of each company in the group.

Additionally, to reinforce and accelerate the achievement of carbon neutrality, it is expected to be able to offset part of the residual emissions associated with the company's activity from 2022 onwards, while continuing to invest in efforts to reduce the ratios of energy consumed and carbon emitted throughout the organization.

5.2.2. Climate Change related risk management

[201-2]

Fluidra's Climate Change Strategy is fully integrated into the risk management processes of the entire company, as reflected in the Global Risk Management Policy.

In line with the commitment adopted the previous year, in 2021 Fluidra developed a qualitative analysis of the climate risks that may affect business activity over the next three to five years and began assessing their quantification. To this end, the organization contracted the Verisk Maplecroft platform with the aim of monitoring, among others, the evolution of the likelihood of risks associated with Climate Change at its locations.

Based on Fluidra's activity and the potential vulnerability of business interruption, combined with flooding in previous years at some of the Group's facilities, as well as increased regulation during periods of drought, Fluidra selected the following risks for analysis, in order to analyze and quantify them with the help of independent experts in the field, in accordance with the recommendations of the TCFD.

- Risk of flash floods caused by a change in rainfall patterns causing material damage and interruption of production and/or supply chain (acute risk).
- Risk of water stress caused by a change in rainfall patterns resulting in water use restrictions and decreased demand for Fluidra's products (chronic risk).

For the analysis of both risks, an environmental model was developed that integrates historical data, as well as different climate future scenarios based on the Representative Concentration Pathways ("RCP 4.5 and 8.5") of the IPCC ("Intergovernmental Panel on Climate Change"). The results were integrated into a financial model to estimate the economic impact generated by these risks and identify potential opportunities. In both processes, various probability and statistical models (e.g. Gumbel distribution) were considered.

In the case of flash flood risk, the project focused on the most relevant facilities in terms of sales within each of Fluidra's operating regions. Therefore, for this first analysis, those locations were selected in which the materialization of such events could cause a significant interruption in the group's supply chain. However, from next year onwards, the analysis will be extended to those facilities where, according to the Verisk Maplecroft tool, there is a higher likelihood of this type of adverse weather phenomena occurring, regardless of their potential impact on the Group's operations.

Although this analysis confirmed the absence of significant short-term risks, it identified potential medium and long-term impacts on the continuity of production and distribution as a result of extreme weather events. Based on these results, Fluidra will begin to strengthen its resilience to future impacts arising from Climate Change by creating mitigation plans focused on:

- Preparation of flood prevention plans, including measures to be implemented at the facilities to prevent or reduce damage caused by flooding, including safe evacuation procedures for personnel working at the facilities.
- Preparation of business continuity plans including flood scenarios.

- Integration of Climate Change risk analysis in M&A processes, as well as the opening of new operation centers in existing companies.

Following the same methodology as in the previous risk, Fluidra, in collaboration with external experts, developed a stress test for the evaluation and quantification of the impacts related to water stress and water restrictions in one of the main sales regions for the group.

As a result of this analysis, growth opportunities were identified in sales of existing and innovative products focused on energy efficiency and water use reduction (products for indoor pools, robotic cleaners, electric heaters, etc.). In addition, Fluidra is currently following up on the mitigation plans already in place in the organization to reduce the impacts derived from this risk.

It should be noted that, during 2021, the risk of flash floods has materialized in the production plant that Fluidra has in Dongchuan (China). For more information in this regard, see page 53. In previous years, this risk had also materialized at the company Cepex (Spain), where retaining walls have been installed and the size of the collectors has been increased to prevent future impacts. Likewise, the company Itajai AstralPool Brazil is in an area where the risk of heavy rains and strong winds is periodic, which could affect the integrity of the plant, especially the roof.

5.2.3. Fluidra's Carbon Footprint

[302-1, 302-3, 305-1, 305-2, 305-3, 305-5]

The global results of the **Fluidra Group's Carbon Footprint** in 2021 are shown below. Only information about those categories of emissions that are applicable to the organization as a result of its activities and products is included.

	2021 ($tnCO_2eq$)	%	2020 ($tnCO_2eq$)	%
Scope 1	15,083	0.16%	8,037	0.04%
Scope 2 (Mercado)	5,025	0.05%	10,607	0.06%
Scope 3	9,215,451	99.78%	18,594,371*	99.90%
TOTAL	**9,235,559**	**100%**	**18,613,015***	**100%**

* The data corresponding to fiscal year 2020 for categories 1, 2, 11 and 12 of Scope 3 have been corrected.

Direct emissions (Scope 1)

Fluidra's direct emissions come from the consumption of natural gas and diesel (both for production/heating and vehicles).

Fuel consumption

	2021 (GJ)	%	2020 (GJ)	%
Natural Gas	55,371	21.2%	45,239	32.4%
Diesel (Production / Heating)	56,022	21.4%	32,404	23.2%
Diesel (Vehicles)	150,336	57.4%	62,100	44.4%
TOTAL	**261,729**	**100%**	**139,743**	**100%**

The upward trend in fuel consumption that began last year due to the pandemic has been further accentuated this year with an unprecedented growth in production and, consequently, in the use of diesel (for production and heating) and natural gas in most of our own plants (87.3% compared to 2020).

On the other hand, the cost of energy was €7,742,921 in 2021 (compared to €6,051,453 in 2020), equivalent to 1.26% of the year's operating expenses. This year 2021, there has been a significant inflation in the cost of energy worldwide and more specifically in Europe due to the shortage of Natural Gas reserves and the restriction of supply in the CO2 emission permits market, as well as other geopolitical conflicts that have affected the energy markets. At Fluidra, this energy cost inflation has been cushioned, especially in Spain and Portugal, since the purchase of energy is carried out in the long-term futures markets. This helps us to set prices in advance and ensure a sufficiently competitive cost range.

In 2021, we also proceeded to replace 85 diesel forklifts with electric forklifts in several of the group's companies (Fluidra Comercial España, Sacopa, Poltank, Inquide, Trace Logistics, among others). This change has led to a reduction in fuel consumption (and therefore in Scope 1 emissions), and although it contributes to an increase in electricity consumption, this increase will not be reflected in Scope 2 emissions, as it is produced in facilities that use 100% renewable energy.

With regard to the calculation of Scope 1 of the Carbon Footprint, this has been increased by 88% compared to 2020, as a result of new acquisitions, increased production levels and increased mobility following the relaxation of the restrictions resulting from the pandemic last year.

Scope 1 Emissions

Source	2021 ($tnCO_2eq$)	2020 ($tnCO_2eq$)	Variation %
Natural Gas	2,817	2,311	22%
Diesel (Production / Heating)	3,546	2,062	72%
Diesel (Vehicles)	8,717	3,649	139%
Fugitive Emissions	3	15	-80%
TOTAL	**15,083**	**8,037**	**88%**

The direct GHG emissions are determined based on the use of fossil fuels for production, heating, fugitive emissions and the mobility of its own or rented vehicles in all the group's offices, points of sale, warehouses and factories. The calculation has been developed by an independent expert organization using the following formula: Total liters or kWh of fuel consumed (by type) multiplied by the corresponding emission factor. For this purpose, the factors published by DEFRA in its latest version of the document have been considered.

To calculate leakage in tons of CO2 equivalent, the Global Warming Potentials (GWP) published in the fourth IPCC 100-year report, (Regulation 517/2014), as indicated in the document issued by DEFRA of the corresponding year, are used.

Indirect emissions derived from electricity (Scope 2)

Fluidra maintains a strict policy and commitment to the optimization of resources through the implementation of energy efficiency improvements and behaviors among the group's companies and employees.

In 2021, the total electricity consumed in 2021 in the total number of companies in the Fluidra group amounted to 231,264 GJ, 22% more than in 2020, which includes consumption in all offices, points of sale, warehouses and own factories. This increase is due to the acquisition of five new companies, four of them in North America, where consumption has increased by nearly 160% compared to 2020, as well as a consequence of the increase in activity globally. Despite this increase, the ratio of electricity consumption intensity (GJ) per EBITDA has decreased by 27%.

Of this total, 188,685 GJ (80.7%) came from renewable sources, 64% more than in 2020 (60%). As a result, Fluidra has exceeded the target it had set itself to increase the renewable energy consumed by 3% by 2022. This increase is the result of higher electricity consumption in Spain, where the vast majority of the Group's production plants are located and which has a Guarantee of Origin (GOs) electricity supply, as well as Fluidra's purchase of Energy Attribute Certificates (EACs) in North America and South Africa, covering 100% and 94% of the electricity consumption in these countries respectively.

Electricity Consumption

	2021 (GJ)	%	2020 (GJ)	%
Renewable sources	**186,685**	**80.7%**	**113,896**	**60%**
Grid supply with GOs	152,006	65.7%	113,896	60%
Energy Attribute Certificates (EACs)	34,679	15%	0	0%
Non-renewable origin	**44,579**	**19.3%**	**74,965**	**40%**
TOTAL	**231,264**	**100%**	**188,861**	**100%**

Fluidra's strategy in this area is structured around two main lines of action: the implementation of energy efficiency measures to reduce its electricity consumption, and the increase in the percentage of electricity consumed from renewable sources, with the aim of reaching 100% by 2027, in line with the defined neutrality strategy.

Energy Efficiency

In 2021, it moved its headquarters from Sabadell to new energy-efficient offices in Sant Cugat del Vallès. This change has also enabled the unification of six work centers in the group's new headquarters, significantly reducing the energy consumption associated with them. In the coming years, several group companies are expected to move to new, more energy-efficient facilities.

Moreover, Fluidra Group Australia's facilities in Keysborough have had the "6 Star Energy Rating" certification since 2018, which ensures that both the construction and management of the facilities are environmentally friendly.

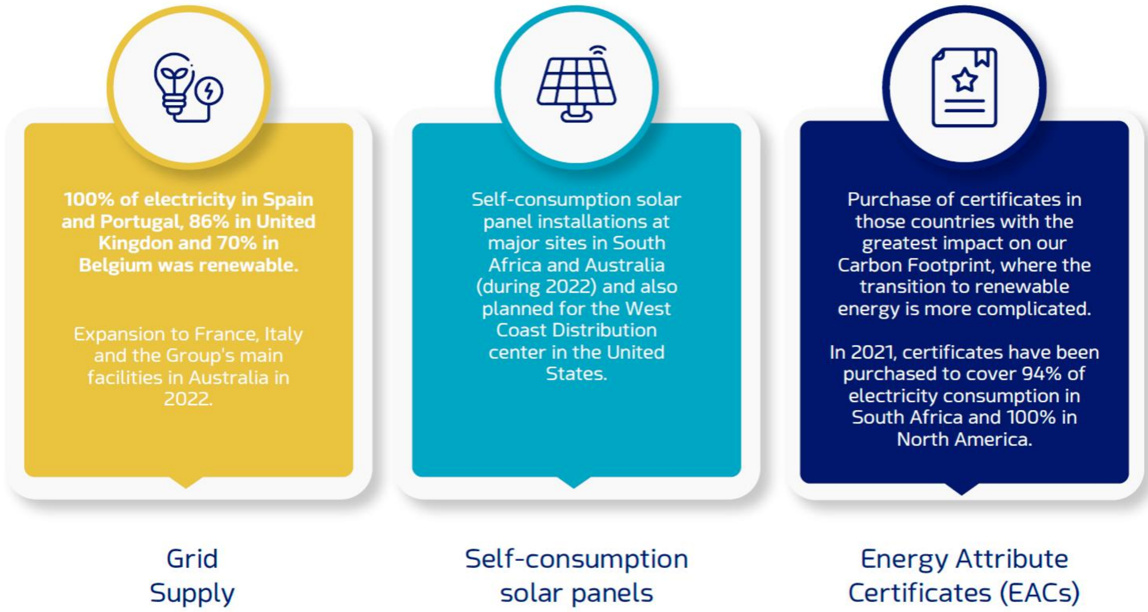
This is in addition to the various projects implemented by the group's companies to reduce their energy consumption, thanks to the Value Improvement projects implemented in the production centers (for more information, see page 22).

By 2022, Fluidra has set itself the target of reducing its energy consumption by 3% compared to 2021.

Electricity from renewable sources

Fluidra began its commitment to renewable energies several years ago. Thus, since 2016, all the electricity consumed in Spain and Portugal comes from renewable sources with Guarantees of Origin by the trader that settles in the National Competition Market as the system regulator. Likewise, in 2021, 86% of the electricity consumed in the United Kingdom and 70% in Belgium also had this certification.

In line with the commitments acquired in the Responsibility Blueprint, Fluidra is working to extend the consumption of renewable energy to the rest of the countries in which it is present, through the change to suppliers that offer this type of energy, the installation of solar panels and the purchase of EACs.



In terms of Scope 2 carbon emissions, although location-based emissions have increased by 10% (as a result of new acquisitions and increased activity), Fluidra's efforts to increase renewable energy consumption have reduced the market-based carbon footprint by 53% compared to 2020.

Indirect Greenhouse Gas Emissions associated with the generation of energy purchased or consumed (Scope 2)

	2021 ($tnCO_2eq$)	2020 ($tnCO_2eq$)
Market Based	5,025	10,607
Location Based	18,436	16,705

The indirect GHG emissions produced by the Fluidra Group are the result of the electricity purchased from third parties and consumed. For Scope 2 emissions, this was calculated by multiplying the electricity consumption in kWh by the corresponding emission factor in each case. The calculation is performed on both a location and market based, following the recommended best practices, using the electricity mix rated for each country based on the data published by the regulators, by the traders coefficients; alternatively, it is calculated from the data published by the International Energy Agency, using the methodology of the Corporate Accounting and Reporting Standard, GHG Protocol.

In the case of the United States and Canada, they have RECs certificates for 100% of their electricity, while in South Africa it is 94%. For more information on Fluidra's Carbon Footprint by region, please see page 147.

Other indirect emissions (Scope 3)

For Fluidra, Scope 3 represents the greatest challenge to be addressed within carbon management. As is usual in many companies, Scope 3 is where most of the organization's carbon emissions are concentrated, especially in category 11, which represents 82% of the total carbon footprint of the entire organization. This category covers the emissions associated with the energy consumption of the products sold in the year during their entire useful life.

Based on the 15 categories defined in the GHG Protocol (GHG Protocol Corporate Value Chain (Scope 3) Standard), the relevance and applicability of each of them for Fluidra has been evaluated, with the following categories being relevant:

Scope 3 Emissions

Source	2021 ($tnCO_2eq$)	2020 ($tnCO_2eq$)	Variation %
Cat 1: OPEX	1,125,471	271,795*	314%
Cat 2: CAPEX	35,924	23,734*	51%
Cat 3: Fuel- and energy-related activities	5,759	4,231	36%
Cat 4: Upstream transportation and distribution	89,962	120,678	-25%
Cat 5: Waste generated in operations	3,080	3,809	-19%
Cat 6: Business travel	929	1,297	-28%
Cat 7: Employee Commuting	7,238	5,723	26%
Cat 9: Downstream transportation and distribution	331,932	105,001	216%
Cat 11: Use of sold products	7,609,181	18,055,394*	-58%
Cat 12: End-of-life treatment of sold products	5,973	2,709*	120%
TOTAL	**9,215,451**	**18,594,371**	**-50%**

*Data for categories 1, 2, 11 and 12 for fiscal year 2020 have been corrected.

In 2021, Fluidra has continued to work on improving the methodology used to calculate Scope 3 emissions, with the aim that the data for 2021 will be considered as a base year for future reductions and action plans.

As a result, there have been significant variations in several of the categories, derived from corrections made to some of the data reported last year, the increase in the scope of the information (as is the case of categories 1, 4 and 9) or the integration of methodological adjustments in its calculation (category 11). Likewise, the 2021 data are affected by the growth experienced by Fluidra during 2021, both from the point of view of the activity (as reflected in categories 3, 4 and 9), as well as the new companies acquired (affecting categories 2 and 6, among others). In the case of category 5, the reduction in emissions derives from the increase in the percentage of waste recycled or reused.

It is worth highlighting the work done in category 11, integrating in the calculation the emissions associated with the energy consumption of more products in their use phase, such as pool cleaning robots, lighting elements and disinfection equipment, in addition to the filtration and heat pumps that were already being considered in 2020. However, despite this increase in the scope of products considered, the emissions associated with this category have decreased by 58% as a result of an adjustment in the emission factor considered. Thus, while in 2020 the same EcoInvent emission factor was considered in all cases, in 2021 the IEA emission factor corresponding to the country of sale of the product has been considered. Looking ahead to 2022, Fluidra will continue to integrate the emissions associated with the energy consumption of its products during their useful life, until the entire catalog is covered.

Based on the results observed, one of the main focuses of action will be to increase the energy efficiency of our products in order to reduce the emissions associated with the use of our products throughout their useful life (category 11 of Scope 3), and to improve the scope of information on product waste (category 12 of Scope 3). In addition, the commitments of the various countries and regions in which we operate, such as the European Union, to make progress in the generation of electricity from renewable sources will contribute significantly to achieving these objectives by enabling the energy consumed by our products to come from renewable sources.

To date, we have already set targets and carried out specific actions that have a direct impact on the reduction of emissions to this extent, such as improving waste segregation, increasing the purchase of renewable energy, purchasing more sustainable packaging, more local production and improving the efficiency of our products.

In addition, the effects of the pandemic continue to be felt in the reduction of emissions in the business travel categories, with 28% less emissions compared to 2020 and 70% less than in pre-pandemic years such as 2019.

Another aspect to highlight is fleet management, where the group's policy is committed to its constant renewal, in order to integrate the most efficient and highest quality vehicles on the market, with the aim of reducing the pollution associated with the mobility of Fluidra's employees. At the end of 2021, the MAC approved the update of the group's vehicle fleet policy in Spain, incorporating hybrid and electric vehicles with 0 label at all levels of the allocation matrix, and making their use mandatory for members of Senior Management as current leasing contracts come to an end.

To this end, Fluidra has made progress in the installation of electric chargers at its headquarters in Sant Cugat del Vallès (Barcelona), and will move forward with the installation of chargers in other countries, such as France and Australia, which have incorporated electric and hybrid vehicles into their fleets by the end of 2021. Once the international vehicle charging network is optimized, Fluidra will opt to replace its entire fleet of vehicles with the most sustainable options offered by the market. In 2021, Fluidra's vehicle fleet consisted of 910 vehicles (8 electric, 543 diesel and 359 gasoline). Lastly, Fluidra Deutschland has financed the purchase of bicycles for its workforce, in order to promote this sustainable and healthy method of transport in their journeys from home to their place of work.

In 2022 Fluidra will make progress in defining a strategy to reduce carbon emissions throughout the value chain (Scope 3 emissions), in order to meet its goal of achieving climate neutrality by 2050.

Other emissions

Fluidra, as a result of its production processes, has a series of direct emissions into the atmosphere. For the calculation of these emissions, the data declared by the production companies have been considered based on measurements carried out with specialized external companies. Consequently, in 2021 it has increased the level of detail of the report, incorporating information about Persistent Organic Pollutants (POPs), Hazardous Air Pollutants (HAPs), Hydrochlorofluorocarbons (HCFCs), among others.

In the specific case of Poltank, S.A.U., the use of acetone during the production process leads to higher VOC emissions. The company has introduced two brands of low-emission resins, which has enabled it to reduce its emissions. Studies are also continuing on alternative solvents to reduce acetone consumption, reducing emissions, waste volume, sludge and costs.

On the other hand, in 2021 there was a significant increase in Chlorine, as a result of the measurements taken at Fluidra Waterlinx (South Africa), compared to the estimated figure for the previous year. For a complete breakdown of emissions, see page 148.

Noise and light pollution

Fluidra has identified the risk of noise pollution in only one of its production plants, specifically the plant of the company Togama, located in Castellón de la Plana (Spain). In 2021, it has completed the project started last year to eliminate the noise pollution generated by the glass presses with which they work, through the installation of insulating panels.

With regard to light pollution, Fluidra has not identified this risk in any of its centers and facilities, so it has not been necessary to adopt any measures in this regard.

5.3. Circular Economy

5.3.1. Raw materials

[301-1, 301-2]

Fluidra has a varied and horizontal production structure, manufacturing different components and products for swimming pools that cover different sectors (plastic sector, chemical sector, metal sector, ceramic sector, manufacturing sector, logistics sector and commercial sector). All this confers a certain complexity in the treatment of raw materials and packaging.

One of the main challenges that Fluidra has had to face is the anticipation of raw material purchases by the Group's companies, with the aim of ensuring the continuity of production and minimizing the effects of price increases as a result of the global supply crisis.

In 2021, Fluidra consumed 85,533tn of raw materials (compared to 77,810tn in 2020) of which 67,684tn were materials for manufacturing (63,665tn in 2020) and 17.849tn of packaging (14,145tn in 2020). In 2021, 28% of the raw materials consumed were reused and/or recycled, compared to 16.4% in 2020. The 10% increase in raw material consumption is due to the increase in demand in 2021.

During the year, Fluidra improved the reporting system in order to identify the amount of packaging of renewable and non-renewable origin. In addition, the category "Electronic components" has been included in the manufacturing materials data. For more information, see page 144.

As part of its environmental commitments, every year Fluidra implements new initiatives and improvements with the aim of reducing and promoting efficient consumption of raw materials and packaging. For more information, please refer to section 2.4.2. of this report.

5.3.2. Waste Management

[306-1, 306-2, 306-3, 306-4, 306-5]

Ensuring the correct management of waste is another one of Fluidra's priorities, with the aim of preventing and minimizing any potential impact that may arise from Fluidra's activities, especially the hazardous waste generated in its production processes. In this sense, the Global HSE Policy includes the organization's commitment to promote efficiency in the use of resources, with the aim of reducing the generation of waste, as well as establishing the necessary measures to ensure the correct treatment and disposal of waste.

The commitments of the policy in this area are developed in the Hazardous Waste Management Standard, applicable to all Group companies, which aims to standardize the processes related to the management of these wastes, ensuring their correct identification, evaluation, documentation and management. By 2022, the development and implementation of a Global Operating Procedure (GOP) is planned, which will further develop the requirements defined in this standard.

Waste management at the production plants is focused on waste segregation. Hazardous and non-hazardous waste is segregated first, and non-hazardous waste is segregated to facilitate collection and recycling. Both types of waste are delivered to authorized waste managers for disposal.

In non-productive work centers, waste segregation is spreading and more and more centers are carrying it out, despite the difficulties encountered, such as, for example, the lack of governmental facilities to dispose of waste in a segregated manner in some countries. Nevertheless, Fluidra has set medium-term objectives to ensure that all workplaces, regardless of whether they are productive or not, segregate their waste and dispose of it through an authorized waste manager if this option is available in the region.

During 2021, several Group companies have implemented initiatives to improve waste segregation, with the aim of reducing the percentage of waste sent to landfill, in line with the targets set out in the Responsibility Blueprint:

- Trace Logistics: pilot waste segregation test at destination. Recovery of products in poor condition, which were previously managed as waste.
- Sacopa: internal recovery of plastic parts and castings.
- Fluidra Comercial España: a paper/cardboard and plastic recycling system has been implemented in all Fluidra Comercial España branches.
- Fluidra Mexico: best practices are being implemented in order to obtain a certification granted by the Mexican government (clean industry), including waste management.

- Cover Pools: a cardboard recycling system has been implemented and a compacting machine has been purchased. We are working with the supplier to recycle cardboard waste.

The total amount of waste generated was 32,510 tons (compared to 26,922 tons in 2020), 21% higher than in 2020, as a result of the substantial increase in production and sales.

In terms of waste management, the target set for 2021 was to reduce the amount of waste sent to landfill by 15%, i.e. only 33% of total waste would be sent to landfill (compared to 39% in the previous year). The result was that in 2021 only 25% of the total waste went to landfill.

	Hazardous		**Non-Hazardous**		**Total**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Recycling / Reuse	2,693	736	21,302	15,374	23,995	16,110
Incineration, with and without energy recovery	200	95	205	66	405	161
Landfill	269	7,784	7,841	2,867	8,110	10,651
Total (tn)	**3,162**	**8,615**	**29,348**	**18,308**	**32,510**	**26,923**

5.4. Water

[303-1, 303-4, 303-5]

Although Fluidra's products are intended for the Pool and Wellness sector, in its own production and marketing activity, the group has a relatively low profile and pressure with respect to water consumption. In most work centers, only sanitary water is used (representing 70.47% of total water consumption) and only in the chemical disinfectant production plants does it have a significant impact.

Some of the group's commercial companies are located in third-party facilities and are provided with general services (water consumption, wastewater management) with the rent they pay. In any case, the activity is not affected by potential limitations by the authorities for water supply.

In 2021, water consumption amounted to 122.066m^3, 2.12% less than in 2020, thanks largely to improvements made to the reporting system, reducing the percentage of estimated data.

Total water consumption by source

	2021 (m^3)	**%**	**2020 (m^3)**	**%**
Third-party water (public or private network)	106,108	86.92	93,706	75.1%
Surface water (river, lake, etc.)	548	0.45%	26,247	21.0%
Groundwater (well)	2,988	2.45%	4,760	3.8%
Recycling / reuse	12,422	10.18%	0	0.0%
Total consumption	**122,066**	**100%**	**124,713**	**100%**

It should be noted that, in 2021, the company Zodiac Pool Systems LLC (United States of America), has reused water from test pools/tanks, representing 82% of the company's total water consumption.

On the other hand, the reduction in groundwater withdrawal (wells) observed in 2021 largely stems from the connection of Togama to the public network at the end of 2020, with the result that only four Group companies were still withdrawing water through this route at the close of the 2021 financial year. Finally, variations in third-party and surface water consumption are due to an improvement in the reporting system.

Fluidra operates in countries where there is a very high risk of water stress, such as Kazakhstan, Morocco, the United Arab Emirates and Singapore, which is why it works to promote efficient water consumption in its facilities and reduce the water consumption associated with our products (for more information about our range of eco-conscious products, see page 16). The company also respects local regulations regarding water supply restrictions during periods of drought.

With regard to discharges, there have been no spills that could affect the environment or discharges of runoff water that have affected habitats, nor is there any record of catchments that have significantly affected the sources. In 2021, water discharges amounted to 122,066m^3 (95,008m^3 in 2020).

5.5. Biodiversity

[304-1, 304-2, 304-3]

Fluidra's operations are carried out outside protected areas and areas of special interest with little or no impact on biodiversity.

However, some of the Group's non-productive companies are located in areas close to natural spaces, although due to their activity and proximity, these companies do not present a risk to biodiversity, and no action has been necessary. This is the case of Zodiac Systems LLC (Carlsbad) Fluidra Maroc SRAL, Certikin International Ltd and Fluidra México SA de CV.

Regardless of the level of risk, Fluidra processes environmental licenses to carry out its activity whenever there is a local requirement to do so, as in the case of Fluidra Mexico SA de CV, Inquide SAU, Trace Logistics, Togama SAU, Sacopa SAU Itajai Astralpool Brazil Participaçoes Ltda, Cepex SAU and Poltank SAU.

Likewise, as a member of the Business and Climate Foundation, Fluidra participates in the LIFE Soria ForestAdapt project (Soria, Spain), which aims to increase the resilience of the forests of southern Europe in the face of climate change. In the coming years, Fluidra plans to develop a strategy in the field of biodiversity, with the aim of understanding the potential risks for the company associated with biodiversity loss, as well as to define action plans to contribute to the protection of ecosystems.

6. We improve people's wellbeing

In the Social pillar, Fluidra aims to ensure the social welfare of people, both inside and outside the organization.

To this end, Fluidra promotes work environments where everyone has a place, is respected and has the same work opportunities. It also guarantees fair, safe and healthy working conditions, with the aim of increasing the well-being, satisfaction and commitment of our team.

In addition, Fluidra plays an active role in the communities in which it operates, participating in initiatives to increase their economic and social development.

6,995 **employees** **+29%**	**96%** **with a permanent contract**	**35%** **Women** **+2pp**
51,427 **training hours** **8.9 hours by employee**	**59 people with disabilities**	**6%** **gender wage-gap**
0.77 **Total Recordable Incident Rate (TRIR)**	**77** **different nationalities represented at Fluidra**	**5 potential human rights impacts assessed in Fluidra's operations and activities**
€699,101 **Investment for social action**	**€692,184** **Contributions for trade associations and non-profit organizations**	**€1.6M** **Sports sponsorships**

6.1. We stand up for human rights

[102-12, 103-1, 103-2, 103-3, 412-1]

As a signatory of the United Nations Global Compact, Fluidra is committed to supporting and respecting the protection of internationally recognized human rights and ensuring that the company is not complicit in violating any of them.

The company is aware that within the context of our business operations, there is a possibility that negative impacts may occur in this regard that must be prevented, addressed and remediated.

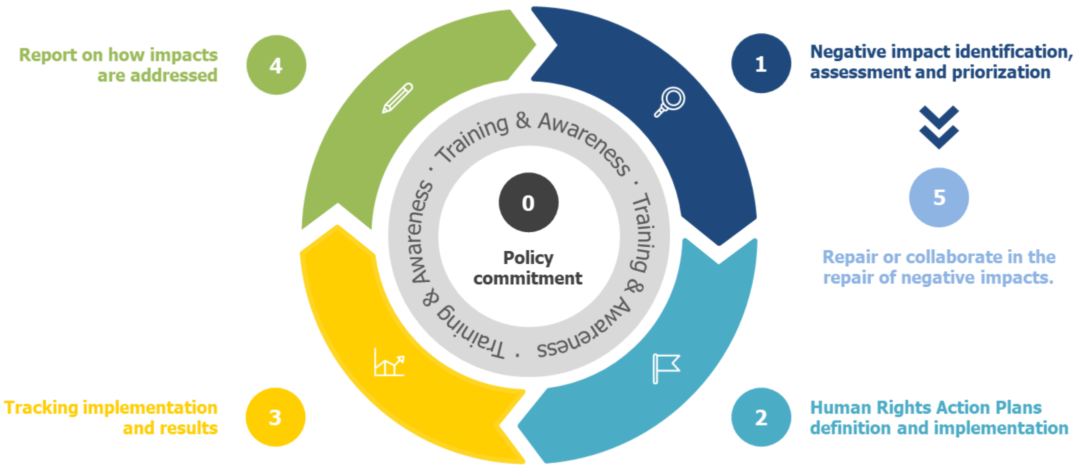
On the one hand, Fluidra considers the risks associated with each one of the activities in its business model, which includes designing, manufacturing, distributing and marketing products and services. On the other hand, the company also has an extensive and complex supply chain.

Moreover, Fluidra does business in countries where there is a high risk of human rights violations due to lax legislation, conflicts or the socioeconomic situation. With this in mind, the company has acquired access to the Verisk Maplecroft platform in order to monitor the risks associated with the different countries where it has operations. According to Verisk Maplecroft platform, at the end of 2021 Fluidra was present in the following countries at high or extreme risk of human rights violations:

China, Turkey, Brazil, Mexico, Russia, Kazakhstan, United Arab Emirates, Colombia, Egypt, Romania, India, Thailand, Indonesia, Tunisia, Morocco, and Vietnam. For more information, go to pages 162-163.

Therefore, to ensure respect for human rights along the entire value chain, Fluidra has been developing a **Human Rights Management Framework** in line with the United Nations Guiding Principles on Business and Human Rights, consisting of:

- A public and global commitment to respect human rights, adopted at the highest level.
- Due diligence processes to identify, prevent, mitigate and account for human rights impacts.
- Remediation mechanisms to ensure the correction of any negative human rights impacts that may occur.



6.1.1. Our Commitment to Human Rights

[102-16]

Fluidra is aware of the importance of respecting human rights and of its role in this task, both through its own activities and in its business relationships.

In 2020, the Group's Board of Directors formalized the **Global ESG Policy** which defines the organization's principles of action in the field of human rights, acting as a framework of reference for the rest of the Group's policies and procedures:

- Respect the internationally recognized human rights of all stakeholders.
- Exercise due diligence in the area of human rights to prevent and mitigate the negative impacts that may be caused by our operations and/or our business relationships.
- Have effective remediation mechanisms in place to repair or contribute to repairing negative human rights impacts when they occur.
- Ensure respect for human rights in the countries where the Group operates, even when those countries do not comply with their own obligation to guarantee their protection. If local laws are contrary to international frameworks, Fluidra will seek out ways to respect human rights, to the extent possible and without violating national laws.

This framework is developed by **Fluidra's Code of Ethics** and the **Code of Ethics for Suppliers**, whose principles are in line with the Universal Declaration of Human Rights and the 10 principles of the UN Global Compact.

Fluidra also has specific policies and procedures, such as the Global Diversity, Equity and Inclusion Policy, the Global HSE Policy and the Information Security Policy that address the protection of individual human rights within the organization.

Finally, Fluidra complies with all applicable Human Rights regulations in the countries where we do business. Thus, in accordance with the Australian Modern Slavery Act 2018, in June 2021 Fluidra Australia published its **Modern Slavery Statement**, a document that describes the potential risks of modern slavery within the company and the steps taken in the last fiscal year to address those risks.

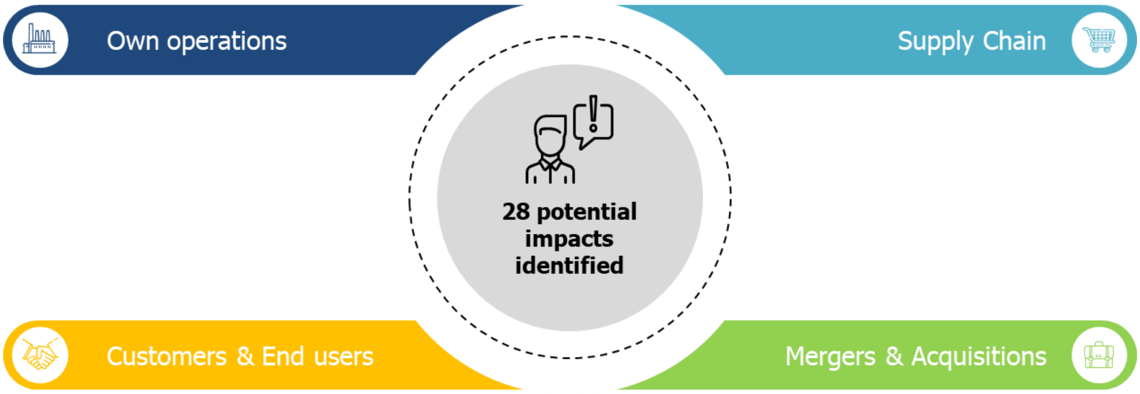
Certikin (United Kingdom), a Fluidra Group company, has done something similar under the UK Modern Slavery Act 2015, which is available following this **link**.

6.1.2. Ensuring Due Diligence

In 2021, the ESG Department worked on defining and implementing Fluidra's ongoing Due Diligence process in accordance with the OECD's Due Diligence Guidance.

The first step consisted of identifying the **potential negative impacts on the human rights** of individuals that could potentially be caused or contributed to by the company's operations, products, services and business relationships around the world. Unlike the corporate risk map, which addresses the risks posed to the company, this analysis focuses on measuring the **risk to people**, even though they may ultimately represent a risk to the company as well.

Over the next few years, Fluidra will evaluate each one of these impacts, including their causes and consequences, in four phases of its value chain. We will then devise action plans adapted to each case with the steps to be taken to prevent, mitigate and remediate them through the company's existing management systems.



The company has begun by evaluating the potential impacts associated with our own operations, due to Fluidra's direct connection with them. Over the next few years, the ESG Department, in collaboration with the responsible areas, will gradually assess the severity, probability of occurrence, country risk and the mechanisms currently available to prevent, address and mitigate each one of the potential impacts identified.

Based on the results of the assessment, the Group will define a series of commitments and action guidelines for each one of the impacts assessed on a global level. Specifically, the following will be defined:

- The company's position on each one of the impacts and the objectives defined by Fluidra to ensure its position is respected in all activities and operating contexts.
- Processes, measures and minimum controls to be implemented by all Fluidra Group companies to prevent and mitigate human rights impacts should they occur. These controls will be supplemented with previously existing ones in individual companies to comply with local legal requirements.
- Action plans at the global and company level to ensure respect for human rights.
- Performance indicators to monitor the results of actions taken and detect possible impacts.

In addition, if the results of the assessment show that any of the potential impacts have materialized in any group company, specific action plans will be defined to mitigate and remediate.

The goal is to ensure that for all potential impacts that are identified, regardless of severity and probability of occurrence, there is a management and control framework aligned with the international human rights framework. To that end, the ESG Department will monitor the implementation of global standards in collaboration with the responsible areas. The Internal Audit Department will monitor compliance with these standards by group companies as part of its annual audit plan.

In this first year, the assessment has focused on five potential negative impacts under the umbrella of Human Resources:

- Excessive working hours and non-compliance with minimum rest periods.
- Violation of the right to freedom of association, collective bargaining and strike.
- Non-compliance with regulations on underage workers and child labor.
- Forced labor.
- Impacts on local communities as a result of the company's operations (including potential impacts on local minorities).

Prior to launching the assessment, the Global Human Resources Director and the regional managers of EMEA, APAC and North America received specific training on the subject.

A questionnaire was shared to help them oversee the assessment of the most relevant group companies in terms of employees, sales and country risk, providing the corresponding evidence. In line with the objectives set by the company for this year, by the end of 2021, 20 companies had been evaluated, covering 53% of Fluidra's workforce.

20 group companies have been assessed, representing 53% of the workforce, 13% more than the target set for 2021

The results of the evaluation will be analyzed by the ESG Department during the first half of 2022 in order to define action plans for proper management. There are also plans to proceed with the review of the human rights requirements as they relate to supplier selection, evaluation and auditing processes, to ensure that all potential impacts are covered. For more information on these processes see section 4.4.2.

Once all impacts have been assessed, Fluidra will present a list of priority human rights impacts each year (also known as "Salient Human Rights Issues") in each of the four phases mentioned above. The list will include the impacts that pose the most serious risk and that are most likely to have a negative impact on people throughout the value chain and the company will focus its efforts on these impacts.

6.1.3. Remediation Mechanisms

[408-1, 409-1]

Fluidra's Confidential Channel is the mechanism provided by the company for stakeholders to confidentially and anonymously report complaints or ask questions in relation to the principles of Fluidra's Code of Ethics which, as mentioned above, are aligned with internationally recognized human rights.

Employees can also go to their hierarchical superiors or to the company's Human Resources manager to report these types of incidents.

As part of the deployment of the company's Human Rights Management Framework, the alignment of this channel with the effectiveness standards of the grievance mechanisms provided for in Guiding Principle 31 will be assessed in 2022.

In addition to these reporting channels, Fluidra monitors the conduct and operations at different group companies through internal audits, regular visits and management controls, with a special emphasis on those geographical areas that are most susceptible to fraud, corruption, bribery and undignified working conditions.

No vulnerabilities were detected in 2021 or the year before insofar as non-compliance with child labor or forced labor laws, or any other human rights violations or negative consequences in Fluidra's operations or in its Supply Chain.

6.1.4. Raising awareness of the importance of respecting human rights throughout our value chain

[412-2]

Coinciding with the definition of Fluidra's Human Rights Management Framework, the company has developed a variety of training and awareness-raising actions, both internal and external, in order to ensure that stakeholders are aware of what human rights are and the commitments assumed by the company in this regard.

In addition to the mandatory Code of Ethics training that all employees receive when they join the Fluidra Group, in 2021 there were two training sessions on human rights for 13 people from the Human Resources and Internal Audit Departments, prior to the assessment of the detected impacts. Training was also provided to 73 suppliers, representing 43% of the volume of purchases for the year, on the contents of the Code of Ethics for Suppliers and the company's commitments to human rights.

In addition to this training, there were several communication campaigns targeting the entire workforce. Coinciding with International Human Rights Day, an information pill was launched to all group employees to raise awareness of how companies can have a negative impact on human rights. In addition, a series of information pills linked to specific human rights issues were launched on occasion of the International Women's Day and the Sustainable Development Goals anniversary.

Throughout the year, several information campaigns were carried out to raise awareness of the relationship between business and human rights

6.2. Keeping the Best Team

Fluidra's success would not be possible without our excellent professionals, capable of developing their work in a safe and stable environment, with adequate professional and personal development in the company under the guarantee of equal treatment and opportunities.

To achieve this goal, Fluidra has a set of people-centric policies and indicators in place to guide and channel their actions and behaviors.

Human Resources management is the responsibility of the Global HR & ESG Department. The Management Advisory Committee (MAC) is in charge of reviewing and monitoring the area's key indicators throughout the organization and establishing corrective measures or implementing new initiatives as deemed appropriate.

6.2.1. Working for and with People

[103-1, 103-2, 103-3]

The priorities of Fluidra's Global Human Resources Policy are defined by the company's strategy, the global market, social challenges, and trends in people management. Our goal is to have an experienced workforce characterized by high levels of internal satisfaction and retention.

In this fiscal year, the Global HR & ESG Management has defined a roadmap for 2021-2025 period, with action plans, projects and objectives which are intended to facilitate the achievement of each one of the company's strategic objectives. The structure of the roadmap is as follows:

- **One Fluidra, One Culture:** Because of the different environments where the company operates, it is important to define a single organizational culture aligned with Fluidra's values, in which the cultural differences of each country are respected. The new plan will focus on promoting diversity, equity and inclusion at Fluidra and on defining an inclusive management style in which leaders are aware of the impact of their management.

- **Strengthening Regions:** Fluidra believes that the best way to integrate the different countries into the organization is through a human resources management system that gives them a certain amount of freedom and flexibility and encourages their creativity. The new plan seeks to give greater autonomy to the regions, allowing them to make their own decisions and to adapt global processes to their local reality, if necessary.
- **Fostering Internal Talent and Attracting the Best External Talent** In 2021, Fluidra strengthened its processes for identifying, assessing and developing internal talent through the Talent Review program. It also promotes the development of team members, encouraging them to participate in transformational and high-impact projects where they have the opportunity to receive constant feedback from their peers and direct supervisors. Within the framework of the new plan, initiatives such as the Fluidra Innovation Challenge, Coffee Chats with the Chairman and CEO of the company, and mobility programs will continue.

6.2.2. Generating Quality Employment

[102-8, 103-1, 103-2, 103-3]

Fluidra's Team

In 2021, Fluidra's team has grown significantly, from 5,436 people employed at the end of 2020 to 6,995 people at the end of 2021, which represents an increase of 29%.

Headcount by region

	2021	2020	% Change
Corporate (HQ)	424	250	70%
EMEA	3,458	3,319	4%
AMER	1,770	601	195%
APAC	1,343	1,261	7%
FLUIDRA TOTAL	**6,995**	**5,436**	**29%**

The main changes occurred in North America, as a result of the acquisition of four companies (BuiltRight, CMP, SR Smith and Taylor), as well as new hires to meet the growth in activity, both in the warehouses and in the production centers. The region has also opted for the conversion of temporary to full-time labor to meet this growth.

In the case of the APAC region, growth was around 7%, mainly due to the integration of the companies SR Smith Australia and Sunbather into the Fluidra Group.

EMEA, the main region in terms of workforce, was the one that experienced the least variation this year. However, the teams in the production and operations divisions were reinforced in order to increase production capacity in response to the high demand for products experienced last year. Moreover, a new subsidiary was opened in Slovenia in 2021.

Finally, the global team located at the corporate headquarters in Sant Cugat del Vallès has also been reinforced in order to cope with the growth of the business and provide a better service to the regions.

Fluidra is also committed to creating stable, high-quality employment. In 2021, 96.4% of the workforce had permanent contracts, compared to 95.4% the year before. Moreover, 97.48% of contracts at the year-end were full-time, compared to 97.11% in 2020. For more detailed information on the distribution of the workforce, see pages 133 to 139.

Headcount by Type of Contract

	2021		2020	
Permanent Contracts	**6,746**	**96.4%**	**5,186**	**95.4%**
Full time	6,594	97.75%	5,066	97.69%
Part time	152	2.25%	120	2.31%
Temporary Contracts	**249**	**3.6%**	**250**	**4.60%**
Full time	225	90.36%	213	85.20%
Part time	24	9.64%	37	14.80%
FLUIDRA TOTAL	**6,995**	**100%**	**5,436**	**100%**

Global Engagement and Satisfaction Survey

The second Global Engagement and Satisfaction Survey titled "Now it's your turn!" was conducted in June 2021. The object of the survey was to gauge different factors identified as key at the present time and to analyze the impact of the measures adopted based on the results of the first edition in 2019.

The results were exceptionally positive. In 2021, the overall engagement rate was 89%, with a participation rate of 80% (i.e. 4,500 employees), which is a significant increase over the 2019 edition, when the engagement rate was 82% with a participation of 72% of the workforce.

The overall engagement index represents the percentage of actively engaged employees. This index is calculated as the percentage of people who, on a scale of 0 (strongly disagree) to 10 (strongly agree), have scored the following questions between 7 and 10:

87%	86%	88%	82%	97%
I like working at Fluidra	I am proud to work at Fluidra.	I feel a strong personal commitment to Fluidra's mission, vision and strategic goals.	I would recommend Fluidra as a good place to work.	I give my best at work every day.

89%

Global Engagement Rate

Along with the global engagement rate, Fluidra evaluates employee satisfaction with management's performance on a variety of issues. In all cases, the 2021 results bettered those of 2019. The new questions included in this edition of the survey also obtained high scores: practice of values (83%), management of Covid-19 (87%), diversity (86%) and management of local companies (78%).

For the medium term, Fluidra has set the goal of increasing employee participation in the survey to at least 85% by 2025. The action plans that are defined and developed based on these results will respond to the needs and expectations of a very representative part of the workforce.

One of the main objectives of the survey was to ensure that everyone could quickly and easily give their opinion on the issues described above. To that end, a series of activities were planned to highlight the importance of taking the survey:

- First, to ensure that all Fluidra employees could understand all the questions and answer them with ease, the survey was translated into 28 of the local languages used at the group's subsidiaries.

- Second, there were regional initiatives to communicate and encourage the company's professionals to participate. In particular, spaces were provided for employees who do not have access to computers (e.g. factory personnel) so that they could respond to the survey during working hours.
- Finally, to guarantee the confidentiality of the data, the survey was outsourced. In departments with a reduced number of employees, the results were not broken down.

The survey results provide a solid basis for the continued development of the company and to demonstrate that people have a positive opinion of Fluidra and feel committed to the organization.

Results were communicated at the local level in the last quarter of the year and workshops were held to define global and local action plans to drive improvements. Looking ahead to 2022, the action plans will be implemented, tracked and measured at the local level, as was done in the previous edition. The information provided by the survey is vital to continue creating the perfect company experience.

Freedom of Association and Collective Bargaining

[102-41, 402-1]

Fluidra recognizes employees’ rights to collective bargaining and freedom of association in all of the countries where it operates. Because of the group’s geographical diversity, each company must adapt to the local laws in force for the type of business and the size of the workforce.

Generally speaking, Fluidra Group companies adhere to the Collective Bargaining Agreements or similar agreements in force in each operating context. In 2021 there were 3,291 employees covered by Collective Bargaining Agreements, representing 47% of the workforce at year-end (45% in 2020). In Spain, France, Brazil, Italy, the Netherlands, Austria, Belgium, Sweden and Romania, 100% of the workforce is covered, while in other countries coverage is limited to specific groups of employees. This is the case in Vietnam (88%) and South Africa (38%).

In countries where these types of regulatory instruments are not recognized, Fluidra complies with the local labor laws and is able to improve the working conditions under internal agreements.

The Fluidra Group also provides employees with mechanisms for dialogue to address and resolve the needs, concerns and conflicts that may exist in different companies. In 2021, there were 18 Works Committees (14 in 2020) with 81 employee representatives and 22 company representatives, which meet periodically (usually quarterly) to address these issues.

Works councils and personnel delegates have the power to communicate directly with staff representatives to make consultations, suggestions and initiate collective bargaining discussions or any other type of need or suggestion.

The group is aware that it operates in certain countries where there is a high risk of these rights being violated. This is the case in Turkey, China, Vietnam and the United Arab Emirates, according to data provided by the Verisk Maplecroft platform. Fluidra assessed this risk in 2021 as part of the Human Rights Project, in order to devise ways to prevent and mitigate the risk in 2022.

6.2.3. Diversity, Equity and Inclusion

[102-16, 103-1, 103-2, 103-3, 401-3, 405-1, 406-1]

With almost 7,000 people employed in 47 countries, Fluidra's workforce is characterized by its diversity and humility, values that are part of the organization’s corporate culture.

Fluidra is firmly convinced that these differences offer diverse perspectives that enrich and unite all the people who are part of the group. Fluidra strives to promote a culture where everyone has a place, which is key to fortifying a sense of belonging and increasing the generation of value for all stakeholders.

In 2021, Fluidra continued to reinforce its strategy in the area of Diversity, Equity and Inclusion (hereinafter DEI). In early 2022, the Group's Board of Directors adopted the new **Global DEI Policy**, which develops and reinforces the commitments already assumed in the Global ESG Policy and the Code of Ethics.

This Policy embodies Fluidra's commitment to build a diverse and inclusive team that embraces and represents all sectors of society, and where there is zero tolerance for discrimination.

FLUIDRA
Embracing Diversity

The Policy commitments will be implemented and developed through the **"Fluidra Embracing Diversity" strategy,** which includes the global and local action plans defined by the organization to fulfil the DEI commitments and achieve the objectives set by Fluidra within the framework of the ESG Master Plan. This strategy was presented in early 2022 at the annual GLS/GMM meeting.

The results of the Engagement Survey were taken into consideration in defining the strategy, as were the findings of the DEI diagnosis conducted in 2021. During this process, the DEI best practices already in place in some group companies were identified, and specific sessions were held with various groups of employees to understand their needs in this area.

The initiatives identified were classified into five main categories: **gender**, **culture-race-ethnicity, generations, disability and LGBT.**

Anyone who knows of or suspects any breach of the policy commitments should bring it to Fluidra's attention as soon as possible through the company's Confidential Channel. No complaints were reported on this issue in 2021 or 2020.

6.2.3.1. Gender: We empower an equal workforce between women and men

At Fluidra, the principle of equal treatment of women and men implies the absence of any direct or indirect discrimination based on gender, especially with regards to maternity, family obligations and marital status.

In line with this commitment, some of the group's companies in Spain, the United States, South Africa and France have already made progress in defining Equality Plans and/or have set up the relevant Equality Committees to monitor the actions set out in these plans. Protocols against harassment are also in place in Australia, the United Kingdom and the Netherlands, in addition to the countries mentioned above.

In 2021, several training sessions were held in Spain within the framework of the Equality Plan and the Harassment Protocol for human resources personnel, equality delegates and managers. In addition, recurring training on the Code of Ethics, which also touches on this topic, will continue to be held every two years.

In the interest of promoting a more egalitarian culture, in 2022 we will begin rolling out awareness and training initiatives on effective equality between men and women and on the use of inclusive and non-sexist language in the organization.

Also, as part of this strategy, objectives have been set to increase the presence of women in leadership positions, both on the Board of Directors (where Fluidra is committed to increasing the number of women until they represent at least 33% of its members by 2026) and at the MAC and MAC-1 levels, increasing the percentage of women candidates for the organization's succession plans from 28% in 2021 to 36% in 2026.

