



FLUIDRA

www.fluidra.com

Integrated
Report
2020



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2020 at a glance



ECONOMIC INDICATORS

Sales:

↑ 8.8%

1,488.1 €M

EBITDA:

↑ 47.0%

302.07 €M

Cash earnings per share:

↑ 57.8%

0.85 €M

Net working capital:

↓ 22.1%

224.2 €M

Net Debt:

↓ 23.1%

581.9 €M

Net debt / EBITDA:

↓ 47.7%

1.93 x

Run Rate - Synergies achieved during the year:

↑ 28.1%

37.2 €M

NB: Evolution at constant currency and scope of consolidation.



2020 at a glance



ENVIRONMENTAL INDICATORS

CO₂ emitted (Scope 1 & 2 in tCO₂eq):
↓ 0.05%

24,742

Waste generated:
↑ 41.0%

26,922 t

Water extracted:
↑ 16.91%

124,713 m³

Energy intensity:
↓ 11.72%

4.22 GJ/tn

Recycled materials used:
↑ 12.91%

14,408 t



SOCIAL INDICATORS

Number of employees* :
↑ 1.5%

5,436

Training hours per employee:
—

8.03 h

Total purchases from suppliers:
↑ 16.4%

960 €M

% local purchases:
↑ 1.6%

63 %

Investment in social action:
↓ 19.0%

450,300 €

* As of December 31



Letter from the Executive Chairman

2020 was a tremendously positive year for Fluidra, considering the context in which we were operating all over the world. Fluidra's 2022 Strategic Plan was put to the test and showed that we were able to withstand even such an unexpected situation as the one caused by Covid-19.

It's impossible to discuss the results of a year like this one without remembering how we had to continuously adapt to such an unprecedented situation, month after month. Before going into the details, I'm proud to say that Fluidra has reaffirmed its position as a world leader in the Pool and Wellness equipment sector, with sales of €1,488.1M in 2020, which represents an increase of 8.8% over the year before.

Thanks to the operational improvements introduced during the year, EBITDA saw double-digit growth of 47% to €302.07 million, with a margin of 21.6%, almost 200 basis points higher than in 2019. Finally, net cash profit, the indicator that best expresses the company's performance, increased by 56.1% to €166 million.

The year began on a very positive note, with double-digit growth in January and February accompanied by excellent levels of profitability, but in March we found ourselves having to adapt to the situation caused by Covid-19. From the very beginning, Fluidra put all the necessary protocols in place to keep the business running, to the extent possible, adapting country by country to the legislation in force at any given time, with measures such as remote work, shift work and extreme precautions to protect the health of our employees, customers, suppliers, investors and stakeholders with whom we interact on a day-to-day basis.

The effects of the pandemic varied from one country to the next, with southern Europe being the region most heavily impacted. In the second half of March, countries like Italy, France and Spain went into severe lockdown mode, which prevented us from continuing to do business as usual. However, while the effects of the lockdown were felt from April to May, the recovery of the market was quickly noticeable in those areas where the measures began to be lifted, with sustained growth in demand. Because of the "cocooning" effect which has led many people to spend more time at home, the summer season, although shorter than usual, was a time of intense activity for Fluidra as people, unable to tra-

“ We are now a stronger company, and one that has demonstrated its ability to react to difficult situations and deliver positive results. ”

vel and resigned to spending the summer at home, decided to buy new pools or make improvements to existing ones.

We are now a stronger company, and one that has demonstrated its ability to react to difficult situations and deliver positive results. Although the post-pandemic world is a more uncertain and volatile place that calls for caution, the outlook for the coming years remains very promising.

One of the places where this is reflected is in the good performance of our stock which, despite a price drop in the months of March and April, took off again in May. By July, it had already reached the 2019 closing price (€12.20) and by the end of the year it had reached an all-time high of €20.95 per share.

The Board of Directors also reintroduced the dividend payout after having suspended it in March due to the uncertainty of the effects of Covid-19. In view of the successful performance of the business in the following mon-



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ths, an interim dividend payout was approved on the profits obtained in 2020 in the gross amount of €0.21 per share that was paid last October.

Also, and although this is something that happened in 2021, I would be remiss not to mention Fluidra’s inclusion in the IBEX 35. This will boost the company’s visibility and our presence in passive management and index funds. Joining the IBEX 35 was not an objective in and of itself, but a reflection of our excellent team’s hard work in recent years, along with our customers and all of the agents involved. This is a milestone we’ve achieved together and together we’ll continue to work hard to fulfill our mission: to create perfect pool and wellness experiences around the world.

Beyond the business aspect, there are two other areas where our attention is focused and which are the pillars of the company’s future: sustainability and innovation.

The 2020-2026 ESG Master Plan, “Responsibility Blueprint”, approved by the Board of Directors this year, lays out five corporate governance objectives: environmental action, responsible products, human capital and development, and community engagement. In addition to the new Plan, we

have redrafted Fluidra’s mission and vision to adapt them to our current reality. At the same time, we remain committed to the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals (SDGs).

Because of the nature of the company’s products and services, we are especially focused on sustainable water management, but this is not the only sustainability aspect where we are trying to make inroads in order to have a positive impact on our environment, in line with the interests of investors who seek good financial results based on sustainable criteria.

Likewise, innovation will be another cornerstone of our policies in the years to come. With the largest R&D team in the sector, we have more than 200 professionals and over 1,400 patents to offer better solutions through such important areas as energy efficiency, sustainability, robotics or the Internet of Things (IoT). Pool connectivity is something that allows us to offer added value to professional customers, who can manage the pool conditions from anywhere, and to pool users, who can easily monitor their pools from their mobile phones. It’s also a good way to save on chemicals,

electricity and water, which in turn support the principles of sustainability that Fluidra pursues through efficient, cutting-edge products.

Finally, I’d like to recognize the work of the Fundació Fluidra, which celebrated its fifth year of operation in 2020. Because of the restrictions on mobility and in person gatherings, in 2020 the Foundation had to rethink, adapt and reinvent its initiatives, which continue to be focused on accessibility, awareness and education on the use of water, as well as cultural initiatives which promote music as an educational and dignifying element for people. The Foundation continues to be Fluidra’s vehicle for fulfilling our commitment to society and for channeling our corporate social responsibility initiatives.

Thank you for your trust in Fluidra and my personal best wishes for your good health.

Eloi Planes

Fluidra Executive Chairman



Interview with the CEO

2020 was full of surprises. After everything that happened, how would you rate Fluidra's performance?

It certainly was the strangest and most unexpected year. The situation in March took us all by surprise and forced us to walk back from the guidance set for 2020 because of the considerable uncertainty and questions we had at the time around how big an impact lockdown measures could have both on the world and on the company.

Outlooks changed as the year went on and we were able to realign with our 2022 Strategic Plan targets following the positive response of a resilient sector with a reaction capacity and sound base like the Pool and Wellness industry.

With the third quarter punching above pre-lockdown expectations, Fluidra's 2020 results were excellent and meant we could head into 2021 with considerable optimism.

By areas, North America was the most stable region, with ongoing sales growth across all quarters. Thanks to the extensive base of installed pools, and the growth in New Build, Fluidra reached sales of €486M, up 17.2% compared to 2019.

Southern Europe got off to a shakier start but came good thanks to countries like France, Italy, and Spain delivering sales worth €459M and growing by 3.8% over the previous year. Rest of Europe was the strongest-performing region, posting €285M, driven by Germany - a rise of 25% over 2019.

Finally, Rest of the World was the area that grew the least over the year, mainly due to the impact of Covid-19 on Commercial Pools, where sales fell 0.7% to €258M.

These figures are an accurate expression of the operational improvement of a fully consolidated Fluidra post the 2018 merger with Zodiac that has been reaping benefits and returns on synergies for some time.

We could not be happier with these results since they allow us to continue on the growth track to reach the targets we set in the 2022 Strategic Plan and lay the foundations of a new one with a long-term focus.

Another challenge in managing the companies was meeting and pivoting their work method to the so-called "new normal". How did Fluidra do there?

Honestly, I only have words of praise for the whole of the Fluidra team. They are the ones who made it possible for us to adapt to the volatile situation presented in March, first with the shelter-in-place orders and then with the different mobility-restriction measures.

Fluidra acted decisively in March, communicating a series of protection measures to ensure employee, customer, and supplier health and safety. There was a shift to homeworking for all employees able to take it up, strict hygiene measures were implemented at the production facilities, and the number of in-person meetings and business trips were slashed to reduce contact with customers and suppliers.

We also took steps to keep the company economically viable and minimize impacts on job losses. These included the initial time-out on the dividend, which we then resumed in Q3, and the lowering of board member pay by 30%, management committee pay by 20% and manager pay by 10%, along with specific measures in different countries.

The company's good results meant we could progressively roll back and reinstate these measures as the year went on but does not detract from the effort made by all Fluidra employees, from first to last, who enabled the company's excellent outcomes in a work setting as challenging as 2020's.



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What can Fluidra expect in 2021 and going forward?

As we announced at our 5th Capital Markets Day, in most cases we will have hit the targets set in the 2022 Strategic Plan in 2021, namely one year ahead of the initial target.

At the same time, we presented our strategic and financial vision for the mid-term, a solid and balanced roadmap with a focus on value generation that gives us operating and financial leverage, with strong cash-flow generation and year-on-year improvements in return.

Despite the situation we went through in 2020 and thanks to the fact that we steadily tweaked plans in pace with events as they occurred, the excellent Q2 and Q3 recovery and good final results meant we could maintain the Plan's initial targets.

For 2021 we expect to reach the highest targets in our guidelines, which were increased following the acquisition of the US company CMP in March: increase sales by 15% at a constant exchange rate, raise the EBITDA margin from around 140 base points to 23%, and post net cash profit of 25%.

Beyond 2021, we expect to continue growing at a faster rate than the rest of the sector, with an annual growth rate above 6%, an annual expansion in the EBITDA margin above 50 base points and a growth in net cash profit above 15%.

Fluidra is therefore in an excellent position to face the future.

Bruce Brooks
CEO



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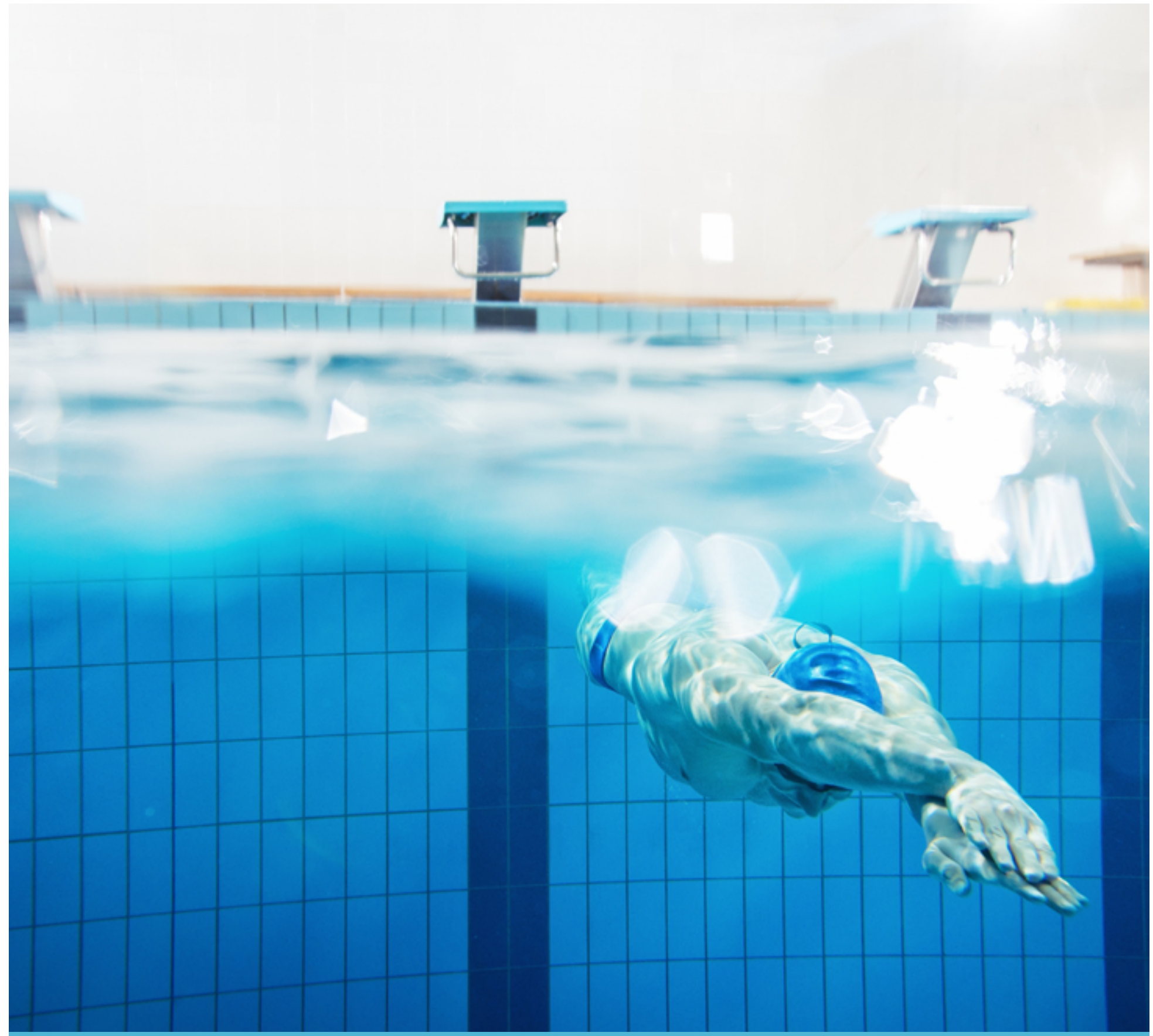
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Founded in 1969, Fluidra has long-standing experience in developing innovative products and services in the residential and commercial pool market on a global scale. Its portfolio includes some of the most recognized brands in the industry, such as Jandy®, AstralPool®, Polaris®, Cexpex®, Zodiac®, CTX Professional® and Gre®. It offers a wide range of products for the residential and commercial pool and wellness markets, with broad geographical coverage and operations in 46 countries.