Gender Representation by Category

	2021		2020	
	Men	**Women**	**Men**	**Women**
Executive	89%	11%	81%	19%
Management	79%	21%	77%	23%
Professionals	72%	28%	73%	27%
Technicians	68%	32%	71%	29%
Administration and support	40%	60%	43%	57%
Production	68%	32%	71%	29%
Total Workforce	**65%**	**35%**	**67%**	**33%**

Another area that Fluidra will work on from a gender perspective is work-life balance as a way of promoting parental co-responsibility. Subject to the laws in force in each country regarding the organization of work and working hours, Fluidra is increasingly committed to promoting flexible working hours and organization in those positions where this is feasible.

Because we are a multinational company, Fluidra's teams are located in different time zones, which sometimes creates the need to hold meetings outside of regular working hours. In view of this, several group companies such as Fluidra S.A. or Fluidra USA, have flexible working hour policies, thanks to which Fluidra's employees can adapt the times they start and end their workday to their personal and family needs, and arrange their schedules so that they can work reduced hours on Fridays, during the summer and other important dates.

Because of Fluidra's prior digitalization efforts, the company was able to quickly adapt to the new reality of remote work due the Covid-19 pandemic. The group is committed to continue allowing people to work remotely beyond the current pandemic in order to facilitate work-life balance.

However, we are aware of the negative effects these measures can have if they are not properly regulated. Therefore, the group's work-from-home policies regulate the right to digital disconnection, urging teams to limit communications, e-mails and use of other corporate tools after the end of the workday.

New parents may freely decide how to enjoy maternity and paternity leave, in compliance with the laws in force in each country. In countries where paternity leave is not regulated, some group companies have voluntarily regulated this type of leave internally. In 2021, the number of employees taking paternity leave increased (from 112 in 2020 to 157 in 2021), as did the rate of return and retention after leave.

Parental leaves

	2021			2020		
	Men	Women	Total	Men	Women	Total
Total leaves	**88**	**69**	**157**	**66**	**46**	**112**
Still on leave	12	26	38	12	20	32
Returned	76	43	119	54	26	80
Returned and still with the company	68	41	109	31	15	46

	2021	2020
Return rate	75.8%	71.4%
Retention rate of people who return	91.6%	57.5%

6.2.3.2. Culture, race and ethnicity: We bring together what makes each culture different and unique

With operations in 47 countries, Fluidra's extensive international presence is one of our greatest assets. A workforce that includes people of different nationalities and races and that brings a cultural richness to the organization is an added value that must be nurtured and promoted. Currently, 77 nationalities are represented at Fluidra.

Workforce by nationality

	% of workforce
Spanish	28.39%
American	18.97%
China	9.64%
South African	7.03%
Australian	6.92%
Other	29.05%

As a multinational company, Fluidra has an International Mobility Policy and encourages employees to move between the countries where we operate. For more information on this topic, please consult the Talent & Development section.

Looking ahead to 2022, we will work to detect unconscious bias within the framework of DEI training, and there will be awareness-raising actions on multiculturalism in celebration of International Cultural Diversity Day in May.

6.2.3.3. Generations: We foster collaboration across a wide range of generations

At Fluidra, talent knows no age. Development opportunities are available to everyone and we are committed to fostering collaboration between people of different generations to enrich the organizational culture.

In countries such as the United States, Australia, South Africa and Germany, there are recruitment programs for young talent. Globally, by 2022 we plan to define programs to promote young talent and mentoring programs to foster greater interaction between the different generations, while continuing to value the expertise and contribution of senior talent to the organization.

In 2021, the average age of the workforce was 41.62 years, with more than half of the workforce concentrated in the 30-50 age range. However, during 2021 Fluidra has increased the rate of new hires of both the youngest (under 30 years old), as well as senior talent, thus betting on those groups with more difficulties to integrate and remain in the labor market.

Workforce by age range

	2021		2020	
Under 30 years old	1,040	14.87%	633	11.65%

Between 30-50 years old	4,416	63.13%	3,534	65.01%
Older than 50 years old	1,539	22%	1,269	23.34%
Total workforce	**6,995**	**100%**	**5,436**	**100%**

New hires by age range

	2021		2020	
Under 30 years old	488	35.39%	251	31.14%
Between 30-50 years old	751	54.46%	493	61.16%
Older than 50 years old	140	10.15%	62	7.70%
Total new hires	**1,379**	**100%**	**806**	**100%**

6.2.3.4. Disability: We believe that all abilities count

Fluidra is committed to promoting a culture rooted in equal treatment, equal opportunities and non-discrimination of people with disabilities.

All member companies of the group are required to facilitate the inclusion of people with disabilities and encourage their placement in positions where they can develop professionally according to their abilities, complying at all times with the laws in force in each country.

In 2021, 0.84% of Fluidra's workforce had a recognized disability, compared to 0.88% the year before. It should be noted that this data may be skewed because in some of the countries where Fluidra operates we are not allowed to request information about which workers have a disability.

People with disabilities by country

	2021			2020		
	Men	Women	Total	Men	Women	Total
Germany	1	1	2	1	2	3
Australia	2	0	2	2	0	2
China	3	2	5	0	0	0
Spain	24	9	33	23	8	31
France	9	2	11	3	1	4
Italy	4	1	5	3	2	5
The Netherlands	0	0	0	1	0	1
South Africa	1	0	1	1	0	1
Total	44	15	59	35	13	48

Fluidra has also taken different actions aimed at promoting the integration of people with disabilities in the workplace, such as eliminating physical and architectural barriers at the group's facilities and entering into collaboration agreements with centers and associations that promote the inclusion of people with disabilities.

International Day of Persons with Disabilities

The member companies of the Fluidra Group collaborate with various organizations to promote the employability of people with disabilities.

Coinciding with the International Day of Personal with Disabilities on December 3rd, Fluidra organized a "Meeting for Diversity" event at its headquarters in collaboration with the Adecco Foundation.

The purpose of the event was to raise awareness among the staff of the many skills and abilities of people with disabilities through a campaign called "Save a Disbeliever" and a talk given by Raquel Domínguez, the Foundation's ambassador. The Aflora Plan was also presented at this event. This is a program promoted by the Adecco Foundation to guide and advise people who may be eligible to obtain a disability certificate for health-related reasons.

Under a collaboration agreement between the Fluidra Foundation and the BOAL Foundation, Fluidra has created a temporary art exhibition at its headquarters. Every four months, the exhibition showcases different works of art by young artists just starting out in the world of art or artists with disabilities whose quality of life is improved thanks to art.

6.2.3.5. LGBT: We encourage authenticity at work

Fluidra is committed to creating an inclusive culture where everyone can express themselves freely without being judged for their sexual orientation.

At present, the level of acceptance of LGTBI people and respect for their rights has increased globally compared to what it was in the past, although it is also true that the level of acceptance is not the same in all countries.

Fluidra's objective is to raise awareness of the importance of defending equality, understanding and respecting differences by eliminating prejudices and promoting an inclusive culture where people can openly express their sexual orientation without fear of discrimination.

The DEI strategy to be rolled out in 2022 will therefore include awareness-raising initiatives in this regard.

6.2.4. Talent and Development

[103-1, 103-2, 103-3]

Having the best talent is essential for Fluidra to successfully achieve our strategic objectives for the growth of the business. The group wants to be the company of choice and to that end we are working on improving our employer branding and on communicating our Employee Value Proposition (EVP).

Once we have the best professionals within the organization, we must work so that each one grows into the best version of themselves, promoting a level of commitment throughout the employee's life cycle. This begins when they join the company and goes through the onboarding process and continues by encouraging continuous career development and facilitating the disengagement when the time comes.

Fluidra introduced the Talent Management Policy in 2020, which helps us to identify and promote internal talent globally, which in turn reinforces the organization’s continuity/succession plan.

6.2.4.1. Attracting the Best Talent

Attracting Talent

Fluidra is committed to building a presence on social media sites such as LinkedIn, where we publish content that allows potential candidates to get to know the organization along with many of the job openings that become available. Recruitment in each region is handled locally, since the companies in each region have a better understanding of the most appropriate channels for finding and selecting candidates, as well as for advertising job openings. However, there is a global factor that is common to all countries: employer branding. As part of the process of building the company's image, the focus is on delivering a message that not only excites and attracts new people in the short term, but engages existing people in the long term.

There are collaboration agreements in place with several universities to facilitate access to the labor market for specialized professionals. Under a collaboration agreement with Esade (Barcelona), Fluidra has joined forces with the university to create the Fluidra Scholarships for academically talented students who, because of their socioeconomic situations, would not have been able to access this type of education without assistance.

Under this agreement, Fluidra will fund two academic scholarships covering 90% of the cost of each year of study, for four years, that will allow two academically talented undergraduate students to earn a degree. The company will choose the two scholarship recipients based on values, business culture and gender equality. They will also be encouraged to do internships or work on specific projects at group companies while they are studying.

There are other examples of collaboration with academic institutions entities in the United States, such as a summer scholarship program for the Engineering and IOT teams, as well as collaborations with local universities at job fairs. The company also partners with senior engineering students to work on projects at San Diego State University.

In some regions there are referral programs where employees recommend professionals to join the company. The company's own experience and research show that new hires who come to a company by way of referrals from staff members are excellent employees who stay with the company longer and are more profitable hires.

Through our professionals, Fluidra also actively participates in forums and events.

Selection and Internal Promotion Process

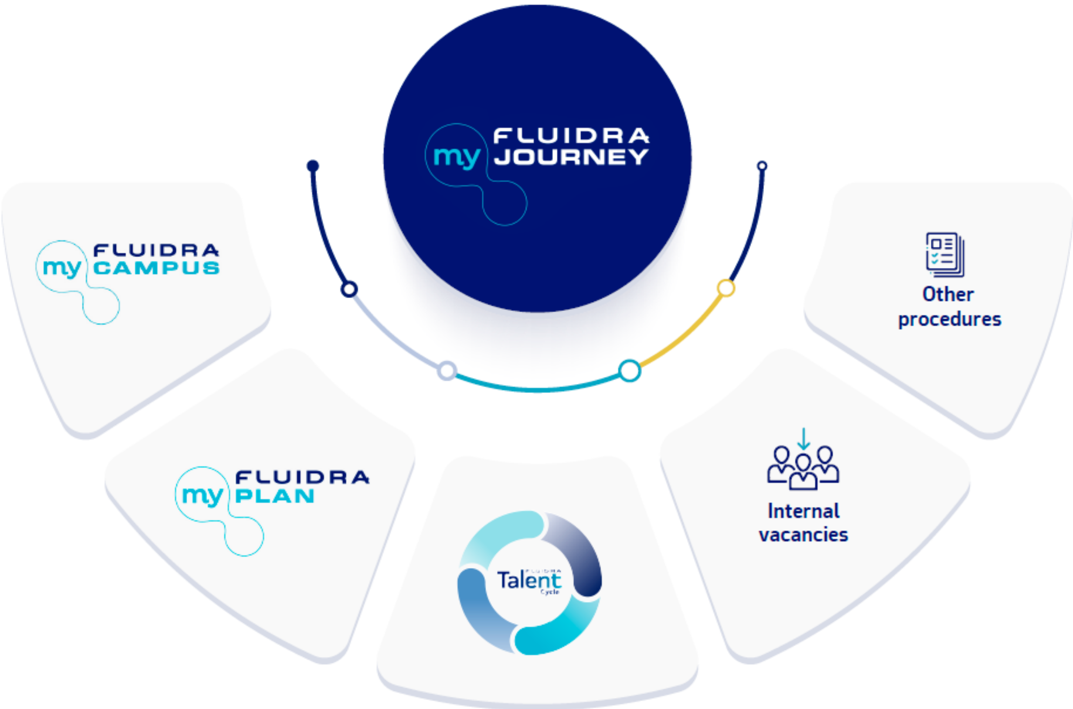
The recruitment and selection process of new hires who join Fluidra is key to the company's current and future performance. The primary objective is to ensure a good fit between the applicant and the organization in order to share a common professional project.

Fluidra has a Recruitment, Selection and Data Processing Policy which sets the standards that apply in each phase of the candidate selection process to fill vacancies or new positions at group companies.

6.2.4.2. Talent Development

[404-1, 404-2]

Fluidra provides the entire workforce with the MyJourney platform, the improved version of MyTalent, which brings together in a single location all the procedures that employees need to know about for their professional growth at Fluidra.



Onboarding and Integration

Onboarding is a critical time in the employee's life cycle. Because it is the employee's first contact with the organization, it must be carefully planned to ensure a good first impression of Fluidra.

This process is facilitated by group companies by means of a **Welcome Program**, during which new hires are introduced to the organization and its values, and provided with the awareness, training and education necessary for them to be able to perform their functions in the new work environment.

Everyone who joins Fluidra must complete a series of mandatory training courses in the first few days after signing their contract. These courses cover Corporate Values, the Code of Ethics, Data Protection, Occupational Risk Prevention and, as a new feature starting in 2021, basic training in Cybersecurity. ESG training was also added to the Onboarding Program in early 2022.

After that, the employee's direct supervisor is responsible for overseeing the learning and training process, and for monitoring the employee's integration and adaptation. Each business area is free to offer the specific training it deems necessary.

New hires also have the opportunity to participate in an informal conversation with the CEO or the Executive Chairman, who welcomes them and provides them with some key facts and figures about Fluidra. This year there were three sessions attended by more than 150 employees.

After a period of time, individual follow-up meetings are held with new hires to assess the most positive aspects of their experience and identify places where there is room for improvement in the organization's onboarding process.

Training

Depending on the specific needs of an employee's current and future role, annual training plans are created to keep the employee's skills and knowledge up to date. The training can focus on skills development, leadership, technical or product training, or mandatory training to comply with the regulations in force in each division.

The Annual Training Plan for each professional is designed and proposed by the Manager, with the help and support of the Human Resources team, based on the needs detected in the talent cycle, that is, the One2One and Talent Review processes. The Manager is also responsible for planning, communicating, tracking and analyzing the training evaluations, which are subsequently submitted to the Manager's superiors.

Training Plans at Fluidra are not static, but open and dynamic at all times. Supervisors can propose to management or to the person responsible for the area that courses not initially planned be added if he or she considers it would benefit the employee.

In compliance with Covid-19 prevention protocols, most training in 2021 continued to be delivered virtually. The constraints of the pandemic notwithstanding, there has been a change in the learning context to the extent that it is no longer just a matter of being able to access specific training managed by the organization. Rather, there is a growing trend to allow employees to consume the training resources they need in terms of content, when and how they want, and this includes mobile apps.

A training search page called MyCampus was enabled in MyJourney in 2021, with all the training resources available to employees. Looking ahead to next year, we will work to ensure that all training content is designed in accordance with Fluidra's corporate values, so that employees can quickly and easily find the resources that best suit their development needs.

The LinkedIn Learning platform has been available to Fluidra employees in North America since last year and since early 2021 it has also been available to employees in the EMEA region, where it was launched in February to coincide with Digital Learning Day, with a total of 303 attendees at two sessions.

At the end of the year, there were 1,250 active licenses on this platform, which contributed to Fluidra being recognized at the ***Talent Awards* for the *Best Culture of Learning***. Also, at the beginning of 2022 Fluidra added Cornerstone's training content to the portfolio of resources available to all employees.

The aggregate training figures for 2021 were as follows:

Training hours

	2021	2020	Change
Total hours	51,427	43,698	+15%
Average hours per employee*	8.9	8.3	+7%
Investment	€541,085	€420,200	+22%

* *Average hours per employee are based on the average headcount for the year. The figures for 2021 do not include the workforce of the companies acquired during the fiscal year, who will be added to My Campus in 2022.*

The breakdown of the training data is shown on the table on page 143.

Fluidra made a considerable effort to increase training hours for its workforce, considering the restrictions on in-person training that are still in place due to the pandemic. In 2020, there was a mandatory, company-wide training effort for all employees following the release of the updated Code of Ethics and the launch of the new corporate values after the merger, but in 2021 only new hires had to undergo such training.

Development Plans

The approach to career development at Fluidra is not limited to training as a means of development. In keeping with the 70:20:10 learning model, most of the development actions in the plan must focus on work-related experiences that enable the professional to achieve the proposed development goals.

70% from work	20% from others	10% Training
• Actions in the current position	• Role-modelling	• Face-to-face sessions
• Problem-solving	• Continuous feedback	• Online training
• Expand tasks	• Mentoring	• Seminars / Conferences
• Cross-cutting projects	• Coaching	• Reading assignments
• New experiences	• Networking	• Online training
• New roles	• teamwork	• Talent acceleration programs
	• Follow-up of work	• Leadership development

Development plans are the basic tool for getting the most out of each one of us. Performance evaluations and talent reviews, among others, provide employees with a clear picture of what his or her strengths are today and areas for improvement. The object is for each person to reach his or her full potential in order to optimize their contribution to the organization, based on individual career goals and the strategic objectives of the organization.

In 2021 an individual target was incorporated into the MAC Annual Incentive Plan for all management roles, down to the manager level, which requires each person to have an individual development plan specifying what actions need to be taken, based on the model explained above, in order to promote their professional development.

At the fiscal year-end, all MAC-1 members (a total of 60 people) had formal Individual Development Plans. In addition, recommended development actions were identified for the 1,541 people evaluated in the Talent Review, which represents 22% of the workforce. Efforts continue at Fluidra to reinforce a change of attitude in 2022 so that each employee takes responsibility for his or her career (through the Conscious Me initiative) and the development necessary for that to happen through the creation of individual Development Plans (My Plan).

Fluidra Go

The Fluidra GO talent acceleration program was launched globally for those people identified as having high potential as a result of the Talent Reviews conducted by MAC members.

For this first edition there are 18 participants worldwide who will benefit from a hybrid development ecosystem over a 15-month period. Among other things, each participant will have a member of the MAC as a sponsor, thus demonstrating the commitment and involvement of senior management in their development. The first edition is scheduled to end in December 2022 and new editions will be considered depending on the results.

Global Leadership Program

In 2021, we worked on the definition of Fluidra's Leadership Model based on our corporate values and considering the strategy and future challenges faced by the company. This model has the involvement of all MAC members, who actively participated in 2 working sessions with the objective of creating a shared and transversal leadership culture for the entire company, reinforcing the development of key skills and competencies that add value to the organization.

On the basis of this Leadership Model Fluidra designed the Global Leadership Program known as "Conscious Leader”. The Program aims to unlock the leadership potential of management, helping them to understand their role and their impact on their teams and the business, strengthening collaboration and fostering a common leadership culture. For Fluidra, a "Conscious Leader" is one who:

The program, which is global in scope, affects all leaders within the organization, starting with senior leaders in 2022 (understood as MACs, MAC-1s, company directors and other key positions in each region with teams who report to them) and continuing with the rest of the groups over the next few years.

The program consists of two training modules where participants learn about the traits that all Fluidra leaders must have and are provided with the tools and strategies necessary to develop them. In addition, there will be a 360º feedback process for all participants in which they will not only evaluate themselves but will also be evaluated by their direct superior, their peers, subordinates and other Fluidra employees.

After these sessions, Fluidra leaders will have the opportunity to continue developing and deepening their skills through the online training content provided by Fluidra.

The global program will be supplemented by local programs currently underway in the different regions which seek to reinforce the day-to-day work of the leaders in the organization, focusing on daily operations and management with their teams.

For example, the Leadership Development Program that was launched in North America in 2020 is aimed at management and director positions in the region. This program is divided into two different sub-programs, depending on the target audience:

1) Fundamentals of Leadership: designed for newly promoted or first-time managers who have not received management training; and

2) Leading with Impact: designed for executives or managers with 1-5 years of leadership experience.

Both three-month programs consist of live interactive webinars and e-learning modules focused on developing management skills. Through these programs, leaders understand how value is created by integrating functions, how to apply their capabilities to complex business issues, and how to enhance their core leadership skills to develop a strong executive presence. In 2021, a total of 68 people participated in this program, in addition to the 47 people who participated the year before.

In 2022, the EMEA and APAC regions will continue to define their regional leadership programs.

International Mobility

The international mobility of employees between workplaces allows Fluidra to make better use of our human resources and provide effective support for our business activity. It also allows executives and professionals to gain international experience by broadening their avenues for promotion.

The group has an International Mobility Policy which defines the terms and conditions for employees to move from one region to another, depending on the length of time: short term, long term or permanent transfer.

6.2.5. Compensation and Benefits

[103-1, 103-2, 103-3, 401-2, 405-2]

The Covid-19 pandemic has demonstrated that equity is more than just salary, and that a focus on diversity, equity and inclusion encompasses all elements of a compensation and benefits strategy. This approach enables better performance, fosters well-being, and drives engagement, productivity and company results.

6.2.5.1. Compensation

Compensation at Fluidra is designed to attract, motivate and retain the best talent by promoting the corporate mission and values, sustainability and gender equity.

To that end, salary ranges are managed in such a way as to enhance internal equity and make sure that the company remains competitive in the market. Compensation and raises are managed internally through collective bargaining with employee representatives but without the participation of other stakeholders for reasons of confidentiality and data protection.

In 2021, the average salary[9] of Fluidra employees was €35,303, 1.6% less than in 2020, when the average was €35,870. This decline is mainly due to significant staffing increases in countries with lower wages by people occupying production and support positions. For example, with the acquisition of CMP Shanghai in China, the headcount increased from 222 in 2020 to 679 in 2021, mostly in the production category.

If we analyze the average compensation by professional category, average salaries are higher with the exception of the administration and production categories, for the reasons mentioned above.

Average remuneration by gender/category

	2021			2020		
	Men	Women	Total	Men	Women	Total
Executives	281,793	251,692	278,926	238,342	222,299	236,653
Management	107,560	97,399	105,433	102,617	91,405	100,112

[9] For the calculation of the global average remuneration, the data reported by each of the group companies in their local currency has been consolidated into euros by applying an annual average exchange rate. All group companies have been included except for the 2021 acquisitions of Sunbather PTY, Taylor LLC, SR Smith Australia. In total the reported gap is over 6,811 employees representing 97.4% of the total at closing (6,995 employees).

Professionals	58,896	54,863	57,798	56,277	51,732	55,226
Technical	31,830	28,868	30,872	25,859	25,326	25,669
Administration and support	21,512	21,976	21,789	22,739	23,407	23,149
Production	17,716	16,719	17,396	19,041	18,511	18,893
Total workforce	**38,509**	**29,222**	**35,303**	**38,794**	**29,878**	**35,870**

Average compensation by age

	2021	2020
Under 30 years old	23,278	23,356
Between 30-50 years old	33,482	34,035
Older than 50 years old	48,068	47,504
Total workforce	**35,303**	**35,870**

As part of its commitment to Human Rights, Fluidra works to guarantee effective equality for everyone who is a part of the organization, which includes protecting their right to receive equal pay for work of equal value.

2024 target: adjusted wage-gap 0

At the beginning of 2021, the group communicated its goal of achieving an **adjusted wage gap of 0**[10] by 2024. Since then, Fluidra has been working on the development of a qualitative and quantitative analysis of the pay gap, as a preliminary step to defining the action plans needed to achieve this goal.

During this process, which was carried out with the advice of an external consultant, the situation of each country where the group operates has been evaluated individually using the same global methodology. The first step was to review the positions in the different companies and/or countries in order to identify possible mismatches in positions considered to be of equal value, thereby ensuring that the gap would be calculated for similar positions. At the same time, Fluidra's Human Resources policies were reviewed and analyzed to identify discrimination or unconscious biases in the main processes of the employee's life cycle.

Subsequently, we proceeded to calculate the adjusted salary gap for each company, which allowed us to compare the salaries paid to men and women, isolating the effects of socioeconomic differences such as the professional categories associated with the positions of both groups. In other words, closing the pay equity gap means eliminating differences in pay that have no reasonable explanation such as role, seniority, location or age, and offering equal pay for equal work. A pay equity gap exists when there are wage differences that are not owing to these factors.

The entire process has given us a deeper understanding of the fundamental causes that affect the pay equity gap in each context (legal environmental, socio-cultural, job history, etc.), and enabled us to identify initiatives and actions that need to be implemented in each country in the coming years to correct the deviations detected.

Looking ahead to 2022, Fluidra will continue to correct the pay gap through the following actions:

- **Salary Audit**

[10] The statistically adjusted gender pay gap measures the difference in pay between men and women considering the structure of employees per group analysed by category. It provides a better measure of the pay gap for comparable workers.

Analyze other factors that may explain the salary differences between men and women such as educational level, experience, responsibilities, performance, department, etc. If differences are detected that cannot be explained by these objective factors, the underlying disparities will be corrected at the annual review.

- **Review of Human Resources Policies**

Verify that all HR policies are up to date and equality-oriented, with special emphasis on recruiting and hiring policies, as well as talent development and promotion policies.

- **Compensation Transparency**

Since this was the first year this methodology was used, and in keeping with the principle of comparability of information, below are the results of the adjusted pay gap for the current fiscal year, as well as the unadjusted pay gap in 2020 and 2021.

Wage gap

	2021[11]	**2020**	**Change**
Adjusted wage gap[12]	6%	Not available	Not available
Unadjusted wage gap[13]	24%	23%	1%

The unadjusted gap has increased by 1%, due primarily to a 29% increase in the headcount compared to 2020 as a result of new acquisitions. The increase is insignificant compared to the variation in the headcount and the effect this has on the reporting of the gap.

Since Fluidra has set a target of a 0-wage gap by 2024, from now on the adjusted pay gap will be calculated by category. This calculation is intended to consider the different roles occupied by men and women in each category in a given country and the percentage of the total workforce they represent. For fiscal year 2021, the adjusted pay gap is 6%.

6.2.5.2. Benefits

At Fluidra we have developed a greater awareness of the role that benefits play in employee well-being. While benefits play an increasingly relevant role in the total compensation package, in our experience we have found that they must be sufficiently personalized to generate commitment among employees.

That is why benefits at Fluidra are handled on a regional/country basis, which is where the most pressing and current needs are known. Fluidra's philosophy is focused on offering benefits and developing programs or internal initiatives that provide security and facilities that create a sense of recognition in addition to satisfying employees' internal needs.

As a general rule, benefits are only available to employees with permanent contracts. The most common benefits include health and life insurance, and flexible compensation schemes (including childcare, transportation and meal vouchers, among others).

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[11] The 2021 Wage Gap calculation covers 97.4% of the workforce. Excluded are the 184 employees of SR Smith Australia, Sunbather PTY, and Taylor LLC, due to their acquisition during the last months of the year.

[12] The wage gap has been calculated as follows for each of the countries: (Median normalised men's wage - median normalised women's wage) / median normalised men's wage. Subsequently, the weight of each country was weighted to obtain the final result at the group level. To obtain the global data we weighed the weight of each country in the final result.

[13] Percentage difference between the gross salary received per hour worked by women and men, for this purpose the salary of professionals has been normalised to eliminate the effect of the different length of the working day.

6.3. Health, Safety and Wellbeing

[103-1, 103-2, 103-3]

One of the Fluidra Group's top priorities has always been to provide a healthy and safe working environment, where everyone can do their work without fear of harm to their health or physical integrity.

Fluidra has consistently promoted health and hygiene measures to prevent the spread of Covid-19 in the workplace, including: the use of masks and other PPE; encouraging remote work whenever possible; social distancing and the use of hand sanitizer which is available at all facilities; and the regulated use of common spaces to avoid large gatherings.

Occupational health and safety management is the responsibility of the Global HSE Department, which reports directly to the Global Operations Director, a member of the MAC.

There is also an HSE Steering Committee which meets quarterly and is chaired by the Global Chief Operations Director, with the participation of: the CFTO, the Global Human Resources Director, the EMEA Sales Director, the Investor Relations and Communications Director, the Manufacturing Director for the EMEA region, the representative of the Americas Sales Director and the Global HSE Director. This Committee analyzes HSE performance, reviews the annual action plan and compliance with it, and acts as the HSE ambassador, etc.

One of the functions of the Global HSE Department is the definition of the global HSE strategy, including the policies, procedures and standards that make up the Health and Safety Management System; the definition of short, medium and long-term objectives; the tracking of results to identify risks and opportunities for improvement; and the promotion of a positive HSE culture through training and communication initiatives.

The corporate HSE team is assisted by two HSE Business Partners located in Asia and the United States, who share functions with the Human Resources Department. In addition, there is one person at each group facility, either part-time or full-time, who performs this function and reports to the Global HSE Director.

The HSE team in the Americas region will be reinforced in 2022 to meet the new HSE challenges due to the acquisition of new production companies in the United States in 2021.

6.3.1. Health and Safety Management System

[403-1, 403-7, 403-8]

The company has an Occupational Health and Safety Management System, developed in accordance with European regulations and OHSAS and ISO standards, which applies to all group employees[14]. Although not externally certified, this system is reviewed periodically as part of the internal audits of all group companies carried out by the corporate HSE team.

The **Global HSE Policy** (Health, Safety and Environment), which was approved in 2019 by the group's Board of Directors, is the framework of reference in the field of Health and Safety, laying the foundations for all other processes and procedures. It sets out the organization's commitments, which are broken down into four main lines of action:

- Initiatives to protect and improve the health and wellbeing of employees.
- Voluntary health care programs and initiatives to promote a healthy lifestyle through exercise, nutrition and regular check-ups.
- Risk assessments and analyses of work processes and workplaces, providing the necessary protective equipment and mandatory occupational risk prevention training.

[14] At year-end, the Health and Safety Management System was in the process of being implemented in the new companies acquired during 2021. The KPIs included in this section cover 6,493 employees, representing 92.8% of the workforce, excluding the workforce of the following companies: Fluidra SI, d.o.o., SR Smith, LLC, SRS Australia Pty Ltd, Taylor LLC, Sunbather Pty Ltd.

- Participation of all employees in the ongoing improvement of the occupational health and safety system, meeting their needs and expectations.

The commitments laid out in the Policy were subsequently developed in corporate standards and global operating procedures (GOP) which detail the HSE requirements for each one of the group's activities.

To date, Fluidra has a total of 12 standards, including Emergency Management; Chemical Products; Occupational Health; Accident Investigation and Reporting; Hazardous Waste Management; HSE for Suppliers, Development and Production Safety, and Warehouse Management.

In 2021, the requirements of the last two standards were further developed in global operating procedures to provide facilities with practical tools for their implementation in order to reduce risks. Additional procedures are scheduled for development in 2022 on Accident Investigation and Reporting, Hazardous Waste Management, and Supplier HSE standards.

Below is a description of some of the key elements of the Health and Safety Management System.

6.3.2. Risk Identification and Assessment

[403-2, 403-3]

To guarantee safe working conditions, Fluidra requires all locations to identify and assess the risks associated with processes and workplaces before launching any new activity, particularly those that are potentially hazardous.

Local management is responsible for facilitating risk assessments and developing protective measures, in cooperation with employees, who must be apprised of local safety requirements and must respect and abide by them. Among other things, this includes the proper use of personal protective equipment, respect for alarms and safety warnings, participation in observation and training programs, and prompt reporting of any action or inaction that poses a risk to human health and safety.

There are also prevention plans in place, usually handled by external prevention service companies, to detect and control existing risks and monitor the corrective measures that are put in place. Supervision of compliance with these plans is the responsibility of the prevention coordinators, the prevention delegates and the Health and Safety Committees at each company.

Corporate HSE Management makes safety visits to the group's facilities all over the world to monitor improvements and the implementation of procedures and to assist with corrective actions in those areas where they are needed.

Due to travel restrictions in 2021, only the plants in Italy, Sacopa (Spain) and in the United States of America, both new and existing, with the exception of Taylor, were visited. There are regular video conference calls with Brazil, China, USA, Bulgaria and South Africa, among others, to monitor the status of HSE issues.

A self-assessment system called HSE MaSys (HSE Management System) was implemented to enable group companies to self-assess and prepare action plans to correct gaps and make progress in the process of improving all aspects of HSE. In 2021, the initiative focused mainly on production plants due to the higher risk of accidents, although it also included some commercial companies. In all, self-assessments were done at 28 companies (30% of the group's companies with employees) and this figure is expected to increase in 2022.

Finally, any employee can report occupational hazards or dangerous situations to his or her supervisor or directly to the person responsible for HSE in his or her area. They can also report risks through a confidential channel, either by completing the form available on the MyFluidra intranet or by sending an e-mail to ethics@fluidra.com.

In 2020, Fluidra introduced the Golden Principle, which stipulates that all employees have the right to stop any activity that poses a risk to their safety and integrity and that they are protected against any retaliation as a result of doing so.

6.3.3. Employee Participation

[403-2, 403-4, 403-5, 403-6]

The Management System is built on the belief that all employees of the group and, in particular, those in positions of responsibility, must contribute through their daily actions to managing and achieving the HSE objectives in their areas of responsibility.

Fluidra currently has several mechanisms in place to involve and inform teams about Health and Safety management. Key among these are the Health and Safety Committees, 20 in all (the same as in 2020), made up of 106 people representing 39.9% of the group's workforce. The committees meet quarterly to review and investigate accidents and near misses and to assist with HSE audits or inspections.

In addition, the BBS (Behavior Based Safety) system is being rolled out at production plants in Spain, Brazil, South Africa and China. This system gets employees involved in the task of preventing accidents and hazards in the workplace by informing and warning their colleagues of any unsafe behavior.

Every week, a plant employee, along with Health and Safety officers, observes how its colleagues do their work in order to identify and/or correct risky or unsafe practices that could lead to accidents in the workplace. Once a month, plant management is also involved in the same process. It is expected that the initiative will have been implemented at all of the group's production facilities by 2023.

HSE visits by MAC members to the various production sites continued in 2021. To date, there have been visits by the Executive Chairman, the CEO, and the Directors of Operations, Human Resources & ESG, and Finance. There is a template which is used to note the most serious risks observed. Once the visit is completed, a report is drawn up with the risks detected, which is sent to the companies visited in order to implement action plans.

These visits are well-received by employees, as they can see first-hand the involvement of senior management in these matters. At the same time, management learns about the reality of the HSE problems and risks that exist in the centers.

Finally, Fluidra looks after employee's health and wellness by continuously providing information and promoting programs such as smoke-free workplaces around the world. Fluidra's Health Program (suspended due to the pandemic) is expected to resume in 2022, offering voluntary annual physical checkups and promoting healthy behaviors such as exercise and a healthy diet.

6.3.4. Training and Awareness-Raising

[403-4, 403-5]

Group employees receive regular health and safety training. Firstly, the corporate HSE Department trains the people who are responsible for the HSE function at each facility in order to ensure their understanding and ability to fulfil the requirements defined in the corporate standards and global operating procedures. The first training sessions in the new and approved procedures, such as the one related to the investigation of accidents, got underway in 2021.

In addition, each company has its own health and safety training plan adapted to its particular needs, such as training on workplace risks and load handling. The HSE Department also prepares the HSE Corporate Communication Plan which provides advice, best practices and other information intended to raise awareness of Health, Safety and Environment issues.

This Communication Plan consists of monthly messages to all personnel with advice on how to work safely and how to contribute to the preservation of the environment. This information is distributed globally through the "Living Fluidra" newsletter and posted on bulletin boards at different locations.

A message with safe driving tips is also produced every quarter under the slogan "Drive for Life".

In 2021, in order to raise awareness of HSE among the Fluidra Group's entire workforce, a contest called the Preventionist was held, in which the employees had to identify the risks through photographs.

The HSE Department also uses another communication tool focused on HSE professionals: the HSE Alert. An HSE Alert is a brief description of an accident, incident, administration of first aid or near miss that has occurred at a facility and the actions taken to prevent its recurrence. If possible, a photograph of the event is attached. When an HSE Alert is received, the HSE representative at the facility shares it with the employees to raise awareness and prevent similar events from happening elsewhere.

6.3.5. Accident Rates and Absenteeism

[403-2, 403-7, 403-9, 403-10]

Despite all the efforts described above, there may be occasions when accidents and occupational illnesses occur. When this happens, it is essential to thoroughly investigate the causes in order to identify and implement the necessary preventive and corrective actions to avoid a recurrence.

The HSE Department has a reporting program (SAI 360) which details the guidelines for investigating accidents and taking the pertinent actions. In 2021, all group companies received training in this program and an HSE reporting guide was created, with details and examples for reporting accidents and incidents involving both employees and third parties.

In addition, there are corporate agreements with mutual accident insurance companies in Spain or equivalent private organizations in other countries to ensure that any occupational accidents and illnesses that may occur are properly managed and monitored.

Occupational Accidents

Workplace accidents and incidents at Fluidra are defined on the basis of the companies' own activities. We differentiate between blows and entrapments by objects or equipment; injuries caused by sharp instruments; falls and slips; injuries caused by moving heavy loads; chemical poisoning and burns; infections; traffic accidents and injuries from fires and explosions.

In 2021, Fluidra reduced the number of accidents by 58.3% compared to 2020, and the accident rate by 65%, which exceeds the target set by the group for 2021 by 40% (target: 25% reduction in workplace accidents).

Number of accidents (employees)

	2021			2020		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Fatalities	**0**	**0**	**0**	**0**	**0**	**0**
Accidents in the workplace or on assignment	**34**	**13**	**47**	**98**	**21**	**119**
Requiring medical leave	28	12	40	50	13	63
Not requiring medical leave	6	1	7	48	8	56
In-itinere (to/from work)	**7**	**1**	**8**	**11**	**2**	**13**
Requiring medical leave	5	0	5	N/A	N/A	N/A
Not requiring medical leave	2	1	3	N/A	N/A	N/A

Accident rate (employees)

	2021			2020		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Total Recordable Incident Rate (TRIR) *No. of accidents in the workplace or on assignment /no. of hours worked * 200,000*	0.85	0.61	0.77	2.71	1.15	2.2
Lost Time Injury Rate (LTIR) *No. of accidents in the workplace or on assignment **with medical leave**/no. of hours worked * 200,000*	0.70	0.56	0.65	1.56	0.78	1.28
Severity rate *No. of days lost *1000/ total number of hours worked*	0.07	0.07	0.07	0.25	0.15	0.22

The decline in accident rate has been steadily occurring since 2018, when the total accident rate (TRIR) amounted to 5.42. This is due to the implementation of the Health, Safety and Environment Policy and the associated actions and activities, such as:

- A Communication Plan focused exclusively on HSE which helps to raise awareness about risks and how to prevent them.
- An analysis of the accidents that occur to find the root causes and take the necessary corrective measures to eliminate the risk.
- The preparation and implementation of global standards and procedures, as well as regular meetings with HSE managers and top management have undoubtedly contributed to the decline.

Accidents are investigated by the people in charge of HSE issues, working with the injured person (if possible) and that person's direct supervisor. Accidents are reconstructed to try to find the root causes so that corrective actions can be taken to prevent them from happening again. If for some reason the root cause cannot be eliminated (either because it requires an investment or for production reasons the system cannot be changed), steps are taken to protect the worker and to prevent the accident from recurring.

Occupational Illnesses

Fluidra has defined a procedure to monitor and follow up on possible occupational illnesses stemming from the employee’s job or activity such as respiratory diseases, skin conditions, limb disorders, neck and back problems, poisoning, infectious diseases, cancer and malignancies.

There were no occupational diseases in either 2021 or 2020.

Absenteeism

With regard to absenteeism, although the number of hours lost increased by 36% with respect to 2020, the overall absenteeism rate decreased by 0.97% as a result of the increase in hours worked with respect to the previous year.

By scope, although there was a very significant increase in the number of hours lost due to leaves of absence, there was only a 0.62% increase in the absenteeism rate at this point (from 2.33% to 2.95%), which shows that this increase was in line with the increase in hours worked.

On the other hand, there was a decrease in hours lost due to accidents and illnesses (common and professional), thanks to the efforts made to reduce the accident rate, as well as the lower impact of

Covid-19, due to the prevention measures implemented by both Fluidra and the authorities of the countries in which we are present to deal with the pandemic (masks, vaccination, promotion of teleworking, etc.).

Hours lost

	2021	%	2020	%*
Accidents and illnesses (common and occupational)	302,746	2.47%	315,771	4.05%
Parental absenteeism	75,036	0.61%	48,126	0.62%
Leaves of absence	362,125	2.95%	181,994	2.33%
Total absenteeism hours	**739,907**	**6.03%**	**545,891**	**7.00%**
Total hours worked**	**12,255,768**	**-**	**7,805,510**	**-**

This indicator covers 98.58% of the Fluidra Group's employees at the end of 2021. The companies Sunbather PTY and SR Smith Australia, acquired at the end of the 2021 financial year, which have 99 employees (1.42% of the workforce), are outside the scope of this indicator.
**Percentage of reported total hours worked 7,440,189, plus 365,321 estimated hours in 2020. It is important to note that there were furloughs and temporary shutdowns due to the Covid-19 pandemic.*
*** Hours worked are calculated using the group companies' time sheets or, alternatively, the working hours according to the collective bargaining agreement or the labor laws in the country in question.*

Health and Safety in the Supply Chain

The group's health and safety commitments extend to anyone who works on our supply chain, as set out in the Supplier Code of Ethics. Compliance is verified through audits carried out by Achilles as part of the Fluidra Group's supplier selection and evaluation procedure (for more information, see page 62).

These controls are even more stringent for suppliers doing any kind of work on the group's premises. Fluidra has an HSE standard for suppliers that defines and standardizes the requirements that they must meet in order to ensure the proper identification, evaluation, documentation and management of suppliers.

In 2022, the standard is planned to be developed through the following Global Operating Procedures (GOPs): Third Party Security Management, Third Party Onboarding, Third Party Security Reviews.

Number of incidents (External)

	2021			2020		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Fatalities	**0**	**0**	**0**	**0**	**0**	**0**
Accidents in the workplace or on assignment	**11**	**1**	**12**	**7**	**5**	**12**
Requiring medical leave	11	1	12	7	5	12
Not requiring medical leave	0	0	0	0	0	0
In-itinere (to/from work)	**1**	**1**	**2**	**1**	**0**	**1**
Requiring medical leave	0	0	0	N/A	N/A	N/A
Not requiring medical leave	1	1	2	N/A	N/A	N/A
Occupational Illnesses (Total)	**0**	**0**	**0**	**0**	**0**	**0**

Accident rate (External)

	2021			2020		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Total Recordable Incident Rate (TRIR) *No. of accidents in the workplace or on assignment /no. of hours worked * 200,000*	2.34	0.38	1.64	5.10	6.24	5.56
Lost Time Injury Rate (LTIR) *No. of accidents in the workplace or on assignment **with medical leave**/no. of hours worked * 200,000*	2.34	0.38	1.64	5.10	6.24	5.56
Severity rate *No. of days lost *1000)/ total number of hours worked*	0.18	0.04	0.13	N/A	N/A	N/A

6.4. Committed to the community

[103-1, 103-2, 103-3, 203-1, 419-1]

All companies' economic activities have direct and indirect impacts on society and the communities that interact with them. Fluidra is an organization aware of the impact of its activities in the communities where it operates, which is why we try to have a positive impact on the lives of all members of those communities. Fluidra works every day to improve our relationships and dialogues with stakeholders in order to contribute to sustainable development and the wellbeing of society as a whole. During the 2021 fiscal year, as in the previous year, no significant fines or sanctions have been recorded for non-compliance with social or economic legislation and regulations.

Fluidra's business is highly internationalized and diverse, generating positive economic impacts on local communities through the purchase of products and services, generating employment and satisfying the needs of the people who, directly or indirectly, are related to Fluidra's companies.

Likewise, focused within its activity in the pool and wellness sector, it participates in social initiatives to promote different values and the development of communities through direct action (through social projects, as well as through contributions, donations and sponsorships to sectoral or non-profit organizations), or through projects developed by the Fluidra Foundation.

In 2021, through the ESG Department, Fluidra’s social action has become more global. Fluidra employees are now able to propose collaboration projects with the communities linked to the company’s chosen SDGs, the Fluidra business model and the vulnerable groups supported by the company.

6.4.1. Social action at Fluidra

[413-1]

Social action at Fluidra is carried out jointly at the corporate level (in charge of global initiatives) and at the individual company level (focused on responding to local needs).

Fluidra's social action is structured along three main lines of action:

Fluidra Day: Solidarity Pool

Coinciding with World Water Day (March 22), Fluidra holds the "Solidarity Pool” contest, an event where the group's employees from all over the world can present initiatives designed to offer a perfect pool & wellness experience for everyone.

Through its annual contribution to the Fluidra Foundation, the company makes a commitment to developing new projects and/or funding existing ones for the elderly people, people with functional diversity and/or people living in communities at risk of poverty, in the following three areas:

- **Training**: training on pool and water-related issues (health and hygiene, access, drowning, swimming, etc.) that can improve people's quality of life and minimize certain risks such as drowning.
- **Health**: access to pool, wellness and water-related treatments and therapies for people with health problems and/or materials and products to improve sanitation in at-risk communities.
- **Leisure**: access to pools and water enjoyment while promoting community development.

The winning projects were chosen by a panel of judges that included the ESG Director, the Corporate Communications Director and representatives of the Fluidra Foundation's Board of Trustees, considering the votes cast by employees via the MyFluidra intranet.

First prize, with an endowment of €100,000, was distributed among three broad-ranging projects to be implemented in 2022.

- "Put a pool in their life" campaign (€40,000): Ten above-ground swimming pools will be donated to social organizations and associations to enable people with limited resources to enjoy these facilities when the weather permits.
- "The Emiliani Project" Association (€20,000): This Project will provide a swimming pool to a shelter for children who are victims of violence that the association has built near Medellín (Colombia).
- Brooks Street Swim Center (€40,000): Project to provide access to sports and leisure activities, and to offer swimming lessons to people with limited resources at this center located in Oceanside (California, USA).

In addition, six smaller initiatives were selected and awarded €5,000 each (€30,000 total) to be carried out by the Fluidra Foundation.

Ikigai Association (France) - Stephanie Rouchón https://www.association-ikigai.org/ Swimming lessons for girls and boys with autism and other neurodevelopmental disorders, to help prepare them for school and socialization.
Just Against Downing Foundation (USA) - Clive Schmidt and Joe Linguadoca http://justagainstchildrendrowning.org/ Swimming lessons in pursuit of 0 underage drownings in Florida pools.
CIRIAC Rehabilitation Center (Mexico) - Viridiana Rentería http://www.ciriac.org.mx Improve the quality of life of children with cerebral palsy and their families through hydrotherapy and neurorehabilitation techniques.
ARCD (Brazil) - Wagner Leandro Sousa http://arcd.org.br Provide better swimming pool equipment for children with cerebral palsy, spinal cord injuries, congenital malformations, etc.
B-Swim Catalunya (Spain) - Ignacio González https://www.b-swim.com An association that assists public and private institutions, clubs and sports centers to include adapted sports in their lines of action through adapted swimming techniques for people with motor difficulties and disabilities that require specific dynamics.
Down's Syndrome Foundation Castellón (Spain) - Pilar Saborit https://www.downcastellon.com/ Swimming activities for children with Down's syndrome to promote their social integration.

Responding to local needs

Along with Fluidra Day, each company on an individual level has sponsored initiatives and made contributions that respond to the needs of the communities where they are located.

PATH Project (USA)

PATH (Providing Alternative Tomorrows with Hope) is a volunteer organization based in Carlsbad (CA) and operated by Fluidra North America employees. Its mission is to help the community through the actions and donations of employees, providing options and hope for the future to those most in need.

Founded in 2011, it provides support in four specific areas: military, health, local community and industry-related organizations. There are 15-20 members and each employee volunteer donates approximately one to two hours per month to support different organizations and activities.

Warrior Foundation Freedom Station
With veterans on its staff, PATH supports the U.S. military, which has a large presence in Southern California. Every year it organizes a golf tournament. At the last edition, in 2020, it managed to raise $40,000, bringing the total contribution by the Fluidra team since the first time the event was held to $330,000. Although it was not possible to hold the event last year due to Covid-19 restrictions, the hope is that it can be resumed as soon as possible.
Susan G. Komen (Breast Cancer Research) American Red Cross
Due to the high number of women affected by breast cancer, PATH supports the Susan G. Komen Foundation. Every year, many company employees from the Carlsbad location and the Salt Lake City headquarters walk 5 kilometers to raise money for this cause. In 2021, people could participate in person or virtually in the event, which raised $15,761. In addition, two annual blood drives were held at the company's facilities, saving the lives of 72 people.
Brother Benos Homeless Shelter and Food Kitchen
Brother Benos is an initiative that provides clothing and food to the homeless. Each year, PATH places bins in the offices to collect blankets, socks, coats and non-perishable food items to donate. The food and clothing drive usually takes place between Thanksgiving and Christmas, known as "Thanks for Giving" month, although in 2021 it was held at the end of the year. Thanks to donations, 114 backpacks were provided to the children of Fluidra employees' to help families who need additional support to purchase school supplies. This year, the initiative was extended to employees outside the Carlsbad headquarters.
Swim Across America/USA Swimming Foundation
In 2021, $15,000 was donated to the International Swimming Hall of Fame and $10,000 to Swim Across America.

Australia

Employees from the group's Australian headquarters, participated in the Laps for Life initiative to raise funds for mental health support for youth through the ReachOut organization. The company's staff literally "jumped into the pool" and swam for kilometers to raise AUD 11,400, to which Fluidra donated an additional AUD 1,000.

On the other hand, a charity walk raised $2,215, which went towards the treatment of children with cancer.

India

Fluidra donated €25,000 to the Madhipura Christian Hospital (MCH) located in the north of Bihar, near the border with Nepal and Bangladesh, to help this hospital in the fight against COVID-19. As a multi-specialty hospital in one of the most complicated areas of India, MCH serves poor and marginalized people.

Spain

A team of eight people from the company Trace Logistics took part in Oncotrail 2021, a charity race to raise funds for the Oncolliga Foundation, which provides psychosocial support to people with cancer and their families to improve their wellbeing and quality of life. The company paid for the participants' registration fees and equipment and provided the resources for the team to raise the donations needed to participate.

Also, in 2021, we continued to collaborate with the AFIM Foundation, a private, non-profit organization that assists people with physical, intellectual, sensory and mental disabilities. Its mission is to provide comprehensive care and assistance to people with any type of functional diversity to facilitate their personal, occupational and social inclusion through a comprehensive intervention program that covers a range of personal and social facets and works to prevent situations of inequality.

On the other hand, CEPEX (Group subsidiary) is part of Apadis, a center for people with intellectual disabilities, which has welcomed two people from this association into its staff. In addition to collaborating regularly on the occupational workshops at specialized centers, it also buys the Christmas packages offered by these associations. Fluidra usually collaborates on the annual events of the Down's Syndrome Association of Castellón.

Finally, Fluidra S.A. donated the budget that was earmarked for the Christmas dinner to soup kitchens.

United Kingdom

Through Certikin (group subsidiary), we continued to make charitable donations to the Level Water Association in 2021 to help children with disabilities learn to swim and step up our social action in the community in a year in which, due to the pandemic, it was not possible to hold fundraising events as we had in prior years.

Vietnam

Phu Quoc Beach is one of the most beautiful beaches in Vietnam. It attracts many domestic and foreign tourists who come here to visit, explore and relax. However, domestic waste from locals and tourists has polluted the sea and diminished the quality of water here. Fluidra's employees helped to clean up an area of Phu Quoc beach to raise awareness of environmental protection, especially the marine environment.

6.4.2. Fundació Fluidra

The Fundació Fluidra was created in 2016 as a natural next step in the company's commitment to society, as a way of focusing corporate social responsibility initiatives to achieve the greatest impact.

"At Fluidra, we've always believed in the sustainable use and equality of access to water for all groups in society. We appreciate culture in general and music in particular as a way of making people feel dignified, and the Fluidra Foundation's mission will be to transmit these ideas and make them a reality."

Joan Planes Vila (Estamariu, 1941), President of the Foundation and one of the founders and current honorary president of the Fluidra Group.

The Fundació Fluidra's mission is to ensure that everyone has access to pools, swimming and to the therapeutic benefits they provide; to facilitate access to water for the development of disadvantaged regions; and to promote culture as the backbone of society.

Every year, Fluidra allocates part of its annual budget to finance this organization, with the aim of gradually extending the scope of its social action beyond its operating contexts. In 2021 Fluidra allocated €500,000 to the Foundation (€50,000 more than in 2020), and this funding is expected to increase to €750,000 in 2022.

To learn more about the Foundation's activities, please see the organization's Activity Report for 2021 in the following link.

Fluidra Foundation's main areas of activity

SCOPE	**ACTION**
Solidarity pool	Projects that improve people's lives. In collaboration with employees, we seek to achieve goals such as facilitating access to swimming pools, proposing swimming lessons as a global need, conducting studies on the benefits of using water and analyzing its therapeutic powers. At the same time, it is hoped that the social impact of this experience will be one of wellbeing, of a place for people to relate to each other, of promoting good health and knowing how to swim.
Water as an element of development	Promoting projects aimed at access to water, training on its use, and the implementation of specific solutions. The object is to provide certain underprivileged groups with support and a basis for them to grow and develop in society and as individuals. The mission of this initiative is to drive economic impact through proper access and sustainable use of water as a vital element.
Other local interests	Fluidra is headquartered in Catalonia (Spain), where there is a deep-rooted tradition of supporting culture and music from the business world. This explains our involvement in a variety of cultural and musical projects, which we are convinced are the foundation for the development of civilizations and instruments capable of dignifying people and groups. Beyond financial contributions, the Fluidra Foundation also contributes its business expertise to make these cultural and musical initiatives more profitable, by professionalizing their management and treating them as profit-making activities.

Projects in 2021

The Fluidra Foundation continued to develop various projects already underway, such as the construction of a "solidarity pool" in Senegal. This is an initiative to build a pool at a school in Thiaroye, a town located on the outskirts of Dakar, the capital of the African country, with the aim of teaching more than 2,000 children in the city to swim.

Also, in Senegal, the KAG-25 project continues, together with a farm school managed by Escuelas Pías in the Karang region. The object of this initiative is to convert a 25-hectare farm in the south of the country into a profitable horticultural farm, where the profits can be invested in four years of professional training for students. The ultimate goal is to make them self-sufficient and provide them with better business and financial skills.

The Foundation is also a patron of the Palau de la Música Catalana and the Gran Teatre del Liceu, and supports the Orquestra Simfònica del Vallès, the Fundació Abadia de Montserrat, the GIO Orquestra and the Fundació Catalunya Cultura in the promotion of various cultural initiatives. The Fluidra Foundation is also concerned about the welfare of people and the protection of animal species and therefore cooperates with the Fundació Sanitària Mollet, the CRAM Foundation and the Banc d'Acció Social.

6.4.3. Other contributions and sponsorships

[102-13]

In 2021, Fluidra significantly increased its contributions to sectoral associations and non-profit organizations, sponsorships of sports associations and donations to social causes.

Summary of contributions and sponsorships	**2021**	**2020**
Contributions to trade associations and non-profit organizations	€692,184	€276.320
Donations	€699,101	€450,300
Sports sponsorships	€1,586,876	€110,000
Total	€2,978,161	€836,620

Fluidra collaborates with a number of business and pool associations, notable among them:

Professional associations and non-profit organizations with which Fluidra collaborates:
• AECOC - Association of Manufacturers and Distributors (Spain) • Spanish Association for Quality (Spain) • Sant Cugat del Vallès Business Association (Spain) • Chamber of Commerce, Industry and Services of Madrid (Spain) • Chamber of Commerce of Sabadell (Spain) • Catalan Water Partnership (Spain) • Change2Grow (Spain) • Latin America Business Council (Mexico) • EUSA European Union of Swimming Pool Associations (Europe). • Foment del Treball (Catalan employers' association) (Spain) • FPP Federations des Professionnels de la Piscine (France). • Family Business Institute (Spain) • International Association for Sport and Leisure Facilities (Germany). • Swimming Pool and Spa Association NSW Pty Ltd (Australia). • SPATA The Swimming Pool and Allied Trades Association (UK). • Independent Pool & Spa Service Association (IPSSA) (USA). • Northeast Spa & Pool Association (NESPA) (USA). • National Plasterer's Council (USA). • WAVE Young Professionals Group (United States).

Donations

In addition to the donations mentioned above, Fluidra has made donations to the Food Bank Foundation, the Spanish Red Cross, the Adecco Foundation, the Althaia Foundation, the IESE Foundation, the ESADE Foundation, the Fundació Privada per a la Creativació, and the Fundació Fluidra.

Sports sponsorships

Competitiveness, enthusiasm, teamwork, self-improvement and a passion for success are values that Fluidra and its brands share with the world of elite sports. In 2021, as part of the agreements with the Sabadell Swimming Club and the Atlètic-Barceloneta Swimming Club, Fluidra brands sponsored the AstralPool CN Sabadell and Zodiac Club Natació Atlètic-Barceloneta water polo teams.

Fluidra is also a member of and sponsors other non-profit athletic organizations and associations, such as:

- European Swimming League (LEN)
- American Swimming Union (UANA)
- Oceania Swimming Association (OSA)
- Royal Spanish Swimming Federation (RFEN)
- Catalan Swimming Federation
- Indescat Sport Cluster
- Terrassa Swimming Club
- Olot Swimming Club

7. About this report

[102-45, 102-50]

This Non-Financial Information and Diversity Report for Fluidra, S.A. and its subsidiaries (listed in Appendix I of the Consolidated Annual Accounts) is part of the Consolidated Directors' Report for the 2021 fiscal year, as required by Law 11/2018 of December 28 which amended the Commercial Code, the recast text of the Capital Companies Act approved by Legislative Royal Decree 1/2010 of July 2, and the Auditing Act Law 22/2015 of July 20 as they relate to non-financial information and diversity, which in turn incorporates the 2017/EU Guidelines.

The information on non-financial indicators in this document is consistent with the Sustainability Reporting Standards set out in the guidelines of the Global Reporting Initiative (GRI). The selected GRI indicators refer to the contents listed as mandatory in Law 11/2018 (see section 7.4. Traceability Table of Contents per Law 11/2018).

The non-financial indicators included in the report cover 100% of the companies in the Fluidra Group that have employees. However, as specified throughout the report, there are certain environmental and social indicators with a more limited scope as a result of the acquisition of new companies in the final months of the fiscal year, not being material in any case.

Likewise, data from prior years is provided to facilitate a better understanding of the evolution of the company's performance. It should be noted that the comparison of data may have been affected by the new companies integrated during the year, but it was not necessary to restate the information from previous reports.

7.1. Materiality analysis

[103-1, 102-43, 102-47, 102-49]

The materiality analysis allows Fluidra to identify, evaluate and prioritize environmental, social and good governance (ESG) issues that can have the greatest impact on both the company and our stakeholders (i.e. those known as "material issues"). This process is part of Fluidra's commitment to involve all stakeholders in the definition of ESG strategies and lines of action, in order to recognize and respond to their needs and expectations at all times.

Because of the constant changes and events that have taken place in this area in recent years, this process must be dynamic and ongoing in order to identify, analyze and adapt to new trends and needs that arise in the market and among our stakeholders. That said, Fluidra conducts this analysis every two years, which allows us to periodically review our strategy and action plans to align them with expectations and define ESG priorities for the next two years.

Fluidra carried out a materiality analysis in 2019, which served as the basis for the preparation of the 2020-2026 Responsibility Blueprint. In 2021, Fluidra did a new materiality analysis to validate the actions defined within the framework of the ESG Strategic Plan.

7.1.1. Methodology

The methodology defined by Fluidra for this process takes as a reference the "Reporting Principles for Defining Report Content" found in the 2016 version of the Global Reporting Initiative (GRI) standards. It also incorporates the concept of "Dual Materiality" by considering both the impact of Fluidra's activities on ESG issues and the way in which these issues impact on the company itself, both from a financial and non-financial point of view.

There are four phases to the process:

1. **Analysis of the organization and its context**

Fluidra has analyzed the changes that have taken place over the last two years in its business, commercial relations and the market in general. The analysis also covered the prevailing trends and developments in the field of ESG, including new regulations and international initiatives.

2. **Identification of material issues**

In this phase, the material issues identified in 2019 were taken as the basis for review and update, as necessary. The terminology used in the description of each material issue was reviewed to supplement it as appropriate, and to avoid any overlap between the different issues that could lead to confusion among stakeholders.

As a result, a total of 73 issues were identified and grouped into 28 material topics for further assessment and prioritization. While the number of material topics is the same in 2021 as in 2019, there have been some changes in the names and scope of the topics, resulting in the identification of new topics and the integration of others into existing ones for ease of understanding.

Thus, for example, the issues "Customer Health and Safety", "Customer Privacy" and "Product Life Cycle Assessment" have been consolidated within the topic "Sustainable, Safe and Quality Products". On the other hand, the names of other topics have been changed (e.g., "Environmental Compliance" has been changed to "Legal Compliance"). Finally, four material issues not specifically covered in 2019 were defined: "Climate Change", "Information Security", "Intellectual Property", and "Shareholder and Investor Relations".

3. **Assessment and prioritization of material topics**

As a new feature, the assessment and prioritization of material topics is structured in two parts: assessment of relevance for stakeholders and assessment of impact on the organization.

The assessment was previously based on the relevance of material issues to internal and external stakeholders separately. This time, the view of all stakeholders has been consolidated, and the assessment of the impact of these issues on the organization, from both a financial and non-financial point of view, has been introduced.

Relevance

For this first phase of the evaluation, Fluidra communicated with representatives of all stakeholders to find out how relevant the identified issues are to them, and how relevant they believe they should be for Fluidra, based on their activities and business relationships.

In selecting them, geographical criteria were considered in order to obtain the ESG vision of stakeholders in the three regions where Fluidra operates. In all, 252 people from 17 countries participated (compared to 129 people in 2019). By stakeholder group, there were 157 internal stakeholders (Employees, Global ESG Committee, MAC members) compared to 73 in 2019; and 95 external stakeholders (Investors, Customers, Users, Suppliers and Society), compared to 56 in 2019.

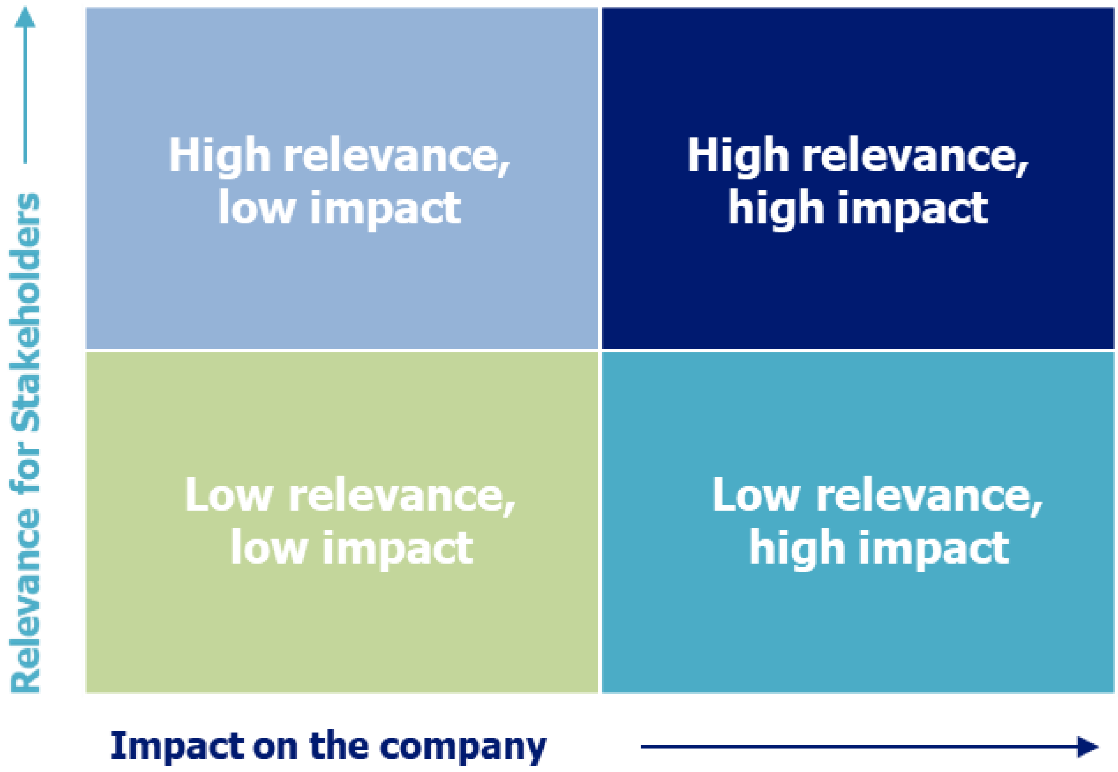
The evaluation was carried out through consultations and questionnaires sent out to the participants. For employees, suppliers, customers and investors, 14 working sessions were held in advance of the evaluation, attended by 205 people, to present the analysis and the issues to be assessed. In all cases, explanatory guides were provided to the participants, with an introduction to the material issues to be assessed, along with a channel through which to raise any concerns or questions that might arise during the process.

Impact

Fluidra has integrated the impact assessment into its materiality analysis, in line with the organization's methodology for assessing corporate risks and opportunities. Thus, for each of the impacts, an assessment has been made of their repercussions in financial, operational, strategic, reputational, legal and reporting terms.

Prioritization

The results were transferred to a materiality matrix which shows the relevance of the issues for stakeholders on one axis and their impact on the organization on the other. Based on their position on the matrix, the issues have been classified into the following four categories:



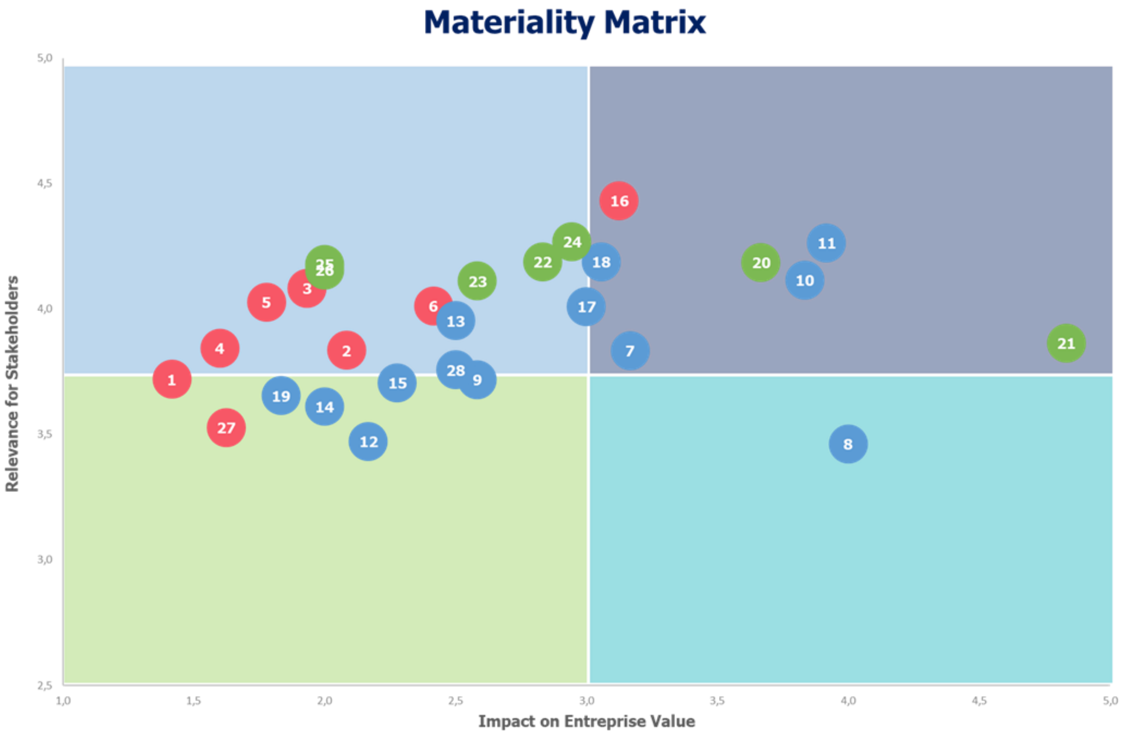
4. Integration of results into the organization

In addition to the assessment of material issues, stakeholders had the opportunity to evaluate Fluidra's ESG performance. Respondents highlighted the need for better communication and training in these areas, as well as the need for greater involvement in the implementation of initiatives and projects.

As a result, in early 2022 Fluidra launched an ESG training pill for the entire workforce. In the coming months, we will be working on the definition of an ESG Communication and Training Plan for all stakeholders, and on reinforcing the ESG team in the North American (AMER) and EMEA regions in order to continue implementing the strategy at a local level.

Fluidra has also reviewed and aligned the contents of this Non-Financial Information Statement according to the material issues identified, with the aim of ensuring that Fluidra reports on its commitments and performance in each one of these areas, thus responding to the needs and expectations of all stakeholders. Page 127 provides information about the relationship between the material topics and the table of contents of this report.

7.1.2. Materiality matrix



Based on the results of the analysis, the material topics of "Climate Change" (Environmental), "Human Rights" (Social) and "Information Security" (Governance) are the highest priority topics on each of ESG axes. While "Human Rights" was already among the most relevant topics in the last edition, the level of importance of the other two topics has increased significantly compared to 2019.

Other priority topics in 2019, such as "Sustainable, Safe and Quality Products", "Ethics and Integrity" and "Legal Compliance" remain relevant to the organization, although the names have changed slightly from the previous materiality analysis for a broader scope. “Corporate Governance” and “Employee Compensation” are no longer a high priority.

FLUIDRA

High relevance, high impact

Material Topics	ESG Dimension	Main Stakeholders	GRI	Section	Page
21. Climate Change	Environmental	Employees, Investors, Customers & Suppliers	103-2	5.2. Climate Change	77
11. Information Security	Good Governance	Employees, Investors, Customers & Suppliers	418	4.8. Information Security	70
10. Legal Compliance	Good Governance	Employees, Investors, Customers & Suppliers	307, 419	5.1. Environmental Management; 6.4. Committed to the Community	73, 116
20. Environmental Management (own operations)	Environmental	Employees, Investors & Suppliers	102-11; 103-2	5.1. Environmental Management	73
16. Human Rights	Social	Employees, Investors, Customers, End Users, Suppliers & Society	408, 409, 412-1, 412-2	6.1. We stand for Human Rights	88
7. Ethics & Integrity	Good Governance	Employees, Investors, Customers, End Users, Suppliers & Society	102-16, 102-17, 205, 206	4.3. Ethics and Integrity	54
18. Customer Management	Good Governance	Employees, Customers & End Users	417-1, 417-2	2. Our products and solutions; 4.5. A Customer-Centric Model	11, 64
17. Sustainable, Safe and Quality Products	Good Governance	Employees, Investors, Customers, End Users, Suppliers & Society	102-2, 416	2. Our products and solutions	11

High relevance, low impact

Material Topics	ESG Dimension	Main Stakeholders	GRI	Section	Page
24. Circular Economy	Environmental	Employees, Investors, Customers & Suppliers	301-1	5.3. Circular Economy	84
22. Responsible water management (own operations)	Environmental	Employees, Investors, End Users, & Suppliers	303-1, 303-4, 303-5	5.4. Water	86
23. Energy management (own operations)	Environmental	Employees, Investors & Suppliers	302-1, 302-3	5.2. Climate Change	77

13. Intellectual Property	Good Governance	Employees, Customers & Suppliers	103-2	4.6. Commitment to Innovation and Technology	66
6. Occupational Health & Safety	Social	Employees, Investors & Suppliers	403	6.3. Health, Safety and Wellbeing	109
2. Employee-employer relations	Social	Employees	102-41, 402-1	6.2. Keeping the Best Team	92
3. Employee Attraction & Retention	Social	Employees & Investors	401-1	6.2. Keeping the Best Team	92
5. Diversity, Equity and Inclusion	Social	Employees & Investors	102-8, 405	6.2. Keeping the Best Team	92
4. Human Capital Development	Social	Employees	404-1, 404-2	6.2. Keeping the Best Team	92
25. Pollution	Environmental	Employees & Suppliers	305-1, 305-2, 305-3, 305-7	5.2. Climate Change; 7.2. Data tables	77, 130
26. Biodiversity	Environmental	Suppliers & End Users	304-1, 304-2, 304-3	5.5. Biodiversity	87
28. Responsible Supply Chain	Good Governance	Employees, Investors, End Users, & Suppliers	102-9, 102-10, 204, 308, 414	4.4. Responsible Supply Chain Management	59

Low relevance, high impact

Material Topics	ESG Dimension	Main Stakeholders	GRI	Section	Page
8. Risk & Opportunities Management	Good Governance	Employees & Investors	102-15, 102-29, 102-30	4.2. Risk and opportunity management	47

Low relevance, low impact

Material Topics	ESG Dimension	Main Stakeholders	GRI	Section	Page
1. Work-life balance	Social	Employees	401-3	6.2. Keeping the Best Team	92
9. Transparency	Good Governance	Employees, Investors, Customers, End Users, & Suppliers	103-2	3. We create the perfect pool & wellness experience, responsibly	27
15. Corporate Governance	Good Governance	Employees & Investors	102-18, 102-20	3.1. Fluidra's commitment to sustainability; 4.1. Governing bodies	27, 40
12. Shareholders & Investors	Good Governance	Employees & Investors	102-40 to 102-44	3.3. Relationship with stakeholders	37
14. ESG Strategy	Good Governance	Employees, Investors, Customers, End Users, Suppliers & Society	103-2	3.2. Responsibility Blueprint: Our roadmap	28
19. R&D+i	Good Governance	Employees, Investors, Customers & End Users	103-2	4.6. Commitment to Innovation and Technology	66
27. Community Engagement	Social	Employees & Society	102-13, 103-2, 203-1, 413-1	6.4. Committed to the Community	116

7.2. Data tables

Economic indicators

Economic value generated and distributed
[201-1]

(thousand €)	2021	2020	2019
Economic value generated	**2,233.7**	**1,525.7**	**1,406.6**
Total income (sales+other income)	2,233.7	1,525.7	1,406.7
Economic value distributed	**1,929.2**	**1,348.1**	**1,261.4**
Employees (personnel expenses)	363.7	272.4	277.9
Suppliers (stock variation + other operating expenses)	1.363.9	950.8	922.1
Shareholders (Dividend*)	75.9	40.7	0
Company-Public Administrations (Taxes**)	81.5	39.1	6
Capital suppliers (Financial Expenses)	44.2	45.1	55.4
Retained economic value	**304.5**	**177.6**	**145.2**

Dividend-Result attributable to equity holders of the parent company.*

*Taxes**- Corresponds to income tax expense.*

Profits earned and profit taxes paid on a country-by-country basis

	Benefit country by country *(in thousands of euros)*		**Corporate income tax paid** *(in thousands of euros)*	
	2021	**2020**	**2021**	**2020**
Germany	6,578	5,040	-51	164
Australia	15,094	-913	1,873	253

Austria	7,421	5,562	1,558	944
Belgium	3,137	1,302	790	585
Bosnia & Herzegovina	100	39	4	0
Brazil	1,470	782	186	0
Bulgaria	2,011	687	220	73
Canada	1,034	713	7	-355
Chile	393	-66	10	14
China	3,288	3,074	596	498
Cyprus	834	337	78	44
Colombia	214	-159	49	-58
Croatia	856	438	66	148
Denmark	377	4	0	0
Egypt	2,315	1,022	241	277
United Arab States	4,668	1,074	0	0
Slovenia*	44	0	0	0
Spain	50,903	24,680	16,287	-2,616
United States of America	149,864	50,577	55,870	20,394
France	37,369	18,866	8,130	8,711
Greece	1,581	1,189	224	645
The Netherlands	13,725	5,653	3,179	1,827
Hong Kong	-24	12	6	35
Hungary	943	693	78	101
India	857	446	204	105
Indonesia	1,024	808	22	91
Ireland	0	0	0	0

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Italy	8,332	2,099	1,776	432
Jordan	0	0	0	0
Kazakhstan	132	910	458	-92
Luxemburg**	0	0	0	-682
Malaysia	-31	85	-71	49
Morocco	1,846	1,104	123	566
Mexico	1,090	453	310	181
Montenegro	3	20	1	9
New Zealand	561	117	99	0
Poland	456	479	174	89
Portugal	2,807	1,802	531	657
United Kingdom	5,323	2,778	550	677
Czech Republic	2,431	1,750	341	281
Romania	684	380	95	50
Russia	1,163	-30	304	37
Serbia	425	198	53	26
Singapore	81	-9	21	-1
South Africa	2,595	2,277	1,973	675
Sweden	1,305	1,456	201	110
Switzerland	150	43	2	2
Thailand	146	371	-39	3
Tunisia	11	9	0	0
Turkey	1,384	599	412	127
Vietnam	519	270	8	115
Total	**337,489**	**139,021**	**96,949**	**35,191**

** The subsidiary in Slovenia was created in 2021.*

***The Luxemburg subsidiary ceased to exist in 2020.*

Social Indicator

Workforce by Country
[102-8, 405-1]

	2021						2020					
	Men	**%**	**Women**	**%**	**Total**	**%**	**Men**	**%**	**Women**	**%**	**Total**	**%**
Fluidra	**4,569**	**65%**	**2,426**	**35%**	**6,995**	**100%**	**3,617**	**67%**	**1,819**	**33%**	**5,436**	**100%**
Spain	1,390	63%	813	37%	2,203	31.49%	1,240	63%	718	37%	1,958	36.02%
United States of America	905	69%	406	31%	1,311	18.74%	426	73%	157	27%	583	10.72%
China	363	54%	312	46%	675	9.65%	113	51%	109	49%	222	4.08%
South Africa	380	76%	117	24%	497	7.11%	383	76%	123	24%	506	9.31%
Australia	299	61%	188	39%	487	6.94%	261	63%	152	37%	413	7.60%
France	281	66%	144	34%	425	6.08%	270	68%	130	32%	400	7.36%
Brazil	122	78%	35	22%	157	2.24%	131	77%	40	23%	171	3.15%
United Kingdom	90	58%	65	42%	155	2.22%	84	57%	64	43%	148	2.72%
Italy	90	74%	31	26%	121	1.73%	92	75%	30	25%	122	2.24%
Germany	64	64%	36	36%	100	1.43%	59	63%	35	37%	94	1.73%
The Netherlands	62	69%	28	31%	90	1.29%	52	67%	26	33%	78	1.43%
Portugal	49	70%	21	30%	70	1.00%	47	69%	21	31%	68	1.25%
Bulgaria	47	75%	16	25%	63	0.90%	47	77%	14	23%	61	1.12%

Austria	36	67%	18	33%	54	0.77%	36	67%	18	33%	54	0.99%
Russia	28	57%	21	43%	49	0.70%	30	61%	19	39%	49	0.90%
Indonesia	33	67%	16	33%	49	0.70%	29	66%	15	34%	44	0.81%
United Arab States	34	83%	7	17%	41	0.59%	34	85%	6	15%	40	0.74%
India	32	78%	9	22%	41	0.59%	31	82%	7	18%	38	0.70%
Thailand	17	53%	15	47%	32	0.46%	19	58%	14	42%	33	0.61%
Hungary	24	77%	7	23%	31	0.44%	17	77%	5	23%	22	0.40%
Turkey	22	71%	9	29%	31	0.44%	23	77%	7	23%	30	0.55%
Mexico	12	43%	16	57%	28	0.40%	12	35%	22	65%	34	0.63%
Morocco	15	60%	10	40%	25	0.36%	14	64%	8	36%	22	0.40%
Belgium	16	76%	5	24%	21	0.30%	20	77%	6	23%	26	0.48%
Malaysia	11	55%	9	45%	20	0.29%	5	50%	5	50%	10	0.18%
Poland	12	60%	8	40%	20	0.29%	10	53%	9	47%	19	0.35%
Canada	12	71%	5	29%	17	0.24%	12	67%	6	33%	18	0.33%
Egypt	12	75%	4	25%	16	0.23%	14	82%	3	18%	17	0.31%
Greece	9	56%	7	44%	16	0.23%	10	67%	5	33%	15	0.28%
Vietnam	7	44%	9	56%	16	0.23%	6	43%	8	57%	14	0.26%
Kazakhstan	9	60%	6	40%	15	0.21%	8	53%	7	47%	15	0.28%
Croatia	9	75%	3	25%	12	0.17%	9	82%	2	18%	11	0.20%
Cyprus	8	73%	3	27%	11	0.16%	8	73%	3	27%	11	0.20%
Serbia	8	73%	3	27%	11	0.16%	9	82%	2	18%	11	0.20%
Singapore	8	73%	3	27%	11	0.16%	9	75%	3	25%	12	0.22%

Sweden	8	80%	2	20%	10	0.14%	9	69%	4	31%	13	0.24%
Chile	8	89%	1	11%	9	0.13%	5	50%	5	50%	10	0.18%
New Zealand	6	67%	3	33%	9	0.13%	4	57%	3	43%	7	0.13%
Czech Republic	7	78%	2	22%	9	0.13%	7	78%	2	22%	9	0.17%
Romania	7	88%	1	13%	8	0.11%	7	100%	0	0%	7	0.13%
Colombia	3	43%	4	57%	7	0.10%	4	57%	3	43%	7	0.13%
Switzerland	6	100%	0	0%	6	0.09%	5	100%	0	0%	5	0.09%
Tunisia	1	20%	4	80%	5	0.07%	1	25%	3	75%	4	0.07%
Bosnia and Herzegovina	2	50%	2	50%	4	0.06%	2	67%	1	33%	3	0.06%
Slovenia	3	100%	0	0%	3	0.04%	-	-	-	-	-	-
Denmark	0	0%	2	100%	2	0.03%	0	0%	2	100%	2	0.04%
Montenegro	2	100%	0	0%	2	0.03%	2	100%	0	0%	2	0.04%

Workforce by category / gender

	2021						2020					
	Male	%	Female	%	Total	% total	Male	%	Female	%	Total	% total
Executives	59	89%	7	11%	66	0.95%	121	81%	28	19%	149	2.70%
Managers	286	79%	74	21%	360	5.15%	258	77%	79	23%	337	6.20%
Professionals	794	72%	310	28%	1,104	15.78%	537	73%	199	27%	736	13.50%
Technicians	1,403	68%	672	32%	2,075	29.66%	910	71%	377	29%	1,287	23.70%

Administration & Support	397	40%	590	60%	987	14.11%	444	43%	592	57%	1,036	19.10%
Manufacturing	1,630	68%	773	32%	2,403	34.35%	1,347	71%	544	29%	1,891	34,80%
Fluidra Total	**4,569**	**65%**	**2,426**	**35%**	**6,995**	**100%**	**3,617**	**67%**	**1,819**	**33%**	**5,436**	**100%**

Workforce by age / gender

	2021						2020					
	Male	%	Female	%	Total	% total	Male	%	Female	%	Total	% total
Under 30 years old	651	63%	389	37%	1,040	14.90%	408	64%	225	36%	633	11.60%
Between 30 and 50 years old	2,842	64%	1,574	36%	4,416	63.10%	2,337	66%	1,197	34%	3,534	65.00%
Over 50 years old	1,076	70%	463	30%	1,539	22.00%	872	69%	397	31%	1,269	23.40%
Fluidra Total	**4,569**	**65%**	**2,426**	**35%**	**6,995**	**100%**	**3,617**	**67%**	**1,819**	**33%**	**5,436**	**100%**

Headcount by type of contract / gender

	2021				2020			
	Male	Female	Total	% total	Male	Female	Total	% total
Permanent (full time)	4,381	2,213	6,594	94.30%	3,446	1,620	5,066	93.10%
Permanent (part time)	32	120	152	2.20%	23	97	120	2.20%
Temporary (full time)	141	84	225	3.20%	124	89	213	4.00%
Temporary (part time)	15	9	24	0.30%	24	13	37	0.70%
Fluidra Total	**4,569**	**2,426**	**6,995**	**100%**	**3,617**	**1,819**	**5,436**	**100%**

Headcount by type of contract / age

	2021				2020			
	Permanent		Temporary		Permanent		Temporary	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Under 30 years old	934	12	87	7	550	11	66	6
Between 30 and 50 years old	4,197	109	105	5	3,330	81	113	10
Over 50 years old	1,463	31	33	12	1,186	28	34	21
Fluidra Total	**6,594**	**152**	**225**	**24**	**5,066**	**120**	**213**	**37**

Headcount by type of contract / category

	2021				2020			
	Permanent		Temporary		Permanent		Temporary	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Executives	66	0	0	0	148	1	0	0
Managers	355	2	2	1	334	3	0	0
Professionals	1,087	11	4	2	720	8	6	2
Technicians	1,995	48	31	1	1,233	27	20	7
Administration & Support	856	50	74	7	944	48	32	12
Manufacturing	2,235	41	114	13	1,687	33	155	16
Fluidra Total	**6,594**	**152**	**225**	**24**	**5,066**	**120**	**213**	**37**

Average workforce by type of contract / gender

	2021				2020		
	Permanent		Temporary		Permanent		Temporary
	Full time	Part time	Full time	Part time	Full time	Part time	Total
Male	4,023	47	136	14	3,487	141	33
Female	1,981	128	87	8	1,648	90	101
Fluidra average	**6,004**	**175**	**223**	**22**	**5,135**	**231**	**134**

Average headcount by type of contract / category

	2021				2020		
	Permanent		Temporary		Permanent		Temporary
	Full time	Part time	Full time	Part time	Full time	Part time	Total
Executives	707	45	61	6	213	0	1
Managers	60	0	0	0	328	0	3
Professionals	325	2	2	0	676	6	9
Technicians	2,068	53	121	14	1,263	24	31
Administration & Support	987	12	4	2	951	34	54
Manufacturing	1,858	63	36	1	1,704	167	36
Fluidra average	**6,004**	**175**	**223**	**22**	**5,135**	**231**	**134**

Average workforce by type of contract / age

	2021				2020		
	Permanent		Temporary		Permanent		Temporary
	Full time	Part time	Full time	Part time	Full time	Part time	Total
Under 30 years old	758	13	81	5	555	65	22
Between 30 and 50 years old	3,892	124	114	5	3,399	118	73
Over 50 years old	1,355	37	28	13	1,181	48	39
Fluidra average	**6,004**	**175**	**223**	**22**	**5,135**	**231**	**134**

Layoffs by gender

	Male	%	Female	%	Total
Layoffs 2021	170	75%	56	25%	226
Layoffs 2020	301	63%	177	37%	478

Layoffs by category

	2021	2020
Executives	1	14
Managers	2	21
Professionals	16	64
Technicians	55	87
Administration & Support	28	123

Manufacturing	124	169
Fluidra Total	**226**	**478**

Layoffs by age

	2021	2020
Under 30 years old	57	99
Between 30 and 50 years old	130	297
Over 50 years old	39	82
Fluidra Total	**226**	**478**

Layoffs by country

	Male			Female			
Layoffs 2021	**Under 30 years old**	**Between 30 and 50 years old**	**Over 50 years old**	**Under 30 years old**	**Between 30 and 50 years old**	**Over 50 years old**	**Total**
Australia	3	2	3	0	0	2	10
Belgium	0	2	0	0	1	0	3
Brazil	4	9	1	2	1	1	18
Bulgaria	0	1	0	0	0	0	1
China	0	8	0	0	8	0	16
Spain	7	34	11	0	10	8	70
United States of America	22	23	9	4	6	2	66
France	2	0	0	2	0	0	4

Indonesia	1	4	0	2	1	0	8
Italy	1	0	0	0	1	0	2
United Kingdom	1	1	0	1	0	0	3
South Africa	4	14	1	0	2	1	22
Thailand	0	0	0	0	1	0	1
Vietnam	1	1	0	0	0	0	2
Fluidra Total	**46**	**99**	**25**	**11**	**31**	**14**	**226**

	Male			**Female**			
Layoffs 2020	**Under 30 years old**	**Between 30 and 50 years old**	**Over 50 years old**	**Under 30 years old**	**Between 30 and 50 years old**	**Over 50 years old**	**Total**
Germany	0	4	1	3	1	1	10
Australia	1	3	4	1	2	0	11
Austria	3	5	3	3	1	0	15
Belgium	0	2	0	0	0	0	2
Bosnia and Herzegovina	0	0	0	0	0	0	0
Brazil	10	31	8	0	16	0	65
Bulgaria	0	22	1	0	1	0	24
Canada	0	1	1	2	0	0	4
Chile	1	1	0	0	2	0	4
China	0	1	0	0	0	0	1
Colombia	0	1	0	1	1	0	3
Croatia	1	1	0	0	0	0	2

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United Arab States	0	0	0	0	0	0	0
Egypt	1	1	0	1	0	0	3
Spain	18	44	14	22	48	3	149
France	2	13	2	4	24	3	48
Netherlands	0	0	1	0	1	0	2
India	0	0	0	0	0	0	0
Malaysia	0	0	0	0	0	0	0
México	0	0	0	0	0	1	1
Montenegro	0	0	0	0	0	0	0
Poland	0	0	0	0	0	0	0
United Kingdom	2	5	2	2	1	1	13
Romania	0	1	0	0	0	0	1
Russia	0	1	0	0	1	0	2
Serbia	0	1	0	0	0	0	1
South Africa	0	0	0	0	0	0	0
Thailand	0	0	0	0	0	0	0
Tunisia	0	0	0	0	1	0	1
United States of America (USA)	13	46	28	8	13	8	116
Vietnam	0	0	0	0	0	0	0
Fluidra Total	**52**	**184**	**65**	**47**	**113**	**17**	**478**

Turnover by gender
[401-1]

	% Male	% Female	% Total

Total turnover 2021	11.79%	9.29%	10.94%
Voluntary turnover 2021	7.62%	6.64%	7.28%
Total turnover 2020	10.6%	8.7%	10%
Voluntary turnover 2020	5%	4%	4.6%

Turnover by age

	Under 30 years old	Between 30 and 50 years old	Over 50 years old	% Total
Total turnover 2021	23.59%	9.29%	8.69%	10.94%
Voluntary turnover 2021	16.20%	6.05%	5.89%	7.28%

** No data available for 2020.*

Training hours by category/gender
[404-1]

	2021			2020		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Executives	439	39	478	28	147	175
Managers	3,047	834	3,881	13,342	5,110	18,452
Professionals	8,018	3,343	11,361	4,341	2,745	7,086
Technicians	12,755	6,669	19,424	2,817	2,038	4,855
Administration & Support	2,308	4,898	7,206	730	1,718	2,448
Manufacturing	7,010	2,067	9,077	10,228	454	10,682
Total	**33,577**	**17,850**	**51,427**	**31,486**	**12,212**	**43,698**

Environmental indicators

Manufacturing materials by source
[301-1, 301-2]

	2021		2020		Change
	Tn	%	Tn	%	%
Reused/recycled materials	17,743	26%	14,408	23%	23%
Non-recycled	49,941	74%	49,257	77%	1%
Total	**67,684**	**100%**	**63,665**	**100%**	**6%**

Manufacturing materials by source and typology

<table>
<tr><th></th><th colspan="3">2021</th><th colspan="3">2020</th></tr>
<tr><th></th><th>Reused/recycled materials (Tn)</th><th>Non-recycled (Tn)</th><th>Total (Tn)</th><th>Reused/recycled materials (Tn)</th><th>Non-recycled (Tn)</th><th>Total (Tn)</th></tr>
<tr><td>Metals</td><td>575</td><td>11,321</td><td>11,896</td><td rowspan="3">1,176</td><td>5,584</td><td rowspan="3">49,208</td></tr>
<tr><td>Plastics</td><td>3,079</td><td>18,068</td><td>21,146</td><td>20,430</td></tr>
<tr><td>Chemicals</td><td>-</td><td>18,835</td><td>18,835</td><td>22,018</td></tr>
<tr><td>Glass</td><td>14,089</td><td>1,543</td><td>15,632</td><td>13,232</td><td>1,225</td><td>14,457</td></tr>
<tr><td>Electronic components</td><td>-</td><td>174</td><td>174</td><td>N/D</td><td>N/D</td><td>N/D</td></tr>
<tr><td>Total</td><td>17,743</td><td>49,941</td><td>67,684</td><td>14,408</td><td>49,257</td><td>63,665</td></tr>
</table>

Packaging by source and typology

	2021			2020
	Reused/recycled materials (Tn)	**Non-recycled (Tn)**	**Total (Tn)**	**Total (Tn)**
Films & Plastics	221	1,853	2,074	2,191
Wood	3,099	7,025	10,124	6,067
Cardboard	3,032	2,488	5,520	5,887
Compostable bags	-	1	1	-
Other	-	130	130	-
Total	**6,352**	**11.497**	**17,849**	**14,145**

Waste by typology

[306-3]

	2021			
	Tn	%	Tn	%
Hazardous waste	**3,162**	**10%**	**8,615**	**32%**
Cells, batteries and electrical and electronic waste	2,033	64%	16	0%
Contaminated plastics or containers	129	4%	80	1%
Chemicals, oils and lubricants	628	20%	8,519	99%
Non-recyclable or mixed	372	12%	0	0%
Non-Hazardous waste	**29,348**	**90%**	**18,307**	**68%**
Plastics	5,970	20%	2,471	13%

Wood	954	3%	3,454	19%
Metals	5,079	17%	544	3%
Non-recyclable or mixed	12,434	43%	2,498	14%
Paper and cardboard	4,911	17%	9,340	51%
Total	**32,510**	**100%**	**26,922**	**100%**

Waste by disposal method
[306-4, 306-5]

	2021			
	Tn	%	Tn	%
Hazardous waste	**3,162**	**10%**	**8,615**	**32%**
Recycling / reuse	2,693	85%	736	9%
Incineration	200	6%	95	1%
Landfill	269	9%	7,784	90%
Non-Hazardous waste	**29,348**	**90%**	**18,307**	**68%**
Recycling / reuse	21,302	72%	15,374	84%
Incineration	205	1%	66	0%
Landfill	7,841	27%	2,867	16%
Total	**32,510**	**100%**	**26,922**	**100%**

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Energy intensity
[302-3]

		2021		2020		
	Unit	**Intensity**	**Denominator**	**Intensity**	**Denominator**	**Var.**
Raw material used	GJ/Tn	5.76	85,533	4.22	77,810	31%
Per square meter	GJ/m^2	0.61	812,329	0.531	618,700	14%
Per employee	GJ/per	70.48	6,995	60.45	5,436	17%
Per EBITDA	GJ/EBITDA	0.0010	506,366,000	0.0011	302,072,000	-10%

Scope 1 & 2 emissions by region
[305-1, 305-2]

	2021		**2020**	
HQ+EMEA	**11,856**	**59%**	**9,095**	**49%**
Scope 1	9,098	77%	6,681	73%
Scope 2*	2,758	23%	2,414	27%
AMER	**795**	**4%**	**1,290**	**7%**
Scope 1	780	98%	69	5%
Scope 2*	15	2%	1,221	95%
APAC	**7,457**	**37%**	**8,260**	**44%**
Scope 1	5,205	70%	1,288	16%
Scope 2*	2,252	30%	6,972	84%
FLUIDRA	**20,108**	**100%**	**18,644**	**100%**
Scope 1	15,083	75%	8,037	43%
Scope 2*	5,025	25%	10,607	57%

**Scope 2 Emissions are market based.*

Significant air emissions
[305-7]

In tons	2021	2020*
Volatile Organic Compounds (VOCs)	299.17	130.30
Hydrochloric Acid (HCl)	1	0.03
Chlorine (Cl)	2,693.43	0.13
Fugitive emissions (CO_2eq)	-	15.15
CO	-	3.31
SOx	-	4.46
NOx	2.86	10.22
Airborne particles (PM)	0.96	0.64
HCFCs	0.01	N/A
HFC	0.09	N/A
Persistent organic pollutants (POPs)	0.30	N/A
Hazardous air pollutants (HAP)	4.60	N/A
CO_2	3,231.79	N/A

** These emissions correspond to those declared by the main production companies Cepex, Waterlinx, Inquide, Metalast and Poltank and those estimated for the rest of the companies according to their consumption of diesel and natural gas.*

7.3. EU Taxonomy

7.3.1. Introduction

The European Union's Sustainable Finance Taxonomy consists of a unified classification system for sustainable activities, which aims to redirect capital flows and investments towards more sustainable activities.

On June 18, 2020, the European Parliament and the Council of the European Union approved Regulation (EU) 2020/852 (also known as the "Taxonomy Regulation"), which defines the criteria for considering an economic activity as environmentally sustainable.

On June 4, 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which develops the technical selection criteria for determining when an economic activity makes a substantial contribution to the first two environmental objectives of the European Union, i.e. climate change mitigation or adaptation. Similarly, the Delegated Regulation addresses the requirements for determining whether that economic activity does not cause significant harm to any of the other environmental objectives.

Finally, on July 6, 2021, the European Commission published Delegated Regulation (EU) 2021/2178 specifying the content and presentation of the information that companies must disclose in relation to the EU Taxonomy in their Non-Financial Reporting Statements.

Thus, as of January 1, 2022, all companies subject to the Non-Financial Reporting Directive (NFRD), including Fluidra, will have to disclose the proportion of economic activities that are eligible under the aforementioned regulation and provide the following financial indicators:

- The proportion of net turnover derived from products or services, including intangibles, associated with economic activities that conform to the taxonomy.
- The proportion of its total fixed assets (CAPEX) and the proportion of its operating expenses (OpEx) related to assets or processes associated with economic activities that are considered environmentally sustainable under the Taxonomy regulation.

7.3.2. Methodology

In order to respond to regulatory requirements, Fluidra has proceeded to analyze the eligibility of its activities and products according to the EU Taxonomy, with the aim of calculating and communicating what percentage of its sales, CapEx and OPEX, is eligible under the aforementioned regulations.

7.3.2.1. Identification of eligible economic activities

Firstly, all activities, products and solutions of the Fluidra Group that meet the requirements defined in the Delegated Regulation (EU) 2021/2139 to be considered eligible under the EU Taxonomy were identified and categorized.

It should be noted that, for the definition of eligible activities, Fluidra has already taken into consideration compliance with the technical selection criteria defined by the regulation. In this way, all those activities that, although they meet the eligibility criteria, will not be considered as aligned with the taxonomy next year, as they do not meet the technical selection criteria defined in each case, have already been discarded. As a result, the following eligible activities have been identified according to the EU Taxonomy:

Firstly, all those products and solutions manufactured and marketed by any of the companies that make up the Fluidra Group that meet the technical selection criteria defined by the European Union are considered, such as those powered by solar energy, LED lighting, heat pumps or hydraulics, automation elements and many others.

Excluded are all those finished products marketed by Fluidra that have been previously purchased from third parties, as well as all those products designed and/or marketed by Fluidra, but whose manufacture has been carried out by a third party.

On the other hand, a series of secondary activities were identified, unrelated to the company's main activity, but which meet the requirements to be considered eligible under the regulations. These include the acquisition of plug-in hybrid and electric vehicles or the installation of charging points for electric vehicles.

In both cases, the activities identified contribute substantially to climate change mitigation, and no activity has been identified that meets the minimum requirements necessary to contribute to climate change adaptation.

7.3.2.2. Methodology for calculating sales volume, CapEx and OpEx ratios

The information relating to the sales volume ratio has been obtained from the sales records of those eligible products manufactured by any of the companies that make up the Fluidra Group during the 2021 financial year.

Regarding the calculation of the OPEX and CAPEX magnitudes for each of the eligible products, activities and solutions, a criterion has been established in view of the impossibility of discerning, for each activity, the exact amount of OPEX and CAPEX during the 2021 financial year. It has been decided and agreed with different agents (specialized consultancy, financial department, among others) that the OPEX and CAPEX amounts for each product, activity and solution are calculated considering the percentage they represent of total sales.

In the case of the OPEX magnitude, the starting point was the total Industrial OPEX (specifically, the "Manufacturing Labor" and "Indirect Labor" lines of the profit and loss account) so that the calculation would consider the OPEX associated with production and not with other activities in the company's value chain. As any approximation is not exact, for this reason, Fluidra will work during 2022 to narrow down in the best way the OPEX and CAPEX magnitudes for the eligible activities.

In the case of eligible secondary activities, the cost of investments made by the company has been taken into consideration.