By the end of 2020, the workforce totaled more than 5,400 employees and the company had all of the resources needed to accelerate innovation in key areas such as energy efficiency, robotics and the Internet of Things (IoT).

Fluidra is a multinational group whose stock has traded on the Spanish stock exchange since 2007 and a global leader in the Pool and Wellness sector following the 2018 merger with Zodiac. There are more than 135 sales offices and over 35 production plants on all continents. Since January 1, 2020, it has been grouped into three geographical areas: North America (USA and Canada), EMEA (Europe, Middle East/India, North Africa, West Asia, Latin America), and APAC (Australia, Southeast Asia, South Africa). It is headquartered in Sabadell (Barcelona, Spain).



1.2 Mission, vision and values

Once the integration with Zodiac was complete, the Corporate Responsibility/ESG policies were redefined, starting with the Mission, Vision and Values. Both the company's mission and its values guide the daily work of its employees and contribute to creating a strong, solid and integrated corporate culture. Following the drafting of the ESG Master Plan, the Responsibility Blueprint, the company's mission and vision were reviewed to reflect what Fluidra is all about.

Mission:

“ To create the perfect pool and wellness experience responsibly. ”

Fluidra translates the spirit of the corporate mission into a particular approach for each one of the company's most relevant stakeholders.

Customer

We help you grow your business by providing quality products and innovative services.

The planet and society

We are committed to using sustainable products and practices to protect future generations.

Supplier

We develop strong partnerships through innovation, quality, service and cost control.

Shareholders and investors

We create value in an ethical business and financial environment.

Employees

We provide an excellent environment where employees can develop their full potential and be recognized.

End users

We create the perfect pool and wellness experience for your well-being and enjoyment.

Vision:

“ To enhance lives through innovative and sustainable solutions that transform the way people enjoy water for recreation and health. ”

Corporate values



1.3 Business structure

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The main business unit is Pool & Wellness, which accounts for 97% of the company's business and is divided into four business lines.

Pool & Wellness

Fluidra is responsible for manufacturing and distributing all of the components necessary for the construction, renovation, improvement and maintenance of both residential and commercial pools. Thanks to its ongoing innovation, Fluidra is able to provide products and services that are increasingly automated, efficient, sustainable and cheaper maintenance.

Commercial pools

Fluidra understands commercial pools as those which are for public use, such as the pools at hotels and resorts, municipal pools, top-level competition pools, spa and wellness centers, lagoons and fountains. The Group has its own engineering company for this market, Fluidra Engineering, which is a team of experts with the capability to conceptualize, design and support the execution of aquatic facility projects around the world.

Residential pools

Fluidra manufactures and distributes products and provides services that keep private pools in perfect condition, such as pumps and filtration equipment, lighting, safety and protection and elements, liners, ornamental waterfalls, as well as products and equipment for disinfection and water treatment, climate control, automatic cleaning, connectivity and home automation.

FLUIDRA also offers alternatives to concrete pool shells such as above-ground pools by GRE and Laghetto, natural pools by AquaForte and luxury Inoxpool brand pools by AstralPool.

Water treatment

The company also offers solutions for the disinfection and treatment of pool and spa water, from manual dosing to fully automated measurement and regulation systems.

Fluid handling

Fluidra manufactures and distributes high-end fluid handling products used in the construction of swimming pool hydraulic circuits, primarily under the Cepex brand.

Irrigation, industrial and others

In addition to the Pools and Wellness business and often simultaneously with it, Fluidra also offers garden irrigation services for installations that are often adjacent to the pool facilities. We also work in the field of fluid handling and flow control for industry, an area that shares technology and know-how with Pools and Wellness.



1.3.1 Production Model

Fluidra has an integrated business model that covers all phases from design to delivery of the product to the customer.

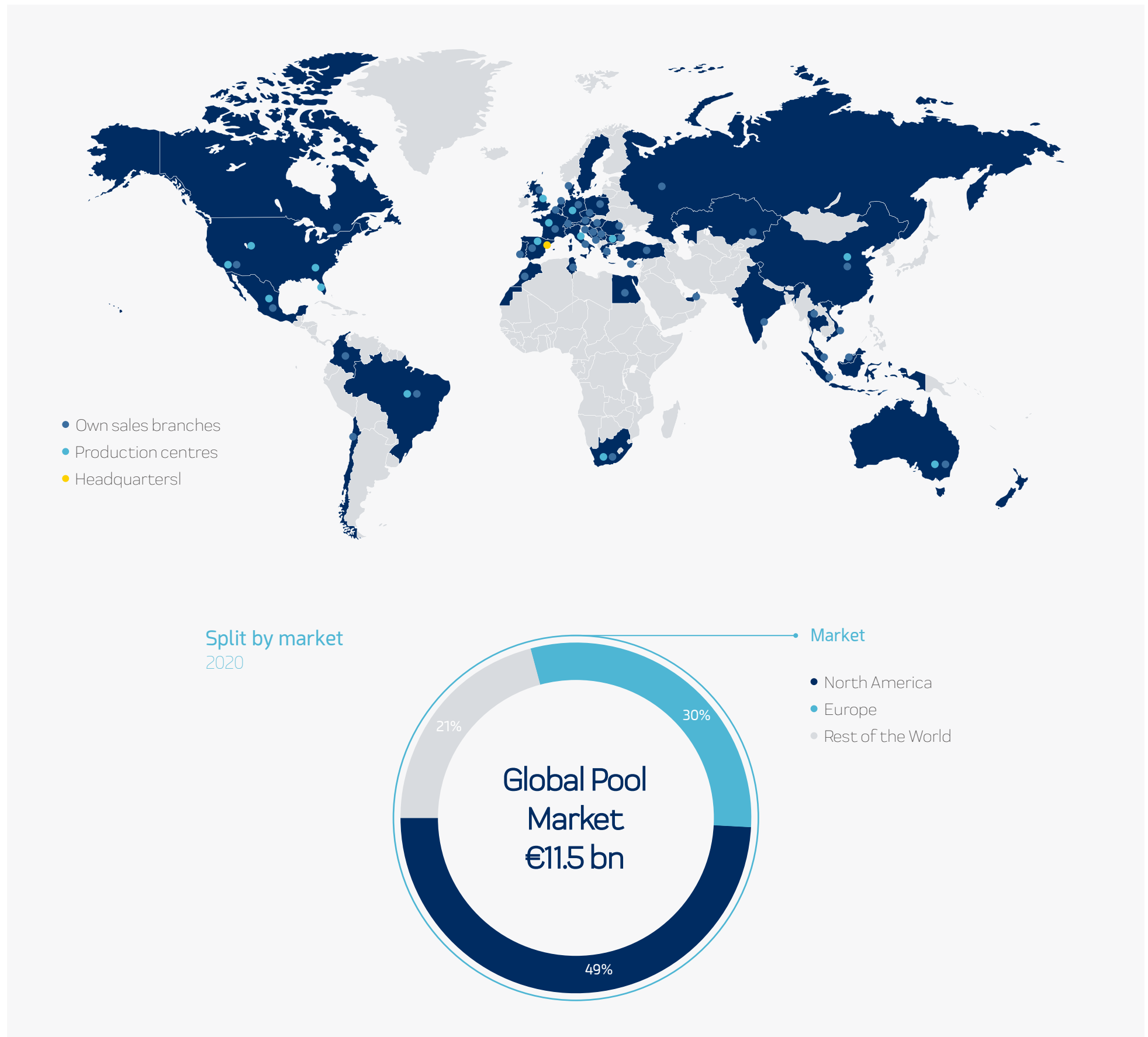
- **R+D+i:** Excellence in innovation, with more than 200 engineers and over 1,400 patents.
- **Output:** +35 flexible multi-technology plants in key countries.
- **Logistics:** Logistics operators to ensure quick, reliable deliveries.
- **Distribution:** More than 135 points of sale that provide support and training for professional clients.
- **Engineering:** Water project design and engineering.

1.3.2 Geographical presence

Fluidra is present in 46 countries around the world and the business is divided into three geographical areas as of 2020.

- North America (USA and Canada).
- EMEA (Europe, Middle East/India, North Africa, West Asia, Latin America).
- APAC (Australia, Southeast Asia, South Africa).

With a market share of 13%, Fluidra is a world leader in the €11.5 billion global pool market.



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1.4 Sound and sustainable strategy

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1.4.1 Economic and sectoral environment

In January 2020, the World Bank predicted slight growth of the global economy, with world GDP increasing from 2.4% in 2019 to 2.5% in 2020. This was despite the threat posed by two worrisome trends: an unprecedented rise in global debt and a prolonged slowdown in productivity growth. The institution warned that this slight recovery would only happen if everything went as planned.

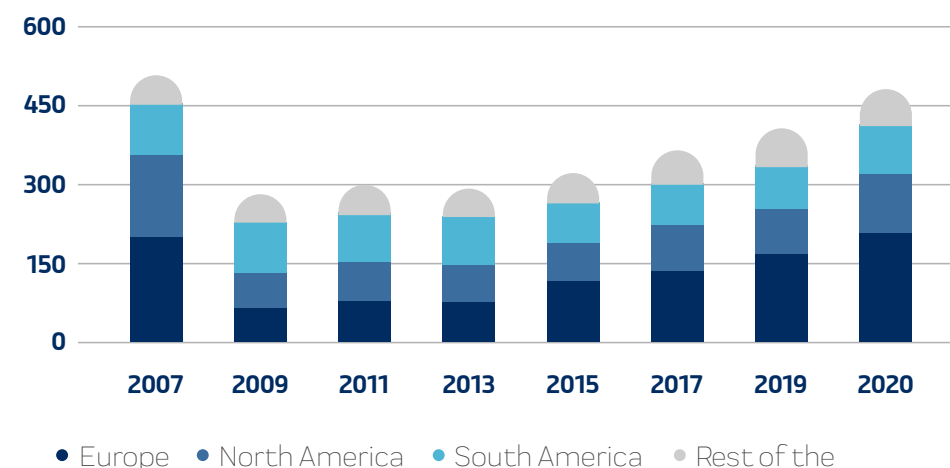
The Covid-19 pandemic radically disrupted the macroeconomic forecasts and since then the analyses have had to be updated on an almost daily basis. In June, the World Bank forecast a 5.2% decline in global GDP by 2020, followed by a 4.2% increase in 2021. In advanced economies the expected impact was a 7% decline with a 3.9% recovery the following year. To give an idea of the extent to which the pandemic has affected the global economy, the institution had to go all the way back to World War II to find a recession of similar proportions.

The most striking feature of this crisis, compared to other recent ones, is that it has affected all regions at almost the same time, exposing the unique vulnerabilities of each one to the pandemic and the ensuing economic slowdown. It is also characterized by a high degree of uncertainty regarding the behavior of this new disease, but the rollout of promising treatments offer hope that the public health crisis can be controlled in the short term. Vaccinations began in some countries in December 2020, with the goal of vaccinating a high percentage of the population in 2021.

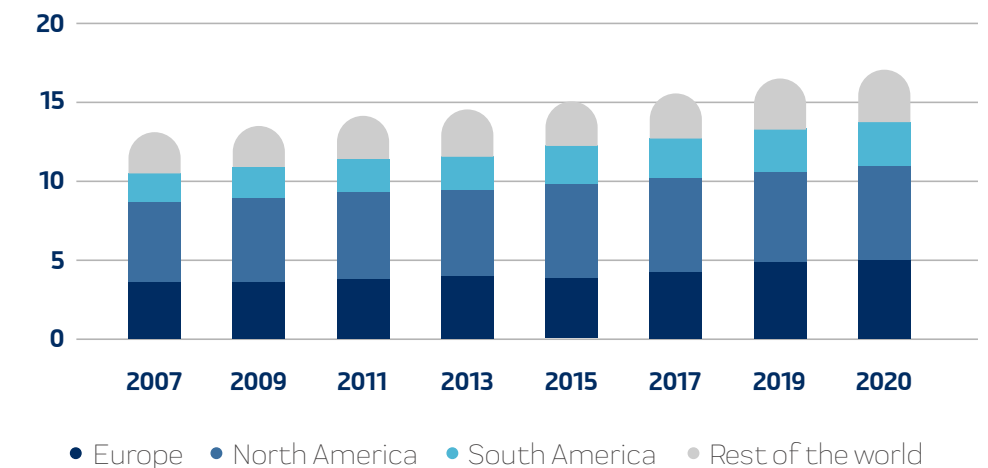
Despite this unfavorable economic environment, the Pool & Wellness sector remains solid, dynamic and resilient. Globally, this industry, which was estimated to be worth around €11.5 billion in 2020, reflects strong growth potential that has historically been higher than GDP growth. The impact of the pandemic on the market varied from one country to the next. In Europe, at the beginning of the first wave, countries such as Italy, France and Spain applied harsh lockdown measures that affected almost all economic and industrial activities, including the Pool and Wellness

sector. The effects were mainly felt between April and May, but the relaxation of public health measures starting in June and the arrival of summer in the northern hemisphere led to a rapid recovery of the market with a sustained growth in demand. The so-called “cocooning” effect, where leisure is now centered in people’s homes and this also applies to the enjoyment of swimming pools. The effect was noticeable in the increased activity in the residential pool business.