7.3.3. Results

Based on the aforementioned methodology, the percentage of Fluidra's eligible activities at the close of the 2021 financial year is as follows:

	Sales*	OpEx*	CapEx*	% sales	% OpEx	%CapEx
Eligible products	**108,396**	**10,780**	**2,597**	**4.9564%**	**1.7576%**	**3.7753%**
Activity 3.1. Manufacture of renewable energy technologies	***1,337***	***179***	***33***	***0.0611%***	***0.029%***	***0.0482%***
Solar showers	1,133	146	30	0.0518%	0.0238%	0.0433%
Solar thermal panels	90	11	0	0.0041%	0.0017%	0.0000%
Solar covers	114	22	3	0.0052%	0.0035%	0.0049%
Activity 3.5. Manufacture of energy efficiency equipment for buildings	***52,928***	***5,147***	***1,429***	***2.4201%***	***0.8393%***	***2.0768%***
Pool covers	528	181	26	0.0241%	0.0295%	0.0371%
LED lighting	11,426	1,929	493	0.5224%	0.3146%	0.7165%
Heat pumps	10,130	817	205	0.4632%	0.1332%	0.2984%
Aqualink	30,564	2,173	693	1.3976%	0.3543%	1.0072%
Connected lights	280	47	12	0.0128%	0.0077%	0.0176%
Activity 5.1. Construction, extension and operation of water collection, treatment and supply systems	***54,131***	***5,454***	***1,135***	***2.4752%***	***0.8893%***	***1.6503%***
Residential and commercial pumps and metering pumps	54,131	5,454	1,135	2.4752%	0.8893%	1.6503%
Secondary eligible activities	**-**	**34**	**-**	**-**	**0.0056%**	**-**
Activity 6.5. Transport by motorbikes, passenger cars and light commercial vehicles	***-***	***5.23***	***-***	***-***	***0.0009%***	***-***
Procurement of electric and plug-in hybrid vehicles	-	5.23	-	-	0.0009%	-
Activity 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	***-***	***29.09***	***-***	***-***	***0,0047%***	***-***

Installation of vehicle charging points	-	29.09	-	-	0.0047%	-
Total elegible activities	**108,396**	**10,814**	**2,597**	**4.9564%**	**1.7632%**	**3.7753%**
Total non-elegible activities	**2,078,523**	**602,429**	**66,163**	**95.0436%**	**98.2368%**	**96.2247%**
Total Fluidra	**2,186,919**	**613,243**	**68,760**	**100%**	**100%**	**100%**

*In thousands of euros

7.4. Traceability list of contents according to Law 11/2018

CODE	INFORMATION REQUESTED BY LAW 11/2018	LINK WITH GRI INDICATORS	REASON FOR OMISSION	PAGE
0.	**Document framework**			
0.1	Brief description of the business model			
0.1.a	Brief description of the group's business model (business environment and organization)	102-2 Activities, brands, products and services 102-7 Scale of the organization		4, 11
0.1.b	Geographic presence	102-3 Location of headquarters 102-4 Location of operations 102-6 Markets served	Av. Alcalde Barnils, 69; 08174 Sant Cugat del Vallès (Spain)	9
0.1.c	Objectives and strategies of the organization	102-31 Review of economic, environmental, and social topics		27, 28
0.1.d	Main factors and trends that may affect its future evolution	102-15 Key impacts, risks, and opportunities		50
0.2.	Practices for the preparation of reports			
0.2.a	Reporting framework used to report non-financial information	Selected GRI Standards		123
0.2.b.	Materiality Assessment	102-43 Approach to stakeholder engagement 102-47 List of material topics		123-129

		102-49 Changes in reporting 103-1 Explanation of the material topic and its Boundary		
1.	**Environmental Issues**			
1.1	General Information			
1.1.a	A description of the policies applied by the group with respect to such matters, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including what measures have been adopted.	102-11 Precautionary Principle or approach 103-2 The management approach and its components		74
1.1.b	The results of these policies should include key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor comparability between companies and sectors, in accordance with the national, European or international frameworks of reference used for each subject. .	103-2 The management approach and its components		75
1.1.c	The main risks related to these issues related to the group's activities, including, when relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	102-11 Precautionary Principle or Approach 102-15 Key impacts, risks, and opportunities 102-30 Effectiveness of risk management processes		47, 50, 76, 77

		201-2 Financial implications and other risks and opportunities due to climate change		
1.2	Detailed Information			
1.2.1	General Information			
1.2.1.1	On current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	102-15 Key impacts, risks, and opportunities		50, 76
1.2.1.2	About the environmental evaluation or certification procedures	103-2 The management approach and its components		75
1.2.1.3	On the resources dedicated to the prevention of environmental risks	201-2 Financial implications and other risks and opportunities due to climate change		76
1.2.1.4	On the application of the precautionary principle	102-11 Precautionary Principle or approach		47, 75
1.2.1.5	On the amount of provisions and guarantees for environmental risks	103-2 The management approach and its components		76
1.2.2	Pollution			
1.2.2.1	Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		79-84, 147-148
1.2.3	Circular economy and waste prevention and management			
1.2.3.1	Measures of prevention, recycling, reuse, other forms of	306-1 Waste generation and significant	Food waste is not a material issue for	85-86, 145-

	recovery and disposal of waste; actions to combat food waste	waste-related impacts (2020)	the company.	146
		306-2 Management of significant waste-related impacts (2020)		
		306-3 Waste generated (2020)		
		306-4 Waste diverted from disposal (2020)	Partial (Information not available): Fluidra does not breakdown the information by on-site and off-site waste management.	
		306-5 Waste directed to disposal (2020)	Partial (Information not available): Fluidra does not breakdown the information by on-site and off-site waste management.	
1.2.4	Sustainable use of resources			
1.2.4.1	Water consumption and water supply according to local limitations	303-1 Interaction with water as a shared resource (2018)	Partial (Information not available): the company is updating its reporting systems and expects to have complete information next year)	86-87
		303-3 Water withdrawal (2018)	Partial (Information not available: the company is updating its reporting systems and expects to have complete information next year)	
		303-4 Water discharge (2018)	Partial (Information not available: the company is updating its reporting systems and expects to have complete information next year)	
1.2.4.2	Consumption of raw materials and measures adopted to improve the efficiency of their use	301-1 Materials used by weight or volume		84-85, 144-145

		301-2 Recycled input materials used		
1.2.4.3	Direct and indirect energy consumption	302-1 Energy consumption within the organization		78-83
1.2.4.4	Measures taken to improve energy efficiency	302-3 Energy intensity		78-83, 146
1.2.4.5	Use of renewable energies	302-1 Energy consumption within the organization		78-83
1.2.5	Climate Change			
1.2.5.1	The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions		79-83, 147-148
1.2.5.2	Measures taken to adapt to the consequences of climate change	201-2 Financial implications and other risks and opportunities due to climate change		77
1.2.5.3	Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose	305-5 Reduction of GHG emissions		30, 77, 79
1.2.6	Biodiversity Protection			
1.2.6.1	Measures taken to preserve or restore biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	All the company's production centers are located in industrial estates outside protected areas of special interest with little or no impact on biodiversity	87
1.2.6.2	Impacts caused by activities or operations in protected areas	304-2 Significant impacts of activities, products, and services on biodiversity 304-3 Habitats protected or restored	Partial (Information not available): the size and location of the protected or restored areas of habitats and whether the success of the restoration measure was or is approved by independent external professionals is not detailed.	87

2.	**Social and personnel issues**			
2.1	General Information			
2.1.a	A description of the policies applied by the group with respect to such matters, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including what measures have been adopted.	102-16 Values, principles, standards, and norms of behavior 103-2 The management approach and its components		92, 95, 102, 109
2.1.b	The results of these policies should include key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor comparability between companies and sectors, in accordance with the national, European or international.	103-3 Evaluation of the management approach		92-115, 133-143
2.1.c	The main risks related to these issues related to the group's activities, including, when relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	102-15 Key impacts, risks, and opportunities 102-30 Effectiveness of risk management processes		52-53
2. 2	Detailed Information			
2.2.1	Employment			
2.2.1.1	Total number and distribution of employees according to criteria representative of diversity (sex, age, country, etc.)	405-1 Diversity of governance bodies and employees		88-94, 98-99, 131-136

2.2.1.2	Total number and distribution of types of employment contract, annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification	102-8 Information on employees and other workers	Partial (Information not available): the company does not provide hiring data by region and expects to have complete information in the next financial year.	94, 133-139
2.2.1.3	Number of dismissals by sex, age and professional classification	401-1 New employee hires and employee turnover	Partial (Information not available): the company does not provide data on new recruitments.	139-143
2.2.1.4	Average wages and their evolution disaggregated by sex, age and professional classification or equal value	102-36 Process for determining remuneration	Partial (Information not available): it is not detailed whether specialised consultants are involved in the determination of remuneration and whether they are independent from management, the information is expected to be completed in the next financial year.	43, 46, 106-108
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		
		405-2 Ratio of basic salary and remuneration of women to men		
2.2.1.5	Wage gap, compensation for equal or average jobs in the society	N/A		108
2.2.1.6	The average remuneration of directors and executives, including variable remuneration, allowances, payment to long-term savings pension systems and any other perception disaggregated by sex	102-35 Remuneration policies	Partial (Confidential): company does not provide information on payment to long-term savings pension systems and any other perception.	43-47
2.2.1.7	Implementation of labor disconnection policies	N/A		97
2.2.1.8	Employees with disabilities	405-1 Diversity of governance bodies and employees		99

2.2.2	Organization of working time			
2.2.2.1	Organization of working time		The organization of working time is defined in each of the collective agreements or local laws applying to Fluidra's companies.	95-96
2.2.2.2	Number of hours of absenteeism	403-9 Work-related injuries (2018)	Partial (Information not available): Occupational hazards that present a risk of injury from occupational accidents with major consequences are not detailed.	113-114
2.2.2.3	Measures aimed at facilitating the enjoyment of the conciliation and promoting the joint responsibility of these by both parents	401-3 Parental leave		96-98
2.2.3	Health and Safety			
2.2.3.1	Health and safety conditions at work	403-1 Occupational Health and Safety Management System (2018) 403-2 Hazard identification, risk assessment, and incident investigation (2018) 403-3 Occupational health services (2018) 403-4 Worker participation, consultation, and communication on occupational health and safety (2018) 403-5 Worker training on occupational health and safety (2018) 403-6 Promotion of worker health (2018) 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships (2018) 403-8 Workers covered by an occupational		109-115

		health and safety management system (2018)		
2.2.3.2	Work accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by sex.	403-9 Work-related injuries (2018) 403-10 Work-related ill health (2018)	Partial (Information not available): Occupational hazards that present a risk of injury from occupational accidents with major consequences are not detailed.	112-115
2.2.4	Social relationships			
2.2.4.1	Organization of social dialogue, including procedures for informing, consulting and negotiating with staff	402-1 Minimum notice periods regarding operational changes	Partial (Information not available): The organisation complies with the minimum notice periods established in the collective agreements and local regulations applicable to each company.	95
2.2.4.2	Percentage of employees covered by collective agreement by country	102-41 Collective bargaining agreements		95
2.2.4.3	The balance of collective agreements, particularly in the field of health and safety at work	403-4 Worker participation, consultation, and communication on occupational health and safety	Currently there is no specific collective agreement in the field of health and safety	N/A
2.2.5	Training			
2.2.5.1	Policies implemented in the field of training	404-2 Programs for upgrading employee skills and transition assistance programs		100-106
2.2.5.2	The total number of training hours by professional category	404-1 Average hours of training per year per employee		103, 143
2.2.6	Universal accessibility for people with disabilities			
2.2.6.1	Universal accessibility for people with disabilities	405-1 Diversity of governance bodies and employees		99
2.2.7	Equality			
2.2.7.1	Measures taken to promote equal treatment and	401-3 Parental leave		95-100

	opportunities between women and men	405-1 Diversity of governance bodies and employees		
2.2.7.2	Equality plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities	405-1 Diversity of governance bodies and employees		95-100
2.2.7.3	The policy against all types of discrimination and, where appropriate, diversity management	406-1 Incidents of discrimination and corrective actions taken		56, 99-100
3.	**Human rights**			
3.1	General information			
3.1.a	A description of the policies applied by the group with respect to such matters, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including what measures have been taken.	102-16 Values, principles, standards and norms of behavior 103-2 The management approach and its components		54, 88
3.1.b	The results of these policies should include key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor comparability between companies and sectors, in accordance with the national, European or international benchmarks used for each subject.	103-3 Evaluation of the management approach		88-92
3.1.c	The main risks related to these issues related to the group's activities, including, when relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, the group manages these risks, explaining the procedures used to	102-15 Key impacts, risks, and opportunities 102-30 Effectiveness of risk management		50, 90-91

	detect and evaluate them in accordance with national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	processes		
3.2	Detailed Information			
3.2.1	Application of due diligence procedures in the field of human rights; prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed	102-16 Values, principles, standards and norms of behavior 412-2 Employee training in human rights policies or procedures		53, 90-92
3.2.2	Complaints for cases of human rights violations	406-1 Incidents of discrimination and corrective actions taken 412-1 Operations that have been subject to human rights reviews or impact assessments		57
3.2.3	Promotion and compliance with the provisions of the fundamental conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor.	406-1 Incidents of discrimination and corrective actions taken 408-1 Operations and suppliers at significant risk for incidents of child labor 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	According to the Verisk Maplecroft Human Rights Index, Fluidra operates in the following countries with an extreme risk of violation of Freedom of Association and Collective Bargaining rights: Turkey, China, Vietnam and the United Arab Emirates. According to the Verisk Maplecroft Human Rights Index, Fluidra does not operate in countries with extreme risk of child labor. According to the Verisk Maplecroft Human Rights Index, Fluidra operates in the following countries with extreme risk of forced labor: Brazil, Turkey, China, India, Indonesia and Vietnam.	57, 90-91
4.	**Anti-bribery and anti-corruption**			

4.1	General information			
4.1.a	A description of the policies applied by the group with respect to such matters, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including what measures have been taken.	102-12 External initiatives 102-16 Values, principles, Standards and norms of behavior 103-2 The management approach and its components		54
4.1.b	The results of these policies, should include key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor comparability between companies and sectors, in accordance with the national, European or international benchmarks used for each subject.	103-3 Evaluation of the management approach		54, 57-58
4.1.c	The main risks related to these issues related to the group's activities, including, when relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	102-15 Key impacts, risks and opportunities 102-30 Effectiveness of risk management processes		57-58
4.2	Detailed Information			
4.2.1	Measures taken to prevent corruption and bribery	102-17 Mechanisms for advice and concerns about ethics		57-58
		205-1 Operations assessed for risks related	Partial (Information not available): significant risks related to corruption are	

FLUIDRA

		to corruption	missing, expect to have complete information in the next exercise.	
		205-2 Communication and training about anti-corruption policies and procedures		
		205-3 Confirmed incidents of corruption and actions taken		
4.2.2	Measures to combat money laundering	415-1 Political contributions 102-16 Values, principles, Standards and norms of behavior 102-17 Mechanisms for advice and concerns about ethics		57-58
4.2.3	Contributions to foundations and non-profit entities	201-1 Direct economic value generated and distributed	Partial (Information not available): no detail by country or region.	121, 130
5.	**Society information**			
5.1	General Information			
5.1.a	A description of the policies applied by the group with respect to such matters, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including what measures have been taken.	103-2 The management approach and its components 102-31 Review of economic, environmental, and social topics 207-1 Approach to tax 207-2 Tax governance, control, and risk management		15, 27-28, 61, 69, 116
5.1.b	The results of these policies should include key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor comparability between companies and sectors, in accordance with the national, European or international benchmarks used for each subject.	103-3 Evaluation of the management approach		15, 66, 69, 116

5.1.c	The main risks related to these issues related to the group's activities, including, when relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	102-15 Key impacts, risks and opportunities 102-30 Effectiveness of risk management processes 207-2 Tax governance, control, and risk management		50-54, 69
5.2	Detailed Information			
5.2.1	Company commitments to sustainable development			
5.2.1.1	The impact of the company's activity on employment and local development	203-1 Infrastructure investments and services supported		116
5.2.1.2	The impact of the company's activity on local populations and in the territory	203-1 Infrastructure investments and services supported 413-1 Operations with local community engagement, impact assessments, and development programs	Partial (Information not available): no information is provided on the percentage of operations with local community participation.	116
5.2.1.3	The relationships maintained with the actors of the local communities and the modalities of dialogue with them	203-1 Infrastructure investments and services supported		116
5.2.1.4	Association or sponsorship actions	102-13 Membership of associations		121
5.2.2	Subcontracting and suppliers			
5.2.2.1	Inclusion in purchasing policy of social, gender equality and environmental issues	102-9 Supply Chain 102-10 Significant changes in the organization and its supply chain 204-1 Proportion of spending on local suppliers		59-64

		308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria		
5.2.2.2	Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria		61-64
5.2.2.3	Supervision and audit systems and their results	308-2 Negative environmental impacts in the supply chain and actions taken 414-2 Negative social impacts in the supply chain and actions taken		61-64
5.2.3	Consumers			
5.2.3.1	Measures for the health and safety of consumers	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		15
5.2.3.2	Claims systems, complaints received and their resolution	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		66
5.2.4	Tax information			
5.2.4.1	The benefits obtained country by country	207-4 Country-by-country reporting (2020)		69, 130-133
5.2.4.2	Taxes on benefits paid	207-4 Country-by-country reporting (2020)	For further details, please refer to the accompanying annual accounts and management report.	69, 130-133
5.2.4.3	Public subsidies received	201-4 Financial assistance received from the government		70

6.	**EU Taxonomy**			
6.1.	Sales, OpEx and CapEx corresponding to eligible products	N/A		149-152

ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED PUBLIC LIMITED COMPANIES

ISSUER IDENTIFICATION PARTICULARS

Year-end date: 31/12/2021

Tax Identification Code: A-17728593

Registered name:

FLUIDRA, S.A.

Registered office:

AV. ALCALDE BARNILS 69 08174 SANT CUGAT DEL VALLÉS (BARCELONA)

A. OWNERSHIP STRUCTURE

A.1. Complete the following table regarding the share capital and attached voting rights, including any rights corresponding to loyalty shares, at the year end:

Indicate whether the company's Articles of Association provide for double votes for loyalty:

[ ] Yes
[√] No

Date of last change	Share capital (€)	Number of shares	Number of voting rights
02/07/2018	195,629,070.00	195,629,070	195,629,070

Indicate whether there are different classes of shares with different rights attaching thereto:

[ ] Yes
[√] No

A.2. List the direct and indirect holders of significant shareholdings in the company at the end of the year, including members of the board of directors who have a significant shareholding:

Name of shareholder	% voting rights attached to shares		% voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
RHÔNE CAPITAL LLC	0.00	11.47	0.00	0.00	11.47
PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L.	11.47	0.00	0.00	0.00	11.47
THREADNEEDLE ASSET MANAGEMENT LIMITED	0.10	3.18	0.00	0.00	3.28
BLACKROCK INC.	0.00	1.32	0.00	1.70	3.02
Mr MANUEL PUIG ROCHA	0.00	5.00	0.00	0.00	5.00
Mr JUAN PLANES VILA	0.03	7.11	0.00	0.00	7.14
BLACKROCK EUROPEAN MASTER HEDGE FUND LIMITED	0.00	0.00	0.00	2.98	2.98

Name of shareholder	% voting rights attached to shares		% voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
DISPUR, S.L.	0.63	6.48	0.00	0.00	7.11
CONCERTED ACTION	0.00	25.00	0.00	0.00	25.00
G3T, S.L.	5.00	0.00	0.00	0.00	5.00
Mr ROBERT GARRIGOS RUIZ	0.00	6.04	0.00	0.00	6.04
CAPITAL RESEARCH AND MANAGEMENT COMPANY	0.00	3.25	0.00	0.00	3.25
BOYSER, S.L.	1.08	6.52	0.00	0.00	7.60
EDREM, S.L.	0.28	6.50	0.00	0.00	6.78
PIUMOC INVERSIONS, S.L.U.	5.50	0.00	0.00	0.00	5.50
ANIOL, S.L.	0.54	5.50	0.00	0.00	6.04

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Breakdown of the indirect shareholdings:

Name of indirect shareholder	Name of direct shareholder	% voting rights attached to	% voting rights through financial instruments	% of total voting rights
BLACKROCK INC.	BLACKROCK INC.	1.32	1.70	3.02
THREADNEEDLE ASSET MANAGEMENT LIMITED	THREADNEEDLE ASSET MANAGEMENT LIMITED	3.18	0.00	3.18
Mr MANUEL PUIG ROCHA	BANELANA, S.L.	5.00	0.00	5.00
RHÔNE CAPITAL LLC	PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L	11.47	0.00	11.47
BLACKROCK EUROPEAN MASTER HEDGE FUND LIMITED	BLACKROCK EUROPEAN MASTER HEDGE FUND LIMITED	0.00	2.98	2.98
DISPUR, S.L.	DISPUR POOL, S.L.	6.48	0.00	6.48

Name of indirect shareholder	Name of direct shareholder	% voting rights attached to	% voting rights through financial instruments	% of total voting rights
CONCERTED ACTION	DISPUR POOL, S.L.	6.48	0.00	6.48
CONCERTED ACTION	BOYSER CORPORATE PORTFOLIO, S.L.	6.52	0.00	6.52
CONCERTED ACTION	PIUMOC INVERSIONS, S.L.U.	5.50	0.00	5.50
CONCERTED ACTION	EDREM CARTERA, S.L.U.	6.50	0.00	6.50
Mr JUAN PLANES VILA	DISPUR POOL, S.L.	6.48	0.00	6.48
Mr JUAN PLANES VILA	DISPUR, S.L.	0.63	0.00	0.63
BOYSER, S.L.	BOYSER CORPORATE PORTFOLIO, S.L.	6.52	0.00	6.52
EDREM, S.L.	EDREM CARTERA, S.L.U.	6.50	0.00	6.50
CAPITAL RESEARCH AND MANAGEMENT COMPANY	CAPITAL RESEARCH AND MANAGEMENT COMPANY	3.25	0.00	3.25
Mr ROBERT GARRIGOS RUIZ	ANIOL, S.L.	6.04	0.00	6.04
Mr ROBERT GARRIGOS RUIZ	PIUMOC INVERSIONS, S.L.U.	5.50	0.00	5.50

State the most significant movements in the shareholding structure that have occurred during the year:

Most significant movements

On 20th January 2021, the company G3T, S.L. informed the Spanish National Securities Market Commission (CNMV) of the acquisition of a significant shareholding in the Company's capital which totalled 3.861%, and was increased to 5.002% on 19th March 2021, according to notice issued by G3T, S.L. to the CNMV on 23rd March 2021.

On 20th January 2021, THREADNEEDLE ASSET MANAGEMENT LIMITED informed the CNMV that it held a significant shareholding in the Company's capital which in total, taking into account its indirect shareholding through several funds and portfolios it manages (3.18% of the Company's share capital) and its direct shareholding (0.10% of the Company's share capital), totals 3.279% of the Company's share capital.

On 15th September 2021, CAPITAL RESEARCH AND MANAGEMENT COMPANY informed the CNMV that it held a significant shareholding in the Company's capital which in total, taking into account its indirect shareholding through several funds and portfolios managed by companies it controls, totals 3.252% of the Company's share capital.

After several movements during the year, on 2nd September 2021, BlackRock Inc. exceeded the threshold of 3% of the Company's capital, specifically reaching 3.02%.

Piscine Luxembourg Holdings 1, S.A.R.L., a wholly owned subsidiary of Rhône Capital LLC, carried out the following operations in 2021:
- On 19th January 2021, it carried out an accelerated placement of approximately 10.7% of the Company's capital.
- On 11th May 2021, it carried out an accelerated placement of approximately 4.91% of the Company's capital.
- On 14th September 2021, it carried out an accelerated placement of approximately 5.1% of the Company's capital.

As a result of these placements, Piscine Luxembourg Holdings 1, S.A.R.L.'s holding in the Company at 31st December 2021 totalled 11.47% of the Company's capital.

A.3. Disclose the shareholding, irrespective of the percentage, at the end of the year held by members of the board of directors who hold voting rights attached to shares in the company or through financial instruments, excluding directors identified in section A.2 above:

Name of director	% voting rights attached to shares		% voting rights through financial instruments		% of total voting rights	% voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr GABRIEL LÓPEZ ESCOBAR	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Mr JOSÉ MANUEL VARGAS GÓMEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ms ESTHER BERROZPE GALINDO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mr ELOI PLANES CORTS	0.17	0.00	0.00	0.00	0.17	0.00	0.00
Mr BRUCE WALKER BROOKS	0.03	0.00	0.00	0.00	0.03	0.00	0.00
Mr MICHAEL STEVEN LANGMAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mr BRIAN MCDONALD	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ms BARBARA BORRA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mr BERNARDO CORBERA SERRA	0.11	0.15	0.00	0.00	0.26	0.00	0.00
Mr OSCAR SERRA DUFFO	0.03	0.00	0.00	0.00	0.03	0.00	0.00

% of total voting rights held by members of the board of directors	6.00

•The shareholder Piscine Luxembourg Holdings 1, S.A.R.L., a wholly owned subsidiary of Rhône Capital LLC, which has a shareholding of 11.47% in the Company's share capital, is represented on the Board of Directors of the Company through the proprietary directors Mr José Manuel Vargas Gómez and Mr Michael Steven Langman and the executive director Mr Bruce Walker Brooks.
• The shareholder Boyser, S.L., which has a total shareholding, direct and indirect, of 7.60% in the Company's share capital, is represented on the Board of Directors of the Company through the proprietary director Mr Óscar Serra Duffo.
• The shareholder Edrem, S.L., which has a total shareholding, direct and indirect, of 6.78% in the Company's share capital, is represented on the Board of Directors of the Company through the proprietary director Mr Bernardo Corbera Serra.
• The shareholder Dispur, S.L., which has a total shareholding, direct and indirect, of 7.11% in the Company's share capital, is represented on the Board of Directors of the Company through the proprietary director Mr Eloi Planes Corts.
• The shareholder Aniol, S.L., which has a total shareholding, direct and indirect, of 6.04% in the Company's share capital, is represented on the Board of Directors of the Company through the proprietary director Piumoc Inversions, S.L., in turn represented by Mr Bernat Garrigós Castro.

Breakdown of the indirect shareholding:

Name of director	Name of direct shareholder	% voting rights attached to shares	% voting rights through financial instruments	% of total voting rights	% voting rights that can be transferred through financial instruments
Mr BERNARDO CORBERA SERRA	BERAN CARTERA, S.L.U.	0.15	0.00	0.15	0.00

There are no observations.

Breakdown of the total percentage of voting rights represented on the board:

Total % voting rights presented on the board of directors	39.50

A.4. State any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as they are known to the company, except where they are immaterial or derive from ordinary commercial transactions, except those reported in section A.6:

Name of related parties	Type of relationship	Brief description
No data		

A.5. State any commercial, contractual or corporate relationships between owners of significant shareholdings and the company and/or the group, except where they are immaterial or derive from ordinary commercial transactions of the company:

Name of related parties	Type of relationship	Brief description
No data		

A.6. Describe any relationships, unless insignificant for both parties, between significant shareholders or shareholders represented on the board and directors, or their representatives in the case of board members that are legal persons.

Explain, as the case may be, how significant shareholders are represented. Specifically, state those directors who have been appointed to represent significant shareholders, those whose appointments were proposed by significant shareholders, or are related to significant shareholders and/or companies in their group, specifying the nature of such ties. In particular, mention the existence, identity and post of members of the board, or representatives of directors, of the listed company who are in turn members of the board or their representatives in companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name of related director or representative	Name of related significant shareholder	Name of the group company of the significant shareholder	Description of relationship/post
Mr JOSÉ MANUEL VARGAS GÓMEZ	PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L.	RHÔNE CAPITAL LLC	José Manuel Vargas Gómez is Senior Advisor of Rhône Group
Mr BERNARDO CORBERA SERRA	EDREM, S.L.	EDREM, S.L.	Bernardo Corbera Serra is CEO of Edrem, S.L.
Mr OSCAR SERRA DUFFO	BOYSER, S.L.	BOYSER, S.L.	Óscar Serra Duffo is chairman of the Board of Directors of Boyser, S.L.
Mr ELOI PLANES CORTS	DISPUR, S.L.	DISPUR, S.L.	Eloi Planes Corts is a director of Dispur, S.L.
Mr BERNAT GARRIGOS CASTRO	PIUMOC INVERSIONS, S.L.U.	ANIOL, S.L.	Bernat Garrigós Castro is CEO of Aniol, S.L.
Mr BRUCE WALKER BROOKS	PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L.	RHÔNE CAPITAL LLC	The appointment of Bruce Walker Brooks as a director was proposed by Rhône Group
Mr MICHAEL STEVEN LANGMAN	PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L.	RHÔNE CAPITAL LLC	Michael Steven Langman is General Director of Rhône Group

A.7. State whether the company has been notified of any shareholders' agreements affecting the company pursuant to the provisions of articles 530 and 531 of the Companies Act (*Ley de Sociedades de Capital*). If so, briefly describe these agreements and list the shareholders bound by them:

[√] Yes
[ ] No

Parties to the shareholders' agreement	% share capital affected	Brief description of the agreement	Date of expiration of the agreement, if any
PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L., PIUMOC INVERSIONS, S.L.U., ANIOL, S.L., EDREM, S.L., DISPUR, S.L., BOYSER, S.L., EDREM CARTERA, S.L.U., DISPUR POOL, S.L., BOYSER CORPORATE PORTFOLIO, S.L.	39.00	On 03/11/2017 a shareholders' agreement was formalized by the same shareholders of Fluidra who are parties to the shareholders' agreement initially formalized on 05/09/2007 and Piscine Luxembourg Holdings 1, S.à.r.l. (controlled by Rhône Capital LLC), reported through Relevant Event no. 258222. This shareholders' agreement came into effect on 02/07/2018, which is the date of effects of the cross-border merger by absorption by Fluidra, S.A. (transferee) of Piscine Luxembourg Holdings 2 S.à.r.l. (transferor) reported by the Company through Relevant Event no. 258221.	Regulated in Clause 20 of the Agreement, available on www.fluidra.com, Shareholders and Investors, Corporate Governance, Shareholders' Agreements
PIUMOC INVERSIONS, S.L.U., ANIOL, S.L., EDREM, S.L., DISPUR, S.L., BOYSER, S.L., EDREM CARTERA, S.L.U., DISPUR POOL, S.L., BOYSER CORPORATE PORTFOLIO, S.L.	27.53	On 05/09/2007 a shareholders' agreement was formalized by certain shareholders in Fluidra, S.A. which was reported as a Relevant Event to the CNMV on 02/01/2008 with no. 87808. The agreement has been modified on 6 occasions (First novation: 10/10/2007; Second novation: 01/12/2010, Relevant Event no. 134239; Third novation: 30/07/2015, Relevant Event no. 227028; including supplementary agreement of 30/09/2015, Relevant Event no. 229114; Fourth novation: 27/07/2017 Relevant Event no. 255114; Fifth novation 03/11/2017, Relevant Event no. 258223, modified on 25/04/2018, Relevant Event no. 264650, subrogations on 23/05/2018 Relevant Event no. 266060, and supplementary agreement to the Fifth Novation on 27/07/2018, Relevant Event no. 268610; Sixth novation 22/12/2020, Notice of Other Relevant Information no. 6355).	Regulated in Clause One and Clause Seven of the Agreement, available on www.fluidra.com, Shareholders and Investors, Corporate Governance, Shareholders' Agreements

State whether the company is aware of the existence of concerted actions among its shareholders. If so, briefly describe them:

[√] Yes
[ ] No

Parties to the concerted action	% share capital affected	Brief description of the concerted action	Date of expiration, if any
PIUMOC INVERSIONS, S.L.U., EDREM CARTERA, S.L.U., DISPUR POOL, S.L., BOYSER CORPORATE PORTFOLIO, S.L.,	25.00	The Syndication Agreement establishes the parties bound by it, and in relation to the shares referred to in it, the parties undertake to exercise their voting rights at General Meetings of Fluidra as indicated in the Syndication Agreement.	Regulated in Clause One and Clause Seven of the Agreement, available on www.fluidra.com, Shareholders and Investors, Corporate Governance, Shareholders' Agreements

Expressly state whether any of such agreements, arrangements or concerted actions have been modified or terminated during the financial year:

A.8. State whether there is any individual or company that exercises or could exercise control over the company in accordance with article 5 of the Securities Market Act (*Ley del Mercado de Valores)*. If so, identify the party in question:

[ ] Yes
[√] No

A.9. Complete the following tables regarding the company's own shares:

At year end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
5,796,311		2.96

(*) Through:

Name of direct shareholder	Number of direct shares
No data	

Explain any significant variations occurring during the year:

Explain significant variations

On 19th January 2021, in the framework of the placement through an accelerated bookbuild offering among institutional investors carried out by BofA Securities Europe SA and Joh. Berenberg, Gossler & Co. KG as placement entities on behalf of Piscine Luxembourg Holdings 1 S.à.r.l., a company controlled by Rhône Capital LLC, Fluidra acquired a total of 1,467,218 own shares, at a price of 20.20 euros per share, which represented a discount of 4.27% on the closing price on 19th January 2021. Subsequently, on 11th May 2021, in the framework of a second placement, through an accelerated bookbuild offering among institutional investors carried out by BNP PARIBAS, BofA Securities Europe SA and Joh. Berenberg, Gossler & Co. KG as placement entities on behalf of Piscine Luxembourg Holdings 1 S.à.r.l., a company controlled by Rhône Capital LLC, Fluidra acquired a total of 1,800,000 own shares, at a price of 31.30 euros per share, which represented a discount of 5% on the closing price on 10th May 2021.
The aim of these purchases by the Company was to acquire own shares in order to comply with the obligations established in the share-based Incentive Plan for senior managers and executive directors of the Fluidra Group, approved by the General Shareholders' Meeting held on 27th June 2018.

A.10. Describe the terms and conditions and the duration of the powers currently in force given by the shareholders to the board of directors in order to issue, repurchase or transfer own shares of the company:

At the Ordinary General Shareholders' Meeting held on 3rd May 2017, it was resolved to (i) authorize the Company to proceed with the derivative acquisition of own shares, directly or through group companies, and with the express power to reduce the share capital to redeem own shares, delegating to the Board of Directors the necessary powers to execute the resolutions passed by the General Meeting in this regard, rendering the previous authorization without effect, and (ii) authorize it to apply the portfolio of own shares, as the case may be, to the execution or coverage of remuneration systems. The authorization granted is valid for a term of five (5) years as of the date the resolution is passed, i.e. until 3rd May 2022.
At the Board meeting of 16th December 2021, it was resolved, in the context of this authorization granted to the Board of Directors, to authorize the Chairman/CEO and the Co-CEO, jointly and severally and indistinctly, to proceed with the derivative acquisition and disposal of own shares up to a maximum number of shares not exceeding four (4%) per cent of the Company's share capital. This authorization will be valid until 3rd May 2022.

A.11. Estimated free float:

	%
Estimated free float	37.14

A.12. State whether there are any restrictions (under the Articles of Association, legislative or of any other nature) on the transfer of securities and/or any restrictions on voting rights. In particular, disclose the existence of any restrictions that might hinder a takeover of the company through the acquisition of its shares on the market, and any prior authorization or communication arrangements in respect of acquisitions or transfers of the company's financial instruments that are applicable to it by virtue of sector-specific regulation.

[√] Yes
[ ] No

Description of the restrictions

The redrafted text of the vote and share syndication agreement formalized on 22nd December 2020 establishes that none of the Syndicated Shareholders (as defined in the agreement) may sell, transfer, assign, convey or otherwise dispose of or encumber the Syndicated Shares (25% of share capital) and/or ownership of the inherent voting or economic rights associated to the shares throughout the term of the syndication, i.e. the period running from the date on which the Fluidra shares are admitted for trading (i.e. 31st October 2007) and the first of the following dates: (i) 30th June 2024, (ii) the date on which the obligation may arise to submit a takeover bid for all the securities of Fluidra, in accordance with the provisions of Royal Decree 1066/2007, of 27th July, on the regime of takeover bids. As an exception to the above, with effect from 1st January 2022 and during the remainder of the Syndication Term, the Syndicated Shareholders may transfer certain Syndicated Shares up to a maximum, among all such Shareholders, equal to three (3) per cent of the share capital of Fluidra (the “Transferable Syndicated Shares”), based on the distribution set out for each Syndicated Shareholder in Appendix I to the vote and share syndication agreement, in accordance with certain rules and procedures.

The Agreement also establishes the mechanism for syndicating the votes associated to the Syndicated Shares.

In turn, the Shareholders’ Agreement formalized on 3rd November 2017 between certain shareholders in Fluidra, S.A. (the “Current Shareholders”) and Piscine Luxembourg Holdings 1, S.à.r.l. (a company controlled by Rhône Capital LLC) (the “SHA”) establishes a series of rules and commitments, including a pre-emption right, for transfers by Piscine Luxembourg Holdings 1, S.à.r.l. after the aforesaid term of 24 months, provided that a series of circumstances and shareholding thresholds are met. In relation to the above, on 26th June 2019 Piscine Luxembourg Holdings 1, S.à.r.l. carried out a private placement, having received prior authorization from the Current Shareholders, through the accelerated placement addressed exclusively to eligible investors of 7,850,000 shares representing approximately 4% of the Company’s share capital. Subsequently, on 18th November 2020, Piscine Luxembourg Holdings 1, S.à.r.l completed a second private placement, through the accelerated placement aimed exclusively at qualifying investors, of 12,121,212 shares representing approximately 6.2% of the Company’s share capital. In 2021, Piscine Luxembourg Holdings 1, S.a.r.l. carried out three private placements, through accelerated placements aimed exclusively at qualifying investors, for a total of 40,600,000 shares representing approximately 20.71% of the Company’s share capital. Following these accelerated placements, Piscine Luxembourg Holdings 1, S.à.r.l. holds 22,428,788 shares in the Company, representing approximately 11.47% of the capital.

A.13. State whether the general shareholders’ meeting has approved the adoption of anti-takeover measures pursuant to the provisions of Act 6/2007.

[ ] Yes
[√] No

If so, describe the measures approved and the terms on which the restrictions will become ineffective:

A.14. State whether the company has issued securities that are not traded on a regulated market in the European Union.

[ ] Yes
[√] No

If applicable, specify the different classes of shares and the rights and obligations attaching to each class of shares:

B. GENERAL SHAREHOLDERS' MEETING

B.1. State and, if applicable, describe whether there are differences with respect to the minimum requirements set out in the Companies Act in connection with the quorum needed to hold a valid general shareholders' meeting:

[ ] Yes
[√] No

B.2. State and, if applicable, describe any differences from the rules set out in the Companies Act for the adoption of corporate resolutions:

[√] Yes
[ ] No

	Qualified majority other than that established in article 201.2 LSC for cases described in article 194.1 LSC	Other situations of qualified majority
% established by the company for the adoption of resolutions	0.00	0.00

The Shareholders' Agreement formalized between Rhône Capital (through Piscine Luxembourg Holdings 1, S.A.R.L.) and the Fluidra founding families on 3rd November 2017 (Relevant Event notice no. 258222), provides for certain qualified majorities in order to pass certain resolutions of the General Shareholders' Meeting. The requirement for these qualified majorities, at 31st December 2021, was no longer applicable between the parties to that Shareholders' Agreement as the shareholding of Rhône Capital (through Piscine Luxembourg Holdings 1, S.A.R.L.) had fallen below 20% of share capital. However, these qualified majorities are still applicable to the extent indicated in article 33 of the company's Articles of Association and in article 25 of the General Meeting Regulations. See section B.3 below for further details.

B.3. State the rules applicable to the amendment of the company's Articles of Association. In particular, disclose the majorities provided for amending the Articles of Association, and any rules provided for the protection of shareholders' rights in the amendment of the Articles of Association.

The procedure for amending the Articles of Association must conform to the provisions of article 285 and following of the Companies Act, which require approval by the General Shareholders' Meeting, with the quorum and majorities established in articles 194 and 201 of the aforesaid Act, as well as the requirement to draw up and make available to the shareholders a mandatory report by the directors justifying the amendment. Article 27 of the Articles of Association and article 15 of the General Meeting Regulations set out the principle contained in article 194 of the Companies Act and establish that in order for an ordinary or extraordinary General Meeting to resolve validly on any amendment of the Articles of Association, the attendance, in person or through a representative, of shareholders holding at least fifty per cent of the share capital with voting rights is required on the first call. On the second call, twenty-five per cent of the aforesaid capital will be sufficient. Article 24 of the General Meeting Regulations regulates the procedure for voting on proposed resolutions of the General Shareholders' Meeting, establishing, in the case of amendments to the Articles of Association, that each article or group of articles of sufficient entity is to be voted on separately.
Furthermore, in accordance with the provisions of article 33 of the Articles of Association and article 35 of the General Meeting Regulations, in order to pass resolutions on the matters indicated below (the "Reserved Matters"), a vote in favour by sixty-nine per cent (69%) of the Company's share capital is required on first call and a vote in favour by sixty-six per cent (66%) of the Company's share capital on second call:

(i) increase in share capital, the issue of debentures or securities convertible into shares, with or without preferential acquisition rights, as well as the delegation of the power to pass resolutions on these matters to the Board of Directors;
(ii) reduction in share capital, except in cases where a reduction is mandatory by law;
(iii) the approval of any structure modification operations, such as transformation, merger, de-merger, global transfer of assets and liabilities and moving the Company's registered office abroad;
(iv) the approval of operations for the acquisition or disposal of essential assets in accordance with article 160.f) and article 511 bis of the Companies Act;
(v) the voluntary dissolution of the Company;
(vi) the modification of the number of members of the Board of Directors;
(vii) the exclusion of the Company's shares from trading on any securities market; and
(viii) the amendment of the Company's Articles of Association in relation to any of the Reserved Matters referred to above.

B.4. State data on attendance at general shareholders' meetings held during the year this report refers to and for the two previous years:

	Attendance data				
Date of general meeting	% shareholders present in person	% represented	% remote voting		Total
			Electronic voting	Other	
08/05/2019	1.36	86.75	0.00	0.00	88.11
Of which floating capital	0.79	11.42	0.00	0.00	12.21
19/05/2020	0.88	86.45	0.00	0.00	87.33
Of which floating capital	0.00	15.04	0.00	0.00	15.04
06/05/2021	3.33	78.12	0.00	0.00	81.45
Of which floating capital	0.00	24.97	0.00	0.00	24.97

B.5. State whether any item on the agenda of the general shareholders' meetings held during the year has not been approved by the shareholders for any reason:

[ ] Yes
[√] No

B.6. State whether there are any restrictions in the Articles of Association requiring a minimum number of shares in order to attend the general meeting, or to vote remotely:

[ ] Yes
[√] No

B.7. State whether it has been established that certain decisions, other than those established by law, involving an acquisition, disposal, or contribution to another company of essential assets or similar corporate operations must be submitted for approval to the general shareholders' meeting:

[ ] Yes
[√] No

B.8. State the address and method for accessing the company's website to access information on corporate governance and other information on general shareholders' meetings that must be made available to shareholders through the company's website:

www.fluidra.com
Following the route to SHAREHOLDERS AND INVESTORS (https://www.fluidra.com/es/accionistas), among other options the following will appear:
STOCK EXCHANGE INFORMATION
REPORTING CENTER
RELEVANT EVENTS
CORPORATE GOVERNANCE
CONTACT

C. COMPANY MANAGEMENT STRUCTURE

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general shareholders' meeting:

Maximum number of directors	12
Minimum number of directors	12
Number of directors established by the General Meeting	12

There are no observations in this regard.

C.1.2 Complete the following table on members of the board:

Name of director	Representative	Type of director	Position on the board	Date of first appointment	Date of last appointment	Selection procedure
Mr GABRIEL LÓPEZ ESCOBAR		Independent	DIRECTOR	30/10/2014	08/05/2019	GENERAL MEETING RESOLUTION
Mr JOSÉ MANUEL VARGAS GÓMEZ		Proprietary	DIRECTOR	02/07/2018	02/07/2018	GENERAL MEETING RESOLUTION
Ms ESTHER BERROZPE GALINDO		Independent	DIRECTOR	06/09/2019	06/09/2019	GENERAL MEETING RESOLUTION
Mr BERNARDO CORBERA SERRA		Proprietary	DIRECTOR	05/09/2007	06/05/2021	GENERAL MEETING RESOLUTION
Mr OSCAR SERRA DUFFO		Proprietary	VICE-CHAIRMAN	05/09/2007	06/05/2021	GENERAL MEETING RESOLUTION
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ		Independent	LEAD INDEPENDENT DIRECTOR	05/05/2015	08/05/2019	GENERAL MEETING RESOLUTION

Name of director	Representative	Type of director	Position on the board	Date of first appointment	Date of last appointment	Selection procedure
Mr ELOI PLANES CORTS		Executive	CHAIRMAN - CEO	31/10/2006	06/05/2021	GENERAL MEETING RESOLUTION
PIUMOC INVERSIONES, S.L.U.	Mr BERNAT GARRIGOS CASTRO	Proprietary	DIRECTOR	27/06/2018	27/06/2018	GENERAL MEETING RESOLUTION
Mr BRUCE WALKER BROOKS		Executive	CO-CEO	02/07/2018	02/072018	GENERAL MEETING RESOLUTION
Mr MICHAEL STEVEN LANGMAN		Proprietary	DIRECTOR	02/07/2018	02/07/2018	GENERAL MEETING RESOLUTION
Mr BRIAN MC DONALD		Independent	DIRECTOR	06/09/2019	06/09/2019	GENERAL MEETING RESOLUTION
Ms BARBARA BORRA		Independent	DIRECTOR	30/12/2021	30/12/2021	GENERAL MEETING RESOLUTION

Total number of directors	12

State any directors that have left the board, either through resignation or by a resolution of the General Meeting, during the reporting period:

Name of director	Type of director at time of leaving	Date of last appointment	Date director left	Specialized committees on which director served	State whether director left before end of term
Mr SEBASTIEN SIMON MAZELLA DI BOSCO	Proprietary	02/07/2018	08/06/2021	APPOINTMENTS AND REMUNERATION COMMITTEE EXECUTIVE COMMITTEE	YES
Mr MARTIN ARIEL ATLAS	Proprietary	14/06/2021	30/12/2021		YES

Reason for leaving, when it occurs before the end of the term of the post and other observations; information on whether the director has sent a letter to the other Board members and, in the case of removal of non-executive directors, the explanation or opinion of the director who has been removed by the General Meeting

On 15th June 2021, the Board of Directors of Fluidra unanimously passed a resolution acknowledging the resignation tendered by Mr Sébastien Mazella di Bosco from his post as proprietary director of the Company and, consequently, from the post of member of the Executive Committee and the Appointments and Remuneration Committee, following the termination of his professional relationship with Rhône Group.

For the purpose of covering the vacancy arising in the Board of Directors of the Company, at the proposal of the shareholder PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L., a company controlled by Rhône LLC, and following a favourable report by the Appointments and Remuneration Committee, it was resolved to appoint Mr Martin Ariel Atlas, by the system of co-optation, as a proprietary director of the Company.

Furthermore, to cover the vacancy on the Executive Committee, it was resolved to appoint, following a favourable report by the Appointments and Remuneration Committee, the proprietary director Mr José Manuel Vargas Gómez as a member of the Executive Committee of the Company to replace Mr Sébastien Mazella di Bosco. To cover the vacancy on the Appointments and Remuneration Committee, it was resolved to appoint, following a favourable report by that Committee, the proprietary director Mr Steven M. Langman as a member of the Appointments and Remuneration Committee to replace Mr Sébastien Mazella di Bosco.

On 30th December 2021, the Board of Directors of Fluidra unanimously passed a resolution acknowledging the resignation tendered by Mr Martin Ariel Atlas from his post as proprietary director of the Company.

This resignation took place in the framework of the reduction of Rhône Capital LLC's holding in the share capital of Fluidra and the consequent modification of its right to propose only three (3) directors of the Company instead of four (4) directors in accordance with the shareholders' agreement formalized on 3rd November 2017 in relation to the merger between the Company and Piscine Luxembourg Holdings 2 S.à.r.l.

For the purpose of covering the vacancy arising in the Board of Directors, it was then resolved to appoint Ms Barbara Borra, by the system of co-optation, as an independent director, at the proposal of the Appointments and Remuneration Committee, with effect from the aforesaid date. This appointment is subject to ratification at the next General Shareholders' Meeting of the Company that is held.

Both in the case of Mr Sébastien Mazella di Bosco and Mr Martin Ariel Atlas, both directors sent a letter to the other members of the board communicating their decision.

C.1.3 Complete the following tables concerning board members and their categories:

EXECUTIVE DIRECTORS		
Name of director	Position within the company's structure	Profile
Mr ELOI PLANES CORTS	Executive Chairman - CEO	Eloi Planes Corts was born in Barcelona in 1969. Holder of a Degree in Industrial Engineering from the Polytechnic University of Catalonia (UPC) and a Master's Degree in Business Management from EADA. A member of the second generation of one of the founding families, Eloi joined Fluidra (then "Astral") as R&D Manager in 1994 and in 1998 was appointed as Logistics Manager and then as General Manager of AstralPool España, leading the mergers of different commercial companies in Spain and gaining in-depth knowledge of the business. In 2000, Eloi took on the General Management of AstralPool, continuing with the expansion of the business in international markets. In 2002, the family group took a decisive step: under the leadership of Eloi as General Manager, the Fluidra group was created (under the name of "Aquaria"), bringing together the pool production and distribution companies. Banco Sabadell acquired 20% of the share capital and joined the four owner families. Eloi led the change in logistical model. In 2006, Fluidra reached its current size with the incorporation of four previously independent partners. In the same year, Eloi was appointed CEO of the Fluidra group, leading the company to significant milestones: its flotation in 2007, its restructuring in 2008/09, accompanied by an acceleration of the internationalization process in the commercial aspect and the application of lean management in the industrial part of the group.

EXECUTIVE DIRECTORS		
Name of director	Position within the company's structure	Profile
		In 2016, Eloi took on the role of Executive Chairman of Fluidra. In that same year he created the Fluidra Foundation. In 2017 a major transformational corporate operation led by Eloi was announced: the merger with US company Zodiac, which was completed in July 2018. In 2021, Fluidra was included in the IBEX-35 index and closed the year with historic turnover of more than 2 billion euros. Eloi is Executive Chairman of the Board of Directors of Fluidra. He is also the President of the Barcelona International Pool Trade Show and of the Catalunya Cultura Foundation and a director of Dispur, S.L., and the natural person who acts as the representative of Dispur, S.L. as Chairman and Director of Fixe Climbing, S.L.
Mr BRUCE WALKER BROOKS	Co-CEO	Bruce W. Brooks holds a Degree in Marketing from the University of Virginia. Bruce brings significant experience in international management to Fluidra, after more than 20 years at Black & Decker Corporation. In 1986, shortly after obtaining his degree, he started his career at that company, where he held a number of different posts over the years, including group vice-president, president of the consumer product group, president of construction tools and vice-president of mechanical tools. In 2011, he joined Zodiac Pool Solutions where he held the post of CEO. During his time at Zodiac, Bruce led the company to an approach focused on the residential pool market, thus leading the company's financial resurgence after 2011. In 2016, Bruce oversaw the successful transition of ownership from the Caryle Group to Rhône Group and in 2018 he played a decisive role in in the plan to integrate with Fluidra. Throughout his career, Bruce has shown great skill in the management and development of existing companies as well as in their expansion into new markets, at both domestic and international level and is highly valued for his strategic reasoning and his capacity to develop and execute systems and processes with the successful attainment of short and long-term goals. Bruce holds the post of co-CEO and is also a member of the Board of Directors of Fluidra.

Total number of executive directors	2
% of total board	16.67

There are no observations.

EXTERNAL PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented by the director or that proposed the director's appointment	Profile
Mr JOSÉ MANUEL VARGAS GÓMEZ	RHÔNE CAPITAL LLC	José Manuel Vargas has been a senior advisor at Rhône since 2006 and became a partner and managing director in 2017. However, Mr Vargas has temporarily stepped aside from the post of managing director of Rhône to dedicate his efforts to Maxam, a company in Rhône's investment portfolio, while retaining his other posts in the firm. In May 2020, Mr Vargas took on the post of Executive Chairman and CEO of Maxam. Previously he had been Chairman and CEO of Aena SME, SA, and led the restructuring process and partial privatization of the company and its IPO in 2015. He has also held the posts of CEO and Financial Director of Vocento and as a managing director of ABC. Prior to that, he had been financial director and general secretary of JOTSA (of the Philipp Holzmann group). José Manuel has served on a number of boards, such as those of the COPE radio station, Net TV and the newspaper El Correo. In 2015 he won the prize for Best Executive of the Year awarded by the Spanish Executives Association (Asociación Española de Directivos - AED) and was named Person of the Year in the economic and financial field by Spanish economic newspaper El Economista. He graduated in Business and Economics from the Complutense University of Madrid and holds a Law Degree from UNED. He is also a chartered accountant. José Manuel is currently also a member of the Board of Directors of Fluidra and of Wellbore Integrity Solutions, two companies in Rhône's investment portfolio
Mr BERNARDO CORBERA SERRA	EDREM, S.L.	Born in Barcelona in 1965, he holds a Degree in Business Science from E.S.E.I. and has completed the IESE Senior Executive Programme. In the past he has held several posts in the Fluidra Group. In particular, he started his career at Astral Export, S.A. where he was responsible for expansion in Africa, the Middle East and Central America. In 1993, he moved to the USA where he took on the market study and subsequent implementation of Astral Products and Polytank in that country. In 1999, he joined Astral Grup with responsibility for North America and Mexico and was appointed as a member of the Executive Committee. In 2000 he was appointed to the Board of Directors of Fluidra, and CEO of Edrem, S.L., a family investment company. In addition, he manages and is a member of the board of the following companies in which he is also a significant investor: Beran Cartera, S.L., Inmobiliaria Tralsa, S.A. and Constralsa, S.L.
Mr OSCAR SERRA DUFFO	BOYSER, S.L.	Born in Barcelona in 1962. He obtained a Degree in Business Administration from Management School in 1981. He started his career in the marketing area of several family businesses, notably La Casera and Schweppes. In 1989 he joined the Commercial department of Plasteral, taking responsibility for the Spas division.

EXTERNAL PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented by the director or that proposed the director's appointment	Profile
		Throughout his career he has worked in the areas of marketing and communication. At present, he does not provide services for the Fluidra Group, focusing his professional activity on the management of several real estate, communication and family companies. He is a director of Boyser Corporate Portfolio, S.L.U and of Pentamar, S.A. He is also the chairman of the Board of Directors of Boyser, S.L. and representative of a director in Constralsa, S.L.
PIUMOC INVERSIONS, S.L.U.	ANIOL, S.L.	The natural person acting as representative of Piumoc Inversions, S.L.U. in exercising the post of Director is Mr Bernat Garrigós Castro, whose profile is as follows: Born in Barcelona in 1967. He obtained a Degree in Biology from the University of Barcelona in 1991, and later, in 1994, studied for a Master's Degree in Environmental Management at Duke University and an Executive Development Programme organized by IESE Business School. Since 2004, Bernat has managed Aniol, S.L. He is currently involved in several projects involving new technologies. His career in the Fluidra Group has included posts in several companies. From 1995 to 1998 he was Product Manager at Astral Grup and subsequently, until 2002, held the post of Production Manager at Servaqua, S.A. Bernat is CEO of Aniol, S.L. and of Piumoc Inversions, S.L.U. He is also president of the Alive Foundation and a member of the board of directors of Constralsa, S.L.
Mr MICHAEL STEVEN LANGMAN	RHÔNE CAPITAL, LLC	Michael Steven Langman co-founded Rhône in 1996 and has been responsible for the day-to-day management of the company since its inception. Rhône is an alternative asset management company specializing in private equity. He is a Member and Managing Director of Rhône. Before founding Rhône, Steven was a Managing Director at Lazard Frères, where he specialized in mergers and acquisitions. Before joining Lazard Frères, Steven worked in the mergers and acquisitions department of Goldman Sachs. He has over thirty years of experience in finance, analysis and investments in public and private companies. In addition to Fluidra, S.A., Mr. Langman currently serves on the Boards of Directors of companies in which Rhône holds investments, including Baker & Baker Group Ltd., Hudson's Bay Company, Lummus Technology L.L.C., Vista Global Holdings and Wellbore Integrity Solutions LLC. He graduated with honours from the University of North Carolina at Chapel Hill and holds a master's degree from the London School of Economics.

Total number de proprietary directors	5
% of total board	41.67

There are no observations.

EXTERNAL INDEPENDENT DIRECTORS	
Name of director	Profile
Mr GABRIEL LÓPEZ ESCOBAR	Born in Madrid in 1956, he holds a Degree in Business Science, a Master's Degree in Economic Sciences and a Postgraduate Diploma in Economic Science Studies and European Studies from the University of Nancy (France). He joined PwC in 1984 and was a partner of the firm until 2014. He has extensive experience in all kinds of auditing, financial advising and financial investigation services. He has been responsible for auditing major Spanish groups as well as the subsidiaries of international groups, providing his services to companies such as Abengoa (IBEX 35, Nasdaq), Deutsche Bahn, Kraft Foods, Marsans, Nacex, Randstad, RIU, Quirón, Securitas, Telvent (Nasdaq), ThyssenKrupp, TUI, Volkswagen/SEAT. During his final years at the firm he was also Chairman of the Supervision Committee of PwC Spain. In 2015 he served as advisor to the Family Board of Grupo Empresarial Fuertes, S.L. He has been an advisor on the Audit Committee of Corporación Químico-Farmacéutica Esteve, S.A. since May 2018. He has been an independent director of BanSabadell Vida, BanSabadell Seguros Generales and BanSabadell Pensiones since July 2020. He has been an independent director of Fluidra since October 2014.
Ms ESTHER BERROZPE GALINDO	Ms Esther Berrozpe has been CEO of Ontex, a leading international group in personal hygiene, since January 2021. With 10,000 employees around the world and sales of 2.09 billion euros in 2020, Ontex develops and manufactures high-quality products for baby care, feminine care and adult care, and distributes its products in more than 110 countries to consumers, retailers and institutional and private healthcare service providers all over the world. Based in Aalst, Belgium, Ontex is listed on Euronext Brussels and is part of Bel Mid®. Previously, Esther was president for Europe, the Middle East and Africa at Whirlpool Corporation and executive vice-president of the company, world leader in the household electrical goods sector, which in 2018 had annual sales of 21 billion dollars, 92,000 employees and 65 production, research and development centres. She holds a degree in Economics and Business Science from Deusto University in San Sebastián. She led the company's integration and transformation process following the acquisition of Indesit Company by Whirlpool in 2014. Esther has extensive international experience of more than two decades in consumer goods companies and has held positions of responsibility both in Europe and the USA. She has also worked for Paglieri, Sara Lee and Wella Group. She also has considerable experience in brand consolidation in the commercial, industrial and logistics area, as well as in talent management and change culture, and in mergers and acquisitions. Esther was an independent director of Pernod Ricard, Ontex Group and Roca Corporación until December 2020.

EXTERNAL INDEPENDENT DIRECTORS	
Name of director	Profile
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	Jorge Constans holds a degree in Economics from the University of Barcelona, the General Management Programme of IESE and Business Management from ESADE. In a career spanning 22 years at Danone, he held several positions in sales, marketing, general management in Spain and was later Chairman and CEO of Danone France. He was then responsible for the Europe region, and responsibility for the USA was later added. During the last two years in the company he was chairman of the dairy product division, with turnover of 12 B€ and present in more than 50 countries. At Louis Vuitton he held the position of Chairman and CEO. He currently serves on the Boards of Puig and Fluidra.
Mr BRIAN MCDONALD	Mr Brian McDonald was CEO of RGIS from 2014 to 2017. RGIS is the world's leading inventory management company, a 680-million-dollar business with 53,000 associates in 30 countries around the world. Before joining RGIS, Brian was executive vice-president and operations director at Tyco International, where he had direct responsibility for its fire and security installation and services division valued at 7.8 billion dollars. Brian worked at Tyco for more than 10 years in different roles, including Sales Director, Vice-President of Field Operations, Vice-President of Southern Operations and Managing Director of ADT United Kingdom/Ireland. Before joining Tyco, Brian held several executive positions with the UTC Power and Otis Elevator units of United Technologies. He is currently an executive of BLM Advisors LLC, having held this post since January 2018. In September 2021, he joined the board of directors of KPI Solutions, a US company that provides integration services in the warehouse automatization sector. He has a Degree in Physics from the US Naval Academy and MBA in Operations management from the University of Virginia Darden Graduate School of Business. On graduating from the Naval Academy, Brian served for 5 years as a lieutenant and division officer aboard a US Navy aircraft carrier, overseeing its nuclear systems. He is a trustee of the US Naval Academy Foundation Athletics and Scholarship Programs.
Ms BARBARA BORRA	Ms Barbara Borra has been President and CEO of the home solutions division of the Franke Group since January 2019. Barbara has extensive international experience, having lived in 9 countries and 11 cities in Europe, the USA and China. Before joining Franke, Barbara worked at Whirlpool for 10 years, holding different senior management posts, most recently as Vice-President of operations in China. Previously, Barbara held a number of international posts in different countries during her time at Rhodia and General Electric. Barbara has a degree in Chemical Engineering from Turin Polytechnic and an MBA from INSEAD. She is currently a member of the Supervisory Board of Randstad, a Dutch listed company that is a leader in HR services.

Total number of independent directors	5
% of total board	41.67

There are no observations.

State whether any director classified as independent receives from the company or its group any amount or benefit for items other than director remuneration, or maintains or has maintained during the last year a business relationship with the company or with any company of its group, whether in the director's own name or as a significant shareholder, director, or senior manager of an entity that maintains or has maintained such a relationship.

If applicable, include a reasoned statement from the board regarding the reasons why it considers that the director in question can carry out his/her duties as an independent director.

Name of director	Description of relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS			
Identify the other external directors and describe the reasons why they cannot be considered proprietary or independent directors, as well as their ties whether with the company, its management or its shareholders:			
Name of director	Reasons	Company, director or shareholder with which the director has ties	Profile
No data			

Total number of other directors	N.A.
% of total board	N.A.

State the changes, if any, in the category of each director during the period:

Name of director	Date of change	Former category	Current category
No data			

C.1.4 Complete the following table with information regarding the number of female directors for the last 4 years, as well as the category of such directors:

	Number of female directors				% of total directors of each category			
	2021	2020	2019	2018	2021	2020	2019	2018
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	2	1	1		40.00	25.00	25.00	0.00
Other External					0.00	0.00	0.00	0.00

	Number of female directors				% of total directors of each category			
	2021	2020	2019	2018	2021	2020	2019	2018
Total	2	1	1		16.67	8.33	8.33	0.00

C.1.5 State whether the company has diversity policies in relation to the board of directors of the company on such matters as age, gender, disability, or professional training and experience. Small and medium-sized enterprises, as defined in the Auditing Act, must disclose at least the policy they have implemented in relation to gender diversity.

[√] Yes
[ ] No
[ ] Partial policies

If such diversity policies exist, describe them, their goals, the measures and the way in which they have been applied and the results obtained during the year. Also state the specific measures adopted by the board of directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why it does not do so.

Description of policies, goals, measures and how they have been applied, as well as the results obtained

The Fluidra Board of Directors Regulations establish that the Board of Directors, in exercising its powers of proposal to the General Shareholders' Meeting and co-optation to fill vacancies, shall strive to ensure that, as far as possible, external or non-executive directors represent an ample majority over executive directors, in the composition of the board. Furthermore, the number of independent directors should represent at least one third of the total number of directors.

The Appointments and Remuneration Committee Regulations approved by the Board of Directors in March 2021 (previously regulated in article 14 of the Board of Directors Regulations) also establish that the Appointments and Remuneration Committee is responsible for evaluating the necessary skills, knowledge and experience on the Board, defining as a result the functions and aptitudes required in the candidates to fill vacancies, evaluating the time and dedication required for them to fulfil their duties. For this purpose: (a) it will draw up a matrix of necessary skills of the Board of Directors to help the Appointments and Remuneration Committee to analyse the skills, knowledge and experience of the directors who are members of the Board and to define the functions and aptitudes of the candidates who are to cover any vacancies arising; (b) it will evaluate the time and dedication required for them to fulfil their duties effectively; and (c) it will promote programs to update directors' knowledge, when necessary. The Appointments and Remuneration Committee should also establish representation targets for the least-represented sex on the board, drawing up guidelines on how to reach this target and reporting to the Board on matters of gender diversity and qualifications of directors.

The selection policy for candidates to hold positions on the Board of Fluidra ("Selection Policy") is aimed at favouring an appropriate composition of the Board of Directors. In accordance with the Good Governance Code for Listed Companies, the Selection Policy ensures that the proposed appointments of Company directors are based on a prior analysis of the Company's needs, and favours diversity of knowledge, experience and gender within the Board of Directors, so that they do not suffer from implicit bias that could lead to any kind of discrimination and, in particular, could hinder the selection of female candidates, promoting an increase in their presence in light of best corporate governance practice, subject at all times to the fundamental principle of merit and suitability of the candidate in line with the analysis of the Company's needs carried out by the Board of Directors. Thus, the selection of candidates should strive to achieve a suitable balance in the Board of Directors as a whole that enriches decision making and brings multiple points of view to the debate on the matters on which it is competent.

In the selection process to cover the vacancy arising in the Board of Directors, the Selection Policy described above has been applied, giving prevalence to the female sex if the candidate met the profile in terms of experience, knowledge and skills with the aim of continuing to foster gender diversity. Finally, on 30th December 2021, the Board of Directors appointed Ms Barbara Borra as a director, through the procedure of co-optation. This appointment is subject to the corresponding ratification by the General Shareholders' Meeting. One of the goals of the Appointments and Remuneration Committee is precisely to continue increasing female representation on the Board as future vacancies arise.

C.1.6 Explain any measures approved by the Appointments Committee in order for selection procedures to be free of any implicit bias that hinders the selection of female directors, and in order for the company to search deliberately for women who meet the professional profile that is sought and include them among potential candidates and reach a balanced presence of men and women. Also state whether these measures include measures to foster the presence of a significant number of female senior executives:

Explanation of measures

In its Director selection and appointment criteria approved by the Board of Directors, Fluidra establishes that the company will take gender diversity into consideration in choosing directors, with the object of ensuring equality of opportunity as indicated in the Equality Act, the Code of Commerce, the Companies Act and the Auditing Act, with regard to non-financial and diversity reporting. Similarly, Fluidra will strive to achieve in relation to its Board of Directors, not only gender diversity, but also geographical diversity and diversity of age and professional experience. Accordingly, in the selection process, candidates will be evaluated under criteria of equality and objectivity, avoiding explicit bias that could lead to discrimination and, in particular, hinder the selection of female directors.

In addition to the measures included in the Selection Policy to foster diversity, described in section C.1.5 above, one of the principles of which is to avoid, in the selection of candidates, any kind of bias that could lead to discrimination and, in particular, hinder the selection of persons of either sex, the ESG (Environmental, Social and Corporate Governance) Policy determines that all persons, irrespective of their race, gender, relation or ideology have the same opportunities of access to the organization and personal treatment, to develop their professional potential, following the group's principles and values.

Furthermore, in accordance with the ESG Policy, the Company must foster a business culture based on equality of treatment and opportunities between men and women.

As described in section C.1.5, the vacancy on the Board of Directors arising in 2021 has been covered with the appointment on 30th December 2021 of Ms Barbara Borra, thus giving priority to women, whenever they met the professional profile being sought.

One of the goals of the Appointments and Remuneration Committee is precisely to continue increasing the number of women on the Board of Directors and in Senior Management so that they become more balanced as future vacancies arise on the Board of Directors and in Senior Management to be filled by new candidates.

If there are few or no female directors or senior managers despite any measures adopted, describe the reasons for this:

Explanation of reasons

One of the goals of the Appointments and Remuneration Committee in relation to the director and senior management selection policy is to favour diversity in terms of professional background, knowledge, nationality and, especially, gender. The Appointments and Remuneration Committee is aware that currently it does not comply with the Corporate Governance recommendation concerning the percentage of women on the Board. However, evidence that the measures taken are being applied in relation to the selection of female directors is that of the last 3 vacancies, two of them have been covered by women. This fact shows the trend in the Board of Directors to try to incorporate greater female presence in its governing bodies. In this regard, the Appointments and Remuneration Committee continues to work so that future selection processes will continue to favour gender diversity on the Board of Directors and in Senior Management.

C.1.7 Explain the conclusions of the appointments committee regarding verification of compliance with the policy aimed at favouring an appropriate composition of the board of directors.

The Appointments and Remuneration Committee oversees compliance with the director Selection Policy for the purpose of ensuring that selection processes take into consideration gender diversity balanced with other criteria of the profile being sought such as knowledge, nationality, experience and solvency of the candidates. In this regard, the most recent decisions of the Appointments and Remuneration Committee in relation to the appointment of the new members of the Board of Directors reflect effective compliance with the policy aimed at favouring an appropriate composition of the Board of Directors.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed at the proposal of shareholders whose shareholding is less than 3% of share capital:

Name of shareholder	Justification
No data	

State whether there has been no answer to formal petitions for presence on the board received from shareholders whose shareholding is equal to or greater than that of others at whose proposal proprietary directors have been appointed. If applicable, describe the reasons why such petitions have not been answered:

[ ] Yes

[√] No

C.1.9 State any powers and faculties delegated by the board of directors, including powers relating to the possibility of issuing or repurchasing shares, to CEOs or committees of the board:

Name of director or committee	Brief description
ELOI PLANES CORTS	The Board of Directors has delegated on a permanent basis all the faculties permitted by law to Mr Eloi Planes, who has been legally appointed as CEO of the Company.
BRUCE WALKER BROOKS	The Board of Directors has delegated on a permanent basis all the faculties permitted by law to Mr Bruce Walker Brooks, who has been legally appointed as Co-CEO of the Company.

C.1.10 Identify any members of the board who are directors, representatives of directors or officers of other companies that form part of the listed company's group:

Name of director	Name of group company	Position	Does he/she have executive duties?
Mr ELOI PLANES CORTS	ASTRAL NIGERIA, LTD	DIRECTOR	NO
Mr ELOI PLANES CORTS	FLUIDRA COMMERCIAL, S.A.U.	Joint CEO	YES
Mr ELOI PLANES CORTS	INNODRIP, S.L.	Director	NO
Mr ELOI PLANES CORTS	FLUIDRA FINCO, S.L.U.	JOINT CEO	YES

C.1.11 Identify the posts of director or representative of director held in other companies, whether or not they are listed companies, by directors of your company or representatives of directors:

Identification of director or representative	Name of company, listed or not	Position
Ms ESTHER BERROZPE GALINDO	ONTEX GROUP	DIRECTOR
Mr GABRIEL LOPEZ ESCOBAR	Bansabadell Pensiones, E.G.F.P, S.A.	DIRECTOR
Mr GABRIEL LOPEZ ESCOBAR	Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros	DIRECTOR
Mr GABRIEL LOPEZ ESCOBAR	Bansabadell Vida, S.A. de Seguros y Reaseguros	DIRECTOR
Mr JOSE MANUEL VARGAS GOMEZ	MaxamCorp Holding, S.L. (Rhône portfolio)	CHAIRMAN - CEO
Mr JOSE MANUEL VARGAS GOMEZ	Wellbore Integrity Solutions L.L.C. (Rhône portfolio)	DIRECTOR
Ms ESTHER BERROZPE GALINDO	Ontex Group	CEO
Mr BERNARDO CORBERA SERRA	Beran Cartera, S.L.	SOLE DIRECTOR
Mr BERNARDO CORBERA SERRA	Constralsa, S.L.	DIRECTOR
Mr BERNARDO CORBERA SERRA	Edrem, S.L.	REPRESENTATIVE OF DIRECTOR
Mr BERNARDO CORBERA SERRA	Inmobiliaria Tralsa, S.A.	JOINT DIRECTOR
Mr OSCAR SERRA DUFFO	Boyser Corporate Portfolio, S.L.U.	DIRECTOR
Mr OSCAR SERRA DUFFO	Boyser, S.L.	CHAIRMAN-CEO
Mr OSCAR SERRA DUFFO	Constralsa, S.L.	REPRESENTATIVE OF DIRECTOR
Mr OSCAR SERRA DUFFO	Pentamar, S.A.	SOLE DIRECTOR
Mr JORGE VALENTIN CONSTANS FERNANDEZ	PUIG, S.L.	DIRECTOR
Mr ELOI PLANES CORTS	DISPUR, S.L.	DIRECTOR
Mr ELOI PLANES CORTS	Barcelona International Pool Trade Show	PRESIDENT
Mr ELOI PLANES CORTS	Catalunya Cultura Foundation	PRESIDENT
Mr ELOI PLANES CORTS	FIXE CLIMBING, S.L.	REPRESENTATIVE OF DIRECTOR
Mr BERNAT GARRIGOS CASTRO	Aniol, S.L.	CEO
Mr BERNAT GARRIGOS CASTRO	Piumoc Inversions, S.L.U.	CEO
Mr BERNAT GARRIGOS CASTRO	Constralsa, S.L.	DIRECTOR
Mr BERNAT GARRIGOS CASTRO	Alive Foundation	PRESIDENT
Mr MICHAEL STEVEN LANGMAN	Rhône Capital LLC and affiliated entities	CEO
Mr MICHAEL STEVEN LANGMAN	Baker & Baker Group Ltd (Rhône portfolio)	DIRECTOR
Mr MICHAEL STEVEN LANGMAN	Hudson’s Bay Company (Rhône portfolio)	DIRECTOR
Mr MICHAEL STEVEN LANGMAN	Lummus Technology LLC (Rhône portfolio)	DIRECTOR

Identification of director or representative	Name of company, listed or not	Position
Mr MICHAEL STEVEN LANGMAN	Vista Global Holding Limited (Rhône portfolio)	DIRECTOR
Mr MICHAEL STEVEN LANGMAN	Wellbore Integrity Solutions LLC (Rhône portfolio)	DIRECTOR
Mr MICHAEL STEVEN LANGMAN	Hospital for Joint Disease, NYU Langone Medical Center	DIRECTOR
Mr BRIAN MCDONALD	BLM Advisors LLC	SOLE DIRECTOR
Ms BARBARA BORRA	Franke Home Solutions	PRESIDENT-CEO[T1]
Ms BARBARA BORRA	Randstad NV	DIRECTOR
Ms BARBARA BORRA	Franke S.p.A.	PRESIDENT
Ms BARBARA BORRA	Franke France SAS	PRESIDENT
Ms BARBARA BORRA	Franke Kitchen Systems Egypt S.A.E.	PRESIDENT
Ms BARBARA BORRA	Franke UK Ltd.	CEO
Ms BARBARA BORRA	Franke (China) Kitchen System Co. Ltd.	PRESIDENT
Ms BARBARA BORRA	Franke Mexico S.A. de C.V.	PRESIDENT
Ms BARBARA BORRA	Franke Mutfak ve Banyo Sistemieri Sanayi ve Tic. A.	PRESIDENT
Ms BARBARA BORRA	Franke Faber India Pvt. Ltd.	DIRECTOR
Ms BARBARA BORRA	Industrias Spar San Luis S.A.	DIRECTOR
Ms BARBARA BORRA	Franke Australia Pty Ltd.	PRESIDENT
Ms BARBARA BORRA	Franke New Zealand	PRESIDENT

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State any other remunerated activities of directors or representatives of directors, irrespective of their nature, other than those indicated above:

Identification of director or representative	Other remunerated activities
Mr GABRIEL LOPEZ ESCOBAR	Advisor of the Audit Committee of Corporación Químico-Farmacéutica Esteve, S.A.
Mr JORGE VALENTIN CONSTANS FERNANDEZ	He has provided business consultancy services for which he has received remuneration.
Mr BRIAN MC DONALD	He has provided consultancy services as an expert in the sector in relation to the acquisition of companies for which he has received remuneration.

Mr Bernat Garrigós Castro receives remuneration for his posts as CEO of Aniol, S.L. and as CEO of Piumoc Inversions, S.L.U.
Mr Oscar Serra Duffo receives remuneration for his post as executive chairman of Boyser, S.L.
Mr Bernardo Corbera Serra receives remuneration for his post as sole director of Beran Cartera, S.L.
Mr Gabriel Lopez Escobar receives remuneration for his posts as member and chairman of the audit committee of the companies Bansabadell Pensiones, E.G.F.P., S.A., Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros, Bansabadell Vida, S.A. de Seguros y Reaseguros.
Ms Esther Berrozpe Galindo receives remuneration for her post as CEO in Ontex Group.
Mr Jose Manuel Vargas Gomez receives remuneration for his post as Executive Chairman and CEO in MaxamCorp Holding, S.L.
Ms Barbara Borra receives remuneration for her post as President and CEO of Franke Home Solutions.
Mr Jorge Valentín Constans Fernández receives remuneration for his post as director of Puig, S.L.
Mr Michael Steven Langman receives remuneration for his post as CEO of Rhône Capital LLC.

C.1.12 State and, if applicable, explain whether the company has established rules on the maximum number of boards on which directors may serve, identifying, where appropriate, where this is regulated:

[ ] Yes
[√] No

C.1.13 State the following items relating to the total remuneration of the board of directors:

Remuneration of the board of directors accrued in the year (thousand euros)	4,074
Amount of funds accumulated by present directors under long-term saving systems with vested economic rights (thousand euros)	627
Amount of funds accumulated by present directors under long-term saving systems with non-vested economic rights (thousand euros)	
Amount of funds accumulated by former directors under long-term saving systems (thousand euros)	

Of the amount shown above in respect of vested pension rights for present directors, 27 thousand euros accrued in 2021.

C.1.14 Identify the members of the company's senior management who are not executive directors and state the total remuneration accruing to them during the year:

Name	Position
Mr TROY FRANZEN	BUSINESS GENERAL MANAGER - AMERICAS
Mr JOE LINGUADOCA	GLOBAL OPERATIONS MANAGER
Mr STEPHEN MATYSIAK	BUSINESS GENERAL MANAGER - APAC
Mr KEITH MCQUEEN	GLOBAL TECHNOLOGY MANAGER
Mr CARLOS FRANQUESA CASTRILLO	BUSINESS GENERAL MANAGER - EMEA
Mr JAVIER TINTORÉ SEGURA	CFTO
Mr NICOLÁS MARTÍNEZ FERNÁNDEZ	GLOBAL INTERNAL AUDIT AND COMPLIANCE MANAGER
Ms AMALIA SANTALLUSIA AGUILAR	GLOBAL HUMAN RESOURCES AND CORPORATE SOCIAL RESPONSIBILITY MANAGER
Mr MARTI GIRALT ADROHER	INDUSTRIAL MANAGER - EMEA

Number of women in senior management	1
Percentage of total members of senior management	11.11

Total senior management remuneration (in thousand euros)	3,911

C.1.15 State whether the board regulations have been amended during the year:

[√] Yes
[ ] No

Description of amendments

Following a favourable report by the Audit Committee and the Appointments and Remuneration Committee on the respective matters under their responsibility, the Board of Directors resolved, at its meeting held on 25th March 2021, to approve a series of amendments to the Board Regulations, for the purpose of adapting them to the modifications made to the Good Governance Code for Listed Companies approved by the National Securities Market Commission in the version published in June 2020, and also to make technical improvements to the wording. The most relevant amendments with respect to the previous version of the Regulations, dated 30th July 2020, are as follows:

- The Executive Committee must have at least 2 non-executive directors, at least one of whom must be independent, and the secretary will be the secretary of the Board of Directors (article 12.2).
- The regulation of the Audit Committee and of the Appointments and Remuneration Committee is largely removed, because of the publication of specific Regulations for each of the Committees (articles 13 and 14),
- The definition of senior management has been modified (article 16).
- In relation to the removal or resignation of directors, directors will be required to inform the Board of Directors and, as the case may be, resign when situations that affect them arise, whether or not they are related to their performance in the Company, that could damage the Company's credit and reputation, and particularly in relation to any criminal case in which they are named as being under investigation. The Board of Directors will examine the case and decide, following a report issued by the Appointments and Remuneration Committee, whether or not any measure should be taken, such as initiating an internal investigation, asking the director to resign or propose his/her removal. This information will be provided in this Annual Corporate Governance Report, if any of the cases described takes place (article 21.2). To the extent that it is relevant for investors, the Company will publish the director's removal or resignation as soon as possible, including sufficient reference to the reasons or circumstances indicated by the director (article 21.3).

C.1.16 State the procedures for the selection, appointment, re-election and removal of directors. Describe the competent bodies, the procedures to be followed and the criteria applied in each procedure.

Article 17.1 of the Board Regulations establishes that directors will be appointed at the proposal of the Appointments and Remuneration Committee, in the case of independent directors, and following a prior report by the Appointments and Remuneration Committee in the case of all other directors, by the General Shareholders' Meeting or by the Board of Directors. The proposal for appointment or re-election must be accompanied by a justificatory report from the Board assessing the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the General Shareholders' Meeting or Board meeting. These provisions will also apply to the natural persons who are designated as the representatives of a director that is a legal person. The proposal of the natural person must be submitted for a report by the Appointments and Remuneration Committee.

In relation to external directors, article 18 of the Board Regulations establishes that the Board of Directors will strive to ensure that the elected candidates are persons of acknowledged solvency, competence and experience, and must exercise particular rigour in relation to those persons who are called upon to fill the positions of independent director established in article 6 of the Board Regulations.

In accordance with the provisions of the Appointments and Remuneration Committee Regulations approved in March 2021, the Appointments and Remuneration Committee will evaluate the necessary skills, knowledge and experience in the Board and will define, consequently, the functions and aptitudes necessary in the candidates who are to fill each vacancy and will evaluate the time and dedication required for them to carry out their duties properly. For this purpose, it will, among others: (a) draw up a matrix of necessary skills of the Board of Directors to help the Appointments and Remuneration Committee to analyse the skills, knowledge and experience of the directors who are members of the Board and to define the functions and aptitudes of the candidates who are to cover any vacancies arising and (b) evaluate the time and dedication required for them to fulfil their duties effectively.

Removal of Directors: Article 21.1 of the Board Regulations establishes that directors will be removed from their post when the period for which they were appointed has ended and when the General Meeting so decides making use of the faculties conferred on it by law or the Articles of Association. Reference should therefore be made to the situations established in the Companies Act, specifically in article 223 and following.

The Board may only propose the removal of an independent director before the end of the term established in the Articles of Association when there is due cause, observed by the Board following a report by the Appointments and Remuneration Committee. In particular, due cause will be deemed to exist when the director has failed to comply with the inherent duties of the position or has incurred in the course of the term of office in any of the circumstances of impediment described in the definition of independent director established in the Companies Act.

In accordance with the Selection Policy, the selection of candidates is based on a prior analysis of the needs of the Company, the group and the Board. The Board must ensure that the procedures for selecting its members favour diversity of gender, experience and knowledge, so that they do not suffer from implicit bias that could lead to any kind of discrimination and, in particular, could hinder the selection of female candidates, promoting an increase in their presence in light of best corporate governance practice, subject at all times to the fundamental principle of merit and suitability of the candidate in line with the analysis of the Company's needs carried out by the Board of Directors. When a vacancy arises, the Board of Directors will instruct the Appointments and Remuneration Committee to draw up a report setting out the evaluation of the skills, knowledge and experience, and also the diversity that are necessary in the Board of Directors and define, consequently, the required functions and aptitudes of the candidates to fill each vacancy. Based on this report, the Board of Directors will carry out an analysis of the needs of the Company and the group, which is to serve as the starting point for the selection process. The Company may make use of the services of external advisors for the prior analysis of the Company's needs, the search for or evaluation of candidates to the post of director or the evaluation of their performance.

The candidate selection process must, in any case, avoid any kind of bias that could lead to discrimination and, in particular, could hinder the selection of persons of either sex.

Any director may ask the Appointments and Remuneration Committee to take potential candidates into consideration to cover vacancies on the Board, provided that they meet the requisites established in this Policy, for the Committee to decide whether it considers them suitable.

When the re-election of any director is being considered, the re-election proposal submitted to the General Meeting by the Board must be preceded by a report issued by the Appointments and Remuneration Committee. This report will evaluate, especially, the director's performance during his or her term of office and his or her capacity to continuing performing duties satisfactorily.
In particular, in the case of independent directors, particular consideration will be given to the analysis of the Company's needs in order to determine whether the candidate for re-election can perform the functions and has the skills required by the Board.

C.1.17 Explain the extent to which the annual evaluation of the board has given rise to significant changes in its internal organization and to the procedures applicable to its activities:

Description of changes

In accordance with the provisions of the Appointments and Remuneration Committee Regulations approved in March 2021, the Appointments and Remuneration Committee will evaluate the necessary skills, knowledge and experience on the Board and will define the necessary duties and aptitudes of the candidates to fill each vacancy accordingly, and will evaluate the time and dedication required in order to discharge the duties well. For this purpose: (a) it will draw up a matrix of necessary skills of the Board of Directors to help the Appointments and Remuneration Committee to analyse the skills, knowledge and experience of the directors who are members of the Board and to define the functions and aptitudes of the candidates who are to cover any vacancies arising; (b) it will evaluate the time and dedication required for them to fulfil their duties effectively; and (c) it will promote programs to update directors' knowledge, when necessary.

The Appointments and Remuneration Committee will also lead and co-ordinate the annual performance evaluation process of the Board of Directors, the Chairman of the Board, its Committees, their members and of executive directors.
In 2021, the structure of the Board has changed, increasing the number of independent directors compared to 2020, from 4 to 5, and at the same time reducing the number of proprietary directors from 6 to 5.

Describe the evaluation process and the areas evaluated by the board of directors, assisted, as the case may be, by an external consultant, regarding the operation and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of evaluation process and areas evaluated

After two years carrying out an internal evaluation of the operation and composition of the Board of Directors and its committees, this year it was necessary to engage an external consultant to carry out the new evaluation of the structure and operation of the Board and the committees and determine the profile of new directors to cover future vacancies. In this regard, in 2021 the evaluation of the Board and the committees has been carried out by the external consultant Seeliger & Conde, using the Balanced Board Methodology which places most attention on international best practice in corporate governance, observes all the recommendations of both the regulator and stock market supervisory bodies and also organizations such as the ECB or the EBA (European Banking Association).

The evaluation process is as follows:
a) Detailed analysis of the directors' profiles and their dedication.
b) Each director completes a personal questionnaire based on the EBA's recommendations.
c) Personal interview (as a guided and challenged self-assessment) by the independent consultant with each of the directors separately, to evaluate their professional profile, level of functional experience and technical capacities.
d) Information gathering.
e) Conclusions.
f) Individual feedback meetings.

The areas evaluated were as follows:
- Alignment maps (of understanding of the role of director, defence of the interests of different stakeholders and unity of purpose, etc.).
- Size, composition and renewal of the board.
- Reputation and honourability checklist.
- (Formal and mental) independence and conflict of interest checklist.
- Analysis of availability and sufficient dedication.
- Diversity analysis (considering gender, age, culture – business and social -, points of view and experiences, etc.)
- Operational evaluation and day-to-day working of the Board.
- Evaluation of the Board's practices and tasks.
- Evaluation of the individual and collective performance of the Board.
- Analysis of the individual profiles of each of the directors, both in terms of functional experience, necessary soft skills for optimal performance of the role of director and critical thinking in decision making and debates in the management body.

- These profiles were then aggregated in line with the above-mentioned methodology, and from the combination of them the following have been derived:
* Analysis of the composition, capacity and balance of the Board.
* Detection of areas that are not sufficiently well-covered.
* Definition of profiles to be incorporated in forthcoming rotations.

The consultant's report has confirmed the good health of the Board of Directors of Fluidra and its committees, and has, naturally, made some suggestions for improvement that the Board will be able to put into practice in the coming months. All of this has been discussed by the Appointments and Remuneration Committee proposing, as last year, action plans or recommendations in order to continue advancing in the continuous improvement of Fluidra's management bodies.

The results of the evaluation together with the proposed action plan have been submitted to the Board of Directors, and have been approved by it.

C.1.18 In years when the evaluation has involved the assistance of an external advisor, detail any business relationship that the consultant or any company of its group have with the company or any of the group companies.

In 2021 the evaluation of the Board of Directors was carried out by the external consultant Seeligery Conde, which also provided Board training services in 2021.

C.1.19 State the circumstances in which the resignation of directors is mandatory.

In accordance with article 21.2 of the Board Regulations, directors must offer their resignation to the Board of Directors, formalizing their resignation if the Board so decides, in the following cases:

a) When they cease to hold the executive position to which their appointment as director was associated.
b) When they incur in any of the situations of incompatibility or prohibition established by law.
c) When they are severely reprimanded by the Board of Directors because of breaching their obligations as directors.
d) When their continued presence on the Board could jeopardize or damage the Company's interests, credit or reputation or when the reasons for which they were appointed no longer exist (for example, when a proprietary director disposes of its shareholding in the Company). In particular, directors will be required to inform the Board of Directors and, as the case may be, resign when situations arise that affect them, whether or not they are related to their performance in the Company, that could damage the Company's credit and reputation, and particularly in relation to any criminal case in which they are named as investigated persons. The Board of Directors will examine the case and decide, following a report from the Appointments and Remuneration Committee, whether or not it should take any measure, such as commencing an internal investigation, requesting the director's resignation or proposing his or her removal.

e) In the case of independent directors, they may not remain in their position as such for a continued period of more than 12 years, and therefore at the end of that term they must offer their resignation to the Board of Directors.
f) In the case of proprietary directors (i) when the shareholder they represent sells the shareholding in full and; furthermore (ii) in respect of the corresponding number, when the aforesaid shareholder reduces its shareholding to a level that requires a reduction in the number of proprietary directors.
Article 21.3 also establishes that, in the event that a director ceases to hold his position before the end of the term of office, due to resignation or any other reason, the aforesaid director must explain the reasons in a letter which will be sent to all the members of the Board.

C.1.20 Are qualified majorities, different from the statutory majorities, required to adopt any type of decision?

[√] Yes
[ ] No

If so, describe the differences.

Description of differences

The Shareholders Agreement formalized on 03/11/2017, reported in Relevant Event notice no. 258222, establishes certain qualified majorities in order to pass certain resolutions by the Board. These qualified majorities are also established in article 42 of the Articles of Association and article 16 of the Board Regulations.

In this regard, in accordance with the provisions of article 16.4 of the Board Regulation, the majorities indicated below will be required in order to pass resolutions on the following matters ("Reserved Matters"):
(i) The removal of the Secretary to the Board of Directors will require that at least seven (7) members of the Board vote in favour;
(ii) The removal of any member of Senior Management will require that at least seven (7) members of the Board vote in favour provided that at least one of the proprietary and/or executive directors of each of the two groups of shareholders existing at the date of these Regulations votes in favour;
(iii) The admission of the Company's shares for trading on the New York Stock Exchange or any comparable market that grants efficient access to capital markets will require that the resolution be passed (i) with the vote in favour of at least seven (7) members of the Board provided that at least one of the proprietary and/or executive directors of each of the two groups of shareholders existing at the date of these Regulations votes in favour or (ii) with the unanimous vote of all the members of the Board of Directors other than the proprietary and executive directors proposed by either of the two groups of majority shareholders in the Company existing on the date of these Regulations (i.e. eight (8) of the twelve (12) directors);
(iv) The following reserved matters will require that at least nine (9) members of the Board vote in favour:
a. the appointment and removal of the Chairman of the Board of Directors;
b. the appointment and removal of the CEO;
c. the delegation of faculties by the Board to the Executive Committee, and the appointment of any of its members;
d. the appointment of the Secretary of the Board of Directors;
e. the appointment of any member of Senior Management,
f. any change in the list of positions that make up Senior Management;
g. additional long-term borrowing by the Company or any group company to the extent that such long-term borrowing means that the ratio of long-term net debt to consolidated adjusted EBITDA is more than 3:1 and
h. the modification of the number of members of Board committees.
For the purposes of this section, "Senior Management" will be understood to refer to the members of the Management Committee from time to time.

C.1.21 Explain whether there are specific requirements, other than the requirements relating to directors, in order to be appointed chairman of the board of directors:

[√] Yes
[ ] No

Description of requirements

In accordance with the provisions of article 8 of the Board Regulations, the Chairman of the Board of directors will be elected out of the Board members with the favourable vote of at least nine (9) Board members, as established in the Company's Articles of Association, following a report from the Appointments and Remuneration Committee. The removal of the Chairman of the Board will require that the corresponding resolution be passed with the favourable vote of at least nine (9) members of the Board of Directors.

C.1.22 State whether the Articles of Association or the Board regulations establish any age limit for directors:

[ ] Yes
[√] No

C.1.23 State whether the Articles of Association or the Board regulations establish any limit on the term of office or other stricter requisites in addition to those established by law for independent directors, that is different from the term established by regulatory provisions:

[ ] Yes
[√] No

C.1.24 State whether the Articles of Association or the Board regulations establish specific rules for proxy voting at Board meetings through other directors, the manner of doing so and, in particular, the maximum number of delegations that a director may hold, as well as whether any restriction has been established regarding the categories of directors who may be delegated, beyond the restrictions imposed by legislation. If so, briefly describe such rules.

As established in article 16 of the Board Regulations, Directors shall make every effort to attend Board meetings and when it is impossible for them to attend in person, they will grant representation in writing, on a special basis for each meeting, appointing another member of the Board as proxy with the pertinent instructions and notifying the Chairman of the Board of Directors of this. Non-executive directors may only delegate another non-executive director to represent them.

C.1.25 State the number of meetings that the board of directors has held during the year. In addition, specify the number of times the board has met, if any, at which the chairman was not in attendance. Proxies granted with specific instructions shall be counted as attendance.

Number of meetings of the board	11
Number of board meetings at which the Chairman was not in attendance	0

State the number of meetings held by the lead independent director with the other directors, at which no executive director was present or represented:

Number of meetings	1

State the number of meetings held by the different committees of the board during the year:

Number of meetings of the Audit Committee	6
Number of meetings of the Appointments and Remuneration Committee	8
Number of meetings of the Executive Committee	4

C.1.26 State the number of meetings that the board of directors has held during the year and data on attendance of its members:

Number of meetings at which at least 80% of the directors were present in person	11
% of personal attendance with respect to total votes during the year	100.00
Number of meetings at which all directors were present in person or represented by proxies with specific instructions	11
% of votes cast by directors present in person or represented by proxies with specific instructions compared to total votes during the year	100.00

C.1.27 State whether the individual and consolidated annual accounts that are submitted to the board are previously certified:

[ ] Yes
[√] No

Identify, if applicable, the person/persons that has/have certified the individual and consolidated annual accounts of the company for preparation by the board:

C.1.28 Explain the mechanisms, if any, established by the board of directors so that the annual accounts that the board of directors submits to the general shareholders' meeting are drawn up in accordance with accounting legislation.

As established in article 38.3 of the Board Regulations, the Board of Directors will strive to draw up the accounts definitively in such a way that they are prepared in accordance with accounting legislation. In exceptional cases in which there are qualifications, both the Chairman of the Audit Committee and the external auditors will explain clearly to the shareholders at the General Meeting the Audit Committee's opinion on their content and scope. However, when the Board considers that it should uphold its criteria, it will explain publicly the content and scope of the discrepancy, making a summary of that opinion available to shareholders at the time of publishing the notice of the General Meeting.

C.1.29 Is the secretary of the board a director?

[ ] Yes
[√] No

If the secretary is not a director, complete the following table:

Name of secretary	Representative
Mr ALBERT COLLADO ARMENGOL	

C.1.30 State the specific mechanisms established by the company to preserve the independence of the external auditors and the mechanisms, if any, to preserve the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

To preserve the independence of the external auditors:

Article 8 of the Audit Committee Regulations establishes that the committee will exercise the following powers in relation to the external auditor or audit firm:
- Submit to the Board proposals for the selection, appointment, re-election and replacement of the external auditor or audit firm, and their contract conditions, according to the criteria indicated in the same Regulations (resources, experience and geographical coverage of the audit firm; availability of personnel with the necessary skills, technical resources, independence of the audit firm, non-discrimination and quality and effectiveness of the service);
- Meet with the external auditor or audit firm and receive regular information on the progress and results of the audit program, and verify that the management team acts in accordance with their recommendations (meetings that will discuss, among other matters, the suitability of the scope of the consolidation, significant changes in policy or significant weaknesses in internal control).
- Ensure the independence of the auditor or audit firm in carrying out its duties (in this regard, the Audit Committee will issue a report each year, before the audit report on the accounts is issued, in which it will express an opinion on the independence of the auditors);
- Favour that the auditor of the group undertake responsibility for the audits of the companies that make up the group.
- Guarantee fluid and permanent communication with the auditor, requesting information on the audit plan, its effectiveness and any other matter related to the audit process. These communications must be made together with the duties and obligations of each party to assure the external auditor's independence. These communications will be made at annual meetings, most of which will be held without the presence of Company management.

In turn, article 54 of the Company's Articles of Association establishes that the auditors are to be appointed by the General Meeting before the end of the financial year that is to be audited, for an initial term, which may not be less than three years nor more than nine years, as of the date on which the first financial year to be audited commences, notwithstanding the provisions established in the legislation regulating the audit activity with regard to the possibility of an extension.

The General Meeting may appoint one or several natural or legal persons who will act jointly.

When the persons appointed are natural persons, the General Meeting must appoint as many alternates as principal auditors.

The General Meeting may not revoke the auditors' appointment before the end of the term for which they were appointed, unless there is due cause.

The Audit Committee will refrain from proposing to the Board of Directors, and the latter in turn will refrain from submitting to the General Meeting, the appointment as auditor of the Company's accounts of any firm that incurs in a cause of incompatibility under legislation on auditing as well as any firms in which the fees to be paid to them by the Company, for all services, are more than five per cent of its total revenues during the last financial year.

To preserve the independence of financial analysts, investment banks and rating agencies:

The Company maintains relations with financial analysts and investment banks in which it ensures the transparency, non-discrimination, veracity and reliability of the information provided. Corporate Financial General Management, through Investor Relations Management, is responsible for co-ordinating relations with and handling requests for information from institutional or private investors. The mandates to investment banks are granted by Corporate Financial General Management while Analysis and Planning Management handles the work with such banks.

In 2018 the Company obtained credit ratings from Moody´s and Standard & Poor's, which are published on the company's website and were originally reported to the market through Relevant Event notices number 261590 and number 268995. These credit ratings from Moody's and Standard & Poor's were updated and confirmed respectively on 27th February and 31st August 2020.

The independence of financial analysts is protected by the existence of Investor Relations Management which is specifically dedicated to dealing with them, guaranteeing objective, equitable and non-discriminatory treatment among investors. To guarantee the principles of transparency and non-discrimination, and complying at all times with the regulations on the Securities Market, the Company has several communication channels:

. Personalized attention to analysts and investors

. Publication of information on quarterly, half-yearly and annual results, communications of privileged information and other relevant information. Publication of press releases.

. E-mail on the website (investor_relations@fluidra.com, accionistas@fluidra.com) . Shareholder information telephone service (34 937243900)

. Presentations, both face-to-face and by telephone. Visits to the Company's premises

All this information is accessible through the Company's website (www.fluidra.com).

C.1.31 State whether the Company has changed the external auditor. If so, identify the incoming and outgoing auditor:

[ ] Yes
[√] No

If there has been any disagreement with the outgoing auditor, explain the content of such disagreements:

[ ] Yes
[√] No

C.1.32 State whether the audit firm performs other non-audit work for the company and/or its group. If so, state the amount of the fees received for such work and the percentage this amount represents of the fees billed to the company and/or its group for audit work:

[√] Yes
[ ] No

	Company	Group companies	Total
Amount of other non-audit work (thousand euros)	57	43	100
Amount of non-audit work / Amount of audit work (%)	34.50	2.80	5.90

C.1.33 State whether the audit report on the annual accounts for the previous year has qualifications. If so, state the reasons given to the shareholders at the General Meeting by the chairman of the audit committee to explain the content and scope of such qualifications.

[ ] Yes
[√] No

C.1.34 State the number of years for which the current audit firm has been auditing the company's individual and/or consolidated annual accounts without interruption. Also state the percentage that the number of years audited by the current audit firm represents with respect to the total number of years in which the annual accounts have been audited:

	Individual	Consolidated
Number of years without a break	6	6

	Individual	Consolidated
No. of years audited by current audit firm / No. of years the company or its group has been audited (%)	33.30	30.00

C.1.35 State whether there is a procedure to ensure directors have the necessary information to prepare meetings of management bodies sufficiently in advance and, if so, describe it:

[√] Yes
[ ] No

Description of the procedure
Fluidra adopts the necessary measures so that directors receive, whenever possible, sufficiently in advance the necessary information,

specifically drawn up and oriented in order to prepare the meetings of the Board and its Committees.
In this regard, in accordance with article 15 of the Board Regulations, notice of the meetings of the Board of Directors is to be issued at least five days in advance and will always include the agenda for the meeting and the information necessary to deliberate on and pass resolutions on the matters to be discussed included in the agenda, unless the meeting of the Board of Directors has been held or convened exceptionally for reasons of urgency. The Chairman, as the person responsible for the efficient operation of the Board, with the Secretary's collaboration, will ensure that directors receive such information adequately. The Chairman of the Board of Directors may convene extraordinary meetings of the Board when in his opinion the circumstances so require, and in such cases the term of advance notice and other requisites indicated above do not apply. However, every effort will be made to ensure that any documentation that is to be provided to the Directors is delivered sufficiently in advance. Furthermore, Board meetings will be deemed valid without the need to have been previously convened if all the members are present or represented and agree unanimously to hold a meeting.
Furthermore, the Board and its Committees have an action plan that details and schedules the activities to be carried out each year, according to the competences and tasks assigned to them.
To provide all the information and clarifications necessary in relation to the matters discussed, the principal senior managers of the Group regularly attend the meetings of the Board and its Committees, to provide information on matters within their area of competence. Furthermore, article 22 of the Board Regulations establishes as follows:
1. Any director may request information on any matter that falls under the competence of the Board and, in this regard, examine its books, records, documents and other documentation. The right to information extends to companies in which a stake is held, whenever possible.
2. The request for information should be addressed to the Secretary of the Board of Directors, who will convey it to the Chairman of the Board of Directors and the appropriate person in the Company.
3. The Secretary will inform the director of the confidential nature of the information he or she requests and receives and of the duty of confidentiality in accordance with the Board Regulations.

C.1.36 State whether the company has established any rules requiring directors to inform the company and, as the case may be, resign, when situations affecting them occur, whether or not they are related to their actions in the company, that could be damaging to the company's credit and reputation, and, if so, provide a detailed description:

[√] Yes
[ ] No

Explain the rules

Article 32.2 of the Board Regulations establishes the obligation for directors to inform the Company in any cases that might damage the company's credit or reputation and, in particular, to inform the board of any criminal investigations in which they are involved as investigated persons, as well as the subsequent procedural phases, any disqualification procedures initiated against them, any near-insolvency economic situations of any trading companies in which they hold stakes or which they represent or, as the case may be, the commencement of insolvency proceedings against such companies.
This same article also establishes that in the event that a director is prosecuted or a court order is issued against a director for the commencement of a trial for any of the criminal offences listed in article 213 of the Companies Act, the Board will examine the case as soon as possible and, in light of its specific circumstances, will decide whether or not the director is to remain in office.

C.1.37 State whether the board has been informed or is otherwise aware of any situation affecting a member of the board, whether or not it is related to that member's actions in the company, that could be damaging to the company's credit or reputation, unless there are special circumstances that have been duly noted in the minutes:

[ ] Yes
[√] No

C.1.38 Describe the significant agreements entered into by the company that come into effect, are amended, or terminate in the event of a change in control at the company as a result of a takeover bid, and the effects thereof.

Not applicable

C.1.39 Identify individually, when directors are involved, and on an aggregate basis in all other cases, and provide a detailed description of the agreements between the company and its management level and decision-making positions or employees that provide for indemnities, guarantee or "golden parachute" clauses upon resignation or unfair dismissal, or if the contractual relationship is terminated as a result of a takeover bid or other type of transaction.

Number of beneficiaries	9
Type of beneficiary	Description of the agreement
Executive Chairman /Co-CEO / Senior Managers	The Executive Chairman's contract establishes compensation in the event of termination of his contract by Fluidra for any reason, except in the event of serious and culpable or negligent breach of his obligations as an executive director, for an amount equal to two years' salary, based on the gross fixed annual salary received in the year termination occurs and the gross variable annual salary for the preceding year. He will also be entitled to receive this compensation if he decides to end the contract by choice, provided that this is for any of the following causes: serious breach by the Company of the obligations acquired relating to his post. Reduction and substantial limitation of his duties or powers. Substantial modification of the conditions agreed in the contract. Change of ownership of the share capital of Fluidra, whether or not there is any variation in the Company's governing bodies. The contract includes a post-contractual non-compete clause for a term of two years after the end of provision of services. The economic compensation established for the obligation undertaken by virtue of the non-compete clause is two years' fixed gross annual salary at the time of termination of the contract. The amount of this compensation includes the legal compensation he would be entitled to receive for termination of his previous employment relationship, of sixteen years and seven months, which was suspended by his appointment as a director. The Co-CEO's contract establishes compensation in the event of termination of his contract by Fluidra for any reason, except in the event of serious and culpable or negligent breach of his obligations as an executive director, for an amount equal to one year's salary, based on the gross fixed annual salary received in the year termination occurs and the gross target variable annual salary. He will also be entitled to receive this compensation if he decides to end the contract by choice, provided that this is for any of the following causes: serious breach by the Company of the obligations acquired relating to his post. Reduction and substantial limitation of his duties or powers. Substantial modification of the conditions agreed in the contract. Change of ownership of the share capital of Fluidra, whether or not there is any variation in the Company's governing bodies. The contract includes a post-contractual non-compete clause for a term of two years after the end of provision of services. The economic compensation deriving from the non-compete clause is included in the amount of the remuneration established for the director. Senior Managers: Two Senior Managers have a post contractual non-compete clause for a term of 18 months and two others have such a clause for a term of 12 months after the end of provision of services. 15% of their fixed remuneration remunerates the obligation undertaken by virtue of the post-contractual non-compete clause.