(New swimming pools, thousands)



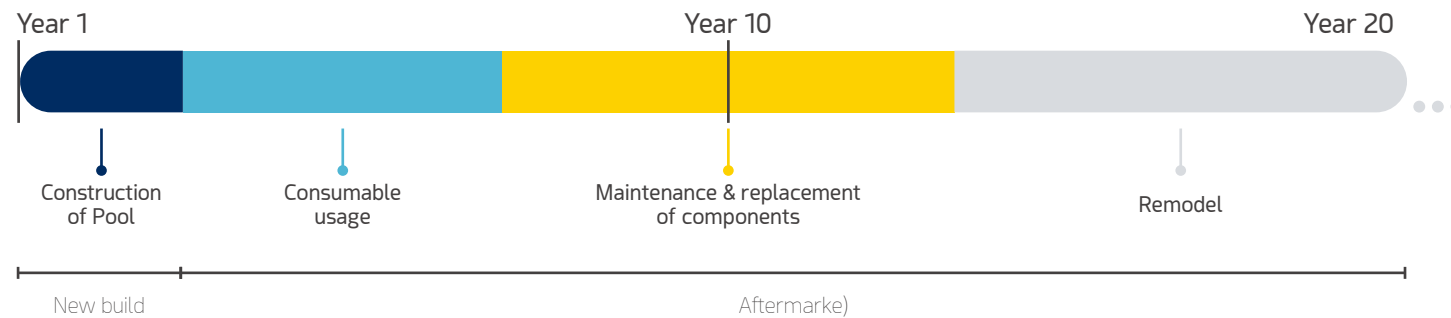
“Resilient evolution of the pool base”
(Existing pool base, millions)



It is important to note that the two main drivers of the Pool & Wellness sector are the installed pool base (75% of industry turnover) and new construction (25% of the industry). In recent decades, the positions of these two drivers have been inverted. While the construction of swimming pools held more weight in the past, nowadays it is the maintenance and updating of swimming pools that generates the most business.

Life of pool & renewal cycle

(Varies depending on use and construction type)



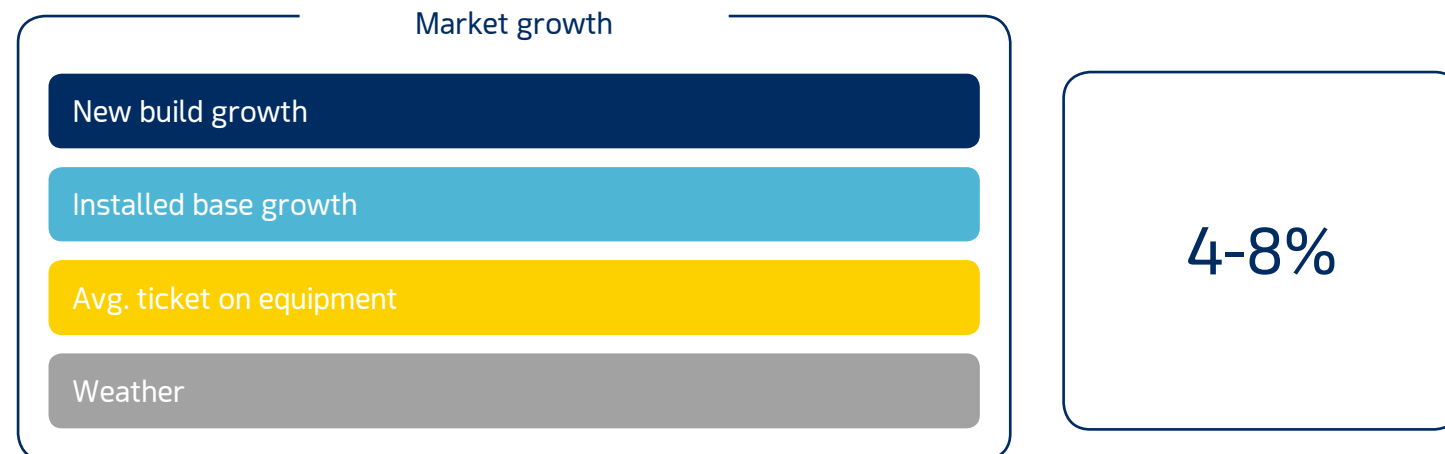
Market trends

To estimate the market’s long-term growth trend, without considering the short-term spike during the pandemic, three growth factors must be considered, aside from the impact of weather which can cause market figures to shift every year depending on weather it favored or hampered pool use:

- The anticipated growth of the installed pool base.
- The increase in new construction swimming pools.
- The growth of the average turnover per purchase thanks to innovation and improvements to current products.

Overall, the long-term market growth is estimated to be in the range of 4% to 8% per year.

Medium term growth Assumptions



The medium-term effects of the pandemic remain to be seen, but the trends are clearly in the industry’s favor. The stay-at-home effect, the trend of moving out of the city thanks to the possibility of working remotely, or the migration to southern states in the USA are positive effects on new construction and maintenance of the swimming pool park.

It should also be noted that in much of the world, the Pool and Wellness sector is a mature sector where the differential is determined by innovation, especially focused on sustainability and efficiency, with a reduction in water, energy and chemical usage. A large part of this efficiency involves taking advantage of the Internet of Things (IoT) and artificial intelligence, a path that leads to connected pools: useful and effective tools that reduce costs and simplify maintenance for both pool professionals and end users, in addition to increasing the enjoyment of the pool. In short, the challenges the industry faces involve allocating resources to R&D focused on the increasingly efficient use of water and energy, ensuring the efficiency of structures and keeping up with the digital challenge.



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1.4.2 2022 Strategic Plan and mid-term strategic and financial targets

The principles of Fluidra's 2022 Strategic Plan, "Your perfect pool experience" presented in November 2018 remain intact, with 2020 marking its second complete year. In fact, the company will be able to hit its targets one year ahead of the Plan coming to an end.



- Executed ahead of plans set with transformational 2018 Zodiac merger
- All 2022 Strategic Plan objectives to be met by 2021
- Step change continues: 2021 guidance will be met (at minimum)
 - "Stay at home" & "Flight to suburbs" trends continue to stimulate growth
 - Texas freeze disaster (Feb 2021) increasing after-market replacement demand

1: €351m EBITDA 2022 objective is pre IFRS 16, becoming €375m once adjusted, also to be achieved during 2021
 2: FCF calculated as adjusted EBITDA – Capex +/- Changes in Operating Working Capital
 3: ROCE is defined as adjusted EBITA / Cash Equity. Cash Equity includes an adjustment of €527M to reflect figures of the average share price 6 months before the merger announcement (€7.37 p.s.) and a pre-closing share price (€13.72 p.s.) multiplied by the 83 million shares issued. The 18% ROCE in line with IFRS standards rose to 19% once measured as per US GAAP standards.

Beyond the objectives for 2022, Fluidra has presented its medium-term strategic and financial objectives to the market:

	Operating and financial performance			
	Past	Step change	Future	
	2017-19	2020 ²	2021E	Medium Term
Growth	<ul style="list-style-type: none"> • Industry, leveraging global footprint • Focus on North America expansion • Drive by innovation, IoT, Commercial Pool 			
Margin Expansion	<ul style="list-style-type: none"> • Continued execution – Simplify / Lean / Digitalize • Scale central functions of global platform • Optimize brand & sales channel management 			
Cash Generation & Leverage	<ul style="list-style-type: none"> • Tight focus on WC and Capex control • Ensure cash conversion remains high • Leverage +/- 2x may vary temporarily with inorganic growth 			
Returns on Investment	<ul style="list-style-type: none"> • Value accretive M&A pipeline • Growth investment = / > Target returns • Manage funding to optimize WACC 			
Sales Growth	5,1% ¹ p.a.	11,2%	15%	>15% p.a.
EBITDA Margin expansion	~75 bps p.a.	190 bps	~140 bps	>50 bps p.a.
Cash EPS growth	8,9% p.a.	57,4%	25%	>15% p.a.
Dividends % of Cash Net Profit	n.a.	~40%	~50%	~50%

1 As reported growth of 3.1% increases to 5.1% on constant currency and perimeter, including Aquatron's remedy implementation
 2 At constant FX



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Impact of COVID-19 on the strategy

At the time when the 2020 forecasts were prepared, no one could have foreseen the global pandemic that would have such a widespread impact on society and the associated confinement measures which have had such a severe impact on the hotel and tourism sector in particular.

Fluidra has a resilient business model in which over 60% of sales come from the installed pool fleet. This means that even in 2020 at the worst moments of the pandemic, the company remained strong thanks to our global geographical presence which allowed us to alleviate the situation in some areas with business in others.

While the effects of the lockdown measures have been felt in the Commercial Swimming Pool market, in the case of Residential Swimming Pools it has been quite the opposite. After the worst months (March and April), the "stay at home" effect and the lifting of certain restrictions led to a rapid and spectacular rise in sales in this business unit, to the point where it ended up being one of the best years ever.

From the beginning, Fluidra was monitoring and assessing the changing global situation. The top priority was to guarantee the safety of employees, customers and suppliers and to keep the company strong. In March, the company announced a series of measures which included withdrawing the published forecasts for 2020 and reviewing all operating expenses to reduce discretionary spending, as well as delaying investments that were considered low priority. The evolving situation at the time was too unpredictable to accurately assess the impact the pandemic would have on the financial year.

The evolution of the market was reviewed quarter by quarter to adjust Fluidra's plans to the changing situation. Following the excellent recovery in the second and third quarters, and with a positive forecast for year-end results, the targets of the 2020 Plan were easily met.

Covid-19 speeded up some underlying trends that favored the industry. Telework enabled people to live outside cities, in larger homes, with the possibility of having a pool. This encourages greater use of pools as more people live in the suburbs. Everything points to a favorable trend for the Pool and Wellness sector, whose impact is as yet difficult to gage.

1.4.3 2020-2026 ESG Master Plan

The ESG Master Plan "Responsibility Blueprint" (environmental, social and corporate governance aspects) was approved in early 2020 for the six-year period from 2020 to 2026. The idea is that this Plan together with the Strategic Plan will put the company in a position to achieve the highest international sustainability standards.

A special working group was created to draft this plan, led by the group's CEO and two of its Directors, in order to align actions with the business strategy in the coming years and position Fluidra as a leader in sustainability in the pool industry.

Definition of ESG commitments and objectives

The plan defines three general objectives and ten challenges, all linked to the Sustainable Development Goals:

DIMENSIONS	GENERAL COMMITMENTS	ASSOCIATED SDGS	CHALLENGES
Good Governance	Be at the forefront of corporate-governance best practices		Partnerships in ESG matters Transparency Responsible management
Social	Enhance the well-being of our employees, our value chain and the society		Diversity, equity, and inclusion Quality employment Community Engagement
Environmental Matters	Contribute to sustainable development through Fluidra's products and activities.		Sustainable products Environmental management Water Climate change

Progress has been made in the definition of short, medium and long term goals that will lead to the fulfillment of the commitments assumed in the ESG Master Plan. Progress made in achieving these goals will be reported in the coming years, based on the data reported in 2020.

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Short-medium term objectives

Good Governance

- Triple the number of suppliers who undergo environmental and social evaluations in 2021.
- Provide at least 10% of our suppliers with human rights training each year.
- Conduct qualitative assessment of ESG risks in 2021.
- Ensure that 100% of employees receive Code of Ethics training in 2021.

Social

- Audit 40% of the Group's facilities each year in relation to Human Rights compliance
- Reduce workplace accidents by 25% in 2021 (119 in 2020: 63 with leave time and 56 without).
- Reach half a million people through social action by 2026.

Environmental Matters

- Increase the use of renewable energy by 3% by 2022 (60% in 2020).
- Reduce waste sent to landfill by 15% in 2021 (39.6% in 2020).
- Reduce water used at the Group's factories by 5% in 2022 (€11.93/liter).
- Obtain ISO 14001 certification for two more sites in 2022 (9 in 2020).

Long-term objectives

Good Governance

- Achieve a score of 80 out of 100 on S&P's ESG Evaluation by 2030 (69 points in 2020).
- Increase customer satisfaction ratings by 10% by 2025.

Social

- Ensure that the adjusted gender pay gap is 0% by 2024 (23% unadjusted in 2020).
- Achieve more than 80% engagement on the employee satisfaction survey by 2025 (72 in 2020).
- Reach one million people through social action by 2030.

Environmental

- Achieve climate neutrality in our own operations (Scopes 1 and 2) by 2027 (18,644 tCO₂eq* in 2020) and in Scope 3 by 2050 (17,155,484 tCO₂eq in 2020).
- Ensure that 80% of sales correspond to products classified as ESG Friendly by 2035 (50% in 2020).

* The Scope 2 emissions figure considered is on a market basis.



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A variety of actions and initiatives have been implemented to address these challenges. In good governance, progress is being made in defining a management system (processes, responsibilities, reports, internal audits) to ensure transparency and participation in ESG policies; the ESG Department has been reinforced; and a continuous improvement system is being implemented based on the results of different ratings and indexes such as CDP and S&P in which Fluidra participates.

On the social front, we have begun to implement an equality and diversity plan at various group companies; we have redefined the focus of action of the Fluidra Foundation; we have made progress in controlling compliance with Human Rights for Fluidra and subcontractors in all geographical areas; we have reinforced medical benefits for employees; we have defined a policy to regulate working from home and we have promoted training in both professional skills and in health and safety.