Type of beneficiary	Description of the agreement
	Another Senior Manager has a post-contractual non-compete and non-solicitation and restriction on the provision of services clause for a term of 12 months in a specific geographical area which does not provide for any additional compensation other than his annual remuneration. One Senior Manager is entitled to receive compensation in the event of termination of his contract by Fluidra for any reason, except in the event of fair dismissal, the amount of which is equal to one year's fixed gross annual salary at the time of termination. Three Senior Managers are entitled to receive compensation in the event of termination of their contract by the Group within 12 months following the date on which a change in control takes place, or at the manager's choice if such a change in control occurs, the amount of which is equal to one year's fixed gross annual salary as well as payment of medical insurance for a term of not more than 12 months and payment of an outplacement service. One of the Senior Managers is also entitled to receive such compensation in the event that he decides to terminate his contract, provided that this is due to certain causes or in the event of dismissal without cause.

State whether, beyond the cases established by law, such contracts have to be reported to and/or approved by the decision-making bodies of the company or its group. If so, specify the procedures, cases envisaged and the nature of the bodies responsible for approval or reporting:

	Board of Directors	General Meeting
Body that authorizes the clauses	√	

	Yes	No
Is the General Meeting informed of the clauses?	√	

C.2. Committees of the board of directors

C.2.1 Describe all the committees of the board of directors, their members and the proportion of executive, proprietary, independent and other external directors of which they are comprised:

Audit Committee		
Name	Position	Category
Mr GABRIEL LÓPEZ ESCOBAR	MEMBER	Independent
Mr JOSÉ MANUEL VARGAS GÓMEZ	MEMBER	Proprietary
Mr BERNARDO CORBERA SERRA	MEMBER	Proprietary
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	MEMBER	Independent
Mr BRIAN MCDONALD	CHAIRMAN	Independent

% executive directors	0.00
% proprietary directors	40.00
% independent directors	60.00
% other external directors	0.00

Explain the duties assigned to this committee, including, if appropriate, those that are in addition to the duties established by law, and describe the procedures and rules of organization and operation thereof. For each of these duties, state the most important actions carried out during the year and how each of the duties assigned to it, either by law or the Articles of Association or in corporate resolutions, has been exercised in practice.

The functions of the Audit Committee, and its procedures and rules of organization and operation, are set out in article 13 of the Board of Directors Regulations, and in the Audit Committee Regulations approved by the Board of Directors in March 2021. In this regard, the duties assigned to this Committee correspond mainly to those established by law and duties deriving from good governance recommendations and the Audit Committee Technical Guide. Certain additional duties are included in article 10 of the Audit Committee Regulations, principally with regard to compliance.

The most relevant activities carried out by this Committee in 2021 are detailed in the annual report on the activities of the Audit Committee for 2020, available at www.fluidra.com.

Identify the directors who are members of the audit committee and who have been appointed taking into account their knowledge and experience in the areas of accounting, auditing, or both, and report the date of appointment of the chairman of this committee.

Name of directors with experience	Mr GABRIEL LÓPEZ ESCOBAR / Mr JOSÉ MANUEL VARGAS GÓMEZ / Mr BERNARDO CORBERA SERRA / Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ / Mr BRIAN MC DONALD
Date of appointment of chairman to that post	12/05/2020

Appointments and Remuneration Committee		
Name	Position	Category
Ms ESTHER BERROZPE GALINDO	CHAIRWOMAN	Independent
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	MEMBER	Independent
PIUMOC INVERSIONS, S.L.U.	MEMBER	Proprietary
Mr MICHAEL STEVEN LANGMAN	MEMBER	Proprietary

% executive directors	0.00
% proprietary directors	50.00
% independent directors	50.00
% other external directors	0.00

Explain the duties assigned to this committee, including, if appropriate, those that are in addition to the duties established by law, and describe the procedures and rules of organization and operation thereof. For each of these duties, state the most important actions carried out during the year and how each of the duties assigned to it, either by law or the Articles of Association or in corporate resolutions, has been exercised in practice.

The duties of the Appointments and Remuneration Committee, and its procedures and rules of organization and operation, are set out in article 14 of the Board of Directors Regulations, and in the Appointments and Remuneration Committee Regulations approved by the Board of Directors in March 2021. In this regard, the duties assigned to this Committee correspond mainly to those established by law and duties deriving from good governance recommendations and the Appointments and Remuneration Committee Technical Guide. The Committee is also entrusted with the task of advising and oversight in matters related to Fluidra's ESG policy and strategy.

The most relevant activities carried out by this Committee in 2021 are detailed in the annual report on the activities of the Appointments and Remuneration Committee for 2021, available at www.fluidra.com.

Executive Committee		
Name	Position	Category
Mr OSCAR SERRA DUFFO	MEMBER	Proprietary
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	MEMBER	Independent
Mr ELOI PLANES CORTS	CHAIRMAN	Executive
Mr BRUCE WALKER BROOKS	MEMBER	Executive
Mr JOSE MANUEL VARGAS GOMEZ	MEMBER	Proprietary

% executive directors	40.00
% proprietary directors	40.00
% independent directors	20.00
% other external directors	0.00

Explain the duties delegated or assigned to this committee other than those already described in section C.1.9, and describe the procedures and rules of organization and operation thereof. For each of these duties, state the most important actions carried out during the year and how each of the duties assigned to it, either by law or the Articles of Association or in other corporate resolutions, has been exercised in practice.

The duties of the Executive Committee, and its procedures and rules of organization and operation, are set out in article 12 of the Board of Directors Regulations.

The Executive Committee met on four occasions in 2021 and the most relevant activities carried out by this Committee consisted of assisting the Board of Directors in matters of strategy, budget and R&D.

C.2.2 Complete the following table with information regarding the number of female directors on the committees of the board of directors at the end of the last four years:

	Number of female directors							
	2021		2020		2019		20189	
	Number	%	Number	%	Number	%	Number	%
Audit Committee	0	0.00	0	0.00	1	25.00	0	0.00
Appointments and Remuneration Committee	1	25.00	1	25.00	1	25.00	0	0.00
Executive Committee	0	0.00	0	0.00	0	0.00	0	0.00

C.2.3 State, if applicable, the existence of regulations of the board committees, where such regulations may be consulted, and any amendments made during the year. Also state whether any annual report on the activities of each committee has been prepared voluntarily.

APPOINTMENTS AND REMUNERATION COMMITTEE
The Committee is regulated in the Board of Directors Regulations (article 14), and in the Appointments and Remuneration Committee's own Regulations approved by the Board of Directors in March 2021. Both Regulations are published on the Company's website. The Company has drawn up an annual report on the activity of the Appointments and Remuneration Committee, the contents of which will be published together with the informative documentation for shareholders in relation to the Ordinary General Shareholders' Meeting.
AUDIT COMMITTEE
The Committee is regulated in the Board of Directors Regulations (article 13) and in the Internal Rules of Conduct, and also in the Audit Committee's own Regulations approved by the Board of Directors in March 2021. All three Regulations are published on the Company's website. The Company has drawn up an annual report on the activity of the Audit Committee, the contents of which will be published together with the informative documentation for shareholders in relation to the Ordinary General Shareholders' Meeting.
EXECUTIVE COMMITTEE
The Committee is regulated in the Board of Directors Regulations (article 12), which are published on the Company's website.

D. RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

D.1. Explain any procedure and the competent bodies for the approval of related-party and intragroup transactions, indicating the company’s general internal criteria and rules regulating the obligations of affected directors or shareholders to abstain and detailing the internal reporting and periodic control procedures established by the company in relation to related-party transactions the approval of which has been delegated by the Board of Directors.

In accordance with the provisions of article 33 of the Fluidra Board Regulations, any transaction carried out by the Company with its Directors and significant shareholders or shareholders with representation on the Board or with persons related to them will be submitted for authorization by the Board of Directors, subject to a favourable prior report from the Audit Committee.
However, the Board’s authorization will not be necessary in related-party transactions that comply simultaneously with the following three conditions: (i) they are carried out by virtue of contracts with standard terms and conditions that are applied en masse to a large number of customers; (ii) they are carried out at prices or rates established on a general basis by the supplier of the goods or provider of the service in question; and (iii) the amount involved does not exceed 1% of the Company’s annual revenues.
In any case, the Audit Committee and the Board of Directors, before authorizing the Company to carry out transactions of this nature, will value the transaction from the standpoint of equality of treatment of shareholders and market conditions. In the Company’s practice, transactions with related parties that take place in the context of the sale or purchase of materials and products in the normal course of operations or rental of premises owned by related parties are analysed at the end of the year, following instructions of the Audit Committee, by the group’s Internal Audit Management with the aim of verifying that the consideration is based on market prices. The results are submitted to the Audit Committee which certifies whether these transactions have been carried out on an arm’s length basis. Furthermore, in the middle of the year Internal Audit Management carries out a quantitative analysis of fluctuations in related-party transactions and reports the results to the Audit Committee.

On the other hand, any related-party transactions that do not correspond to normal business operations are be analysed and approved by the Audit Committee and/or the Board of Directors, as explained above.

In relation to the obligations of affected directors or shareholders to abstain, article 5.3(xx) of the Board Regulations establishes that affected directors or who represent or are related to affected shareholders must refrain from participating in the deliberation and vote on the resolution in question in relation to the approval of transactions with related parties. The only exceptions from this approval are transactions that simultaneously meet the following three characteristics: (i) they are carried out by virtue of contracts with standard terms and conditions that are applied en masse to a large number of customers; (ii) they are carried out at prices or rates established on a general basis by the supplier of the goods or provider of the service in question; and (iii) the amount involved does not exceed 1% of the Company’s annual revenues.

Finally, article 33 of the Board Regulations establishes that the Directors affected by one of these transactions will not exercise or delegate their voting right and will leave the room at the Board meeting during the deliberation, and will be subtracted from the number of members of the Board for the purposes of determining the quorum and majority of votes in relation to the matter in question.

D.2. Disclose individually any transactions that are significant due to their amount or subject-matter carried out between the company or group companies and shareholders holding 10% or more of the voting rights or represented on the company's Board of Directors, stating what body was competent for approving them and whether any affected shareholder or director has abstained. If competence lay with the General Meeting, state whether the proposed resolution has been passed by the Board without a majority of the independent directors voting against it:

Name of shareholder or any of its group companies	% shareholding	Name of company or group company	Amount (thousand euros)	Body that approved the transaction	Identification of significant shareholder or director that abstained	Proposal to General Meeting, if applicable, was passed by the Board without vote against of majority of independent directors
No data						

Name of shareholder or any of its group companies	Nature of the relationship	Type of transaction and other information necessary to evaluate it
No data		

D.3. Disclose individually any transactions that are significant due to their amount or subject-matter carried out between the company or group companies and the company's directors or senior managers, including transactions with entities which the director or senior manager controls or controls jointly, and stating what body was competent for approving them and whether any affected shareholder or director has abstained. If competence lay with the General Meeting, state whether the proposed resolution has been passed by the Board without a majority of the independent directors voting against it:

Name of directors or senior managers or their controlled entities or under joint control	Name of company or group company	Relationship	Amount (thousand euros)	Body that approved the transaction	Identification of significant shareholder or director that abstained	Proposal to General Meeting, if applicable, was passed by the Board without vote against of majority of independent directors
No data						

Name of directors or senior managers or their controlled entities or under joint control	Nature of the transaction and other information necessary to evaluate it
No data	

D.4. Report individually any transactions that are significant due to their amount or subject-matter carried out by the company with its parent company or with other companies belonging to the same group as the parent company, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in these subsidiaries or they are wholly owned, directory or indirectly, by the listed company.

In any case, report any intragroup transaction with entities established in countries or territories considered to be tax havens:

Name of the group company	Brief description of the transaction and other information necessary to evaluate it	Amount (thousand euros)
No data		

D.5. Disclose individually any transactions that are significant due to their amount or subject-matter carried out by the company or its subsidiaries with other related parties so considered in accordance with the International Accounting Standards adopted by the EU that have not been reported under previous headings:

Name of the related party	Brief description of the transaction and other information necessary to evaluate it	Amount (thousand euros)
IBERSPA, S.L.	Purchase of goods by FLUIDRA group from IBERSPA.	6,774

D.6. Describe the mechanisms established to detect, determine and resolve potential conflicts of interest between the company and/or its group, and its directors, senior managers, significant shareholders or other related parties.

In accordance with the provisions of the Fluidra Board of Directors Regulations, a Board member must inform the Board of Directors of the existence of any conflicts of interest and refrain from attending and intervening in the deliberations that affect matters in which that member is subject to a conflict of interest. A conflict of interest of the Board member is also considered to exist when the matter affects any of the following persons: the spouse or person with a similar relationship; ascendants, descendants and siblings and the respective spouses or persons with a similar relationship; ascendants, descendants and siblings of the spouse or person with a similar relationship; and concerted persons and companies or entities on which any of the persons enumerated above may exercise a significant influence and, in the case of proprietary directors, the shareholder or shareholders that proposed or made their appointment or persons directly or indirectly related to them. If the Board member is a legal person, the following shall be deemed to be related persons; members who, in relation to the legal person that is a director, are in any of the situations contemplated in the first paragraph of article 42 of the Code of Commerce, Board members, de facto or in law, liquidators and attorneys-in-fact with general powers of the legal person that is a Board member, companies that form part of the same group, and their members and persons who are deemed to be related parties of the representative or director that is a legal person. In any case, Board members may not use the Company's name or cite their status as Board members in order to carry out transactions on their own account or on the account of persons related to them. Board members may not carry out, directly or indirectly, professional or commercial transactions with the Company unless they notify the Board in advance of the situation of conflict of interest and the Board approves the transaction. In the case of transactions carried out in the ordinary course of the business activity and which are of a habitual or recurring nature, a generic authorization from the Board of Directors will suffice. Board members must report any direct or indirect stake that they or their related persons hold in the capital of a company with the same, a similar or complementary kind of activity to that which constitutes the corporate object. Furthermore, Board members may not engage, on their own account or on the account of another, in the same, a similar or complementary kind of activity to that which constitutes the corporate object and may not hold the post of Board member or senior manager in companies that are competitors of the Company, except for any posts they may hold, as the case may be, in group companies, unless they obtain the express authorization of the General Meeting, and notwithstanding the provisions of the Companies Act.

Situations of conflict of interest of the Board members will be disclosed in the annual report.

Furthermore, article 10 of the Company's Internal Rules of Conduct establishes as follows in relation to conflicts of interest:

Subject Persons in a situation of conflict of interest must observe the following general principles of conduct: Independence: Subject Persons must act at all times with freedom of judgement, with loyalty to the Company and its shareholders and independently of their own interests or those of any other party. Consequently, they will refrain from favouring their own interests to the expense of the Company's interests.

Abstention: They must refrain from acting or influencing decision-making that could affect the persons or entities with which there is a conflict and from accessing Confidential Information affecting such a conflict.

Communication: Subject Persons must inform the Company's Internal Audit and Compliance Manager of any possible conflicts of interest in which they may find themselves.

A conflict of interest is considered to be any situation in which the Company's interests or those of any of the companies of the Fluidra group clash with the personal interest of the Subject Person. A personal interest of the Subject Person will exist when the matter affects him/her or Persons Closely Related to him/her.

Notwithstanding the provisions of Fluidra's Internal Rules of Conduct, the Company's Board members will be governed with regard to this matter by the provisions of the Company's Board of Directors Regulations.

Finally, in accordance with the provisions of article 33 of the Board Regulations, the execution by the Company of any transaction with Board members and with significant shareholders or with shareholders who are represented on the Board or with persons related to them will be submitted to the Board of Directors for authorization, subject to the prior favourable report of the Audit Committee. However, the Board's authorization will not be deemed necessary in related-party transactions that comply simultaneously with the following three conditions: (i) they are carried out by virtue of contracts with standard terms and conditions applicable en masse to a large number of customers; (ii) they are carried out at prices or rates established on a general basis by the party acting as supplier of the goods or services in question; and (iii) the amount thereof does not exceed 1% of the Company's annual revenues.

Board members affected by one of such transactions will not exercise or delegate their vote and will leave the room during the Board meeting while the Board is deliberating on the matter, and will be subtracted from the number of members of the Board for the purposes of determining quorum and majorities in relation to the matter in question.

D.7. State whether the company is controlled, in the sense of article 42 of the Code of Commerce, by another company, listed or not, and has business relations, directly or through its subsidiaries, with that company or any of its subsidiaries (other than those of the listed company) or carries on activities related to the activities of any of them.

[ ] Yes
[√] No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's financial and non-financial Risk Management and Control System, including the system for managing tax risks:

– Fluidra's risk management system is designed to mitigate all the risks to which the company may be exposed on account of its activity. The structure of risk management is based on three pillars.
- Common management systems, designed specifically to mitigate business risks.
- Internal control procedures, aimed at mitigating the risks deriving from drawing up financial information and improving the reliability of such information, which have been designed in accordance with Internal Control over Financial Reporting (ICFR).
- The risk map, which is the methodology used by Fluidra to identify, understand and assess the risks that affect the company. The aim is to obtain an overall view of risks, designing a system of efficient responses aligned with the business objectives.

The Risk Management and Control System works in an integrated and continuous way to permit effective management of the risks and the controls that mitigate them at all levels of the organization. It is a global and dynamic system that encompasses the entire organization and its environment, including all subsidiaries and geographical areas. Compliance with the system is mandatory for all employees of the Group, in particular by managers and directors of the company.

E.2. Identify the decision-making bodies of the company responsible for preparing and implementing the financial and non-financial Risk Management and Control System, including the system for managing tax risks:

Fluidra's Risk and Opportunity Management System ("ROMS") is structured according to 3 lines of defence: the regional businesses and their transactional support functions; the corporate functions of oversight and control of the group's operations and Internal Audit. Oversight of the Group's ROMS is the responsibility of the Audit Committee, as the delegated consultation body of the Board of Directors for these matters. The risk management functions of the Audit Committee include, among others:
- Periodic review of the results obtained in the ROMS;
- Evaluation of the effectiveness of the internal control and management systems, as well as the measures established to mitigate the risks identified;
- Assurance of the process established to identify and reassess financial and non-financial risks;
- Identification and understanding of emerging risks, and their alert mechanisms; and
- Assurance that risks are maintained and managed within the tolerance levels established by the Board.

In turn, the role of the MAC is to identify the different types of risks and opportunities, including among the financial and economic risks any contingent liabilities and other off-balance-sheet risks; identify the measures that are necessary to mitigate the impact of the risks identified, in the event that they materialize; identify the internal control and reporting systems that will be used to control and manage the risks. Within the MAC, the CFTO is responsible for management of the system and the risk management function through the ERM department. ERM is responsible for: supervising risks according to the methodology and tools defined in the Policy; coordinating the first and second lines of defence; promoting a sound risk culture throughout the organization. Finally, the Internal Audit department carries out independent oversight of the risk management system, and of the internal control systems, contributing with its recommendations to reducing the potential impact of the risks on the organization at reasonable levels, and to improving the risk management and control processes.

The objectives of the Audit Committee are:
• To report to the General Shareholders' Meeting on any matters arising within its sphere of competence.
• To propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment of auditors or audit firms as referred to in article 264 of the Companies Act, and their contract conditions, the scope of their professional engagement and, as the case may be, their revocation or non-renewal.
• To supervise the efficiency of the Company's internal control and Internal Control over Financial Reporting, internal audit and the risk management systems, and to discuss with the auditors or audit firms any significant internal control weaknesses detected in the course of the audit.
• To supervise the process of drawing up and presenting regulated financial information.
• To review the Company's accounts, ensure compliance with legal requirements and correct application of generally accepted accounting principles, for which purpose it has the direct collaboration of the external and internal auditors.
• To handle and oversee relations with the external auditors or audit firms in order to receive information on any matters that could compromise their independence and any other matters related to the auditing process, as well as any other communications established in auditing legislation and auditing standards.
• To supervise performance of the audit contract, ensuring that the opinion on the Annual Accounts and the main contents of the audit report are expressed clearly and precisely, and to evaluate the results of each audit.
• To supervise compliance with the legislation concerning related-party transactions. In particular, it will ensure that information on such transactions is reported to the market, (Order 3050/2004, of the Ministry of Economy and Finance, of 15th September 2004).
•To issue annually, prior to the issue of the audit report, a report expressing an opinion on the independence of the auditors or audit firms, as well as disclosing the provision of additional services as referred to above.

• To examine compliance with the Internal Rules of Conduct, the Audit Committee Regulations and the Company's rules of good governance and to make the necessary proposals for improvement.
• To receive information and issue a report on any disciplinary measures sought to be imposed on members of the Company's senior management team.
With regard to tax, the tax strategy approved by the Board is governed by the following principles: compliance with the applicable tax obligations in the territories where it does business, promote a relationship of collaboration with the Tax Authorities with which it relates, and protect sustainable value generation for the Company's different stakeholders. Tax Management of the Group reports, at least once a year, to the Board on the management of and compliance with tax obligations as well as tax risk control and management aspects.

E.3. Point out the main financial and non-financial risks, including tax risks and to the extent that they are significant the risks deriving from corruption (with the scope indicated in Royal Decree Act 18/2017), that could affect the achievement of business goals:

In the process of identifying, understanding and assessing the risks that affect the company, the following risk factors have been considered:

Operational risks
a) Safety incidents
b) Erroneous actions and relations with workers
c) Market risks and risks of the activities in which the Group does business
d) Brand reputation
e) Risks relating to processes
f) Economic environment
g) Climate change
h) Geopolitical risk
i) Integrations of new companies
j) COVID-19
k) Technological risks
l) Compliance risks
m) Increase of prices of commodities and raw materials

Financial risks
a) Credit risk
b) Default/ Insolvency of customers
c) Liquidity risk
d) Exchange rate risks

E.4. Identify whether the company has risk tolerance levels, including one for tax risk:

Fluidra defined its risk tolerance (maximum acceptable value of unexpected losses that the company can handle). Based on the values that were calculated, impact scales have been defined that the group uses in its risk matrix.
The various risks are identified and assessed on the basis of an analysis of the possible events that could give rise to such risks. The assessment is carried out using parameters that measure probability and impact. The controls in place to mitigate them are determined as well as the additional action plans necessary if such controls are considered insufficient.
This process, performed annually, lets the Company's Risk Map be obtained. The most relevant risks are taken from this map and, together with the main variations compared to the previous year, are submitted to the Audit Committee for discussion and approval. The definition of the scale of gravity and the scale of probability is carried out based on qualitative and quantitative criteria.
Once the critical risks have been identified and assessed, Company Management establishes specific actions, determining the person responsible and timing, to mitigate the impact and probability of such risks and at the same time reviews the current controls over these risks. The analysis of risks, controls and actions to mitigate their impact and probability is presented annually to the Audit Committee, for supervision and approval. The Audit Committee subsequently reports to the Board of Directors.

E.5. State what financial and non-financial risks, including tax risks, have materialized during the year:

The appearance of the COVID-19 coronavirus in China in January 2020 and its global expansion to a large number of countries led to the classification of the outbreak of the virus as a pandemic by the World Health Organization on 11th March 2020. The effects of the pandemic are still being felt all over the world. Although in general terms of turnover the group has not been affected, we have however witnessed an increase in the prices of raw materials and commodities that also affected the Fluidra group. There were disruptions in the supply chain of certain materials, which delayed deliveries of some materials, affecting Fluidra's sales as a result. Furthermore, the pandemic has intensified some of the trends in the sector (living away from cities, movements towards the south of the USA, working from home) which favour the use of pools, which has brought significant growth in our business.

Due to the impact of COVID-19, the company limited travel by group personnel in order to prevent possible contagion. It also promoted a culture of working from home, or hybrid in-office and working from home, in line with the situation of the pandemic and the different jobs. In any case, all the necessary measures were taken to protect employees who were unable to work from home from the virus.

In 2021, the risk of sudden floods at our factory located in Dongchuan materialized once again. The heavy rainfall in the area caused the river next to the facilities to burst its banks and caused flooding up to levels of 1m, double that experienced in 2019. After the last flood, the Company had already proceeded to raise all machinery to a height of 50cm above the ground in order to prevent future floods from forcing us to halt activity. However, the increase in the water level up to a height of 1m rendered the facilities unusable and caused the closure of the plant for a month and a half.

E.6. Explain the plans for responding to and supervising the company's main risks, including tax risks, as well as the procedures followed by the company to ensure that the board of directors responds to the new challenges that appear:

In addition to what is explained in section E.5 in relation to COVID-19, Fluidra also manages the following risks:

Strategic risks:
- Continuing analysis of sales of new strategic products and comparison with competitors based on market research monitoring tools, statistical database analysis by type of market and product. Comparative studies are performed that let us measure the figures against the competition and update product valuations with the information obtained.
- Customers with a greater awareness of sustainability: a study is planned that will identify risks and opportunities in market trends from the ESG standpoint.
- Analysis of new lines of business: advising from external consultants specializing in development processes.

Operational risks:
- Protection of technology and R&D: given the activities carried out by the different business units, this is an essential milestone in order to maintain its competitive edge. Fluidra has development criteria, policies and legal protocols to assure this protection, encompassing information security and cybersecurity.
- Action plans to ensure that production capacities are adapted to the demand levels for new products.
- Expansion through the acquisition of companies in the sector: integration processes in all areas so that the companies are integrated efficiently.
- Impacts of climate change on operations: monitoring to prevent alterations in the Group's supply chain.

Financial risks:
- Corporate Management Control Department: detection and rapid eradication of any irregularity in subsidiaries to standardize the consolidation of financial and non-financial statements; analysis of procedures and internal controls of the subsidiaries successively checked by the Internal Audit Department and reviewed by external auditors.
- Plan for implementation and update of the subsidiaries' computer systems.
- Continuous monitoring of exposure to exchange rate risk or interest rate risk and proposing corrective measures.
- Continuous monitoring of credit risk: analysing the financial health and the profits obtained from customers that represent a higher risk in relation to the fixed costs borne by Fluidra.

Regulatory and compliance risks:
- Procedure for identification and assessment of legal/tax risks applied periodically: identify any conflicts/litigation that could have an impact on the company's assets, or any differences of opinion that might arise due to different interpretations of the law with respect to a specific tax. Accounting provisions to cover the risks are analysed and recorded.
- Providing annual information on environmental performance and management: Fluidra works to guarantee the reliability and integrity of the information provided on energy use, waste generation or greenhouse gas emissions through external verification of its Non-Financial Information Statement.

Environmental risks:
- Effect of climate change on the business: calculation of the financial impact as a result of the possibility of a reduction in sales of seasonal products and of potential material damage and interruptions of its activity. This risk is offset with the group's geographical diversification, the increase in the portfolio of products for adverse climate conditions and the R&D of products with low water, energy and chemical product consumption, as well as products and services that enable efficient utilization of pools in any climate situation. The ESG department performs a qualitative analysis of the physical and transitory risks. It has been determined that acute physical risks on the business infrastructures and the costs associated to prevention, adaptation and mitigation are the most likely in the medium term and those that could have greater impact.
- Environmental legislation: the subsidiaries/regions are responsible for compliance with legislation and have the support of the ESG and HSE corporate departments.

Human Resources risks:
- Talent management: people management to reduce workplace conflicts and not affect the company's performance: policy of bonus linked to the company's results and personal targets; identifying and rewarding the best professionals to attract and retain talent; individual and collective development plans; succession plans that guarantee the continuity of the company.
- Occupational health and safety: investments are made in the factories periodically and training is given to prevent workplace accidents.
- Confidential Channel: managed by the Ethics Committee, for reporting any issue considered appropriate.
- Respect for internationally recognized Human Rights: efforts are made to prevent and mitigate any potential risk that could arise from the company's activities and/or commercial relations. All employees and suppliers undertake to respect the principles contained in the Universal Declaration of Human Rights by accepting Fluidra's respective Ethics Codes.

Reputational risks:
- Transparency in communications with stakeholders: comparison with different international benchmarks and external agency ratings to ensure compliance and plan future improvements; publication of Annual Integrated Report
- United Nations Global Compact and principles of the WTO. Fluidra carries on its activity in some of the countries that have not signed up to these. Supplier assessments and audits are performed and training is given to them on the human rights commitments contained in the Ethics Code.

F. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS ON FINANCIAL REPORTING (ICFR)

Describe the mechanisms that make up the control and risk management systems in relation to the company's financial reporting (ICFR).

F.1. **Control environment in the company.**

Indicate, specifying their main features, at least the following:

F.1.1 What bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) the implementation of this system; and (iii) supervision of the system.

Fluidra S.A. and its subsidiaries (hereinafter Fluidra) formally defines the responsibilities for the adequate and effective existence of ICFR in the Board of Directors Regulations.
The Board of Directors has designated Corporate Financial Management of Fluidra as responsible for the implementation and maintenance of ICFR.
As regards responsibility for supervising ICFR, articles 6 and 7 of the Audit Committee Regulations explicitly include the responsibility of the Audit Committee in relation to supervision of the ICFR, as well as the responsibility for supervising the process of drawing up and presenting regulated financial information.
The Audit Committee has the support of Internal Audit management in fulfilling its responsibilities and this is reflected in the charter for that management area.

F.1.2 Whether any of the following are in place, particularly with regard to the process of preparing financial information:

· Departments and/or mechanisms in charge of: (i) the design and review of the organizational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of tasks and duties; and (iii) ensuring that there are sufficient procedures for the proper dissemination of these in the company:

Fluidra has internal processes that establish the authorization levels necessary to modify the organizational structure. Defining the structure and reviewing it are ultimately responsibilities of the Executive Chairman and CEO, with the support of the Appointments and Remuneration Committee. The Appointments and Remuneration Committee is made up of 4 directors from the Board of Directors, of whom 2 are proprietary directors and 2 are independent.
Fluidra has an internal organization chart available on the corporate intranet which covers the main business areas and ranges from the position of Executive Chairman through the CEO to the level of General Management of each business. This organization chart specifies the areas and departments (including the departments involved in the preparation, analysis and supervision of the financial information), and details the hierarchical dependencies.
For the purposes of preparing regulated financial information, the Group Accounting Manual (GAM) sets out the basic lines of responsibility existing in the process, policies, documentation necessary and timing.

· Code of conduct, body that approves it, degree of dissemination and instruction, principles and values included (indicating whether the recording of operations and the preparation of financial information are specifically mentioned), body in charge of analysing breaches and proposing corrective actions and penalties:

Fluidra's commitments include focusing its efforts on ensuring that operations are carried out in an environment of ethical professional practice. This is carried out through the implementation of mechanisms aimed at preventing and detecting fraud committed by employees, or inappropriate practice that could lead to sanctions, fines or damage the Group's image, and also by reinforcing the importance of ethical values and integrity among its professionals.
Fluidra has a Code of Conduct (hereinafter Ethics Code), the first version of which was approved by the Board of Directors at a meeting held on 16th December 2008 and the latest version in September 2019.
The Ethics Code must be observed by all employees of the Group and is accessible to all employees through the corporate website and the "myfluidra" Intranet. All employees, when they join Fluidra, receive a copy of the Ethics Code which they have to sign as evidence of their agreement to comply with the internal policies of Fluidra.

The main values included in the Ethics Code are those of bringing maximum transparency to Fluidra's business, creating an environment of trust for its customers, suppliers, shareholders, employees, public and private institutions and for society in general. The Ethics Code is based on the ten principles declared in the UN Global Compact and seeks to be the guide that sets out the most relevant ethical principles and behaviour to be observed in internal and external relations, including and updating all conduct that is not permitted from a legal approach.
The general ethical principles considered in the Fluidra Ethics Code are specified in terms of the ICFR (Internal Control over Financial Reporting), in values associated to professional integrity and responsibility, guidelines for action related to a greater or lesser extent to the reliability of the financial information and compliance with applicable legislation.
Updates and amendments of the Ethics Code are proposed and promoted by the Audit Committee. The modifications that have been made to the Ethics Code are indicated below:

• On 28th February 2012, the Audit Committee approved the review of the Ethics Code with the aim of incorporating modifications that reflected the evolution of the legal framework to which it is subject, especially with regard to the responsibilities of the Board of Directors and the Audit Committee.
•During 2015, Fluidra reviewed the Ethics Code again, with the aim of bringing it into line with new legislative changes, updating it once again in 2016 to the latest changes in regulations.

In addition to the Ethics Code, Fluidra also has other features that seek to achieve an environment of ethical professional practice.

• During 2017, the Compliance Coordination Committee was consolidated, made up of the corporate areas of Human Resources, Internal Audit, Legal Advising and by the CFO. As established in its Rules of application, its main functions are as follows:
- Promoting, disseminating and applying the Ethics Code throughout the Group.
- Ensuring that the criminal offence prevention and control model is developed correctly in the Group.
- Encouraging the creation of internal policies, rules and procedures.

•In 2019, the Board of Directors of Fluidra published a new Ethics Code, resulting from the merger of the two codes of conduct of the former Fluidra and the former Zodiac. Group Management prepared a compulsory online course for all employees aimed at helping them to know and understand the principles and commitments of the organization. The course consisted of three parts: an information video of the Chairman of the Group, an online course on the New Ethics Code, and finally acceptance of the Fluidra Ethics Code.

At the end of 2019, the Audit Committee opted to coordinate Compliance Management and the position of compliance officer in Internal Audit management under the leadership of the Global Internal Audit Manager. As part of this change, the Compliance Coordination Committee undertook advisory functions to the Global Internal Audit and Compliance Manager.

· Whistleblowing channel that makes it possible to report any irregularities of a financial or accounting nature to the audit committee, as well as any possible breach of the code of conduct and irregular activities in the organization, specifying, if appropriate, whether it is confidential and whether it provides the possibility of reporting anonymously respecting the rights of the whistleblower and the person reported:

Fluidra has an internal whistleblowing channel ("Confidential Channel") through which all employees, board members, customers, suppliers, contractors or subcontractors and shareholders can address their queries and concerns. A communication channel has been enabled to send them: via the corporate website, "myfluidra" intranet and an e-mail address. Fluidra also has an Ethics Committee, whose role is to deal with the queries and complaints received through the Confidential Channel. Its objective is to carry out monitoring and control of compliance with the principles established in the Ethics Code.
The Ethics Committee reports annually to the Audit Committee the breaches of the Ethics Code identified and the corrective actions and disciplinary measures proposed, if necessary. All communications between the Ethics Committee and the employees of Fluidra are totally confidential, respecting the limitations established in applicable personal data protection legislation. In this regard, all members of the Ethics Committee are authorized to know the combined information of all queries and notifications received from the group through the query and notification procedure.

· Regular training and update programmes for personnel involved in the preparation and review of financial information, as well as in the evaluation of ICFR, covering at least accounting policies, auditing, internal control and risk management:

With the aim of promoting training and development, Fluidra has the Fluidra MyCampus platform. The aim of MyCampus is to consolidate an offer of corporate training on multidisciplinary and business contents to promote the transmission of internal knowledge and also the acquisition of new knowledge by offering external content.
Bolstering internal training in Fluidra, by offering courses in the main functional and business areas given by internal trainers, whenever possible, is considered key in order to take full advantage of Fluidra's knowledge and foster interrelation among Fluidra's professionals.
As a new feature, in 2021 we have the contents of LinkedIn Learning including financial content available to our employees on demand.
For aspects related to the preparation of financial information, Fluidra invests in training on accounting and financial skills by giving training to the employees involved in the subsidiaries through visits, or online during the pandemic, which goes over the reporting statements, the different information needs for central services or criteria for obsolescence or insolvency, among others.

F.2. Financial reporting risk assessment

Indicate at least the following:

F.2.1 What are the main features of the risk identification process, including the process of identifying the risks of error or fraud, with respect to:

· Whether the process exists and is documented:

The process followed by Fluidra to identify risks of error in the financial information is systematic and is documented. Fluidra places special emphasis on the identification of risks of material error or fraud, by determining financial reporting control objectives for each of the risks identified. This risk identification process is carried out and documented by Financial Management of Fluidra and is supervised by the Audit Committee, with the support of Internal Audit.

· Whether the process covers all the financial reporting objectives (existence and occurrence; completeness; valuation; presentation, breakdown and comparability, and rights and obligations), whether it is updated, and how often:

The process is structured so that, on a regular basis, the areas that can have a material effect on the financial statements are analysed based on a range of criteria that include quantitative and qualitative factors, identifying relevant areas/locations at transaction level, to the extent that they are affected by transactions with a material impact on the financial statements. The scope of the areas identified is reviewed by Corporate Financial Management of Fluidra and is ultimately supervised by the Audit Committee. If in the course of the year (i), circumstances not previously identified that show possible errors in the financial information or (ii), substantial changes in the operations of Fluidra come to light, Financial Management assesses the existence of the risks that should be added to the risks that have already been identified.

· The existence of a process for the identification of the consolidation perimeter, taking into account, among other matters, the possible existence of complex corporate structures, holding entities, or special purpose entities:

Through meetings with General Management of the divisions and the Legal Department, Financial Management regularly updates the corporate structure defining the consolidation perimeter for accounting and tax purposes. In addition, at least once a year the consolidation perimeter is supervised and approved by the Audit Committee.
The Company has a tax policy that sets out the guidelines for the group’s legal structure, seeking to attain the business goals while avoiding complex instrumental structures.

· Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements:

The process takes into account other types of risks to the extent that they affect the financial statements.

· What governance body of the company supervises the process:

As indicated in the Board of Directors Regulations, the Audit Committee is responsible for reviewing the internal control and risk management systems periodically, so that the main risks are identified, managed and reported adequately.

F.3. **Control activities.**

Indicate whether at least the following are in place and describe their main features:

F.3.1. Procedures for review and authorization of financial information, and description of the ICFR to be published in the securities market, indicating the persons or divisions responsible for them, as well as documentation describing the flows of activities and controls (including those relating to risk of fraud) of the various types of transactions that could materially affect the financial statements, including the closing process and the specific review of significant judgements, estimates, valuations, and projections.

Fluidra has a range of procedures to validate the accounting closing and the preparation of financial information for all areas. The control activities identified and formally documented focus on activities related directly to balances and transactions that could have a material effect on the financial statements and also seek to mitigate the risk of fraud.
As regards the closing procedure and the procedure for the review and authorization of the financial information published on the market, it commences with the establishment of a detailed calendar of closing activities duly distributed over all the divisions through the GAM. Thereafter, each subsidiary reports its financial data using a standard format determined by Financial Management using the Hyperion tool. Financial Management is then responsible for the consolidation process, and prepares the Consolidated Annual Accounts, which are validated by Corporate Financial Management for subsequent presentation to and supervision by the Executive Chairman, CEO, Internal Audit, the Audit Committee and the Board of Directors.
Fluidra also has a series of procedures through which Financial Management reviews ICFR, mainly consisting of:
• Existence of an ICFR management policy that articulates the scope, responsibilities, procedure for evaluating the effectiveness of the model, supervision of the model, establishment of action plans and their follow up, and supervision by the Audit Committee.

• System for evaluating the internal control model through Self-Evaluation questionnaires: Financial Management of Fluidra, based on the process of identifying and assessing risks and controls, defines self-evaluation questionnaires which must be completed by the Divisions considering the minimum requisites to guarantee reasonable assurance as to the reliability of the financial information. Internal Audit supervises the effectiveness of the model in accordance with the provisions of the internal audit plan.
In relation to the specific review of relevant judgements, estimates, valuations and projections, this takes place initially in the existing control activities either in the routine transactions of Fluidra, or through the control mechanisms in place in the process of preparing the financial information detailed in the GAM. Depending on the degree of judgement and estimation applied and the potential impact on the financial statements, there is a subsequent scale of discussion and review involving General and Financial Management of the Division, Corporate Financial Management, the CEO, the Executive Chairman, the Audit Committee and the Board of Directors, in that order, in cases of substantially relevant aspects in the preparation of financial information.
When third-party experts are involved in areas subject to judgement, estimate, valuation and projections, they discuss and present their results to Financial Management, after having applied a series of control and supervision procedures to the work carried out by these experts, and depending on their materiality they are submitted to the Audit Committee.
In particular, the main judgements and estimates broached during the year are those indicated in the notes to the Consolidated Annual Accounts for the year.

F.3.2 Internal control policies and procedures on information systems (including, among others, secure access, change control, operation of the systems, operational continuity, and segregation of duties) that provide support for the company's relevant processes in drawing up and publishing financial information.

Fluidra uses information systems to carry out and maintain adequate recording and control of its operations. As part of the process of identifying risks of error in the financial information, Fluidra identifies, through Financial Management, the systems and applications that are relevant in preparing it. The systems and applications identified include both those directly used in preparing the financial information and the interfaces with this system, notably in relation to sales/accounts receivable and purchases/accounts payable.
The policies and procedures concerning Fluidra's information systems cover both hardware and software security with regard to access (ensuring segregation of functions through adequate restriction of access), procedures to check the design of new systems or modifications to existing systems and continuity in their operation (or start-up of alternative systems and applications) in the event of incidents that affect their operation. These policies seek, among others, to guarantee the following aspects:
• Security of access both to data and applications.
• Control over changes in the applications.
• Correct operation of the applications.
• Availability of data and continuity of the applications
• Adequate segregation of functions

• Raising awareness of individual participation in computer security

a) Secure access:

A series of measures at different levels have been defined to prevent unauthorized access both to data and to the applications.

At software, operating system and database level, the user-password combination is used as a preventive control. At data level, profiles have been defined which limit access to data and on which a segregation of functions matrix is being developed that will ensure the compatibility of the user's functions according to his/her responsibilities.

b) Change control:

A change management methodology has been developed and implemented which establishes the safeguards and validations necessary to limit the risk in this process. Since 2012 a new methodology called "change request" has been in use. The main aspects featured include the following:

• Approval by the business area
• Testing prior to production
• Specific environments for development and test tasks
• Reverse procedures
• Segregation of functions as the development team does not have access to production.

c) Operation:

To ensure that operations are carried out correctly, the interfaces between the systems involved in preparing financial information are monitored. There is also an internal "Help Desk" services for end users in the event of detecting any kind of incident, query or request for training and which controls the efficiency of the operation of the information systems.

d) Availability and continuity:

At is head offices, the Company has two Data-Processing Centres (main and backup) that enable it to ensure the availability of the information system in a contingency. All of this is supported, furthermore, by a Disaster Recovery Plan with the tasks and steps to be carried out to restore the systems in such an event. This DRP is tested in real conditions once a year. In addition, daily backups are made of the data and applications, which are kept at a secure location temporarily. To recover such data there is a specific procedure although integral tests are not carried out regularly. Partial information recovery processes are however carried out regularly.

In the head offices in the USA, data of the main applications are stored in California and replicated in real time to an alternative system in Utah. In addition, there are recovery points for the same data which are stored onsite in California for immediate recovery in situations in which the contingency in question has not physically damaged the data processing centre. Data recovery testing processes are performed routinely in order to verify the integrity of the system.

In Australia, the data of the main applications are stored in Sydney, replicated and sent weekly to a secure storage centre. There are also recovery points for the same data which are stored onsite in Sydney for immediate recovery in situations in which the contingency in question has not physically damaged the data processing centre. Data recovery testing processes are performed routinely in order to verify the integrity of the system.

e) Segregation of functions:

A series of profiles have been defined describing the functionalities to which a user should have access in the Information Systems. These profiles are used to prevent a user from having more privileges than are strictly necessary. The definition of these profiles is currently under review.

f) Awareness raising:

Fluidra has implemented a Cybersecurity Awareness Program that includes phishing simulations and training courses for all employees with digital identity.

F.3.3 Internal control policies and procedures designed to supervise management of activities outsourced to third parties, as well as the aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect the financial statements.

If a service has to be outsourced or an independent expert involved in assessments, calculations and valuations with a significant impact on the financial information, Financial Management of Fluidra leads the decision-making process.

F.4. **Information and communication.**

Indicate whether at least the following are in place and describe their main features:

F.4.1. A specific function charged with defining and updating accounting policies (accounting policy area or department) and with resolving questions or conflicts arising from their interpretation, maintaining fluid communications with those responsible for operations at the organization, as well as an updated accounting policy manual that has been communicated to the units through which the entity operates.

Among other functions, Financial Management is responsible for keeping the accounting policies applicable to the group up to date. In this regard, it is responsible for updating the GAM, which includes the group's accounting policies and chart of accounts, as well as an analysis of any regulatory and accounting changes that could have an impact on the financial information of Fluidra.
The GAM is updated periodically, or when a significant new development so requires, and was last updated in July 2020. The updates review both accounting policies based on changes in applicable EU-IFRS and the group's accounting structure, ensuring traceability between individual charts of accounts of the group subsidiaries and the Fluidra chart of accounts which is used as the basis for drawing up the different reporting packages to be provided to external bodies. Changes and updates to the GAM are communicated to all responsible financial personnel by e-mail. The last update of the GAM is always available on the group's intranet under the heading "policies and procedures".
Financial Management is also responsible for clearing up any doubts about the accounting treatment of certain transactions raised by the personnel responsible for preparing the financial information of Fluidra.
To add greater convenience and efficiency to the responsibility of keeping the GAM up-to-date, and to identify any incidents and weaknesses that have to be remedied, there is a working group on accounting procedures, made up of a member of Corporate Financial Management, the Internal Audit Manager and the person responsible for updating the GAM, the aim of which is to update the GAM based on the incidents detected by internal audit in the course of its duties, which are not contemplated in the Group's current policies. This working group meets once a quarter and records minutes of the meetings.

F.4.2 Mechanisms to capture and prepare financial information using standardized formats, to be applied and used by all units of the company or group, supporting the main financial statements and the notes, as well as the information provided on ICFR.

All the companies that form part of the Consolidated Group at the end of 2021 use a single standardized reporting format. Most of them (approximately 60% of turnover), have the same Corporate System for accounting in terms of capture and preparation of financial information. For the remaining 40%, which have not implemented that Information System at present, Fluidra ensures that standardized formats are used in preparing the financial information through mechanisms that reflect those used in the integrated tool. The financial information reported by all the subsidiaries covers the composition of the main Financial Statements and the notes. The Financial Management department of Fluidra is responsible for obtaining data from all the subsidiaries, and with this information makes the necessary consolidation adjustments to obtain the consolidated figures and complements the financial information with the reserved notes to Consolidated Financial Statements.
In 2013, new reporting and consolidation software was implemented and has been fully active since 2015.
To ensure the reliability of the information reported by the subsidiaries, they must report a range of data to allow an analysis of variations in asset and liability items and results obtained with respect to the monthly budget and the previous year, in which the various balance sheet and income statement items are interrelated, permitting greater knowledge in detail of the operations reported at local level.
The Company has also implemented ICFR management software through which twice a year the subsidiaries included in the scope complete self-evaluation questionnaires on control and submit evidence of key controls. These questionnaires are suitably supervised by the responsible financial personnel of the corresponding division, creating action plans if considered necessary. Internal audit carries out supervision of the effectiveness of the controls twice a year, in accordance with the annual audit plan, reporting the results to the Audit Committee.

F.5. **Supervision of operation of the system.**

Indicate and describe the main features of at least the following:

F.5.1. The ICFR supervision activities carried out by the audit committee as well as whether the entity has an internal audit function whose duties include providing support to the committee in its work of supervising the internal control system, including ICFR. Information is also to be provided concerning the scope of the evaluation of ICFR performed during the year and on the procedure whereby the person or division charged with performing the evaluation reports the results thereof, whether the entity has an action plan in place describing possible corrective measures, and whether the impact thereof on the financial information has been considered.

The duties of the Audit Committee in relation to the supervision of ICFR are established in articles 6 and 7 of the Audit Committee Regulations and, among others, are focused on:
• Supervising the efficiency of the Company's internal control, especially Internal Control on Financial Reporting, internal audit, as the case may be, and the risk management systems, and discussing with the auditors or audit firms any significant internal control weaknesses detected in the course of the audit.
• Supervising the process of drawing up and presenting regulated financial information.
• Reviewing the Company's accounts, ensuring compliance with legal requirements and correct application of generally accepted accounting principles, for which purpose it has the direct collaboration of the external and internal auditors. In particular, the Audit Committee ensures that, in cases in which the auditor has included any qualification in the audit report, the Chairman of the Audit Committee explains clearly to the General Meeting the Audit Committee's opinion on the content and scope of the qualification, making a summary of that opinion available to the shareholders when notice of the Meeting is published, together with the other proposals and reports of the Board.
• In relation to the information systems and internal control:
- Supervising and evaluating the process of drawing up and the integrity of the financial and non-financial information presented, and the financial and non-financial risk management and control systems relating to the Company and, as the case may be, the group, reviewing compliance with regulatory requisites, adequate definition of the consolidation perimeter and correct application of accounting policies.
- Reviewing the internal control and risk management systems periodically, so that the main risks are identified, managed and reported adequately.
- Ensuring the independence and efficacy of the internal audit function; proposing the selection, appointment, re-election and removal of the person responsible for the internal audit service; proposing the budget for the service; approving or proposing to the Board of Directors the approval of the internal audit orientation and annual work plan, ensuring that its activity is focused mainly on the relevant risks (including reputational risks), receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
- Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, customers, contractors or subcontractors to report any irregularities of potential relevance, especially financial and accounting or any other irregularities related to Fluidra that they observe in the Company or the group. This mechanism should ensure confidentiality and, in any case, provide for situations in which these matters may be reported anonymously, respecting the rights of the whistleblower and the reported person.
Internal Audit Management is located within the Group's organization structure, and depends on the Audit Committee, so that its independence is assured as well as the performance of the assigned functions. All the actions carried out by Internal Audit Management that require approval are approved by the Board of Directors at the proposal of the Audit Committee.
Internal Audit prepares and presents an Annual Internal Audit Plan which is reviewed and approved by the Audit Committee. In 2021, Internal Audit met with the Audit Committee in the months of February, March, May, July, October, November and December to present the results and evolution of its work. At these meetings, Internal Audit reported the weaknesses identified in the design of the internal control model, proposing the corresponding action plans and the dates of implementation of these plans. In turn, Internal Audit supervises the correct implementation of the corrective actions.
In the months of May, June, October and December 2021, the Audit Committee, through Internal Audit Management, supervised the correct review of the effectiveness of the controls conducted by Financial Management. A small number of weaknesses were detected, corresponding to the Australian subsidiary, which have been duly corrected. The weaknesses detected are reported to the heads of the Divisions and the corresponding action plans are designed, with a follow-up of their implementation.

F.5.2 Whether it has a discussion procedure whereby the auditor (as provided in the Technical Auditing Standards), the internal audit function, and other experts can inform senior management and the audit committee or the directors of the entity of the significant internal control weaknesses detected during the review of the annual accounts or such other reviews as may have been entrusted to them. Information shall also be provided on whether there is an action plan to attempt to correct or mitigate the weaknesses found.