In the environmental area, emphasis has been placed on calculating the entire organization's carbon footprint; a majority of the electricity consumed is from renewable sources; and various projects have been implemented to reduce consumption and improve the energy efficiency of our facilities and products.

The body in charge of monitoring the initiatives and indicators related to this ESG Master Plan is the Global ESG Committee, made up of eleven managers from different regions and operating areas. The Committee held its first meeting in December 2020 as part of its quarterly meeting schedule. This body replaces a previous committee that covered only the EMEA regions. The Global ESG Committee is also responsible for advising the Appointment and Compensation Committee (ACC) on ESG issues on a regular basis, twice a year, and the committee in turn reports to the Board of Directors.

In 2020, 5% of the Executive Chairman's economic incentives were tied to the definition and implementation of the ESG Strategy and the Board of Directors considered that the targets were 100% achieved. Amalia Santallusia also had to meet these types of objectives, which she did. By 2021, the entire Executive Committee (MAC) and other MAC-1 members, especially in the EMEA region, will have new objectives linked to ESG criteria.

Throughout this report, additional information is provided on the monitoring and control mechanisms, the short and medium term objectives and the actions taken by the company throughout 2020 in connection with each objective established in the Master Plan.

1.5 Customer-centric products

1.5.1 Brands and products

Fluidra's product catalog has more than 75,000 items offering innovative and sustainable solutions for the Swimming Pool and Wellness sector. These include things like ladders, showers, pumps, valves, filters, heaters, grids, pool cleaning robots, pool lights, fountains, disinfection equipment, fittings and chemical products, among others.

In recent years the company has focused its innovation efforts increasing the number of smart products offered. These are advanced devices that leverage the full potential of the Internet of Things (IoT) technology for connected pools to provide customers with greater comfort, safety, savings and satisfaction, in addition making pools more efficient and sustainable by controlling the use of water, power and chemicals more effectively.

This wide range of products, the most comprehensive on the market, is supported by some of the most reputable brands in the global Pool and Wellness sector. Specifically, six of the ten most well-known brands are part of Fluidra's offer.



[102-2, 102-6, 102-7]

ESG Case Study – The most efficient pool system on the planet



Old vs New: Efficiency Comparison

Old	Totals Comparison	% savings	New			
2 Single-speed pumps 1 Incandescent light Plumbing head loss Traditional chlorine No cover	5000W 300W 150W >680 liter loss per week	5,45KW avg < Power > 3 PPM avg < Chlorine > >38 liter loss per week < Water >	1,6KW avg 1,5 PPM avg 38 liter loss per week	71% 50% 94%	2 VS pumps 3 LED lights VersaPlumb head loss Salt + Mineral sanitizers Automatic cover	1400W 144W 40W

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[102-2]



AstralPool

Global leader in the Pool and Wellness sector (Europe - Latin America - Africa - Asia - Oceania)



Zodiac

Offers a wide range of products to enhance the pool owner's comfort and peace of mind (Europe, USA and Canada, Oceania - Oceania - Africa).



Jandy

Offers a complete line of innovative, energy-efficient equipment for residential pools and spas (USA and Canada)



Polaris

The benchmark in pool cleaners for quality, elegant design, innovative technology and high reliability (Europe - USA and Canada - Oceania)



Gre

Mass market specialists and pioneers in state-of-the-art aboveground pools made of wood, steel and composite (Europe - Africa - Latin America)



Cepex

Designers of plastic valves and fittings for the best fluid handling experience (Global)

New products in 2020

In 2019, after an in-depth study of their global architecture, different but equal positioning was defined for all markets with the aim of improving consistency, profitability and efficiency in all geographical regions from 2020 onward. This work was carried out by the Global Marketing Committee.

At the product level, the Product Committee meets quarterly to analyze the catalog and determine what changes can be made to improve customer satisfaction. All departments on the value chain are represented on this committee, from quality to innovation, supply chain, marketing and legal compliance.

Although the pandemic did not have a particularly negative impact on product development, high demand from the second quarter onward caused some stock problems and delivery delays.

Key products for the 2020 season feature a selection of new pool cleaners, pumps and filters, heating and water care items, add-ons and Internet of Things (IoT).

Featured products

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Polaris® Alpha™iQ+ Robotic Cleaner

Robotic cleaner for the residential market..

The Polaris® ALPHA™ iQ+ is the ultimate smart pool cleaner, offering customized cleaning with the SMART Cycle feature, which learns from your pool and calculates the most efficient amount of time to remove debris while collecting data for automatic adjustments as it cleans. The cleaner can be managed using the iAquaLink® app, where customers can monitor cleaning status, check water temperature and even clean specific areas of the pool.



Aqua Products® Sol™ Robotic Cleaner

Robotic cleaner for the residential market.

The Aqua Products Sol is a compact, lightweight pool cleaner that is ideal for smaller pools. It is easy to use and features powerful suction technology and an EZ-clean debris tank. It cleans the pool from the floor to the waterline.



AquaLink® TCX™ Automation System

Smart pool solution.

AquaLink® TCX™ is a simple way to turn an existing pool into a smart pool, allowing owners to manage their pool using a smartphone with the iAquaLink® app. TCX allows customers to set cleaning schedules on the fly, turn equipment on or off while away, control lighting, heating and cleaning remotely using a smart device. The system is also future-proofed with built-in free firmware upgrades that ensure homeowners benefit from continuous product enhancements.



Jandy® CXi Commercial Heater

Commercial pool heater.

The Jandy CXi is this brand's first heater for large institutional projects. It offers innovation and technology for efficient and reliable installation. With features such as low NOx operation and proportional firing, the CXi heater is specially designed for large commercial applications.



Sustainability and product safety

One of the keys of the 2020-2026 ESG Master Plan, and in line with its commitment to the Sustainable Development Goals (SDGs), is that the company will redouble its efforts to offer sustainable products throughout their life cycle. To that end, from design to sale, each stage of a product's life is studied to reduce its environmental impact, as well as the use of recyclable materials, lower energy consumption, lower emissions of polluting gases and optimization of resources, especially water.

The goals of the actions implemented so far by Fluidra in this regard are: on the one hand, to reduce the environmental impact of products during the design, manufacturing and use phases, and on the other hand, to reduce the amount of packaging used.

Although both objectives are addressed in more detail in the section titled "R&D+sustainability" (see page 30), it should be noted that in 2020, Fluidra made progress minimizing the carbon footprint of its products, starting with the manufacturing process where 100% of the energy used as the plants in Spain and Portugal is renewable, which reduces the greenhouse gas emissions (GHG) during the production process. Similarly, for the pro-

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duction of AstralPool’s line of Viron eVo pumps, by producing the motor in the right size for individual applications, the amount of raw materials used and therefore the associated GHG emissions are reduced. In 2020, 10.1% of the Fluidra Group’s sales were associated with low-carbon products, which are those made by Fluidra with 100% renewable energy. The total of responsible products amounts to 50%, including products that avoid the use of water, chemicals or sustainable raw materials.

Along with the introduction of sustainability measures for products starting in the design phase, Fluidra is actively involved in raising awareness among customers, through advice and tools that promote low-consumption pools which in turn reduce the environmental impact.

By choosing the right equipment and daily maintenance procedures, it is possible to limit the environmental impact and achieve considerable savings on electricity, water and treatment products. Using a pool cover, replacing only 30% of the water or using variable speed filtration pumps are three actions that contribute significantly to minimizing the water and power consumed to operate the pool.

In order to publicize the positive effects that these measures can have, both Zodiac and AstralPool provide customers with calculators to measure the energy savings derived from the use of their variable speed filtration pumps, depending on the size of their pools.

The Product Safety Council, an internal, global corporate body that allows employees to seek information and guidance, ask questions and raise concerns on product and safety compliance, has been operational since 2019. Because customer health and safety are so important to Fluidra, a comprehensive strategy was established in 2019, designed not only to continue effectively managing potential product safety considerations, but also to drive Product Compliance and Safety requirements upstream in the new product development (NPD - New Product Development) process. Likewise, the product data sheets of all the components of the products offered by Fluidra are reviewed to ensure that they comply with the applicable health and safety regulations.

As a result, the global Product Compliance team was substantially expanded so that all regions were fully represented. In 2020, the focus was on maintaining cadence, discipline and communication within this team, and ensuring that it was fully integrated into the organization and NPD (Net Promoter Score). Similarly, the Product Safety Councils that had been set up in 2019 continued handling potential product safety considerations, with a focus on risk mitigation and management.

Also over the past year, there was one product safety concern that was studied in relation to specific models of gas heaters manufactured and sold in Australia. The marketing of these products was temporarily suspended until design changes were implemented to improve safety. At the end of 2020, the design team was still working on a plan to adapt these changes to existing products already on the market. That plan is scheduled to be implemented in 2021. However, this incident did not involve a violation of the applicable regulations, and there was no case of non-compliance in 2020.

Fluidra is constantly working to ensure that our products do not pose any risk to people or the environment, as well as to ensure that they comply with the laws in force in the country of sale, as well as with international laws. To that end, Fluidra closely monitors all local and international regulations applicable to its products on a continuous basis, which enables us to anticipate regulatory changes and to inform and train our customers.

The company maintains regular contact with the European Chemicals Agency (ECHA) as well as international organizations such as CEFIC (European Chemical Industry Council), Euro Chlor and IIAHC (Ad Hoc Committee of the Isocyanurate Industry) with regard to monitoring the laws that apply to chemical products.

Relevant regulations applicable to Fluidra brand products

Regulation (EC) 1272/2008 (CLP) on classification, labeling and packaging of substances and mixtures.

Regulations (EC) 453/2010 and 2020/878, which establish the requirements for preparing Safety Data Sheets.

Regulation (EC) 1907/2006 (REACH) concerning the registration, evaluation, authorization and restriction of chemical substances and preparations.

Regulation (EC) 528/2012 s (BPR) concerning the marketing and use of biocidal products.

Regulation (EC) 2019/1148 concerning the marketing and use of explosives precursors.

Regulations (EC) 273/2004, 111/2005 and 2015/1011 on drug precursors.

Directive 94/62/EC on packaging and packaging waste.

Regulation (EC) 648/2004 on detergents.

2020 - Fluidra biocide product registrations

SPAIN - 55 products

FRANCE - 40 products

PORTUGAL - 5 products

MALTA - 14 products

BELGIUM - 5 products

BOSNIA - 5 products

ROMANIA - 8 products

KKDIK - Turkish REACH (pre-registration) - 9 substances

TOTAL = 141 registrations

1.5.2 Customers

Fluidra has a dual commitment: first, to its customers, whom it helps to grow their business by providing quality products and innovative services; and second, to the end user, for whom it creates the perfect Pool and Wellness experience for increased well-being and enjoyment.

As indicated in its Code of Ethics, everyone associated with Fluidra is required to pay close attention to consumers in order to satisfy their needs and expectations through conduct that is respectful and accepting of the right to free choice. Moreover, the company is committed to respecting the consumer protection laws in the countries where it does business.

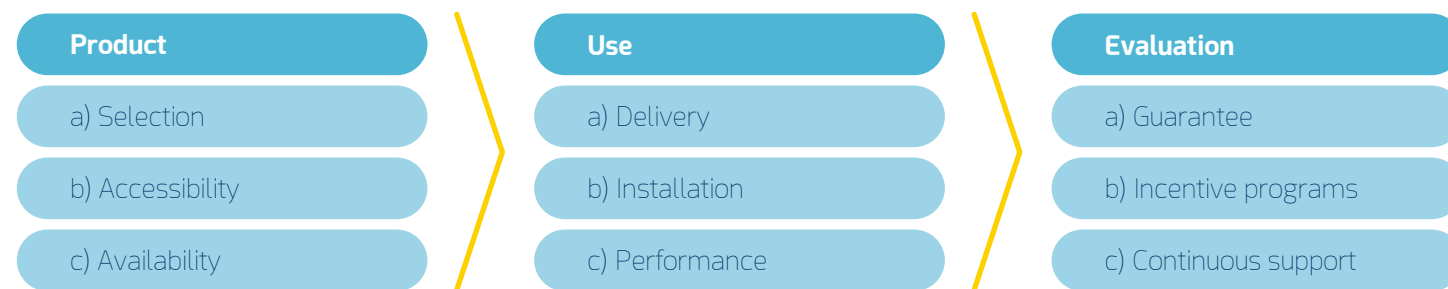
In line with its business units, Fluidra identifies and segments its customers, differentiating between those dedicated to the installation, care and sale of pool and wellness products for end users on the one hand and public or private customers that operate water, sports or wellness centers on the other. This last type of customer is assisted by Fluidra Engineering, a department that is specifically focused on conceptualizing, designing and building Olympic pools, athletic pools, leisure pools, fountains, spas and lagoons all over the world.

Fluidra is aware of how important confidentiality and data protection are to its customers, and takes the necessary measures to ensure that they are protected. There were no complaints in 2020 regarding customer data breaches. Likewise, no fines or administrative sanctions were imposed for non-compliance with regulations and legislation relating to the use of products and services.

Customer satisfaction

The Net Promoter Score (NPS) is one of the components of our Voice of the Customer Program (VOC), which is aimed at listening to their opinions to better understand their experience as customers, with the goal of systematically analyzing the quality of our products, services and processes from their perspective. The collected data is fed back to the executive team and the cross-departmental, cross-functional group responsible for driving relevant actions and improvements throughout the organization.

One of the main aspects of Fluidra's VOC is the C-SAT (Customer Journey Measurement). At Fluidra, the customer journey is divided into three chapters, each one with three components:



Satisfaction is measured on a scale of 0 to 10 in these areas and the customer journey is analyzed by channel, region and year. Each country has different journeys to measure depending on the particular characteristics of the customers and business model in that area.

Some of the results of this program over the years have focused on the warranty process, in order to facilitate the process for end users and pool professionals, or the initiative to stop using the Internet as a sales channel since a considerable number of customers objected to it. In these areas, not only has Fluidra improved its relationship with customers, it has even set an industry standard that is imitated by its competitors.

There is no denying that Covid-19 changed expectations for 2020 and the way customers experience Fluidra's brands. The restrictions on dealing face-to-face with sales and service professionals was something that stood out to customers in the Relationship Survey.

An example of Fluidra's good treatment of its customers was the Pandemic Performance award that the company received from WINDO, an independent association of distributors in the United States and Canada. It was presented at an annual event that WINDO puts on in September, which was held virtually this year due to the pandemic. This award recognized Fluidra's excellent communications with its customers over the previous six months, its ability to adapt to a changing environment and, above all, the delivery of quality products.

1.5.3 Quality

Quality at Fluidra is focused on achieving customer satisfaction within a framework of sustainable and profitable growth. By responding to customers' needs and concerns, the goal is to be known as "Easy to do Business With" and the Quality of Fluidra Products as "Best in Class".

The idea 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: not only the results in the form of products and services, but also the quality and integrity of relationships within the company and with the customer.

This philosophy is the vehicle used by the company to achieve profitable and sustainable performance, but also to drive customer loyalty through a positive shopping experience that is driven by more than just price.

Following the 2018 merger with Zodiac, a Corporate Quality Organization was formed in 2019 and became operational in 2020, with the mandate of promoting a quality-focused culture across the business globally. It is responsible for developing quality-related processes, assessing risks and opportunities and driving improvements across the board in various areas such as advanced product planning for new launches. It has a team of trained, skilled and experienced professionals to support sustainability and continuous improvement, with a focus on deploying best practices across the organization.

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Since its creation, it has made significant strides in improving business processes at Fluidra, driving quality concepts globally, while understanding the unique and local “pain points” of customers on which the company’s activity should focus, in line with the axiom “Strategize Globally, Execute Locally”.

Throughout 2020, new metrics, measurements and processes were defined to improve customer knowledge and satisfaction, better address problems in order to offer faster and more effective solutions, increase the design quality of new products and provide an enhanced customer experience, all of which are included in the new Global Quality Manual.

This team succeeded in improving the customer experience line of sight by deploying Cross Functional Forums to connect Fluidra’s key stakeholders with end users, promoting clear communication and driving effective problem-solving. In 2020, the priority continued to be placed on the development of approaches to the alignment of practices and teams. An example of this was the development of Fluidra’s new Global Quality Management System which was launched in early 2021. Finally, as in other aspects of the business, much of the Quality Team’s efforts were focused on mitigating risks stemming from the impact of Covid-19. This included improving the flow of communications as well as the use of video audits and other measure to ensure that quality requirements continue to be met despite not being able to visit customers’ or manufacturers’ premises due to travel restrictions.

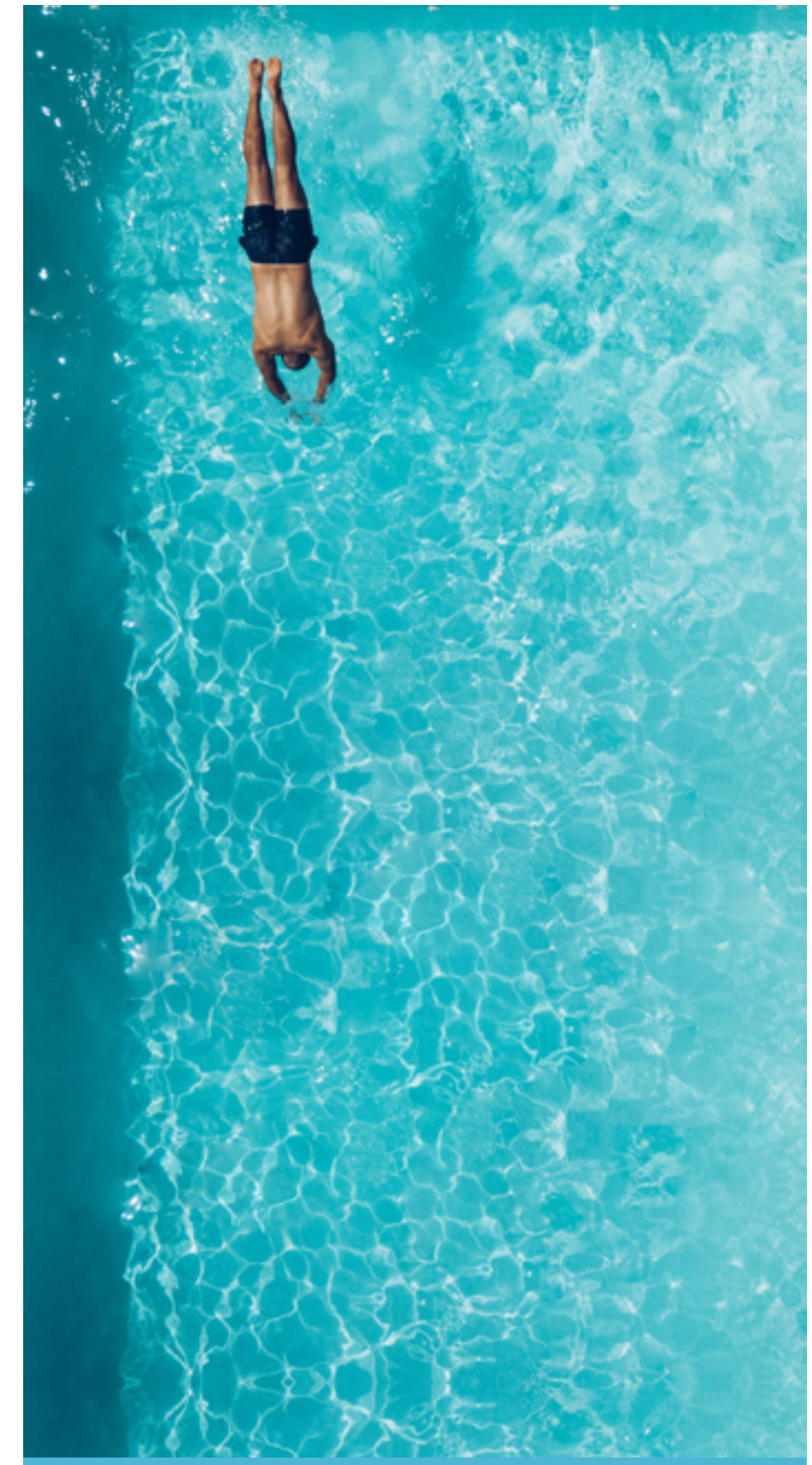
Several group companies currently have Quality Management Systems certified according to ISO 9001:2015. They are as follows:

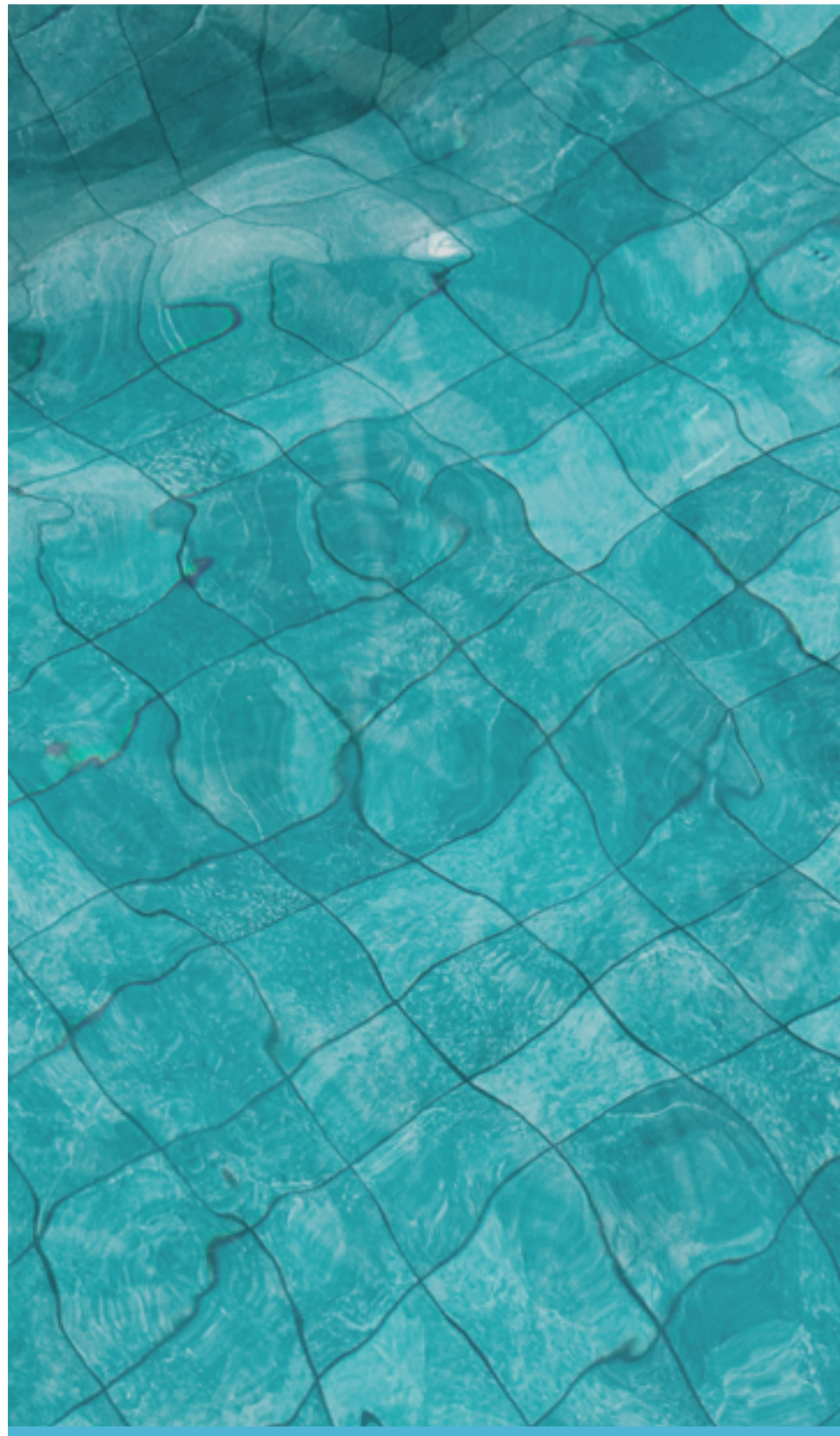
- CEPEX (vigente desde el 2018-09-15 hasta el 2021-09-15)
- Fluidra Brasil Indústria e Comércio (valid from 2020-02-18 to 2023-02-17)
- Fluidra Industry France (valid from 2019-02-26 to 2022-02-25)
- Fluidra Waterlinx (valid from 2019-07-22 to 2022-07-16)
- Inquide (valid from 2018-09-15 to 2021-09-14)
- Manufacturas GRE (valid from 2019-02-25 to 2022-02-25)
- Metalast (valid from 2018-04-26 to 2021-04-25)

- Ningbo Dongchuan Swimming Pool Equipment (valid from 2018-06-04 to 2021-06-03)
- Poltank (valid from 2018-05-18 to 2021-05-17, in the process of being renewed)
- Productes Elastòmers (valid from 2021-03-01 to 2024-02-28)
- Sacopa (valid from 2018-12-10 to 2021-09-09)
- Talleres del Agua (valid from 2019-11-25 to 2022-11-08)
- Trace Logistics (valid from 2021-03-07 to 2024-03-06)
- Togama (valid from 2020-12-14 to 2023-12-13)

In terms of quality performance, and taking the complaints related to product quality as a reference, the figures were similar to the ones from the previous year. There were 7,072 complaints, 1.28% of which were associated with sales in 2020 (1.02% in 2019). 80.3% of all complaints were accepted. Claims include notices of defective products under warranty, processed through a warranty system that notifies the parties involved of the problem, in addition to providing fault analysis and troubleshooting to improve the design and manufacturing processes.

Looking ahead to 2021, the top priority continues to be focused on customers and improving the clarity of key performance metrics in order to address issues more effectively and advance new product designs to ensure customer satisfaction and the highest possible quality and reliability results over the long term. To that end, Fluidra intends to place special emphasis on the hallmarks of Organizational Excellence (Organizational Alignment and Workforce Engagement) in an effort to drive continuous improvement throughout the company as we continue to build a strong culture of quality.





Enhanced quality management: Lean and VI in 2020.

In particular, Fluidra is focused on improving management throughout the organization by promoting and cultivating efficiency in all company processes, which translates into lower costs and better margins.

LEAN – LEAN management is one of the fundamental pillars of Fluidra’s production plants. The Company uses LEAN Management to focus its efforts on continuously improving management, promoting and cultivating efficiency in all corporate processes. It is one of the fundamental principles of the company’s production plants, based on Fluidra’s six values and a culture of continuous improvement.

Through Lean training and activities, the Lean culture has reached 2,037 workers, 79% of the total workforce at Fluidra’s production plants.