The Audit Committee meets at least four times a year, with the aim of obtaining and analysing the necessary information to fulfil the tasks with which it has been entrusted by the Board of Directors.
Special attention is given to the review of the company's quarterly financial information, which is presented by General Financial Management. In order to carry out this process, the Audit Committee is assisted by Internal Audit, General Financial Management (responsible for preparing the financial information) and the Auditor, with the aim of ensuring the correct application of ruling accounting policies and the reliability of the financial information, and in order to be able to report any significant control weaknesses identified, if there are any, and the corresponding action plans.
Prior to the reports issued by the Audit Committee, Internal Audit Management discusses the results of its work with local management, Financial Management and Corporate General Management, thus ensuring fluid and efficient communication among all parties.
In relation to the External Auditors, they present annually the scope, timing and areas of emphasis of their audit work on the annual accounts, in accordance with the applicable auditing standards. They also meet with the Audit Committee to present the conclusions of their work and areas for improvement. The weaknesses reported are communicated to Internal Audit Management for inclusion in the implementation plan. It should be noted that the External Auditors have stated that no significant internal control weaknesses have come to light during the audit performed in 2021.

F.6. Other relevant information.

F.7. External audit report.

Report on:

F.7.1 Whether the information on ICFR sent to the markets has been reviewed by the external auditor, in which case the entity should include the corresponding report as an appendix. Otherwise, the reasons for this should be provided.

Fluidra has submitted the information on ICFR sent to the markets for 2021 to be reviewed by the External Auditor. The favourable report issued by the External Auditor is attached as an appendix to this document.

G. DEGREE TO WHICH CORPORATE GOVERNANCE RECOMMENDATIONS ARE FOLLOWED

State the company's degree of compliance with the recommendations of the Good Governance Code of Listed Companies.

If the company does not comply with any recommendation or follows it partially, a detailed explanation of the reasons must be given, providing shareholders, investors, and the market in general with sufficient information to assess the company's course of action. Generalized explanations will not be acceptable.

1. The Articles of Association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder or impose other obstacles to the takeover of the company by means of share purchases on the market.

Complies [X] Explain [ ]

2. When the listed company is controlled, in the sense of article 42 of the Code of Commerce, by another company, listed or not, and has business relations, directly or through its subsidiaries, with that other company or any of its subsidiaries (other than those of the listed company) or carries on activities related to those of any of such companies, it should provide detailed disclosure on:

a) The respective business activity and any business dealings between the listed company or its subsidiaries, on the one hand, and the parent company or its subsidiaries, on the other hand.

b) The mechanisms in place to resolve possible conflicts of interest.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

3. During the ordinary general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

a) Changes taking place since the previous ordinary general meeting.

b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative rules followed instead.

Complies [X] Complies partially [ ] Explain [ ]

4. The company should draw up and promote a policy relating to communication and contacts with shareholders and institutional investors in the framework of their involvement with the company, and with proxy advisors, that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be published on the company's website, complete with details of how it has been put into practice and the identities of the relevant spokespersons or those charged with its implementation.

   And, notwithstanding the legal obligations on the dissemination of privileged information and other regulated information, the company should also have a general policy relating to the communication of economic and financial, non-financial and corporate information through the channels it considers appropriate (media, social networks or other channels) that contributes to maximizing the dissemination and quality of the information available to the market, investors and other stakeholders.

Complies [X]   Complies partially [ ]   Explain [ ]

5. The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without a preferential subscription right for an amount exceeding 20% of capital at the time of such delegation.

   When the board approves any issue of shares or convertible securities without preferential subscription rights, the company should immediately post on its website the reports explaining the exclusion referred to in mercantile legislation.

Complies [X]   Complies partially [ ]   Explain [ ]

6. Listed companies that draw up the following reports on a voluntary or compulsory basis should publish them on their website sufficiently in advance of the ordinary general meeting, even if their distribution is not mandatory:

   a) Report on auditor's independence.

   b) Reports on the activities of the audit committee and the appointments and remuneration committee.

   c) Report of the audit committee on related-party transactions.

Complies [X]   Complies partially [ ]   Explain [ ]

7. The company should broadcast its general shareholders meetings live on the corporate website.

   The company should also have mechanisms that permit the delegation and exercise of vote through remote means and, in the case of large cap companies and to the extent that it is proportionate, even active attendance at and participation in the General Meeting.

Complies [X]   Complies partially [ ]   Explain [ ]

8. The audit committee should strive to ensure that the annual accounts the board of directors presents to the general shareholders' meeting are drawn up in accordance with accounting legislation. In cases in which the auditor has included a qualification in the audit report, the chairman of the audit committee should give a clear account at the general meeting of the audit committee's opinion on its content and scope, a summary of that opinion should be made available to the shareholders at the time of publishing the notice convening the meeting, together with the remaining proposals and reports of the board.

Complies [X]   Complies partially [ ]   Explain [ ]

9. The company should publish the requisites and procedures it will accept as evidence of ownership of shares, the right to attend general meetings and the exercise or delegation of voting rights permanently on its website.

Such requisites and procedures should encourage shareholders to attend and exercise their rights and be applied in a non - discriminatory manner.

Complies [X]   Complies partially [ ]   Explain [ ]

10. When a shareholder entitled to do so exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

a) Immediately circulate these supplementary items and new proposals for resolutions.

b) Publish the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or inferences about votes.

d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

11. In the event that the company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

12. The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the attainment of a profitable business that is sustainable in the long term, promoting its continuity and maximizing its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct based on good faith, ethics and respect for commonly accepted customs and good practice, but also strive to reconcile the company's interests with the legitimate interests of its employees, suppliers, customers and other stakeholders, as well as with the impact of its activities on the broader community and the environment.

Complies [X] Complies partially [ ] Explain [ ]

13. The board of directors should have an optimal size to promote its efficient functioning and maximize participation. The recommended range is accordingly between five and fifteen members.

Complies [X] Explain [ ]

14. The board of directors should approve a policy aimed at favouring an appropriate composition of the board of directors and that:

a) Is concrete and verifiable.

b) Ensures that appointment or re-election proposals are based on a prior analysis of the skills required by the board of directors; and

c) Favours a diversity of knowledge, experience, age and gender. For these purposes, measures that foster a significant number of female senior managers are deemed to favour gender diversity.

The results of the prior analysis of the skills required by the board should be reflected in the appointments committee's report, to be published when the general meeting is convened that is to resolve on the ratification, appointment or re-election of each director.

The appointments committee should perform an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

Complies [X] Complies partially [ ] Explain [ ]

15. Proprietary and independent directors should constitute an ample majority on the board of directors, and the number of executive directors should be the minimum necessary bearing in mind the complexity of the corporate group and the percentage shareholding of the executive directors in the company's capital.

The number of female directors should represent at least 40% of the members of the board of directors by the end of 2022 and thereafter, and prior to that should not be less than 30%.

Complies [ ] Complies partially [X] Explain [ ]

At 31st December 2021, of the total of 12 members of the Board of Directors of Fluidra, 10 are non-executive directors, therefore complying with the recommendation on this matter.
One of the main goals of the Appointments and Remuneration Committee in relation to the director and senior manager selection policy is to favour diversity of professional background, knowledge, nationality and, especially, gender. The Appointments and Remuneration Committee is aware that at present it does not comply with the Corporate Governance recommendation concerning the percentage of female board members, and is therefore taking the necessary measures to increase the number of women on the Board of Directors, as described in sections C.1.5 and C.1.6. Such measures are for the purpose of ensuring that the selection processes take gender diversity into account, balanced with other criteria of the profile sought such as knowledge, nationality, experience and solvency.
However, this aim can only be achieved when new candidates have to be selected to cover vacancies arising on the Board of Directors. Evidence that the measures adopted regarding the selection of female directors are working is that the last two vacancies on the Board of Directors, with the posts still in force, have been filled by women (Ms Esther Berrozpe, appointed for the first time on 6th September 2019 through the procedure of co-optation and whose appointment was ratified by the Ordinary General Meeting held on 19th May 2020, and Ms Barbara Borra, appointed for the first time on 30th December 2021 through the procedure of co-optation and whose appointment will be submitted for ratification at the next Ordinary General Meeting of the Company).
The Appointments and Remuneration Committee continues to work to ensure that future selection processes to cover new vacancies continue to favour gender diversity on the Board of Directors.

16. The percentage of proprietary directors with respect to all non-executive directors should be no greater than the proportion between the capital of the company represented by such directors and the remainder of the company's capital.

This criterion can be relaxed:

a) In large cap companies where few or no shareholdings attain the legal threshold to be regarded as significant.

b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Complies [ ] Explain [X]

At 31st December 2021, of the total of 10 non-executive directors on the Board of Directors of Fluidra, 5 are independent directors and 5 are proprietary directors, while the percentage of share capital represented by the shareholders who have representation on the Board is 31.89% of the Company's total share capital. The recommendation is not followed as the Company is a large cap company.

In any case, in light of the share capital held by non-significant shareholders, a suitable balance is considered to exist between independent and proprietary directors.

17. Independent directors should be at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30% of share capital, independent directors should occupy, at least, a third of board places.

Complies [ ] Explain [X]

At 31st December 2021, of the total of 12 directors on the Board of Directors of Fluidra, 5 are independent directors representing 41.66% of the total number of Board members. This proportion corresponds to the particular features of the Company's shareholder structure and of the shareholders' agreement, as well as the concerted action of certain significant shareholders described in section A.7 of this Report, all of which has resulted in the Company having 5 proprietary directors and 2 executive directors during the year, and being 1 independent short of the number required to comply with the recommendation, taking into account the Company's large capitalization.

18. Companies should disclose the following information about their directors on their websites and keep it regularly updated:

a) Background and professional experience.

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the director category to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.

d) Dates of their first appointment as a board member and subsequent re-elections.

e) Shares held in the company, and any options on such shares.

Complies [X] Complies partially [ ] Explain [ ]

19. Following verification by the appointments committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the request of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

20. Proprietary directors should resign when the shareholders they represent dispose of their shareholding in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the number of proprietary shareholders should be reduced accordingly.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

21. The board of directors should not propose the removal of independent directors before the expiry of their term of office established in the Articles of Association, except when there is due cause, found to exist by the board of directors following a report of the appointments committee. In particular, due cause will be deemed to exist when directors take up new posts or responsibilities that prevent them allocating sufficient time to their duties as a board member, or are in breach of the inherent duties of their post or come under one of the disqualifying grounds for classification as independent director enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

Complies [X]   Explain [ ]

22. Companies should establish rules obliging directors to disclose and, as the case may be, to resign when situations arise affecting them, whether or not they are related to their actions in the company, that might be damaging to the company's credit and reputation, and, in particular, obliging them to inform the board of any criminal cases in which they are involved as investigated parties and the corresponding judicial proceedings.

Once the board has been informed of or has otherwise learned of the situations mentioned in the preceding paragraph, it should examine the case as soon as possible and, in light of the particular circumstances and following a report of the appointments and remuneration committee, decide whether or not it should take some kind of measure, such as opening an internal investigation, requesting the director's resignation or proposing his or her removal from office. This matter should be reported in the annual corporate governance report, unless there are special circumstances that justify its omission, which must be noted in the minutes. The foregoing is notwithstanding the information which the company must publish, if applicable, at the time of taking the corresponding measures.

Complies [X]   Complies partially [ ]   Explain [ ]

23. All directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independent directors and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the board makes significant or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

24. When a director, either by resignation or a resolution of the general meeting, ceases to hold his or her post before their tenure expires, he or she should explain sufficiently the reasons for his or her resignation or, in the case of non-executive directors, his or her opinion on the reasons for removal by the meeting, in a letter to be sent to all members of the board.

Notwithstanding that all the above may be reported in the annual corporate governance report, to the extent that it is relevant for investors the company should publish the resignation or removal as soon as possible, making sufficient reference to the reasons or circumstances indicated by the director.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

25. The appointments committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors regulations should lay down the maximum number of company boards on which directors can serve:

Complies [ ] Complies partially [X] Explain [ ]

The Board Regulations establish that the Appointments and Remuneration Committee is responsible for assessing the necessary skills, knowledge and experience of the Board, defining the duties and necessary aptitudes in the candidates who are to fill each vacancy, evaluating the time and dedication required so that they can discharge their responsibilities effectively.
Furthermore, the Board Regulations establish that directors must have adequate dedication and will take the necessary measures for effective management and control of the Company.
In turn, the Selection Policy establishes that candidates for directors of the Company must be persons of recognized honourability, solvency, competence, experience, qualification, availability and commitment to the Company.
Although the Board Regulations do not establish the maximum number of Boards on which its directors may serve, this information is taken into account in evaluating the suitability of candidates in the process for the appointment and re-election of directors in order to evaluate the time and dedication available to them to discharge their duties as directors effectively, analysing each case individually considering good governance best practice in this matter.
Furthermore, the Board Regulations establish that directors must dedicate the necessary time and effort to their post to discharge it effectively and, consequently, must inform the Appointments and Remuneration Committee of their other professional obligations, in case these might interfere with the required dedication. Article 25 of the Fluidra Board of Directors Regulations states that the Company will establish rules on the number of Boards on which its directors may serve. However, for the time being the Company has not considered it appropriate to establish such rules on the maximum number of boards on which directors may serve, based on the fact that, as there is no legal obligation, the dedication involved in belonging to a board varies depending on the complexity of the company, the committee chairs undertaken, whether or not the post of director is executive, etc. Accordingly, the policy that the Company is following is that any director who wishes to accept a new post on a board must report this prior to accepting it so that the Board of Fluidra, following a favourable report from the Appointments and Remuneration Committee, can resolve not to object, taking into account, among other things, that the new post does not prevent the director from fulfilling his or her duties as a director of Fluidra. The Appointments and Remuneration Committee takes into account the estimated dedication that the new post may require, as well as best practice in good governance of listed companies (including comparisons with listed companies, proxy advisor polices, etc.).

26. The board should meet with the necessary frequency to properly perform its functions, and at least eight times a year, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies [X] Complies partially [ ] Explain [ ]

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate another director to represent them and issue appropriate instructions.

Complies [X] Complies partially [ ] Explain [ ]

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minutes if the person expressing them so requests.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

29. The company should establish suitable channels for directors to obtain the advice they need to carry out their duties including, if necessary, external advising at the company's expense.

Complies [X] Complies partially [ ] Explain [ ]

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Complies [X] Explain [ ] Not applicable [ ]

31. The agendas of board meetings should clearly indicate the items on which directors must arrive at a decision, so they can study the matter beforehand or gather the material they need.

When, exceptionally, for reasons of urgency, the chairman wishes to present decisions or resolutions for board approval that were not on the agenda, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

Complies [X] Complies partially [ ] Explain [ ]

32. Directors should be regularly informed of movements in share ownership and of the views of significant shareholders, investors and rating agencies on the company and its group.

Complies [X] Complies partially [ ] Explain [ ]

33. The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's Articles of Association, should prepare and submit to the board a schedule of meeting dates and agendas; organize and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

Complies [X]   Complies partially [ ]   Explain [ ]

34. When a lead independent director has been appointed, the Articles of Association or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman and vice-chairs, if any; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman succession plan.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

35. The secretary of the board should make special efforts to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code that are applicable to the company.

Complies [X]   Explain [ ]

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weaknesses detected in:

a) The quality and efficiency of the board's operation.

b) The operation and composition of its committees.

c) The diversity in the composition and competences of the board.

d) The performance of the chairman of the board of directors and the company's chief executive.

e) The performance and contribution of each individual director, with particular attention to the chairs of board committees.

The evaluation of board committees should start from the reports they send to the board of directors, while that of the board itself should start from the report of the appointments committee.

Every three years, the board of directors should engage an external consultant to aid in the evaluation process. This consultant's independence should be verified by the appointments committee.

Any business dealings that the consultant or any company in its group has with the company or with any company in its group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be described in the annual corporate governance report.

Complies [X] Complies partially [ ] Explain [ ]

37. Where there is an executive committee, at least two non-executive directors should be on this committee, at least one of whom is independent; and the secretary of the committee should be the secretary of the board.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the executive committee's minutes.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

39. The members of the audit committee, particularly its chairman, should be appointed taking into account their knowledge and experience in accounting, auditing and both financial and non-financial risk management.

Complies [X] Complies partially [ ] Explain [ ]

40. Under the supervision of the audit committee, there should be a unit in charge of the internal audit function to oversee proper operation of reporting and internal control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Complies [X]   Complies partially [ ]   Explain [ ]

41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee for approval by the committee or by the board, inform it directly of the execution of this plan, including any incidents and scope limitations arising during its implementation, the results and monitoring of its recommendations and submit a report on its activities at the end of each year.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

42. In addition to the functions established by law, the audit committee should have the following functions:

1. In relation to internal control and reporting systems:

a) Supervise and evaluate the process of drawing up and the integrity of the financial and non-financial information and the control and management systems over the financial and non-financial risks relating to the Company and, as the case may be, the group - including operational, technological, legal, social, environmental, political and reputational or corruption-related risks - reviewing compliance with regulatory requisites, adequate definition of the consolidation perimeter and correct application of accounting policies.

b) Ensure the independence of the unit that undertakes the internal audit function; propose the selection, appointment and removal of the person responsible for the internal audit service; propose the budget for the service; approve or propose approval by the board of the approach and the annual internal audit work plan, ensuring that its activity is focused mainly on the relevant risks of the company (including reputational risks); receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.

c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any irregularities of potential relevance, including financial and accounting or any other kind of irregularities that they observe in the Company or the group. This mechanism should guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously, respecting the rights of the reporter and the reported person.

d) Ensure in general that the policies and systems established in relation to internal control are applied effectively in practice.

2. In relation to the external auditor:

a) Investigate the circumstances giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c) Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other regulations on auditor independence.

Complies [ ]   Complies partially [X]   Explain [ ]

In 2022, the transition of the whistleblowing channel to a mechanism that guarantees the confidentiality of communications is planned.

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior manager.

Complies [X] Complies partially [ ] Explain [ ]

44. The audit committee should be informed of any structural and corporate modification operations the company is planning, so the committee can analyse and report to the board beforehand on their economic conditions and accounting impact, especially, when applicable, on the proposed swap ratio.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

45. The risk management and control policy should identify or determine at least:

a) The different types of financial and non-financial risks the company is exposed to (including operational, technological, legal, social, environmental, political and reputational risks, including risks related to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off- balance-sheet risks.

b) A risk management and control model based on different levels, a part of which will include a committee specialized in risks when sectorial regulations so establish, or the company considers appropriate.

c) The risk level the company sees as acceptable.

d) The measures devised to mitigate the impact of the risks identified, should they materialize.

e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance- sheet risks.

Complies [X] Complies partially [ ] Explain [ ]

46. Companies should establish an internal risk control and management function to be exercised by one of the company's internal department or units, under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

a) Ensure that risk control and management systems are functioning correctly and, specifically, that all the significant risks the company is exposed to are adequately identified, managed and quantified.

b) Participate actively in the preparation of risk strategies and in key decisions about their management.

c) Ensure that risk control and management systems are mitigating risks adequately in the context of the policy defined by the board of directors.

Complies [X]   Complies partially [ ]   Explain [ ]

47. Members of the appointments and remuneration committee - or of the appointments committee and the remuneration committee, if they are separate - should be appointed ensuring that they have adequate knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies [ ]   Complies partially [X]   Explain [ ]

The members of the Appointments and Remuneration Committee have been appointed taking into account their knowledge, skills and experience as well as the mission of the Committee. As far as the composition of the Committee is concerned, it is made up of five non-executive directors, three of which are independent, while the other two are proprietary directors. The Chairman of the Committee is an independent director. The reason why the Company does not comply with this part of the recommendation concerning composition is because clause 8.3.6 of the Shareholders' Agreement formalized between Rhône Capital and the founding families of Fluidra on 3rd November 2017, on the occasion of the merger between Fluidra and Zodiac, establishes that the Appointments and Remuneration Committee is to be made up of four (4) members, of whom two (2) will be independent directors (one of them the Chairman), one will be designated "at the proposal of the Current Shareholders" (i.e. the four founding families of the Company) and one will be designated "at the proposal of the Shareholder of Zodiac Holdco" (i.e. the Rhône Capital fund). This Shareholders' Agreement is published on the Company's website www.fluidra.com, under "Shareholders and Investors" "Corporate Governance", "Shareholders' Agreements", and on the website of the CNMV and in the Mercantile Registry of Barcelona.

Indeed, given the shareholder concentration of Fluidra, as explained in section A.7 of the Annual Corporate Governance Report for 2019, the Company understands that it was necessary that the two blocks represented in the existing Shareholders' Agreement between Rhône Capital and the founding families of Fluidra each had a representative on a body such as the Appointments and Remuneration Committee, which was considered of great importance for the operation of the Company. This Committee was consequently composed of two proprietary directors and two independent directors, the Chairman being one of the independent directors, who co-ordinates and personally manages the work of this Committee.

48. Large cap companies should have separate appointments and remuneration committees.

Complies [ ]   Explain [X]   Not applicable [ ]

Fluidra has not considered it necessary for the time being to separate its current Appointments and Remuneration Committee into two committees, as it understands that the functions relating to appointments and those relating to remuneration can be discharged objectively and independently by the same committee. As a matter of fact, Fluidra considers that is not efficient to separate the competencies in two committees and that the existence of only one committee does not limit or compromise the exercise of the faculties granted by law to the Appointments and Remuneration Committee.

49. The appointments committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director should be able to approach the appointments committee to propose candidates that it might consider suitable.

Complies [X] Complies partially [ ] Explain [ ]

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

a) Propose to the board the standard conditions for senior management contracts.

b) Monitor compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy for directors and senior managers, including share-based remuneration systems and their application, and ensure that their individual remuneration is proportionate to the amounts paid to other directors and senior managers in the company.

d) Ensure that conflicts of interest do not undermine the independence of any external advice provided to the committee.

e) Verify the information on director and senior manager remuneration contained in corporate documents, including the annual report on directors' remuneration.

Complies [X] Complies partially [ ] Explain [ ]

51. The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior managers.

Complies [X] Complies partially [ ] Explain [ ]

52. The rules on the composition and operation of the supervisory and control committees should be set out in the board of directors' regulations and should be consistent with the rules applicable to legally mandatory committees in accordance with the above recommendations, including the following rules:

a) Committees should be formed exclusively by non-executive directors, with a majority of independent directors.

b) They should be chaired by independent directors.

c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of the directors and each committee's terms of reference; discuss their proposals and reports; and report back on their activities and work at the first full board meeting following each committee meeting.

d) The committees may engage external advice, when they feel it necessary for the discharge of their functions.

e) Minutes of their meetings should be drawn up and made available to all board members.

Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

53. The task of supervising compliance with the Company's policies and rules on environmental, social and corporate governance matters, as well as internal codes of conduct, should be assigned to one board committee or split between several committees of the board of directors, which could be the audit committee, the appointments committee, a committee specializing in sustainability or corporate social responsibility or a dedicated committee established ad hoc by the board under its powers of self-organization. This committee should be made up exclusively of non-executive directors, the majority of which should be independent, and should be specifically charged with the minimum functions indicated in the following recommendation.

Complies [X]   Complies partially [ ]   Explain [ ]

54. The minimum functions referred to in the preceding recommendation are as follows:

a) Oversee compliance with the company's corporate governance rules and internal codes of conduct, also ensuring that the corporate culture is aligned with its mission and values.

b) Oversee application of the general policy relating to the communication of economic and financial, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the company communicates with and relates to its small and medium-sized shareholders will also be monitored.

c) Periodically evaluate and review the company's corporate governance system and its environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of the other stakeholders.

d) Review the company's social and environmental practices to ensure that they conform to the established strategy and policies.

e) Oversee and evaluate processes in relation to the different stakeholders.

Complies [X] Complies partially [ ] Explain [ ]

55. The environmental and social sustainability policies should identify and include at least:

a) The principles, commitments, goals and strategy in relation to shareholders, employees, customers, suppliers, social matters, environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct.

b) The methods or systems to monitor compliance with the policies, the associated risks and their management.

c) The mechanisms for supervising non-financial risk, including the risk related to ethics and business conduct.

d) Channels for stakeholder communication, participation and dialogue.

e) Responsible communication practices that prevent the manipulation of information and protect honour and integrity.

Complies [X] Complies partially [ ] Explain [ ]

56. Directors' remuneration should be sufficient to attract and retain individuals with the desired profile and compensate the dedication, qualifications and responsibility that the post demands, but not so high as to compromise the independent judgement of non- executive directors.

Complies [X] Explain [ ]

57. Variable remuneration linked to the company's performance and the director's personal performance, and remuneration in the form of awarding shares, options or rights on shares or instruments linked to the share price and long-term savings schemes such as pension plans, retirement systems or other benefits should be confined to executive directors.

Share-based remuneration of non-executive directors may be considered when it is subject to the condition that the shares must be kept until the end of their term of office. This condition, however, will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Complies [X] Complies partially [ ] Explain [ ]

58. In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or other similar circumstances.

In particular, variable remuneration components should meet the following conditions:

a) They should be subject to predetermined and measurable performance criteria that take into account the risk assumed to obtain a given outcome.

b) They should promote the sustainability of the company and include non-financial criteria that are relevant for the creation of value in the long term, such as compliance with the company's internal rules and procedures and its risk management and control policies.

c) They should be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

59. Payment of variable remuneration components should be subject to sufficient checks that predetermined performance or other conditions have effectively been met. Companies will include in the annual directors' remuneration report the criteria in terms of time required and methods to conduct such a check in line with the nature and characteristics of each variable component.

Additionally, companies should consider establishing a reduction clause ("malus") based on the deferral for a sufficient length of time of payment of part of the variable components that will lead to total or partial loss of such components in the event that prior to the time of payment any event occurs that renders this advisable.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce the amount of such earnings.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments the value of which is linked to the share price.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

62. Once shares, options or financial instruments have been awarded as part of share-based remuneration, executive directors should not be allowed to transfer ownership or exercise them until a term of at least three years has elapsed.

This does not include cases in which a director has, at the time of transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equal to at least twice his or her annual fixed remuneration by holding shares, options or other financial instruments.

The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition, or, following a favourable opinion by the appointments and remuneration committee, to deal with any supervening extraordinary situations that so require.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

63. Contractual arrangements should include a clause that allows the company to reclaim variable components of remuneration when payment was not in line with the director's actual performance or was based on data subsequently found to be inaccurate.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

64. Severance payments should not exceed an amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that the director has met the predetermined criteria or conditions.

For the purposes of this recommendation, severance payment will be deemed to include any payments the accrual of which or obligation to pay arises as a result of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings plans and any amounts paid by virtue of post-contractual non-compete clauses.

Complies [ ] Complies partially [X] Explain [ ] Not applicable [ ]

The co-CEO's contract complies with this recommendation.

In relation to the Executive Chairman, his contract establishes compensation in cases of termination of the contract by Fluidra's decision or the Executive Chairman's own decision for the causes detailed in section C.1.39, for an amount equivalent to two years of his remuneration, based on the gross annual salary received in the year the termination of the contract takes place and the variable gross annual salary for the preceding year. This compensation includes the amount of the severance pay which the Executive Chairman is entitled to receive for the termination of his previous employment relationship of sixteen years and seven months, which was suspended when he was appointed to the Board. Additionally, his contract includes a post-contractual non-compete clause for a term of two years, with an economic compensation of two years of his fixed gross annual remuneration at the time of termination of his contract. If, as a result of the termination of his contract, the Executive Chairman were to receive, in addition to the non-competition compensation, the severance compensation for termination of his contract, the sum of the two amounts would exceed two years' salary. However, the Company understands that the amount of the compensation for termination of the contract (which was already reduced in 2015, from three to two years' annual salary, as a result of the introduction of this recommendation that year) should not be reduced, as it includes the termination of his prior employment relationship of sixteen years and seven months, which was suspended when he was appointed as a director.

H. OTHER INFORMATION OF INTEREST

1. If there are any significant aspects regarding corporate governance in the company or entities of the group that have not been included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the corporate governance structure and practices in the entity or its group, briefly describe them.

2. In this section, you may also include any other information, clarification, or comment relating to the prior sections of this report to the extent they are relevant and not repetitive.

   Specifically, state whether the company is subject to laws other than Spanish laws regarding corporate governance and, if applicable, include such information as the company is required to provide that is different from the information required in this report.

3. The company may also state whether it has voluntarily adhered to other international, industrial, or other codes of ethical principles or good practice. If so, identify the code in question and the date of adherence thereto. In particular, mention whether the company has signed up to the Code of Good Tax Practice, of 20th July 2010:

*Section A.2.
On 26th January 2022, T. Rowe Price International, a portfolio investment company that manages investments on behalf of different clients that operate in different sectors (wholly controlled by T. Rowe Price Associates, Inc., which is in turn controlled 100% by T. Rowe Price Group, Inc.), exceeded the threshold of 3% of the Company's capital, specifically reaching a holding of 3.07%.

On 2nd February 2022, THREADNEEDLE ASSET MANAGEMENT COMPANY, a portfolio investment company, informed the CNMV that it had reduced its shareholding in the Company below the threshold of 3%, and specifically now held a stake of 2.99%.

On 9th March 2022, BLACKROCK INC. informed the CNMV that it had reduced its shareholding in the Company below the threshold of 3%, and specifically now held a stake of 2.992%.

*Section C.1.11
Mr Eloi Planes Corts is a member of the Board of Trustees of the Empresa y Clima Private Foundation.
Mr Jose Manuel Vargas Lopez is Senior Advisor of Rhône Capital LLC.
Mr Brian McDonald is a Trustee of the US Naval Academy Athletics and Scholarship Foundation.

This annual corporate governance report was approved by the Board of Directors of the company at its meeting held on:

30/03/2022

State whether any directors voted against or abstained in relation to the approval of this Report.

[ ] Yes
[√] No

Auditor´s report on the "Information Related to the System of Internal Control Over Financial Reporting (ICFR)" of Fluidra, S.A. for the year 2021

Building a better working world

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AUDITOR´S REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

Translation of a report and information originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Board of Directors of Fluidra, S.A.:

In accordance with the request from the Board of Directors of Fluidra, S.A. (hereinafter the Entity) and our engagement letter dated January 31, 2022, we have performed certain procedures on the "ICFR related information" of Fluidra, S.A. for 2021, which summarizes the internal control procedures of the Entity in relation to the annual financial information.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR related information attached.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Entity in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the entity´s internal control was to enable us to establish the nature, timing and extent of the audit procedures to be applied to the Entity´s financial statements. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively performed the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Entity's annual financial information for 2021 described in the ICFR related information attached. Consequently, had we performed additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have come to our attention that would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures performed were as follows:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).

2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Entity.

3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit and Compliance Committee.

4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.

5. Read the minutes of the meetings held by the Board of Directors, Audit and Compliance Committee and other Entity committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.

6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures performed, no inconsistencies or issues were observed that might have an impact on ICFR related information.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Daniel Artigas

March 31, 2022

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

ISSUER IDENTIFICATION

Year end date: 31/12/2021

Tax ID: A-17728593

Company Name:

FLUIDRA, S.A.

Registered address:

AVENIDA FRANCESC MACIA, 60 PLANTA 20 (SABADELL) BARCELONA

A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FISCAL YEAR

A.1.1 Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting.

In any event, the following aspects should be reported:

a) Description of the procedures and bodies at the company involved in the determination and approval of the remuneration policy and its terms and conditions

b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.

c) Information on whether any external advisors took part in this process and, if so, their identity

d) Procedures included in the current remuneration policy for directors for making temporary exceptions to the policy, the conditions under which such exceptions can be made and the components that may be subject to exception under the policy.

A) A new remuneration policy was approved in 2021 since the previous policy approved by the Board in 2018 was expiring. This policy was drafted at a time when there were still doubts about how the pandemic might affect the 2021 results. However, now that the 2021 fiscal year has ended and given the Group's size, a new Remuneration Policy is being submitted to the shareholders at the General Meeting for their approval, which will be valid from the approval date through December 31, 2024.
The proposed Remuneration Policy is consistent with the existing policy in terms of the principles, structure and content of the remuneration package.

The same principles and foundations as the previous policy are maintained, namely that remuneration should be reasonably proportionate to the Company's importance, its economic situation and the market standards of comparable companies. It should be geared towards promoting the creation of sustainable long-term value, linking directors' remuneration to business performance and shareholders' interests and incorporating the necessary safeguards to avoid excessive risk-taking and the rewarding of unfavourable results.
However, some adjustments have been made to strengthen the alignment of the policy with all stakeholders, with the Group's strategy, and with the practices of comparable sectors and companies, considering Fluidra's new size and position in the market following the growth experienced since the merger, particularly in 2021; the acquisitions, especially in 2021; and its inclusion on the Ibex-35 index. Changes have also been made to adapt the Policy to the amendments of the consolidated text of the Capital Companies Act approved in 2021. To that end, we have analyzed the information received from institutional investors and proxy advisers and the provisions of the Code of Good Corporate Governance regarding directors' remuneration.

The changes are described below.

The key quantitative changes to the Remuneration Policy are as follows:
i) the maximum annual remuneration directors may receive for acting as such is increased from €1,600,000 to €2,000,000 as of June 1, 2022;
ii) the fixed remuneration of executive directors is increased (for the CEO, from €531,000 in 2021 to €600,000 in 2022; and for the Executive President, from €390,000 to €500,000.
iii) increase in the maximum ratio of the executive directors' annual bonus to the fixed remuneration from 100% to 150%; and
iv) long-term incentive, "2022-2026 Plan", for Fluidra's key directors and senior management.

The aim behind the Remuneration Policy is to ensure that directors' remuneration is in reasonable proportion to the importance of the Company, its economic position and market standards among comparable companies. The aim of the remuneration system established is to promote the sustainable creation of value over the long term, linking the remuneration of directors to the return received by, and interests of, the shareholders, including the necessary safeguards to avoid excessive risk-taking and the rewarding of poor results.

Additionally, Fluidra takes into account the economic environment, the Company's results, the strategy of the Fluidra group, best market practices and Corporate Governance recommendations in relation to remuneration.

D.1 Continued

A.1.2 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between
the fixed and variable components of the remuneration In particular, indicate actions taken by the company in relation to the remuneration plan to reduce exposure to excessive risk and adjust it to the company's long-term objectives, values and interests, including, where applicable, a reference to the measures which are planned to guarantee that the remuneration policy is consistent with the company's long-term results, the measures adopted in relation to personnel whose professional performance has material repercussions on the company's risk profile and the measures planned to avoid conflicts of interests, if any.

Furthermore, state whether the company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or if any clause exists reducing the deferred remuneration or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have clearly been shown to be inaccurate has been agreed.

According to the Remuneration Policy, only the Executive Directors receive short- or long-term variable remuneration. This is in compliance with CNMV recommendation no. 57, according to which variable remuneration linked to the company's performance and personal performance, and that consisting of the award of shares, options or rights over shares or instruments linked to share value, must be confined to Executive Directors.
The remuneration system of Executive Directors reflects a balanced and efficient relationship between fixed components and variable annual or multi-year components. Variable remuneration is set with a medium- and long-term view, which provides an incentive for performance in strategic terms in addition to the achievement of short-term results, considering the current situation and the Company's outlook and objectives with regard to sustainable growth, without the variable remuneration threatening the Company's ability to maintain its solvency
and financial situation. The Remuneration Policy seeks to promote and favor the achievement of the Company's strategic objectives by incorporating long-term incentives, reinforcing continuity in the Company's competitive development, fostering motivation, loyalty and retention, whilst keeping remuneration in line with best practices.

1. Annual variable remuneration ("AVR")
According to the new Remuneration Policy, the AVR, weighted according to the attainment scale, may not exceed 150% of the fixed remuneration for executive functions once the level of attainment of objectives is applied. The attainment scale for economic objectives ranges from 40% of the incentive to a maximum of 180% of the RVA target% if the maximum values for each indicator are achieved or exceeded.
The setting of the percentage represented by RVA in relation to fixed remuneration for executive functions, the indicators, and the evaluation of performance shall be determined annually by the board of directors, upon a proposal by the ACC, which shall subsequently determine the levels of achievement. In order to receive the full amount of the annual bonus, the Executive Director must still be
associated with Fluidra on December 31 of the year in which the bonus is to be paid. In the event of termination of their relationship with Fluidra prior that date, they shall receive the proportional part of the variable remuneration to which they would have been entitled in the event of continuing through to December 31 which corresponds to the part of the year for which they have remained with Fluidra.

2. Long-term variable remuneration
The Executive Directors may participate in long-term incentive plans based on Fluidra equity instruments, or linked to the value of such instruments, established by the Company for its executive personnel ("LTI").
The LTI will entitle its beneficiaries to receive, once a certain period of time has elapsed, an amount in shares or other instruments, or options over the same, or cash, subject to fulfillment of the conditions and strategic objectives established in the LTI. Those plans shall be of a recurring nature, their specific conditions being set by the Board of Directors upon a proposal by the ACC. They must be in alignment and compatible with the principles of the Remuneration Policy and be approved by the Fluidra Shareholders' Meeting insofar as may be required.

LTI currently in place at Fluidra:
• The 2018-2022 Plan, approved by the Shareholders' Meeting in 2018, and the main characteristics of which are detailed in a subsection of this Report, has been structured through a certain number of units that serve as a reference for determining the final number of shares in the Company to be delivered to the Plan beneficiaries.

• The 2022-2026 Plan will be submitted by the Board of Directors to the General Shareholders' Meeting for its approval at the same time as this Report on the recommendation of the ACC.

The remuneration mix is as follows, depending on the level of attainment attached to the bonus:

Variable annual bonus (% of fixed remuneration):
Executive President: minimum: 0%, target: 100%; maximum 185%;
CEO: minimum: 0%, target: 150%, maximum: 277.5%

Long-term incentive (% of fixed remuneration):
Executive President: minimum: 0%, target: 150%; maximum 258%;
CEO: minimum: 0%, target: 150%, maximum: 258%
Does not include in kind remuneration or contributions to pension plans, since the amount is negligible. The amounts reflect the average annualized percentage of the 2022-2026 LTI based on the FR on the approval date.

The principles regulating the Company's Director Remuneration Policy take into account the shareholders' interests and prudent risk management. The remuneration system therefore seeks to promote the Company's long-term profitability and sustainability and includes the necessary safeguards to prevent excessive risk-taking and the rewarding of poor results.

The measures that the Company has established for determining an appropriate risk management and promoting sustainability of results are:
AVR:
* There is no entitlement to receive a guaranteed variable annual remuneration.
-The AVR has fixed a maximum amount that may not exceed 150% of the Executive Director's fixed remuneration weighted by the level of attainment scale (with a maximum of 277.5% of the fixed remuneration in the event of overachievement of objectives).
-The parameters of the AVR are defined annually, the objectives being set by the Board upon a proposal by the ACC, having regard to the variables which have been identified within the Company's risk map.
- Defined scales of achievement for each objective based on the Company's results are included. Any variation in the Company's results will affect the degree of achievement of the objectives and directly affect the amount of the AVR to which - where appropriate - the Executive Directors may be entitled.
- The AVR accrues annually and is paid annually in arrears, within the first quarter of the calendar year following the year of accrual, once the fulfilment of the associated objectives is verified.

LTI:
- There is no guaranteed right to receive the long-term incentive.
Long-term remuneration is linked to specific financial metrics, including defined scales of achievement for each objective based on the Company's results.
- Pursuant to the Remuneration Policy, the incentive to be settled shall take into account any qualifications in the external auditor's report that reduce the Company's earnings.
- The payment of the long-term incentive must be deferred for the minimum period of time necessary to verify that the pre-established conditions to which it is linked have indeed been met ("malus" clause).
- The long-term remuneration system for Executive Directors imposes on them the obligation to maintain the ownership of a certain number of any shares they may receive under long-term incentive plans.
- The long-term remuneration corresponding to the Executive Directors is subject to a clawback clause, which enables the Company to demand reimbursement of the remuneration if it becomes evident that the payment was made based wholly or in part on information which has subsequently been proven to be false or seriously inaccurate.

Pursuant to the Board Regulations, the directors are under the following obligations

- Not to directly or indirectly perform professional or commercial transactions with the Company unless authorized by the Company in the terms envisaged in the law, the Bylaws and the Board Regulations.

- To communicate the existence of conflicts of interest to the Board of Directors.

- To refrain from participating in debates and votes on resolutions with respect to which they, or persons related to them, have a direct or indirect conflict of interest, unless they are authorized to do so by the applicable legislation. This shall not apply to resolutions or decisions affecting the director in his/her capacity as such, such as designation or removal from his/her office on the managing body or similar.

- To adopt the necessary measures to avoid situations in which their interests, for their own account or for the account of others, may be in conflict with the corporate interest and with their duties to the Company.

A.1.3 Amount and nature of fixed components that are due to be accrued during the year by directors in their status as such.

The maximum annual remuneration Directors may earn for the supervisory and collegiate decision-making functions inherent to their status as such to be submitted to the General Shareholders' Meeting for approval together withthis Annual remuneration Report is €2,000,000.
The aforementioned amount is, in any case, a maximum limit, and it falls to the Board to propose how that amount will be distributed amongst the different components and the directors, in the form, at the time and in the proportions freely determined by the Board in light of the functions and responsibilities attributed to each one, their membership of and positions held on the Board Committees, and any other objective circumstances which may be deemed relevant.
Of that amount, the breakdown of fixed remuneration by position and responsibilities of the members of the Board which is expected to accrue during fiscal year 2022, from June 1, proportionally, is as follows (the remuneration up to the time will be the same as in 2021):

• 90,000 euros per annum for each member of the Board of Directors.

• For the responsibility and dedication required of members of the various Committees and that involved in the Presidency and coordination of the Board:

An additional 20,000 euros per annum for each member of the ACC, except for the Committee chairman, who will receive an additional 40,000 euros.
An additional 20,000 euros per annum for each member of the Audit Committee, except for the Committee chairman, who will receive an additional 40,000 euros.

An additional 12,000 euros per annum for each member of the Delegated Committee.
An additional 50,000 euros per annum for the President of the Board of Directors.
An additional 25,000 euros per annum for the coordinator of the Board of Directors

However, the Executive Directors who are members of the different Committees shall not receive any additional amount for their membership thereof.
Allowances for attendance at Board or Committee meetings are 8,000 per annum. The amount received by those Directors who reside outside of Europe, however, is 20,000 euros per annum.
Finally, Directors will be reimbursed for duly justified expenses incurred in the course of rendering their services to the Company.

A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

The fixed cash compensation to be paid to executive directors in 2022 is as follows:

• Eloi Planes: 500,000 euros
• Bruce Brooks: 600,000 euros

In addition, Mr. Bruce Brooks shall receive tax and legal advice in relation to his expatriation. Part of Mr. Bruce Brooks' remuneration is paid by another company of the Fluidra Group.

A.1.5 Amount and nature of any component of in kind remuneration that will accrue during the year, including, but not limited to, insurance premiums paid in favor of the director.

Until the new Remuneration Policy takes effect, the in kind remuneration of executive directors for their senior management functions is as detailed in the 2020 Remuneration Report.
Once the new Remuneration Policy takes effect, the Executive Directors will receive the following in kind remuneration:

• In accordance with the Fluidra policy for executive personnel, the Company makes available to its Executive Directors a vehicle at an estimated cost for 2022 of 9,000 euros for Eloi Planes and Bruce Brooks
• The Company assumes the cost of a life insurance policy covering the Executive Directors against the contingencies of death and disability. As of the date of this Report, the estimated annual premium for 2022 is 15,000 euros in the case of Mr. Eloi Planes and 12,000 euros in the case of Bruce Brooks.
• Fluidra assumes the cost of a family medical insurance policy, for which the annual premium for 2022 is approximately 5,720 euros in the case of Mr. Eloy Planes and 16,000 euros in the case of Mr. Bruce Brooks.
• Duly justified "relocation and travel" expenses of Bruce Brooks up to a maximum annual amount of €65,000.

Part of Mr. Bruce Brooks' remuneration is paid by another company of the Fluidra Group.

A.1.6 Amount and nature of variable components, differentiating between those established in the short and long term. Amount and nature of variable components, differentiating between those stablished in the short and long term. Financial and non-financial parameters, including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and the company, together with their risk profile, and the methodology, timetable and techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration, explaining the applicable criteria and factors in terms of the time required and the methods used to effectively verify compliance, with the performance conditions or any others to which the accrual is tied and the consolidation of each component of variable remuneration.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

The variable remuneration system for the Executive Directors for 2022 includes two components: annual variable remuneration and long-term variable remuneration.

(i) AVR:
In accordance with the terms of their respective contracts, the Executive Directors receive AVR linked to the achievement of economic and management objectives related to the budget set by the Board of Directors for each year. The objective criteria to be used to calculate the AVR for 2022 are as follows:

• For 2022, the Executive President's AVR, prior to weighting according to the attainment scale, is 100% of the fixed remuneration for his executive functions. The achievement scale ranges from a payment of 40% of the variable amount, in the event of achieving the minimum levels established for each indicator (0% if the minimum levels are not achieved), up to maximum payment of 185%, in the event of achieving or exceeding the maximum levels established for each indicator.
• For 2022, the CEO's AVR, once weighted according to the attainment scale, is 150% of the fixed remuneration for his executive functions. The achievement scale ranges from a payment of 40% of the variable amount, in the event of achieving the minimum levels established for each indicator (0% if the minimum levels are not achieved), up to maximum payment of 185%, in the event of achieving or exceeding the maximum levels established for each indicator.

The indicators for 2022:
(i) 85%, economic objectives: Free Cash-Flow (25%), PF cash EPS (25%), EBITDA (25%) and total sales growth (10%) and
(ii) 15% management objectives: within the management objectives, 4% are linked to compliance with the company's ESG ("Environment, Social and Governance") objectives.

The achievement scale for the economic objectives in 2022 is as follows:
Free cash flow: 80% of the objective for entitlement to payment of 40% of the AVR linked to this objective, and 120% for entitlement to 200%. Proforma Cash Earning Per Share: 70% of the objective for entitlement to payment of 40% of the AVR linked to this objective, and 130% for entitlement to 200%. Ebitda: 80% of the objective for entitlement to payment of 40% of the AVR linked to this objective, and 120% for entitlement to 200%. Total growth in sales: 50% of the objective for entitlement to payment of 40% of the AVR linked to this objective, and 150% for entitlement to 200%. If the management objectives are achieved, the payout would be 100% of the target AVR linked to these objectives; otherwise it would be 0%.

At the end of the fiscal year, upon receipt of the appropriate supporting documentation, the Board of Directors, on the recommendations of the ACR, will assess the degree of compliance with the objectives set at the beginning of the fiscal year and approve the amount of the AVR to be received by each executive director based on the degree of compliance achieved. Once the amount of the incentive is approved, it will be paid in cash after Fluidra's annual accounts have been drafted, taking into account, where applicable, any provisos in the external auditor's report.

(iii) LTI:

Executive Directors are beneficiaries of the following long-term incentive plans in 2022:
a) 2018-2022 Plan, aimed at key executives and executive directors of the Fluidra group approved at the General Meeting held on June 27, 2018.
b) The 2022-2026 Plan for key executives and executive directors of the Fluidra Group which the Board of Directors, on the recommendation of the ACC, has submitted to the General Shareholders' Meeting for its approval along with this Report.

The Plans aim to encourage, motivate and retain Fluidra's management team, linking part of their remuneration to the company's stock value in order to align the interests of the beneficiaries with those of shareholders by offering them competitive remuneration that is in line with market remuneration practices and the Fluidra group's new organization and strategy.

1. The basic conditions of the the 2018-2022 Plan are as follows:

Under the 2018-2022 Plan, Beneficiaries can receive a certain number of ordinary Fluidra shares if certain requirements are met.
Instrument: The 2018-2022 Plan is implemented through the award of a certain number of PSUs which will then be used as a reference in order to determine the final number of shares in the Company to be delivered to the Beneficiaries, after a certain period of time, as long as certain strategic objectives of Fluidra and the relevant requirements established in the 2018-2022 Plan regulations have been met. The maximum number of Company shares to be delivered under the 20182022 Plan is a total of 5,737,979 shares, representing 2.93 percent of the Company's share capital as at the Merger registration date.

Term The 2018-2022 Plan was launched on January 1, 2018 and ends on December 31, 2022, although the effective settlement of the Plan will occur during the month of January 2023. The measurement period for compliance with the economic objectives to which the Plan is linked is four years, from January 1, 2018 through to December 31, 2021. There is therefore an additional period of one year, through to December 31, 2022, throughout which the Beneficiary is required to remain with the Fluidra group.

Case-by-case allocation. The individual assignment of the number of PSUs to each of the Beneficiaries of the 2018-2022 Plan is decided by the Board Directors based on a proposal by the ACC, except in the case of directors with executive functions, for which the PSUs are assigned by the Shareholders' Meeting, where appropriate.

The assignment of 180,000 PSUs to Mr. Eloi Planes Corts and 291,375 PSUs to Mr. Bruce Brooks was approved at the Shareholders' Meeting held on June 27, 2018. Requirements for receiving the incentive: The requirements to be met for the Beneficiary to to receive the shares under the Plan are as follows:

Insofar as total PSUs awarded, the Beneficiary must continue to serve Fluidra through December 31, 2022, except under special circumstances such as death, permanent disability, retirement and other situations established in the Plan regulations. If the Beneficiary resigns is lawfully dismissed or justifiably terminated, he shall therefore lose entitlement to receive the shares under the 2018-2022 Plan In the case of Executive Directors, all the PSUs awarded are subject to the continued service requirement and to compliance with the financial to which the Plan is linked.
Metrics. The degree of achievement, and thus the number of Fluidra shares to be delivered to the Beneficiaries, will depend on the degree of achievement of the financial objectives to which the 2018-2022 Plan is linked, insofar as relates to the percentage of PSUs awarded which is linked to such achievement.

The specific number of Fluidra shares to be given to each Beneficiary on the settlement date if the conditions established are met, insofar as relates to the PSUs granted which are linked to the fulfilment of the financial objectives, shall be established based on:

(i) the evolution of Fluidra's TSR in absolute terms, and
(ii) the evolution of the EBITDA of the Fluidra group.

The weighting percentages for the Executive Directors are 70% for the TSR target and 30% for the Fluidra group EBITDA target. Both the TSR and the EBITDA will be determined over the measurement period for the achievement of economic objectives, which will be the time period between January 1, 2018 and December 31, 2021.

The metrics achievement scale ranges from 25%, in the event of achievement of the minimum levels established for each metric, up to a maximum of 170% in the event of attaining or exceeding the maximum values established for each metric. The maximum number of shares to be delivered to the Executive Directors in the event of attaining or exceeding the maximum values established for each metric will therefore be 306,000 in the case of Mr. Eloy Planes Corts and 495,338 shares in the case of Mr. Bruce Brooks.

Following the conclusion of the measurement period of the metrics linked to the 2018-2022 Plan on December 31, 2021, the Board of Directors, on the recommendation of the ACC, has decided to pay 170% of the incentive for the achievement of the TSR and EBITDA targets since the maximum thresholds established for both metrics were exceeded. The number of shares to be delivered to the Executive Directors in January 2023, as long as they remain with Fluidra through December 31, 2022, is 306,000 in the case of
Mr. Eloy Planes Corts and 495,338 shares in the case of Mr. Bruce Brooks.