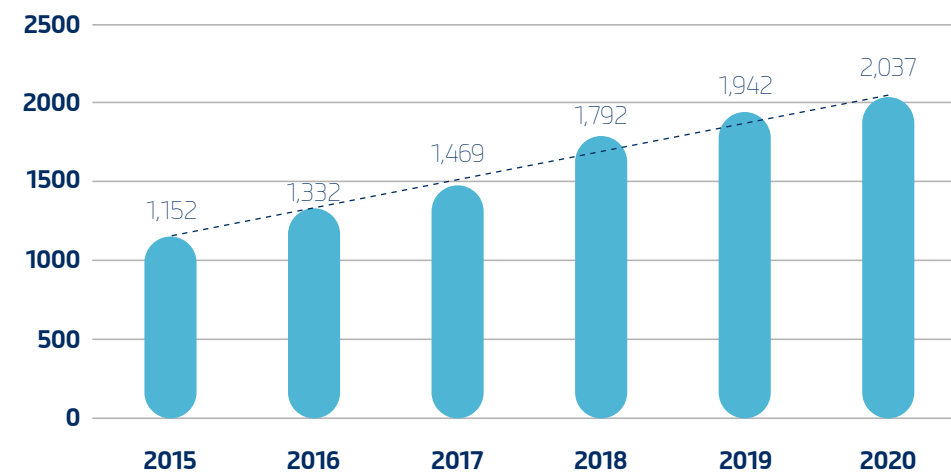
In addition, an estimated 656,000 kWh of power have been saved through LEAN management, which has been implemented at many of our plants with the aim of continuously improving our processes and making them more efficient.

Value Improvement (VI) - Value Improvement (VI) is a program implemented by Fluidra to make its production processes more efficient. 62 projects involving processes have been defined that have resulted in savings of €2.1 million in 2020.

Some of the measures taken during the year included: the reduction of butterfly valve packaging at Cepex, which will save about 6,000 kg of cardboard per year, (equivalent to $6,000 * 0.9678 = 5,807$ kg CO₂eq); and changing from protective packaging to commercial filters at Poltank, which will save 5,578 kg of heat-shrinkable (PE) bags ($5,578 * 2.32 = 12,941$ kg CO₂eq).

The goal for 2021 is to continue supporting all of Fluidra’s production companies, consolidate the activities started in 2020 and define new Value Improvement projects that will help us to continue optimizing processes and reducing costs in a sustainable way. Two of the projects planned involve reducing PU Foam (Metalast) and sub-packaging (Cepex).

People trained in LEAN



Using Lean auditing, improvement roadmaps have been drawn for each one of Fluidra’s production companies.

Marketing and labeling

For each and every product, the company reviews all regulatory standards and guidelines to ensure compliance, including all labeling requirements. Fluidra communicates clearly and transparently about correct product labeling and follows all applicable local regulations to adequately protect customers and end users. All of the company’s products adhere to national and international marketing and labeling regulations, providing clear information on the origins, components, instructions for use and disposal, as required. After resolving two non-compliance cases in 2019, there were no new cases to report in 2020.

1.6 Commitment to innovation and technology



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Research and development (R&D) is a fundamental part of Fluidra’s DNA. It is an industry leader in intellectual property, with a portfolio of approximately 1,400 active patents. With a solid portfolio of new projects, containing more than 110 assets, it leads the connected products or devices sector with nearly 350,000 connected pools. The company believes that user-driven product innovation is fundamental to a company’s culture and growth, which is why it invested €25.64 million in R&D in 2020.

Success in the swimming pool market depends on equipment that is easy to use, install and maintain and that is, above all, reliable. That success lies in offering customers the best solutions adapted to their conditions and thereby creating the perfect user experience. Engineering is one of the critical aspects that sets Fluidra apart by offering added value through highly innovative products.

1.6.1 Fluidra’s Innovation Model

The company’s innovation model combines incremental innovation (90%) with disruptive innovation.

Fluidra’s Innovations Pillars



INNOVATION OBJECTIVES	2020 MILESTONES
To have the best R&D&I organization in the sector, with a team of dynamic professionals committed to the company’s mission and values and efficient processes that guarantee quality and regulatory compliance at all times.	In 2020, investments were made to increase the team dedicated to IoT projects at Fluidra. In addition to the existing team in the United States, a new IoT unit was formed in EMEA.
To lead the connected pool market, with the goal of one million connected pools by 2025.	To increase the rate of connected pools by 45% in the last year.
To lead the market in the key product categories: automatic pool cleaners, pumps and filters, disinfection equipment and systems, pool heating solutions, etc.	New IoT organization, together with a clear framework of action for the coming years, and alignment with the development of new products and services.
To be a benchmark in sustainability applied to swimming pools through water and energy savings and through the use of more environmentally friendly materials.	Implementation of the ESG Master Plan that introduces the sustainability factor into the product creation process.

Incremental innovation includes the activities that lead to continuous and progressive innovation, which in turn enables us to bring new products to market that are more efficient, higher quality and better adapted to the changing needs of the market. This is the main result of the work of Fluidra’s R&D centers. By way of example, 118 new products were brought to market in the last three years.

The group has a team of more than 220 engineers, designers and technicians strategically located in the main markets in order to satisfy the particular demands of each region with new products and solutions. The process of integrating the innovation part of the company was completed in 2020, establishing a series of global R&D hubs where Fluidra’s efforts are focused on developing certain product families and the various projects of other local R&D units are coordinated, such as the ones in China, Brazil, South Africa and Australia, where products are developed and manufactured for specific markets:

- **United States:** the engineering team is located in Carlsbad (San Diego, California) and is responsible for the development of swimming pool products and solutions for the North American market primarily.



• **Europe:** the company has several R&D hubs located in the key swimming pool markets:

–**Toulouse (France):** develops robotic pool cleaners for the global market as well as heating and disinfection equipment for the European markets.

–**Polinyà (Barcelona, Spain):** coordinates the activity of several R&D centers focused on different technologies and product families, both for residential and public pools and wellness centers, mainly for the European, Asian and Southern Hemisphere markets. These technologies included everything from construction elements, underwater lighting, filtration pumps, filters, advanced water disinfection systems, pool maintenance chemicals and fluid handling products to solutions for water parks and fountains, in addition to wellness-related products.

Pillars of R&D	
Quality	Rigorous fulfilment of user and influencer expectations.
Value added	Constant improvement of products (cost and quality) in all categories.
Innovation	Inclusion of high level of innovation in key products.

Regulatory compliance activities associated with the different products, as well as the project management office (PMO) are coordinated globally from the headquarters in the United States for all of Fluidra.

Disruptive innovation includes those innovation activities that are mainly managed through Fluidra Accelera which was renamed Fluidra Lab in early February 2020. Internal initiatives, such as Fluidra Innovation Week, also focus on fostering disruptive innovation among the group's employees.

Fluidra LAB, a new name and a much more innovative drive

Fluidra LAB, formerly known as Fluidra Accelera, is an initiative that aims to promote innovation within the company. It identifies, analyzes and responds to the company's internal needs by collaborating with various entities in the global innovation ecosystem. It explores industry trends to identify opportunities and promotes a culture of innovation by encouraging employee participation in innovation processes.

The Fluidra LAB Board is responsible for determining the company's main innovation challenges for the coming years and for validating the activation of the opportunities found by Fluidra LAB in the course of its activities. The members of the Board include the Executive Chairman, the EMEA Director, the Global R&D Director, the US Marketing Director and the Fluidra LAB Director it meets quarterly.

By the end of 2020, more than 30 initiatives had been handled, including both external opportunities and internal requests. Of these, a total of 9 are in the study phase; 10 in the development phase, 3 in the follow-up phase and the rest have been discarded.

Fluidra Innovation Week

Due to mobility restrictions, the 4th edition of this internal innovation program was 100% digital, which actually favored greater participation, with a total of 103 attendees from 9 countries. Organized in teams of three members. Five teams were chosen to develop their idea during Fluidra Innovation Week. This year's challenge was: How to make Fluidra a more sustainable company. The winners would receive the resources and support necessary to develop and implement their proposals. The winning projects of the 2020 edition were:

• **S4S:** (Nicolas Bouchain, Cédric Moulet and Jérémie Dassonville). A solution whereby pool covers transfer part of the energy from solar radiation to the pool water, minimizing the amount of energy required to maintain the ideal water temperature.

• **Sustain Abilities:** (Paqui Beltran, Carla Coloma and Mari Carmen Ariza). Mobile application to encourage more sustainable attitudes and behaviors on the part of employees through challenges in which participants can earn sustainability points.

Fluidra Talks

This is a series of virtual webinars organized by Fluidra LAB in which different technologies or fields of knowledge that can have an impact on the company are presented. These sessions feature an expert who not only explains the main concepts but also presents practical examples of their application. The object is to disseminate knowledge but also to inspire possible new projects where these technologies can be deployed. The first Fluidra Talk dedicated to chatbots was held at the end of 2020 with more than 70 participants. The goal for 2021 is to hold a minimum of four talks on technologies such as blockchain, XReality, etc.

Escoles Creatives

In 2020 we continued to collaborate on this project aimed at promoting the creative spirit in schools. On this occasion, and in view of the exceptional situation caused by Covid-19, the contest was adapted to the new reality and made more global. The challenge consisted of presenting proposals for combining the lockdown measures with everyday activities.

1,200 students participated, divided into 300 teams representing 35 schools. The winning team was "Sarrià 2", from the Sarrià de Ter Institute in Girona, with the project titled "Antiboring": an application for taking part in leisure-educational activities at home. The winning prize was a 3D printer and €500 euros.

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1.6.2 Results of European R&D projects

In 2017, Fluidra R&D started a series of research projects funded by the RIS3CAT program of the Generalitat de Catalunya with the support of "FEDER" 2014-2020 (European Funds for Regional Development) and €220,000 in funding.

- Watertur, is a project of the RIS3CAT "Water" community whose main objective is to investigate new technologies to optimize the main water consumption points at a standard tourist facility (hotel) and make them smarter. Prototypes of new solutions for smart and connected management of water treatment at hotels were developed throughout 2020 and are expected to be tested internally in 2021.
- PRO2 is a "Llavor 3D" project of the RIS3CAT community whose participants include Eurecat, Virutex, Fluidra, CTM, Fisa, Coniex, Hewlett Packard, Leitat and CIMNE. The community's goal is to create an ecosystem of applied research for the implementation and adoption of additive manufacturing and 3D printing in industrial production processes. Thanks to this project, a new Industry 4.0 area was created in the operations area in 2020.
- Also in 2020, validation tests began on the results of SOSTPOOL, a project developed as part of the "Nuclis Tecnològics" program with the aim of researching innovative and sustainable swimming pool water filtration processes to obtain excellent water quality. Work on the project was completed during the year, with the auditing and validation tasks being carried out by the administration.



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1.6.3 2020: R&D+sustainability

With the approval of the "Responsibility Blueprint" ESG Master Plan in 2020, sustainability is now more important than ever to design and innovation at Fluidra. Sustainability criteria are already being defined throughout the product's life cycle in all of the company's R&D processes, from the choice of materials to manufacturing processes, use and subsequent recycling.

In the process of developing new products and services, different environmental criteria are taken into account to ensure that the result is as environmentally friendly as possible. Priority is given to materials that comply with REACH and RohS regulations and do not contain hazardous substances. The use of recycled material is also prioritized in those products where the technical requirements permit, as in the case of injected plastic parts. Whenever possible, the materials used to manufacture the parts are indicated for identification and recycling purposes. This ensures that the materials in question re-enter the material life cycle wheel. Post-use instructions are also included in product manuals.

Internal assembly processes, which are optimized to be environmentally efficient (ultrasound, vibrations) are also considered, avoiding the use of glues and solvents to the extent possible. Optimizing the use of resources (especially natural resources such as water), the waste generated during the process and ergonomic aspects are taken into account in the design of production processes. In addition, reusable boxes have been designed for those cases where it is necessary to handle certain products for subsequent internal assembly at a different plant.

Packaging is designed to use containers that are recyclable but at the same time provide adequate protection for the product, and the dimensions are optimized to minimize the impact of transport per unit. The company is working on projects that were started last year to reduce the environmental impact of certain types of packaging, as well as certain actions to reduce the presence of plastics in packaging, eliminating components that are not 100% recyclable.

Products are designed to be as efficient as possible for their intended use (water and energy savings, longer life). By having spare parts available it is possible to avoid replacing the entire product and, at the same time, to prevent pollution and waste of natural resources.

Environmental impact and improved sustainability have been added to the information that is gathered during the new product development process in order to start tracking aspects such as energy savings and improvements to packaging, recycling, and efficiency, etc.

R&D focused on reducing the environmental impact of products

20.4% of sales in 2020 were products and solutions that offer customers and consumers benefits in terms of resource efficiency, thereby preventing the emission of greenhouse gas (avoided emissions).

Variable speed filtration pumps

This is a technology that can reduce electricity usage by up to 85% compared to traditional solutions. Fluidra is convinced that this type of product will be largely mandated by law in the coming years, as is already happening in some countries such as the United States. Approximately 75,000 variable speed pumps were sold in 2020 which is 21% more than in 2019..

LED lighting

These are products that reduce energy usage by up to 90% and can last up to 20 times longer than conventional halogen lighting. In 2020, this product family saw a sales increase of more than 20%.

Heat pumps with R32 refrigerant

This is an example of energy efficiency in pool heating and the commitment to reduce the impact of greenhouse gases, since the R32 gas has no effect on the ozone layer and 68% less of an impact on global warming.

Pool covers

An ideal solution for reducing heat loss from the pool and preventing evaporation, which considerably reduces the electricity consumed to heat the water and consumption of make-up water.

Integrated by-pass for gas heaters

Traditionally, water flows through the gas heater even when not in use, which is an unnecessary waste of energy. The product has been very well received in the North American market, with sales increasing by more than 23% compared to 2019. Using the same technology, the Jandy Versa Plumb increases hydraulic efficiency by up to 50%, reducing the energy consumed by the water treatment system.