Under no circumstances may the shares be delivered to the Beneficiaries, the latter losing any right to receive them, if prior to the delivery date they had been sanctioned for a serious breach of the code of conduct pursuant to the Group's internal regulations. The delivery of the shares in payment of the variable remuneration shall be executed either by Fluidra by a third party in accordance with the coverage systems adopted by the Board of Directors. Similarly, the Company may demand the reimbursement of the shares delivered under the 2018-2022 Plan, or even offset the delivery made against other types of remuneration of any nature to which the Beneficiary is entitled if, during the two years following settlement of the Plan, it becomes evident that such settlement
was based wholly or in part on information which has subsequently been clearly shown to be false or seriously inaccurate. This clause is applicable to the Executive Directors in all cases and to the Beneficiaries who are responsible for such information. From the time that the shares are allocated until a period of three years after their acquisition, the Executive Directors may not transfer the ownership of a number of shares equivalent to twice their fixed annual remuneration. However, the above shall not apply to any shares that an Executive Director needs to dispose of, if necessary, to meet the costs associated with their acquisition, including taxation arising from the delivery of the shares.

2. The basic conditions of the the 2022-2026 Plan are as follows:

Instrument: The 2022-2026 Plan is implemented through the award of a certain number of units ("PSUs") which will then be used as a reference in order to determine the final number of Shares to be delivered to the Beneficiaries after a certain period of time, as long as certain strategic objectives of the Fluidra Group are fulfilled and the requirements provided for in the Regulations are met.

Term: The 2022-2026 Plan has a term of five (5) years, running from January 1, 2022, with effect from the date of approval of the Plan by the Fluidra Shareholders' Meeting to which this resolution is submitted for approval, (the "Start Date") until December 31, 2026 (the "End Date"), without prejudice to the effective settlement of the last cycle of the Plan, which will take place in June 2027.
The Plan is divided into three (3) independent cycles (the "Cycles") and will have three award dates (the "Award Dates") for the target incentive to be received in the event of achieving 100% of the objectives to which it is linked ("Target Incentive"), each of which will take place in 2022, 2023 and 2024, respectively.
Each one of the Cycles will have an objective measurement period of three (3) years (the "Measurement Period"), starting on January 1 of the year in which the Cycle begins (the "Measurement Period Start Date") and ending three (3) years after the Measurement Period Start Date, that is, on December 31 of the year the Measurement Period for the Cycle ends (the "Measurement Period End Date").
Once the Measurement Period for each Cycle has ended, the associated incentive to which each of the Beneficiaries will be entitled will be determined according to the degree of achievement of the objectives established for the Cycle in question ("Degree of Achievement")
The incentive corresponding to each Cycle of the Plan will be settled in the month of June of the year after the Measurement Period End Date, following approval of the financial statements for the year in which the Measurement Period of the Cycle in question ends (the "Settlement Date").

Beneficiaries: The beneficiaries of the 2022-2026 Plan (the "Beneficiaries") will be the members of the management team of Fluidra and of the subsidiaries making up the Fluidra Group, as determined by the Board of Directors of Fluidra, at the proposal of the Appointments and Compensation Committee, who are expressly invited to participate in the Plan via a letter of invitation (the "Letter of Invitation") and who expressly accept such invitation.
For these purposes, the Fluidra Shareholders' Meeting designates as Beneficiaries of the 2022-2026 Plan those directors of Fluidra who, during the term of the Plan, are attributed executive functions in the Fluidra Group ("Executive Directors"). At the date of approval of the Plan by the Fluidra Shareholders' Meeting, the Executive Directors are Mr. Eloy Planes, Executive Chairman, and Mr. Bruce Brooks, CEO.

D.1 Continued

A.1.7 Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

State if the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

Fluidra has assumed vis-à-vis Mr. Eloi Planes a defined-contribution pension commitment entailing the setting up of a retirement pension fund through annual contributions made by the Company amounting to 16,000 euros in 2022. He has vested rights.

Mr. Bruce Brooks
Mr. Bruce Brooks is an active participant in the 401 (k) pension plan maintained by Fluidra's US subsidiary. The cost of the plan for the Fluidra group in 2022 was 11,000 euros. If, at any time, Mr. Bruce Brooks is unable to participate in that pension plan, the Company shall finance - or arrange for its US subsidiary to finance - a defined contribution pension fund, making annual contributions of 16,000 euros. Fluidra reserves the right to finance these pension commitments using whatever instrument it considers most suitable pursuant to the currently applicable legislation.

This commitment is compatible with the severance to which Executive Directors are entitled in the event of termination or early removal in the terms envisaged and described in the subsections below.

A.1.8 Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

The non-executive directors are not entitled to indemnities for termination of their functions as director.

The contracts of the Executive Directors envisage the following severance payments in the event of termination of the provision of services agreement signed by the Company and the director.

Severance pay for termination of the contract
Following the Good Governance recommendations for listed entities, the severance to which the Executive Directors will be entitled in case of termination of the contract at the instance of Fluidra for any reason, except in case of serious and wilful or negligent non-fulfilment of their duties as Executive Directors of the Company, will be:

• Mr. Eloy Planes: an amount equivalent to twice his annual remuneration, based on his gross annual fixed salary for the year in which his contract is terminated and the gross annual variable salary for the preceding year. This includes the legal indemnity that Mr. Eloy Planes is entitled to receive for the termination of his previous employment relationship of 16 years and 7 months, suspended on the occasion of his appointment as a director.

• Mr. Bruce Books: an amount equal to one year's remuneration, based on his gross annual fixed salary for the year in which his contract is terminated and his target gross annual variable salary.

The Executive Directors shall be entitled to receive this severance pay if they decide to terminate their contracts by their own choice, if such termination is due to any of the following causes:

- Serious breach by the Company of any of the contractual obligations related to their position.
- Reduction and substantial limitation of their duties or powers.
- Substantial modification of their contractual conditions.
- Change of ownership of Fluidra's share capital with or without changing the Company's governing bodies. Exclusivity and confidentiality.

The contracts of the Executive Directors establish clauses regulating confidentiality and exclusive dedication, this being without prejudice to any activities which have been expressly authorized by the Company, provided they do not hinder the fulfilment of the duties of diligence and loyalty inherent in their post or entail a conflict with the Company. Such exclusivity clause does not entitle the Executive Directors to any specific remuneration.

Post-contractual non-compete and non-solicitation undertaking.
Without prejudice to the agreement in which the Executive Directors undertake not to compete with the Company as long as the contracts are in force, it is agreed that:
Mr. Eloy Planes: a post-contractual non-competition agreement with a duration of two years from the conclusion of the effective provision of services. The economic compensation established for the commitment pursuant to the post-contractual non-compete undertaking is two times his gross annual fixed remuneration in force at the time of termination of the contract.

Mr. Bruce Brooks: a post-contractual non-solicitation and non-competition agreement with a duration of two years from the conclusion of the effective provision of services. The economic compensation derived from the post-contractual non-solicitation and non-competition undertaking is included in the amount of remuneration established for him. The non-compete agreement was included in his contract in April of 2021.

A.1.9 State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on con-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The contracts of the Executive Directors of the Company are commercial contracts, and contain a clear description of the functions and responsibilities to be assumed according to the provisions of commercial legislation, the Bylaws, the Regulations applicable to the bodies of the Company and those attributed by the Shareholders' Meeting of Fluidra. Set out below are the essential terms and conditions of the contracts of Executive Directors which have been approved in accordance with the provisions of articles 249 and 529 *octodecies* of the LSC.

1- Term:
The Executive Directors have signed an indefinite-term contract for services with the Company which shall remain in force for as long as the directors perform the executive duties delegated to them by the Board of Directors according to their post.

2- Exclusivity and Confidentiality
The contracts establish clauses regulating confidentiality and exclusive dedication, without prejudice to the activities which are expressly authorized, provided they do not hinder the fulfilment of the duties of diligence and loyalty inherent in their post or entail a conflict with the Company.

3- Time commitment
The Executive Directors' contracts do not include any continuity or loyalty clauses.

4- Advance notice period
The parties are required to give at least six months' notice before the effective date of termination of the contractual relationship, except when this occurs by mutual agreement, due to serious and wilful or negligent non-fulfilment of the Executive Director's professional duties or a serious breach by the Company of the obligations undertaken in relation to the position of Executive Director. In the event of non-fulfilment of the obligation to give notice, the performing party shall be entitled to receive an amount equal to the fixed remuneration pending payment during the period of the breach.

5- Severance pay for termination of the contract
Details of the severance payable for termination of the contract are provided in a subsection of this Report.

6- Post-contractual non-compete and non-solicitation undertaking
Details of the post-contractual non-competition and non-solicitation undertaking are provided in the previous subsection of this Report.

7. Other
In addition, the contract signed with Mr. Bruce Brooks specifies that any remuneration (including remuneration in cash and in kind and payments for termination of contract, if any) paid by a US subsidiary of the Fluidra group will reduce the amount of the remuneration to be paid by Fluidra stipulated in the contract signed by him with the Company.

The Board of Directors will periodically review the conditions of the contracts signed with the Executive Directors in order to include in them any amendments necessary to adapt them to the Remuneration Policy in force at any given time and to the internal regulations of the Company that apply.

A.1.10 The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

- Remuneration Policy does not envisage any remuneration for directors not already mentioned in the previous subsections.

A.1.11 Other remunerative items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration.

- The Directors' Remuneration Policy does not envisage the possibility of providing advances, loans and guarantees to the directors.

A.1.12 The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

No remuneration payable by Group entities to any of the members of the Board is envisaged for the current fiscal year that has not been included in the preceding sections

A.2. Explain any significant change in the remuneration policy applicable in the current year resulting from:

a) A new policy or a modification of the policy already approved by the General Meeting.

b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.

c) Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

As mentioned in section A.1, along with the Annual Remuneration Report, on the recommendation of the Board of Directors the General Shareholders' Meeting is asked to approve: (i) a new Remuneration Policy that will be valid from the approval date up to and including the year 2024; (ii) the modification of the maximum remuneration paid to all directors for their status as such; and (iii) the 2022-2026 Incentive Plan.

The most relevant changes proposed by the Board of Directors in the new Remuneration Policy are discussed in section A.1.1 above.

A.3. Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

https://www.fluidra.com/es/accionistas/remuneraciones-de-los-consejeros

A.4. Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.

The resolution received the favorable vote of 97.21% of the voting quorum, in the terms stated in section B.4 of this Report.

Similarly, the Remuneration Policy was approved with the affirmative vote of 96.3% of the quorum with voting rights.

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR JUST ENDED

B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and,
the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.

The individual remuneration of the directors of Fluidra accrued in fiscal year 2021 that is reflected in section C of this Report has been determined in accordance with the principles and criteria of the Company's directors' remuneration policy in force in 2021.

The Remuneration Policy in force in 2021 was the one approved at the General Shareholders’ Meeting held on June 27, 2018, which was valid for fiscal years 2018 to 2021.

The procedures, matters and decisions adopted by the ACC and the Board of Directors, according to the powers described in subsection A.1 of this Report, are as follows:

- Evaluation of the Board of Directors and its Committees and monitoring of the action plan derived from the self-evaluation of the Board.
- Evaluation of the degree of compliance with the 2020 AVR metrics of the Executive Directors and Fluidra’s management team and approval of the amount of the 2020 AVR to be settled in 2021, based on the degree of compliance.
- Approval of the 2021 remuneration for Fluidra’s management team.
- 2021 AVR of Fluidra’s Executive Directors and management team: determination of the AVR metrics, establishment of the threshold for entitlement to the RVA and payout scale depending on the degree of compliance with the objectives of each metric.

- Proposal of the Annual Report on Directors' Remuneration for 2020, to be submitted to a consultative vote at the Shareholders' Meeting.
- Proposal to submit certain parts of the Annual Report on Directors' Remuneration for 2020 to the Shareholders' Meeting for approval.

B.1.2 Explain any deviation from the established procedure for the application of the remuneration policy that occurred during the fiscal year.

There were no deviations in the procedure for the application of the Remuneration Policy.

B.1.3 State whether any temporary exceptions to the remuneration policy were applied and, if so, explain the exceptional circumstances that led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company believes these exceptions were necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact which the application of these exceptions has had on the remuneration of each director in the fiscal year.

No temporary exceptions were applied.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if any.

The remuneration of Executive Directors is a key issue for the Board of Directors and the ACC. Because that is the case, the remuneration model is continuously reviewed, evaluated and updated by both bodies. Fluidra has defined a competitive executive remuneration program which motivates and rewards executives for achieving financial and strategic objectives that generate long-term value for shareholders, while providing rewards commensurate with performance. This program applies to both executive directors and other senior executives who are considered critical to the company as a way of incentivizing the growth and sustainability of the company. So:

- Total remuneration is composed of a fixed portion, an annual variable portion and a long-term variable portion.
- The LTIs are linked to the achievement of Fluidra's long-term objectives based on its strategic plan.
- The LTIs are paid in shares, aligning the directors' interests with those of the shareholders, with the obligation to retain the ownership of the net shares received for three years from the acquisition date, until the beneficiary owns a certain number of shares.
- Variable remuneration is not guaranteed.
- LTI's are subject to clawback and malus clauses as described in the preceding sections, which allow the company to request the return of the incentive paid in certain cases.

Finally, the steps taken to avoid conflicts of interest are explained in section A.1.6 above.

B.3. Explain how the remuneration accrued and vested in the fiscal year complies with the current remuneration policy and, in particular, how it contributes to the company's long-term sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors
and how the latter contribute to the short- and long-term results of the company.

Section C of this Report includes the breakdown of the remuneration accrued in 2021, for all items, in favor of the directors of Fluidra, pursuant to the remuneration policies in force in the year with respect to remuneration items and amounts.

Variable remuneration is aligned with the achievement of objectives linked to Fluidra's annual budget, so that variations in the company's performance have a direct influence on the AVR and, therefore, on the compensation of directors with executive functions. The AVR linked to the achievement of financial and non-financial and business objectives is configured with a view to the medium and long term which drives long-term performance in strategic terms, in addition to the achievement of short-term results, considering the current situation and the prospects and objectives for Fluidra's sustainable growth.

Medium and long-term incentives are linked to strategic plans of at least three years, which fosters the creation of sustainable value for the Group. Multi-year variable remuneration is paid in shares, which aligns the interests of the Executive Directors with those of shareholders.

B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on the annual remuneration report for the previous year, indicating the number abstentions, blank votes and yea and nay votes cast:

	Number	% of total
Votes cast	155,335,864	0.00

	Number	% of votes cast
Votes against	4,148,201	2.67
Votes in favor	151,010,100	97.21
Blank votes		0.00
Abstentions	177,563	0.11

Remarks

B.5. Explain how the fixed components accrued during the year by the directors in their capacity as such are determined, the relative proportion for each director and how they have changed compared to the year before.

The remuneration items accrued in 2021 in fixed salary, per diem allowances and totals are as follows:

Eloy Planes 118,000 8,000 126,000
Bruce Brooks 82,000 8,000 90,000
Oscar Serra 94,000 8,000 102,000
Jose Manuel Vargas 103,533 8,000 111,533
Bernat Corbera 97,000 8,000 105,000
PIUMOC Inversions 97,000 8,000 105,000
Sébastien Mazella di Bosco 47,839 3,511 51,350
Steven Langman 90,167 20,000 110,167
Gabriel Lopez 97,000 8,000 105,000
Jordi Constans 139,000 8,000 147,000
Esther Berrozpe: 102,000 8,000 110,000
Brian McDonald: 102,000 20,000 122,000
Martin Ariel Atlas: 44,644 4,356 49,000 Barbara
Borra: €0

Total (€): 1,214,183 119,867 1,334,050

The remuneration items accrued in 2020 in fixed salary, per diem allowances and totals are as

follows: Eloi Planes 118,000 8,000 126,000
Bruce Brooks 82,000 8,000 90,000
Oscar Serra 94,000 8,000 102,000
Jose Manuel Vargas 97,000 8,000 105,000
Bernat Corbera 97,000 8,000 105,000
PIUMOC Inversions 97,000 8,000 105,000
Sébastien Mazella di Bosco 109,000 8,000 117,000
Steven Langman 82,000 20,000 102,000

Gabriel Lopez 104,500 8,000 112,500
Jordi Constans 135,250 8,000 143,250
Esther Berrozpe: 100,125 8,000 108,125
Brian McDonald: 100,125 20,000 120,125

Total (€): 1,216,0000 120,000 1,336,000

B.6. Explain how the salaries accrued by each one of the executive directors over the past fiscal year for the performance of management duties were determined, and how they have changed with respect to the previous year

The fixed remuneration in cash accrued in 2021 in favor of the Executive Directors, in addition to that received for their status as such, is as follows:

Mr. Eloi Planes: According to the Remuneration Policy, in 2021 Mr. Eloy Planes received fixed remuneration of €390,000 for his executive functions, an increase of 5% over 2020 (€370,000).

Mr. Bruce Brooks: According to the Remuneration Policy, in 2021 Mr. Bruce Brooks received fixed remuneration of €531,000, an increase of 3% over 2020 (€518,000). He also received €22,500 in relocation&travel expenses.

Some of Mr. Bruce Brooks' remuneration has been paid by another Fluidra Group company.

B.7. Explain the nature and the main characteristics of the variable components of the remuneration systems accrued in the year ended.

Specifically:

a) Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria
used and the time needed to be in a position to adequately measure all the conditions and criteria, explaining in detail the criteria and factors applied in terms of the time required and methods for verifying that performance or other conditions tied to the accrual and vesting of each component of variable remuneration have been effectively fulfilled.

b) In the case of stock options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (vesting) and to exercise these options or financial instruments, including the price and term to exercise them.

c) Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of remunerations systems or plans that include variable remuneration.

d) As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

Explain the short-term variable components of the remuneration systems

As explained in section A.1 of this Report, according to the Remuneration Policy, the variable remuneration only applies to Executive Directors.

The variable remuneration system for the Executive Directors in 2021 includes two components: AVR:

In accordance with the terms of their respective contracts, the Executive Directors earned, in 2021, gross annual variable remuneration linked to the achievement of economic and management objectives related to the budget set by the board of directors for that year, which will be paid in 2022. The objective criteria used to calculate the AVR for 2021 are as follows:

Mr. Eloy Planes
The AVR for 2021, prior to weighting by the achievement scale, is 100% of the fixed remuneration for executive functions. In 2021, the indicators were as follows:
(i) 85%, economic objectives: Free Cash-Flow (25%), PF cash EPS (25%), EBITDA (25%) and total sales growth (10%)
(ii) by 15% of management objectives: where we find 5% linked to ESG metrics and the remaining 10% to other strategic management objectives.

On February 23 2022, the ACC verified the degree of achievement of the objectives to which the accrual of the AVR in 2021 was linked and proposed it to the Board of Directors for approval. The degree of achievement was 184%. In view of the degree of achievement, on February 24, 2022 the Board of Directors approved the accrued AVR for 2021 to be paid in 2022 in the amount of €717,600.

Mr. Bruce Brooks
The AVR of 2021, prior to weighting by the achievement scale is 100% of the fixed remuneration. In 2021, the indicators were as follows:
(iv) 85% of economic objectives: Free Cash-Flow (25%), PF cash EPS (25%), EBITDA (25%) and total sales growth (10%)
(i) by 15% of management objectives: 4% linked to ESG objectives and the remaining 11% to other strategic management objectives.

On February 23, 2022, the ACC verified the degree of achievement of the objectives to which the accrual of the AVR in 2021 was linked and proposed it to the Board of Directors for approval. The degree of achievement was as follows: 184.6% In view of the degree of achievement, on 168.6% the board of directors approved an accrued AVR for 2021 to be settled in 2022 in the amount of 980,226 euros.

Explain the long-term variable components of the remuneration systems

The executive directors are beneficiaries in 2021 of the ILP 2018, the features of which are described in section A.1 of this Report.

B.8. Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been consolidated and deferred or, in the case of the latter, consolidated and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer.

There were no reductions or claims for reimbursement in respect of vested and paid or deferred variable remuneration components which were based on data that has subsequently been shown to be clearly inaccurate.

B.9. Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to consolidate economic rights for directors and their compatibility with.

The Company has assumed pension commitments with its executive directors, the main characteristics of which are described in section A.1 of this Report.

B.10. Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended

In fiscal year 2021, no indemnities or other types of payments accrued that derived from early termination, whether due to removal by the company or resignation by the director, or from termination of the contract.

B.11. Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

The contract of the CEO, Mr. Bruce Brooks, was modified in 2021 to include a post-contractual non-compete clause in the terms describe in A.1.8 above.

B.12. Explain any supplementary remuneration accrued by directors as consideration for services rendered outside of their post.

No other supplementary remuneration was accrued by directors in consideration for services provided rendered other than those inherent to their posts.

B.13. Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

There are advance payments, loans or guarantees granted by the Company to its directors.

B.14. Itemize the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

There follows a breakdown of the amount of the items of remuneration in kind accrued in 2021 by the Executive Directors, the nature of which is described in Section A.1 of this Report.

Mr. Eloy Planes
Mr. Eloy Planes received the following in kind remuneration included in the Remuneration Policy:

- Life insurance policy: 14,838 euros
- Medical insurance policy: 5,210.40 euros
- Use of a company car: 8,451 euros
- Contribution to pension plan: 16,000 euros

Mr. Bruce Brooks
Mr. Bruce Brooks received the following in kind remuneration included in the Remuneration Policy:

- Life insurance policy: 15,300.70 euros
- Medical insurance policy: 17,865.64 euros
- Use of a company car: 8,897.81 euros
- Contribution to pension plan: 11,306 euros

B.15. Explain the remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

The Company made no payments to any third party entity where the directors might render their services for the purpose of compensating them for their services to the company.

However, as explained in preceding sections, the group company Zodiac Pool Solutions LLC has paid Mr. Bruce Brooks some of the remuneration accrued in respect of executive functions detailed in the preceding sections.

B.16. Explain and provide details of the amounts accrued during the year for any remuneration item other than the ones mentioned above, regardless of the type or the group company that pays it, including all benefits in any form, such as those which are considered related-party transactions and especially those which materially affect the true image of the total remuneration paid to the director. Explain the amount paid or pending payment and the nature of the consideration received. Where applicable, state reasons why it was not considered remuneration paid to the director in his capacity as such or in consideration for the performance of his capacity as such or in consideration for the performance of his executive functions, and whether or not it is considered appropriate to include it in the amounts shown under “other items" in section C.

In 2021, the directors did not earn any remuneration items other than those already described in this Report.

C. DETAILS OF REMUNERATION PAID TO EACH INDIVIDUAL DIRECTOR

Name	Category	Period of accrual in year 2021
Mr. ELOI PLANES CORTS	CEO	From 1/1/2021 to 12/31/2021
Mr. OSCAR SERRA DUFFO	Nominee Director	From 1/1/2021 to 12/31/2021
Mr. GABRIEL LÓPEZ ESCOBAR	Independent Director	From 1/1/2021 to 12/31/2021
Mr. BERNARDO CORBERA SERRA	Nominee Director	From 1/1/2021 to 12/31/2021
Mr JORGE VALENTIN CONSTANS FERNANDEZ	Independent Director	From 1/1/2021 to 12/31/2021
Mr. BRUCE WALKER BROOKS	Executive Director	From 1/1/2021 to 12/31/2021
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Nominee Director	From 1/1/2021 to 12/31/2021
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	Nominee Director	From 1/1/2021 to 06/08/2021
Mr. MICHAEL STEVEN LANGMAN	Nominee Director	From 1/1/2021 to 12/31/2021
PIUMOC INVERSIONS S.A.U	Nominee Director	From 1/1/2021 to 12/31/2021
Ms. ESTHER BERROZPE GALINDO	Independent Director	From 1/1/2021 to 12/31/2021
Mr. BRIAN LOUIS MCDONALD	Independent Director	From 1/1/2021 to 12/03/2021
Mr. MARTIN ARIEL ATLAS	Nominee Director	From 6/14/2021 to 12/30/2021

C.1. Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (in thousand €)

Name	Fixed remuneration	Per diems	Remuneration for sitting on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	2021 Total	2020 Total
Mr. ELOI PLANES CORTS	118	8		390	718				1,234	1,020
Mr. OSCAR SERRA DUFFO	82	8	12						102	102
Mr. GABRIEL LÓPEZ ESCOBAR	82	8	15						105	113
Mr. BERNARDO CORBERA SERRA 100	82	8	15						105	105
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	97	8	42						147	143
Mr. BRUCE WALKER BROOKS	82	8		531	980		23		1,624	1,541
Mr. JOSÉ MANUEL VARGAS GÓMEZ	82	8	22						112	105
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	36	3	12						51	105
Mr. MICHAEL STEVEN LANGMAN	82	20	8						110	102
PIUMOC INVERSIONS S.A.U	82	8	15						105	105
Ms. ESTHER BERROZPE GALINDO	82	8	20						110	108
Mr. BRIAN LOUIS MCDONALD	82	20	20						122	102
Mr. MARTIN ARIEL ATLAS	45	4							49	

Remarks

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments.

Name	Name of plan	Financial instruments at start 2021		Financial instruments executed in fiscal year 2021		Financial instruments vested during the year				Matured, unredeemed instruments	Financial instruments 2021 year end	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. of equivalent/vested shares	Price of vested shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. instruments	No. instruments	No. equivalent shares
Mr. ELOI PLANES CORTS	2018-2022 Plan	180,000	180,000					0.00		306,000	306,000	306,000
Mr. OSCAR SERRA DUFFO	Plan							0.00				
Mr. GABRIEL LÓPEZ ESCOBAR	Plan							0.00				
Mr. BERNARDO CORBERA SERRA 100	Plan							0.00				
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	Plan							0.00				
Mr. BRUCE WALKER BROOKS	2018-2022 Plan	291,375	291,375					0.00		495,338	495,338	495,338
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Plan							0.00				
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	Plan							0.00				
Mr. MICHAEL STEVEN LANGMAN	Plan							0.00				
PIUMOC INVERSIONS S.A.U	Plan							0.00				
Ms. ESTHER BERROZPE GALINDO	Plan							0.00				

Name	Name of plan	Financial instruments at start 2021		Financial instruments executed in fiscal year 2021		Financial instruments vested during the year				Matured, unredeemed instruments	Financial instruments 2021 year end	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. of equivalent/vested shares	Price of vested shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. instruments	No. instruments	No. equivalent shares
Mr. BRIAN LOUIS MCDONALD	Plan							0.00				
Mr. MARTIN ARIEL ATLAS	Plan							0.00				

Remarks

iii) Long-term saving systems.

Name	Remuneration from vested rights in savings plans
Mr. ELOI PLANES CORTS	16
Mr. OSCAR SERRA DUFFO	
Mr. GABRIEL LÓPEZ ESCOBAR	
Mr. BERNARDO CORBERA SERRA	
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	
Mr. BRUCE WALKER BROOKS	11
Mr. JOSÉ MANUEL VARGAS GÓMEZ	
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	

Name	Remuneration from vested rights in savings plans
Mr. MICHAEL STEVEN LANGMAN	
PIUMOC INVERSIONS S.A.U	
Ms. ESTHER BERROZPE GALINDO	
Mr. BRIAN LOUIS MCDONALD	
Mr. MARTIN ARIEL ATLAS	

	Contributions made by company during the year (thousand €)				Amount of accumulated funds (thousand €)			
Name	Savings plans with unvested economic rights		Savings plans with unvested economic rights		Savings plans with unvested economic rights		Savings plans with unvested economic rights	
	2021 fiscal year	Financial Year 2020	Financial Year 2021	Financial Year 2020	Financial Year 2021	Financial Year 2020	Financial Year 2021	Financial Year 2020
Mr. ELOI PLANES CORTS	16	16			179	163		
Mr. OSCAR SERRA DUFFO								
Mr. GABRIEL LÓPEZ ESCOBAR								
Mr. BERNARDO CORBERA SERRA								
Mr. JORGE VALENTIN CONSTANS FERNANDEZ								
Mr. BRUCE WALKER BROOKS	11	9			448	380		
Mr. JOSÉ MANUEL VARGAS GÓMEZ								
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO								

Name	Contributions made by company during the year (thousand €)				Amount of accumulated funds (thousand €)			
	Savings plans with unvested economic rights		Savings plans with unvested economic rights		Savings plans with unvested economic rights		Savings plans with unvested economic rights	
	2021 fiscal year	Financial Year 2020	Financial Year 2021	Financial Year 2020	Financial Year 2021	Financial Year 2020	Financial Year 2021	Financial Year 2020
Mr. MICHAEL STEVEN LANGMAN								
PIUMOC INVERSIONS S.A.U								
Ms. ESTHER BERROZPE GALINDO								
Mr. BRIAN LOUIS MCDONALD								
Mr. MARTIN ARIEL ATLAS								

Comments:

iv) Detail other items

Name	Item	Amount
Mr. ELOI PLANES CORTS	Health insurance	5
Mr. ELOY PLANES CORTS	Vehicle	8
Mr. ELOY PLANES CORTS	Life insurance	15
Mr. OSCAR SERRA DUFFO	Item	
Mr. GABRIEL LÓPEZ ESCOBAR	Item	
Mr. BERNARDO CORBERA SERRA	Item	

Name	Item	Amount
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	Item	
Mr. BRUCE WALKER BROOKS	Vehicle	9
Mr. BRUCE WALKER BROOKS	Health insurance	18
Mr. BRUCE WALKER BROOKS	Life insurance	15
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Item	
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	Item	
Mr. MICHAEL STEVEN LANGMAN	Item	
PIUMOC INVERSIONS S.A.U	Item	
Ms. ESTHER BERROZPE GALINDO	Item	
Mr. BRIAN LOUIS MCDONALD	Item	
Mr. MARTIN ARIEL ATLAS	Item	

Comments:

b) Remuneration paid to Company directors for sitting on the boards of subsidiaries:

i) Remuneration in cash (in thousand €)

Name	Fixed remuneration	Per diems	Remuneration for sitting on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	2021 Total	2020 Total
Mr. ELOI PLANES CORTS										

Name	Fixed remuneration	Per diems	Remuneration for sitting on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	2021 Total	2020 Total
Mr. OSCAR SERRA DUFFO										
Mr. GABRIEL LÓPEZ ESCOBAR										
Mr. BERNARDO CORBERA SERRA										
Mr. JORGE VALENTIN CONSTANS FERNANDEZ										
Mr. BRUCE WALKER BROOKS										
Mr. JOSÉ MANUEL VARGAS GÓMEZ										
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO										
Mr. MICHAEL STEVEN LANGMAN										
PIUMOC INVERSIONS S.A.U										
Ms. ESTHER BERROZPE GALINDO										
Mr. BRIAN LOUIS MCDONALD										
Mr. MARTIN ARIEL ATLAS										

Comments:

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments.

Name	Name of plan	Financial instruments at start 2021		Financial instruments executed in fiscal year 2021		Financial instruments vested during the year				Matured, unredeemed instruments	Financial instruments 2021 year end	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. of equivalent/vested shares	Price of vested shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. instruments	No. instruments	No. equivalent shares
Mr. ELOI PLANES CORTS	Plan							0.00				
Mr. OSCAR SERRA DUFFO	Plan							0.00				
Mr. GABRIEL LÓPEZ ESCOBAR	Plan							0.00				
Mr. BERNARDO CORBERA SERRA 100	Plan							0.00				
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	Plan							0.00				
Mr. BRUCE WALKER BROOKS	0							0.00				
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Plan							0.00				

Name	Name of plan	Financial instruments at start 2021		Financial instruments executed in fiscal year 2021		Financial instruments vested during the year				Matured, unredeemed instruments	Financial instruments 2021 year end	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. of equivalent/vested shares	Price of vested shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	No. instruments	No. instruments	No. equivalent shares
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	Plan							0.00				
Mr. MICHAEL STEVEN LANGMAN	Plan							0.00				
PIUMOC INVERSIONS S.A.U	Plan							0.00				
Ms. ESTHER BERROZPE GALINDO	Plan							0.00				
Mr. BRIAN LOUIS MCDONALD	Plan							0.00				
Mr. MARTIN ARIEL ATLAS	Plan							0.00				

Remarks

iii) Long-term saving systems.

Name	Remuneration from vested rights in savings plans
Mr. ELOI PLANES CORTS	
Mr. OSCAR SERRA DUFFO	
Mr. GABRIEL LÓPEZ ESCOBAR	
Mr. BERNARDO CORBERA SERRA	
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	
Mr. BRUCE WALKER BROOKS	
Mr. JOSÉ MANUEL VARGAS GÓMEZ	
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	
Mr. MICHAEL STEVEN LANGMAN	
PIUMOC INVERSIONS S.A.U	
Ms. ESTHER BERROZPE GALINDO	
Mr. BRIAN LOUIS MCDONALD	
Mr. MARTIN ARIEL ATLAS	

	Contributions made by company during the year (thousand €)				Amount of accumulated funds (thousand €)			
Name	Savings plans with unvested economic rights		Savings plans with unvested economic rights		Savings plans with unvested economic rights		Savings plans with unvested economic rights	
	2021 fiscal year	Financial Year 2020	Financial Year 2021	Financial Year 2020	Financial Year 2021	Financial Year 2020	Financial Year 2021	Financial Year 2020
Mr. ELOI PLANES CORTS								
Mr. OSCAR SERRA DUFFO								

Name	Contributions made by company during the year (thousand €)				Amount of accumulated funds (thousand €)			
	Savings plans with unvested economic rights		Savings plans with unvested economic rights		Savings plans with unvested economic rights		Savings plans with unvested economic rights	
	2021 fiscal year	Financial Year 2020	Financial Year 2021	Financial Year 2020	Financial Year 2021	Financial Year 2020	Financial Year 2021	Financial Year 2020
Mr. GABRIEL LÓPEZ ESCOBAR								
Mr. BERNARDO CORBERA SERRA								
Mr. JORGE VALENTIN CONSTANS FERNANDEZ								
Mr. BRUCE WALKER BROOKS								
Mr. JOSÉ MANUEL VARGAS GÓMEZ								
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO								
Mr. MICHAEL STEVEN LANGMAN								
PIUMOC INVERSIONS S.A.U								
Ms. ESTHER BERROZPE GALINDO								
Mr. BRIAN LOUIS MCDONALD								
Mr. MARTIN ARIEL ATLAS								

Comments:

iv) Detail other items

Name	Item	Amount
Mr. ELOI PLANES CORTS	Vehicle	
Mr. ELOI PLANES CORTS	Item	
Mr. ELOI PLANES CORTS	Item	
Mr. OSCAR SERRA DUFFO	Item	
Mr. GABRIEL LÓPEZ ESCOBAR	Item	
Mr. BERNARDO CORBERA SERRA	Item	
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	Item	
Mr. BRUCE WALKER BROOKS	Item	
Mr. BRUCE WALKER BROOKS	Item	
Mr. BRUCE WALKER BROOKS	Item	
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Item	
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	Item	
Mr. MICHAEL STEVEN LANGMAN	Item	
PIUMOC INVERSIONS S.A.U	Item	
Ms. ESTHER BERROZPE GALINDO	Item	
Mr. BRIAN LOUIS MCDONALD	Item	

Name	Item	Amount
Mr. MARTIN ARIEL ATLAS	Item	

Comments:

c) Summary remunerations (thousand €):
This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration earned in the company					Remuneration earned in Group companies					
Name	Total remuneration in cash	Gross profit on vested shares or vested	Financial instruments	Saving plan Other items	Total paid in 2021 by company	Total remuneration in cash	Gross profit on vested shares or vested	Financial instruments	Saving plan Other items	Total paid in 2021 by group	Total paid in 2021 by company + group
Mr. ELOI PLANES CORTS	1,234		16	29	1,279						1,279
Mr. OSCAR SERRA DUFFO	102				102						102
Mr. GABRIEL LÓPEZ ESCOBAR	105				105						105
Mr. BERNARDO CORBERA SERRA 100	105				105						105
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	147				147						147
Mr. BRUCE WALKER BROOKS	1,624		11	42	1,677						1,677

	Remuneration earned at the company					Remuneration earned in Group companies					
Name	Total remuneration in cash	Gross profit on vested shares or vested	Financial instruments	Saving plan Other items	Total paid in 2021 by company	Total remuneration in cash	Gross profit on vested shares or vested	Financial instruments	Saving plan Other items	Total paid in 2021 by group	Total paid in 2021 by company + group
Mr. JOSÉ MANUEL VARGAS GÓMEZ	112				112						112
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	51				51						51
Mr. MICHAEL STEVEN LANGMAN	110				110						110
PIUMOC INVERSIONS S.A.U	105				105						105
Ms. ESTHER BERROZPE GALINDO	110				110						110
Mr. BRIAN LOUIS MCDONALD	122				122						122
Mr. MARTIN ARIEL ATLAS	49				49						49
TOTAL	3,976		27	71	4,074						4,074

Remarks

C.2. Describe the evolution over the last five years of the variation - as an amount and a percentage - in the remuneration accrued by each one of the listed company's directors during the year,in the company's consolidated results and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % year-on-year change								
	2021 fiscal year	2021/ 2020 Variation %	Financial Year 2020	2020/ 2019 Variation %	2019 fiscal year	2019/ 2018 Variation %	2018 fiscal year	2018/ 2017 Variation %	2017 fiscal year
Executive Directors									
Mr. ELOI PLANES CORTS	1,280	9.97	1,164	39.57	834	-76.52	3,552	335.83	815
Mr. BRUCE WALKER BROOKS	1,679	3.58	1,621	46.83	1,104	59.54	692	-	0
Consolidated company results									
	255,968	156.22	99,903	613.75	13,997	-	0	-	32,814
Average employee remuneration									
	40	5.26	38	-2.56	39	11.43	35	25.00	28

Remarks

Analysis of the changes:
2017 vs 2018:
Most of Mr. Eloi Planes' 2018 remuneration comes from the settlement of the 2015-2017 Incentive Plan, which was paid in 2018.
Mr Bruce Brooks' 2018 remuneration only accrues for half a year, since he joined the company on July 1, 2018 following the merger with Zodiac.
The company's 2018 consolidated profits attributable to the parent company went from €31.1 million in profits to €33.9 million in losses, due primarily to the three aspects of the merger: expenses associated with the merger transaction, negative impacts of inventory revaluation, and amortizations of intangible assets.

2019 vs 2018
Mr. Planes' remuneration does not include an incentive plan.
Mr Brooks' remuneration reflects the first full year in 2020 vs 2019.

The increase in Mr Planes' and Mr Brooks' remuneration is due primarily to bonuses paid for the company's excellent results in 2020 (increase of 613.75%). The fixed remuneration of Mr Planes and Mr Brooks did not increase.
Employee compensation decreased slightly because the employees' remuneration in 2020 does not include the accrual of the retention bonus agreed as a result of the merger for 2018 and 2019.

D. OTHER INFORMATION OF INTEREST

If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

A.1.1 Continued

D) The new Remuneration Policy to be submitted to the General Shareholders' Meeting for approval establishes that Fluidra's Board of Directors, on the recommendation of the ACC, may approve temporary exceptions to the Remuneration Policy under exceptional circumstances where the exception is necessary to serve the long-term interests and sustainability of Fluidra as a whole or to ensure its viability. The details of and justification for temporary exceptions will be included in the pertinent Annual Remuneration Report.

A.1.6 Continued

Maximum number of Shares included in the Plan: The total number of Shares which, in implementation of the Plan, will be delivered to the Beneficiaries at the end of each Cycle will be that resulting from dividing the maximum amount allocated to each Cycle by the weighted average closing price of the Shares for the trading sessions taking place on the thirty (30) days prior to the Measurement Period Start Date of the Cycle in question (the "Reference Value"). The maximum total amount allocated to the Plan if 100% of the related objectives are met is €55M.
The maximum total amount allocated to each Cycle of the Plan, if 100% of the objectives are met, will be determined by the Board of Directors, following a report by the Appointments and Compensation Committee, and may not exceed, for all three Cycles of the Plan as a whole, the aforementioned amount of €55M.
In any event, if 100% of the objectives are met, the total number of Shares to be delivered in implementation of the Plan to all of the Beneficiaries in the three Cycles may not exceed 0.8% of the share capital of Fluidra on the date of approval of the Plan, and will be 1.3% in the event of reaching the maximum Degree of Achievement of the objectives.
If the maximum number of Shares allocated to the Plan authorized by the Shareholders' Meeting is insufficient to be able to settle the incentive in Shares corresponding to the Beneficiaries under each Cycle of the Plan, Fluidra shall pay in cash the amount of the incentive corresponding to the excess which cannot be settled in Shares.
If 100% of the objectives of the Plan are met, the Executive Directors of Fluidra will be entitled to receive, at the end of each of the three Cycles, a number of Shares equal in value to 250% of their Fixed Annual Compensation in force on the award date of the incentive corresponding to the Cycle in question, divided by the Reference Value.
In any event, the number of Shares to be delivered will depend on the number of PSUs assigned and on the degree of achievement of the objectives to which the incentive is linked.
For the first Cycle of the Plan, if 100% of the Cycle objectives are met, and taking into consideration the average weighted closing price of the Share for the trading sessions taking place on the thirty (30) days prior to January 1, 2022 and the Annual Fixed Compensation of the Executive Directors in force on the date of approval of the Plan, 37,651 Shares would be delivered to the Executive Chairman,
Mr. Eloy Planes and 45,181 Shares would be delivered to the CEO Mr. Bruce Brooks. In the event of reaching the maximum Degree of Achievement of the objectives to which the first Cycle is linked, the number of Shares to be delivered will be 172% of the Shares to be delivered in the event of achieving 100% of the objectives. Accordingly, the maximum number of Shares to be delivered would be 64,760 Shares in the case of Mr. Eloy Planes and 77,711 Shares in the case of Mr. Bruce Brooks.
For each of the remaining Cycles, the Board of Directors, following a report by the Appointments and Compensation Committee, will determine the maximum amounts that will serve as a basis in order to establish, according to the Reference Value of the Cycle in question, the number of Shares that may be delivered if 100% of the objectives are met and in the event of reaching the maximum Degree of Achievement of the objectives to which the corresponding Cycle is linked. The number of PSUs assigned in each Cycle shall be duly reported in the corresponding Annual Report on Directors' Remuneration.

Requirements for receiving the incentive: The requirements to be met, on a cumulative basis, in order for the Beneficiary to vest the right to receive the incentive corresponding to each Cycle of the 2022-2026 Plan are as follows:
- For the total PSUs available in each Cycle, the Beneficiary must still be part of the Fluidra Group as of the End Date of the Cycle Measurement Period, notwithstanding the provisions for special cases of separation established in the Regulations, which will also determine the formula for calculating the consolidated PSUs on the separation date.
- Meet the objectives established for each Cycle of the 2022-2026 Plan in the terms and conditions described in this agreement and the implementing Regulations.

In the case of Executive Directors, 100% of the PSUs awarded in each Cycle must be linked to fulfillment of the objectives to which the corresponding Cycle is linked.

Objectives: The Degree of Achievement of the incentive corresponding to one Cycle of the Plan, and therefore the number of Shares to be delivered to the Beneficiaries in relation to such Cycle, will depend on the degree of achievement of the objectives that the Board of Directors, at the proposal of the Appointments and Compensation Committee, establishes for each Cycle of the 2022-2026 Plan, insofar as relates to the percentage of PSUs awarded which is linked to such achievement.

The objectives will be:
- Objectives in terms of the creation of value for shareholders;
- Economic-financial objectives, and
- ESG objectives (Environment, Social and Governance),.

(i) First Cycle Objectives
In the first Cycle of the Plan, the Incentive will be linked to achievement of the following strategic objectives of the Company:
(i) Objectives in terms of the creation of value for shareholders; Evolution of the "Total Shareholder Return" of Fluidra, S.A. ("TSR"), in absolute terms;
(ii) Economic-financial objectives: Evolution of the EBITDA of the Fluidra Group;
(iii) ESG objectives: S&P rating;
hereinafter, the "metrics".

TSR, EBITDA and the ESG objectives will be determined during the First Cycle Measurement Period ending on December 31, 2024.
To measure the evolution of TSR, the starting value will be the weighted average of Fluidra's share price at the close of trading on the thirty (30) days prior to the Start Date of the First Cycle Measurement Period;
the ending TSR value will be the weighted average of Fluidra's share price at the close of trading on the thirty (30) days prior to the End Date of the End Date of the First Cycle Measurement Period;
The weighting percentages for the Incentive awarded to the Executive Directors will be 50% for the TSR objective, 40% for the EBITDA objective, and 10% for the ESG objective.
In the case of Beneficiaries who are not directors, the Board of Directors will determine, upon a proposal by the Appointments and Compensation Committee, the part of the Shares whose delivery will depend on achievement of the TSR; EBITDA and ESG objectives.
For the TSR and EBITDA objectives, a Degree of Achievement associated with each objective will be established and this may range between 0% and 180%. The Degree of Achievement deriving from each of the above objectives will be calculated by linear interpolation. In the case of the ESG objective, the Degree of Achievement will be 0% or 100%. The maximum Degree of Achievement for the Executive Directors will therefore be 172%.

(ii) Second and Third Cycles
For the Second and Third Cycles of the Plan, the Fluidra Board of Directors, upon a proposal by the Appointments and Compensation Committee, may decide to continue with or change the Metrics, their relative weights, and the Degree of Achievement established for the First Cycle of the Plan. In the event of the Board of Directors making any change in this respect, the pertinent information will be duly set out in the corresponding Annual Report on Directors' Compensation.

Delivery and availability of shares: The Shares will be delivered either by Fluidra or by a third party, depending on the coverage systems finally adopted by the Board of Directors.
Once the Shares have been awarded, and until a period of three years has elapsed as from the End Date, the Executive Directors and members of the executive committee will not be able to transfer ownership of the Shares they may have received under the Plan until they come to own a number of shares equivalent, at least, to their annual fixed compensation multiplied by two and by one, respectively. The above, however, does not apply in respect of shares that the Executive Director or member of the executive committee needs to dispose of, should the case arise, to meet costs related to their acquisition, including taxation deriving from the delivery of the Shares, or in the event of a dispensation having been approved by the Board of Directors, upon favourable report by the Appointments and Compensation Committee, in response to supervening circumstances of an extraordinary nature which merit such dispensation.

Malus and clawback clauses. The Plan will envisage the corresponding malus and clawback clauses, which will be included in the Regulations. The Board of Directors will determine, where applicable, whether the circumstances that trigger the application of these clauses have occurred and the part of the Incentive which, where appropriate, is to be reduced or recovered. In relation to the clawback clause, Fluidra may demand the return of the Shares delivered under each
Cycle of the 2022-2026 Plan, or the cash equivalent thereof, or even offset the delivery made against other compensation of any type to which the Beneficiary may be entitled if, during the two years following the Settlement Date of each Cycle, it becomes evident that the settlement in question was based wholly or in part on information which has subsequently been clearly shown to be false or to contain serious inaccuracies.
The above will apply to the Executive Directors in all cases and to Beneficiaries who are responsible for such information. In any case, incentives paid to the members of the executive committee and to the internal auditor, who is not subject to the clawback clause, will be recalculated using the correct information.

OTHER RELEVANT DISCLOSURES:

During the first half of 2017, following the acquisition of the Zodiac Group, affiliates of Rhône Capital LLC ("Rhône"), implemented a Management Equity Plan ("MEP") for executives of the Zodiac Group, including Mr. Bruce Brooks, based on ownership of shares in Luxco (the "Original Plan").

The merger agreements between Fluidra and Zodiac call for the substitution of that Original Plan with another one according to the terms agreed by Luxco (and its affiliate, a Luxembourg partnership, "Lux SCS") and the beneficiary executives, the enforceability of which was subject to the registration of the Merger (the "Substitute Plan"). The changes made to the Original Plan to come up with the Substitute Plan were made with the intent of substantially aligning, and not conflicting with, the targets and periods established in the Fluidra 2018-2022 Plan.

Under the Substitute Plan, the beneficiaries – who include Mr. Bruce Brooks – hold three different instruments: Lux SCS units convertible into Fluidra shares or into cash, subject to "lock-up" periods over which restrictions apply on the disposal of the shares; repurchase options in the event of the executive's termination; and, where applicable, the achievement of certain financial objectives.

Although the Substitute Plan does not belong to the remuneration policy of Fluidra, as it does not entail a payment obligation for the Fluidra group, the Remuneration Policy includes, under Section 8 ("Other information"), the description of the Substitute Plan of which Mr. Bruce Brooks is a beneficiary. In fiscal year 2021, because of a partial exit of Rhône from Fluidra, the Substitute Plan has been partially settled, further to the information provided in Section 8.

This annual remuneration report has been approved by the Board of Directors of the company on:

30/03/2022

State whether any directors have voted against or have abstained from voting the approval of this report.

[ ] Yes
[√] No

Fluidra, S.A. and Subsidiaries

Consolidated Annual Accounts

2021

(The English version of this document is a free translation from the original issued in Spanish. This translation has been carried out internally by Fluidra, S.A. under its sole responsibility and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.)

On 30 March 2022 the Board of Directors of Fluidra, S.A. approved for issue the consolidated annual accounts prepared in accordance with International Financial Reporting Standards as adopted by the European Union (which comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, the notes to the consolidated annual accounts and the consolidated directors' report) for the year ended 31 December 2021, which have been prepared following the European Single Electronic Format (ESEF), in accordance with the Delegated Regulation (EU) 2019/815, with identification number:

CED72694F1F0DB65DB021D1E58E1D7FB (*)

In witness whereof, they are hereby signed on this sheet, by all the members of the Board of Directors, in compliance with article 253 of the Spanish Companies Act.

Mr. Eloy Planes Corts	Mr. Bruce Walker Brooks
Ms. Esther Berrozpe Galindo	Ms. Barbara Borra
Mr. Jorge Valentín Constans Fernández	Mr. Bernardo Corbera Serra
Piumoc Inversions, S.L.U. Mr. Bernat Garrigós Castro	Mr. Michael Steven Langman
Mr. Gabriel López Escobar	Mr. Brian McDonald
Mr. Oscar Serra Duffo	Mr. José Manuel Vargas Gómez

(*) Identification Number hash MD5

DECLARATION OF RESPONSIBILITY OF THE DIRECTORS OF FLUIDRA, S.A. IN RELATION TO THE CONTENT OF THE CONSOLIDATED ANNUAL FINANCIAL REPORT FOR FINANCIAL YEAR 2021

In connection with the Consolidated Annual Financial Report of FLUIDRA, S.A. for financial year 2021, which contains the Consolidated Annual Financial Statements and the Consolidated Directors' Report, the members of the Board of Directors declare that:

To the best of their knowledge, the Consolidated Annual Financial Statements, prepared in accordance with the applicable accounting principles, present a true and fair view of the assets, liabilities, financial position and results of FLUIDRA, S.A. and of the companies included in the consolidated group taken as a whole, and the Consolidated Directors' Report includes a true and fair analysis of the performance and earnings obtained and of the position of FLUIDRA, S.A. and the companies included in the consolidated group taken as a whole, along with a description of the principal risks and uncertainties they face.

Declaration made upon the authorization for issue of the Consolidated Annual Financial Report for financial year 2021, prepared by the Board of Directors of FLUIDRA, S.A. on March 30, 2022.

Mr. Eloy Planes Corts	Mr. Bruce Walker Brooks
Mrs. Esther Berrozpe Galindo	Mrs. Barbara Borra
Mr. Jorge Valentín Constans Fernández	Mr. Bernardo Corbera Serra
Piumoc Inversions, S.L.U. Mr. Bernat Garrigós Castro	Mr. Michael Steven Langman
Mr. Gabriel López Escobar	Mr. Brian McDonald
Mr. Oscar Serra Duffo	Mr. José Manuel Vargas Gómez