Water treatment solutions

Thanks to these solutions it is possible to significantly reduce the need to renew pool water, which in turn reduces water consumption and the energy required to heat it. In addition, Fluidra has solutions that minimize the use of chemicals for disinfection, resulting in healthier water for swimming and an environment free of chlorination by-products. In this section, solutions such as salt chlorinators, UV radiation units, the combination of both of the latter, and units, such as Freepool, that also use CO2 as a pH regulator.

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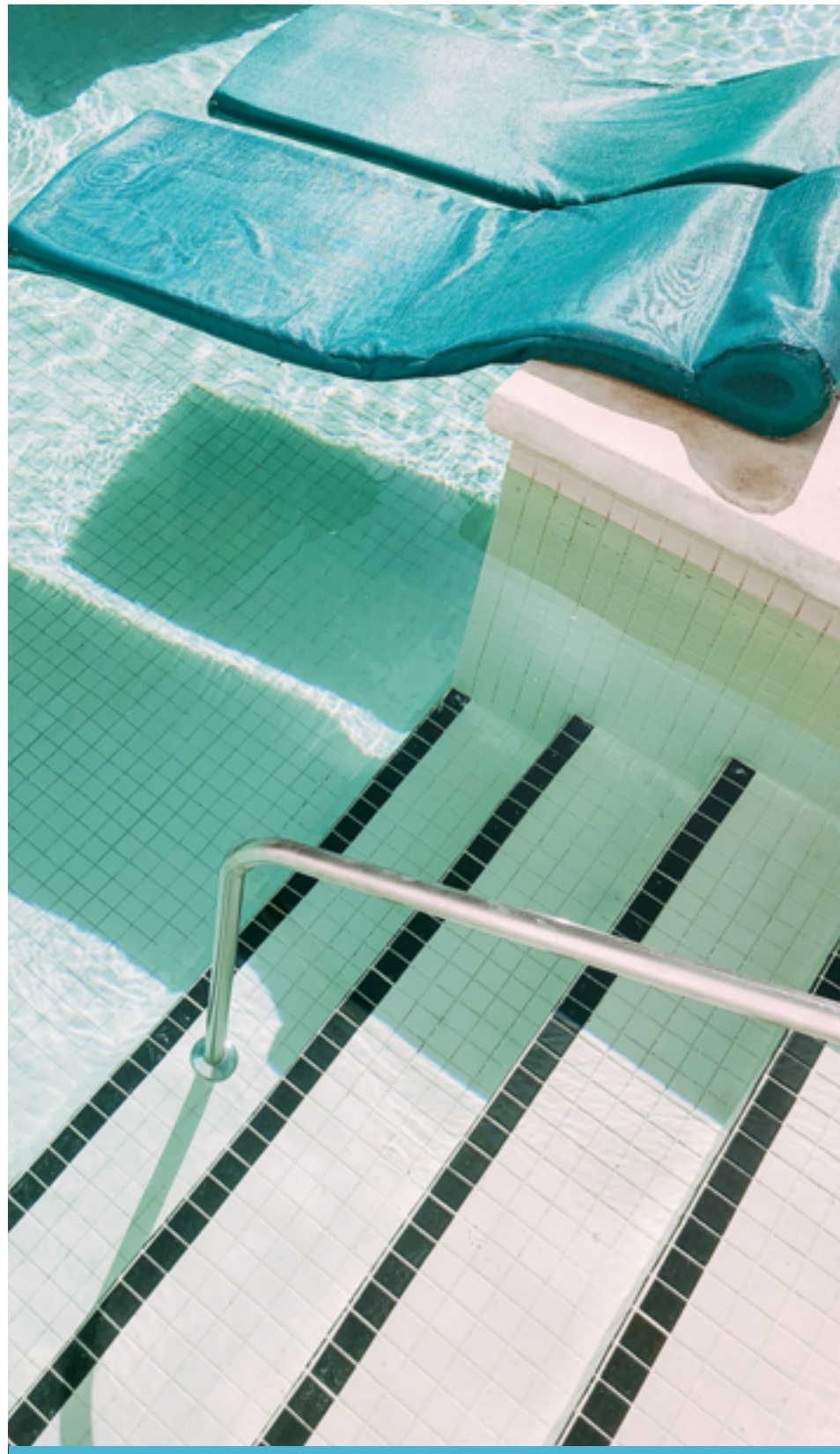
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1.6.4 The Connected Pool: Internet Of Things (IoT)

With more than 350,000 connected pools, and the goal of reaching one million by 2025, Fluidra is the global leader in the industry and a pioneer in the Pool and Wellness segment with the highest future growth potential. The ability of customers or end users to control the pool from their cell phones will be a key value-added factor in the years to come.

With the arrival of 5G, the Internet of Things (IoT) technology will make a qualitative leap toward enhanced profitability for the pool professional's business, who will now have more and better control over the facilities under his care, and for the owner will have the "control panel" of his pool and the services connected to it right in his pocket for much more convenient access.

Among the advantages for the customer, a connected pool is a tool to improve productivity, streamline processes, generate new revenue streams and develop the best loyalty program in the industry. From the owner's point of view, it avoids unnecessary repairs, optimizes maintenance costs and improves the user experience.

Finally, for Fluidra, IoT applied to pools increases user and customer engagement while generating new revenue streams and providing a valuable source of data that enables the company to expedite new product development and improve its performance from the growing installed base of connected products.

In 2020, investments were made to increase the team dedicated to IoT projects at Fluidra. In addition to the existing team in the United States, a new IoT unit has been formed in EMEA to develop the strategy for this region. This team, which was formed by merging the IoT teams from the R&D area with the RiioT team, is based in Sabadell and reports to both the Global R&D Director and the EMEA General Manager.

The number of connected pools and products increased by 45% in 2020. The new IoT organization, together with a clear framework of action for the coming years, and alignment with the development of new products and services, will enable Fluidra to meet the challenges of 2025 with conviction, developing a vast portfolio of connected products and creating an integrated and scalable ecosystem for the smart pool.

Fluidra connected pool brands



iAquaLink

Products for easy control and total automation of your pool from your cell phone, tablet or other Internet-connected device.

With iAquaLink, pool and spa elements such as lights, temperature, water features, pumps and cleaners can be easily managed, anytime and anywhere.



Fluidra Connect

Advanced pool automation system designed for both users and professionals, 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, facilitating remote maintenance.



Blueriiot

Smart pool water analyzer that requires no installation. It works around the clock, indicating the product to use and the right dosage to keep the pool in perfect condition.



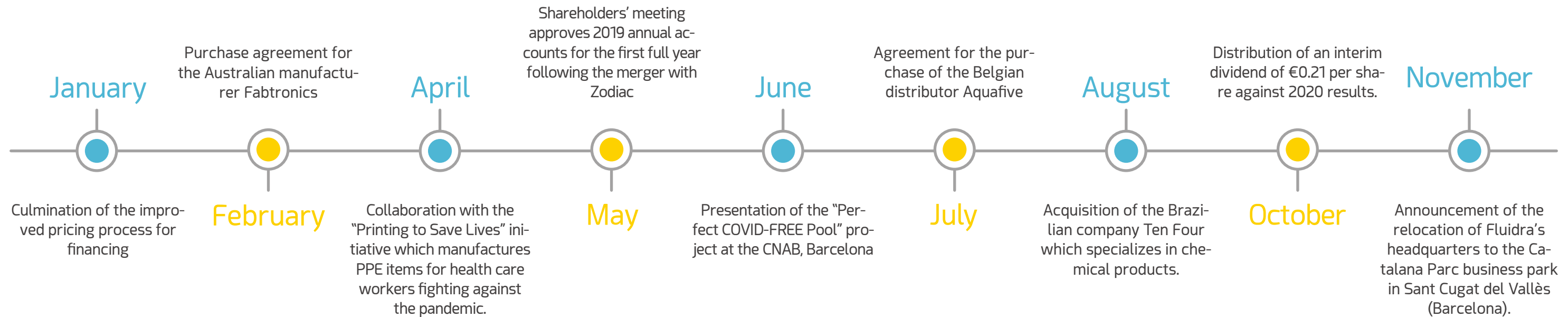
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2.1 Milestones for the year



2.2 Analysis of economic results

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Despite the problems caused by Covid-19, which had a particularly strong impact in the first quarter of the year, Fluidra had an excellent year in 2020 thanks to the good performance of the market, especially in the second and third quarters of the year, above and beyond the expectations that were set in the early months of the pandemic.

Fluidra continued to implement its 2022 Strategic Plan in 2020, initially announced to the market in the fourth quarter of 2018. After achieving the critical goal of successful integration in 2019, driven by the cost synergies that were achieved faster than anticipated in the guidance communicated to the markets, the company's focus going into 2020 was on continuing with the strategy of expanding margins and cash flows, while boosting sales growth. As a result, new guidance was published at the beginning of the year in line with the plan, showing a 5%-6% growth in sales and an increase in EBITDA almost doubling these levels. With the appearance of Covid-19 in the first quarter of the year and the sudden instability that arose as a result, the guidance was withdrawn, at which time the management team made a firm commitment to move forward with the key pillars of the 2022 Strategic Plan: margin growth and generation of cash.

At the end of 2020, sales stood at €1,488,000,000, an increase of 8.8% compared to 2019. EBITDA posted a double-digit increase of 47% to €302 million and a strong sales margin of 21.5%, while net profit increased 11-fold over the previous year, which was impacted by non-recurring merger expenses, to €96 million. Net cash profit, one of the best indicators for understanding a company's performance since it excludes non-cash items and non-recurring merger-related expenses, was up by 56.1% to €166 million.

This strong business performance is mainly due to initiatives to boost margins (Lean and VI), as well as cost synergies, which totaled €37 million, putting the company in a very good position to reach the target of €40 million in 2021.

The strong cash generation recorded by the company (free cash flow increased by 52.2% to €152.3 million) allowed it to reduce net debt by 23%. This reduction in debt, coupled with the increase in EBITDA, brought leverage to 1.8x, compared to 2.8x at the end of 2019. These leverage levels were initially planned for 2022, which demonstrates the degree to which progress has exceeded the Strategic Plan. This is a vitally important milestone for Fluidra, as it highlights the company's keen ability to generate cash when coupled with the €19 million invested in inorganic growth initiatives in 2020 (M&A), along with the €41 million earmarked for dividend payments to shareholders.

Looking to the near future, the level of revenue achieved in 2020 represents compound annual growth of more than 6% since 2018, which implies that for the years 2021 and 2022 the growth required to reach the €1.7 billion target in the Strategic Plan will be less than 6%. In other words, the progress achieved to date places the company in an ideal position to achieve this target. Looking ahead to 2021, sales are expected to increase between 6% and 9% at constant exchange rates, with EBITDA rising from 21.6% in 2020 to somewhere between 22.5% and 23% in 2021. The company also anticipates a Net Cash Earnings increase in the vicinity of 12% to 20%.

Subsequent to the acquisition of CMP, this guidance was reviewed and the growth in sales forecast set at 12–15%, with EBITDA margins kept at 22.5–23%, which means a gain of between 100–150 base points, in addition to a growth in net cash profit of between 17% and 25%.





Financial profit or loss

Millions of €	2019	% of sales	2020	% of sales	Change 20/19
Sales	1,367.6	100%	1,488.1	100%	8.8%
Gross profit margin	708.1	51.8%	787.2	52.9%	11.2%
Opex before Dep. and Amort.	445.2	32.6%	466.0	31.3%	4.7%
Bad debt provisions	4.1	0.3%	3.7	0.2%	(9.3%)
EBITDA	268.8	19.7%	320.8	21.6%	19.3%
Depreciation	65.7	4.8%	58.1	3.9%	(11.6%)
EBITA	203.1	14.9%	262.7	17.6%	29.3%
Amortization (related PPA)	63.9	4.7%	59.9	4.0%	(6.4%)
Non-Recurring Expenses and Run Rate Synergies	63.6	4.7%	18.7	1.3%	(70.6%)
Net Financial Profit (Loss)	55.4	4.1%	45.1	3.0%	(18.7%)
Tax expense	6.0	0.4%	39.1	2.6%	553.9%
Minority	5.7	0.4%	3.5	0.2%	(38.1%)
Net profit	8.4	0.6%	96.4	6.5%	1,043%
Net Cash Profit	106.2	7.8%	165.8	11.1%	56.1%

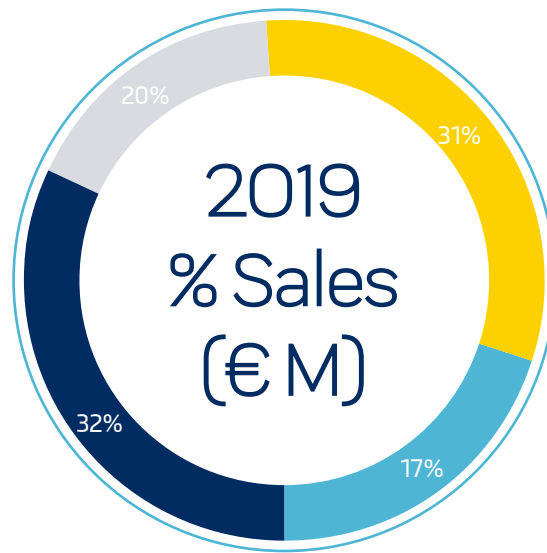
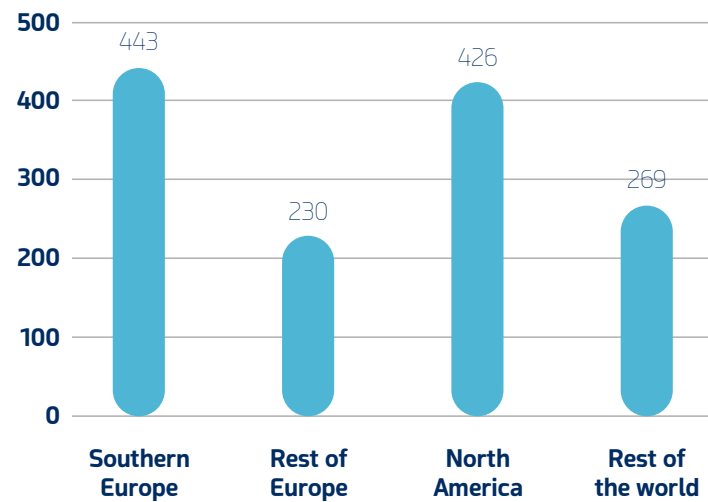
NB: EBITDA and EBITA are adjusted to include Run Rate Synergies and exclude Non-Recurring Expenses.



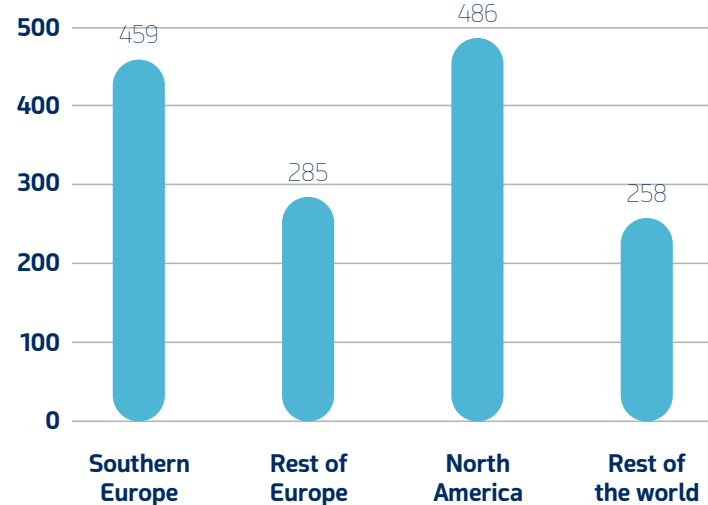
2.2.1 Results by geographical region

Results by geographical region

Results 2019 (M€)



Results 2020 (M€)



- Southern Europe
- Rest of Europe
- North America
- Rest of the world



Evolution 20/19

Evolution at constant currency and scope of consolidation

3.6%	< Southern Europe >	3.8%
23.9%	< Rest of Europe >	25.0%
14.2%	< North America >	17.2%
(4.0%)	< Rest of the World >	0.7%



North America

The most stable region in 2020, with constant sales growth in all quarters, although the second quarter was affected by the lockdown measures and was the only one with double-digit sales losses. It recovered spectacularly in the third quarter of the year and posted a 17.2% increase in sales for the year versus 2019, adjusted for currency and perimeter, reporting sales of €486 million.

As was the case in other markets, the outlook at the start of 2020 was uncertain. However, the impact of the “stay-at-home” effect was felt earlier here than in other regions, as customers quickly began to request the construction of new pools and upgrades to existing ones as early as mid-April. This was coupled with mild temperatures throughout the year which made for a longer pool season.

North America is one of the pillars of Fluidra’s 2022 Strategic Plan “Your perfect pool experience”, where the company plans to grow at an annual rate of more than 7% through 2022. Key components of the plan include the expansion of the company’s product range, a heavier emphasis on the installed pool segment and a steady increase in the number of connected pools (Internet of Things, IoT).

North American market environment

The North American market (United States and Canada) represents 49% of the global swimming pool market, which in monetary terms means that it is a €5.7 billion market volume out of a global market worth €11.5 billion. This region accounts for 33% of Fluidra’s annual turnover.

The structure is different than in other parts of the world, with three major players accounting for the vast majority of the market for Residential Pool equipment. Approximately 70% of the products move through the distribution channel via more than 50 wholesalers. Of these, Pool Corp is the one that moves the most volume and has the largest market share.

Business Development

2020 was a year that broke the mold for everyone, but despite this Fluidra’s final results, especially in North America, were more than satisfactory.

In 2020 Fluidra launched the Aqua Products™ brand in the robotic pool cleaning category. This brand will target new sales channels and price segments to drive growth in parts of the market where the company currently sees opportunities. The company began its incursion into the commercial pool segment in the U.S. with the launch of several product lines, including a range of pumps, filters, disinfection systems, heaters, handrails and ladders. Fluidra plans to continue to aggressively grow its business in this segment through a distinctive offering of products and services.



Customer focus

The company has adapted its commercial strategy to the situation throughout the year, leveraging its capabilities and readiness to meet the demand which rebounded sharply from the second quarter onward. But the pandemic has not prevented the company from pursuing another 2020 objective, which was to focus on the customer by implementing a holistic combination of activities, strategies and policies to help support its continued growth:

- Use of NPS (Net Promoter Score) to ensure that customers' feedback is received and their needs heard.
- Specific product lines and focused channel management to help the company's customers become more competitive.
- Technical training for pool professionals in the United States and Canada.
- Specific loyalty programs that align with each major customer type (builder, maintainer and retailer) to ensure customers can find a program that meets their business needs.
- Digital and traditional marketing services to help clients market their businesses more effectively and stay digitally competitive to generate leads, manage their online reputation and their websites.

2021 Trends

Industry fundamentals remain strong in North America. Industry growth is assured by the macro trends of the "stay-at-home" effect, building on a larger aftermarket base and accelerating new construction. The success of the Early Buy campaign in the U.S. is another positive indicator for 2021.

In the long term, it is expected that the industry will return to normalized growth trends, as well as those resulting from the effects of stay at home and the flight to the suburbs, which means that Fluidra will be able to meet its targets for this region on time according to the established plan. That plan involves expanding the product range, increasing penetration in the installed pool market and developing new products and connected pools.

The company's objectives for this region in 2021 are:

- Penetrate new channels and price segments and grow in categories where opportunities are identified.
- Continue to drive growth by leveraging established after-sales programs, a specialized sales force and exclusive commercial drivers.
- Grow through a more efficient and innovative product offering and enhance the pool experience with peripheral products such as lights, fire features, pool covers and water features.
- Leverage Fluidra's strength in the IoT field through the rapid and continuous launch of easy-to-use connected pool products and systems.
- Strengthen Fluidra's position in the commercial pool segment in North America with a strong commercial product offering.

EMEA (Europe, Middle East, North Africa and Latin America)

This has been the most challenging region but also the one with the strongest recovery following the measures taken in March and April to contain the Covid-19 pandemic. Southern Europe in particular (Italy, France and Spain) weighed on results in the first quarter, with sales down 13.2%, despite 10.6% growth in the rest of Europe. In June, however, the recovery was strong in all European countries, and by the end of the second quarter the region posted growth of 9.6%, with above-ground pools, automatic pool cleaners and heater products performing especially well. This offset the 11.7% losses in the first half of the year in the Commercial Pool segment, which was heavily affected by the confinement measures and their impact on the hotel sector.

The Residential Pool sector had a fantastic summer season, with an increase of 24.6% driven by the "stay-at-home" effect and new pool construction. This, combined with fourth quarter results in which Southern Europe performed exceptionally well with a 23.2% increase in turnover based on a like-for-like perimeter and exchange rate, and with the Rest of Europe which also performed well, growing by 23.7%, allowed Fluidra to increase its sales in Southern Europe by 3.8% and in the Rest of Europe by 25% in 2020, to a total of €459 and €285 million, respectively.

The removal of Aquatron products (manufacturer of electronic pool cleaners) from Fluidra's distribution catalog was successfully completed during the year, in compliance with the ruling of the Court of Justice of the European Union regarding the divestment of this company. Two other notable milestones were the acquisitions of Aquafive, a prestigious distributor in Benelux, and the Brazilian company Ten Four which specializes in the production and sale of chemical products.

Moreover, efforts continued to increase the capillarity of Fluidra's own wholesale outlets by adding to the 67 it already owns (Cash&Carry or Fluidra Pro Centers), which contributed 21% of the turnover.

Finally, work continued on the development of the sale management function through Salesforce, a CRM platform that identifies of sales growth opportunities with existing companies, while also providing additional training, coaching and deployment of the sales force. Due to complications brought about by the pandemic, and for the first time since the company began using this platform in 2015, there was a 0.7% decline in the customer portfolio last year.

The EMEA market environment

This region includes the countries of Europe, the Middle East/India, North Africa and Latin America. In these markets, Fluidra has a unique and vertically integrated business model. With its own R&D department, production plants and logistics and wholesale operators, Fluidra is unique within the sector. These markets are characterized by being well developed given the existing customer base and that are concentrated in few global players but many domestic ones.

In these countries, the main market is Residential Pools, while the Commercial Pool market is developed by the customers themselves and is highly fragmented. The company continues to focus on the most important market, developing its business model based on increasing capillarity, improving customer relations and seeking integration synergies. According to the 2022 Plan, the goal is to grow sales at an annual rate of more than 5% through 2022 in a market environment which is still favorable despite the pandemic, given the strong professional customer base in the Residential Swimming Pool market.



Commercial pool market

This market consists primarily of Olympic swimming pools, water parks, wellness centers, hotels and resorts, fountains and lagoons. Focused on new construction and renovation, the markets are highly fragmented, with leisure and tourism as the main driver. None of the global players are leaders in this market.

Unlike the Residential sector, in the Commercial Pool sector the end customer is not the user but rather the developer or operator of the facilities. Fluidra, as a manufacturer and distributor with an engineering department dedicated to promotion, consultancy and design, is the only vertically integrated competitor.

Fluidra Engineering Services (FES) plays an important role in attracting potential customers supported by the Company's reputation as world-class designers and experts in the construction of Commercial or Public Pools and other aquatic spaces such as fountains.

Fluidra aims to broaden the range of Commercial Pool products and expand them globally with a focus on achieving profitable growth in emerging markets where the commercial market is most relevant. The object is to adapt products to market specificities and regulations and to focus on energy and water efficient devices and systems.

Creation of value

For distributors in EMEA, the key driver for value creation is the wide range of products offered by Fluidra, along with product availability and technical support.

For their part, customers and advisors (pool professionals) appreciate Fluidra's technical expertise and the one-stop-shops at its wholesale outlets; the technical support, training and after-sales service; and the timely availability of the desired products at the desired location.

Fluidra has designed a strategy to achieve profitable growth in the region based on:

- **Improving the capillarity of its own wholesale outlets**

Fluidra currently has 58 stores for professionals (Fluidra Pro Centers) representing 21% of turnover in the following markets: Spain, France, Italy, Portugal and Belgium. It also has 41 additional points of sale using the con-

ventional counter system (Order & Collect). The company's goal is to deploy the Fluidra Pro Center model wherever the market structure allows by opening new branches and by transforming Order & Collect branches into Fluidra Pro Centers. Fluidra will continue this expansion and conversion to reach 65 Fluidra Pro Centers by 2022.

With a customer base that has grown by 30% since 2014 and sales growth which is 8% above average, it has a margin that is six percentage points higher than other channels.

- **Improved penetration:**

Fluidra has an effectively proven model for implementing a set of practices that maximize the impact on sales and margins with existing customers, based on the fundamental premise that "the customer is always first."

–Sales management: The company identifies sales growth opportunities with existing businesses, while providing additional training, coaching and sales force deployment through www.salesforce.com. Since 2015 the Company has seen an increase of more than seven percentage points in its customer portfolio.

–Loyalty programs: Fluidra plans to expand its loyalty programs in EMEA, align country programs and create regional programs to attract more than 260 new partners.

–Alignment of prices by product and customer segment: This has already been implemented in six countries and Fluidra will continue to do so in other locations.

Brand and channel management

As in North America, the merger offers the opportunity to offer a broader range of products to customers. The company aims to position its highly valued product ranges and brands by pursuing a channel policy. A brand architecture study was conducted in 2019 in key markets, as a result of which a new policy was established for managing ranges and brands by channel. The intention is to maximize sales while minimizing volume and margin erosion between channels. By strategically positioning the company's brands in different channels, Fluidra will boost sales and customer loyalty.



Synergies derived from the integration

Fluidra has completed the process of integrating the teams in the different markets. The integration will make the sales network more efficient, with consolidated sales teams and market-optimized export routes. It will also consolidate support functions, such as administration, logistics and after-sales service, and maximize commercial synergies with Zodiac products, available both at Fluidra Pro Centers and for sale through Fluidra sales networks, and with AstralPool products included in the Zodiac catalog and available in other channels.

The integration was fully completed in 2020. Following the merger in France, the integration of Fluidra and Zodiac in that area is almost complete, while in Germany it was completed in the first quarter of 2021.

2021 Trends

Fluidra Engineering Services (FES) will play a critical role in the company's emerging markets strategy, expanding its projects globally and deploying FES in all territories. Focusing on hotels, motels, condominiums and sports clubs, Fluidra's presence in all territories will be reinforced through FES, where it will share its knowledge of project promotion, design and management to become the leading global player with the ability to offer a comprehensive solution in this industry.

Through a combination of good market indicators, Fluidra's existing presence in all markets, best practices with a track record of success and the strategic enablers of its commercial product range and engineering services, the company forecasts average annual growth of more than 10 % by 2022 in the commercial pool market in the EMEA region.

After a year like no other, forecasts for 2021 remain optimistic, and even more so following the announcement of vaccines and vaccination plans for half of the population in major markets in the first half of 2021, just in time for the summer season. Although the "stay-at-home" effect will continue to weigh on the results of the Commercial Pool division, it is expected to have only a minimal impact on Fluidra's overall results moving forward.

Fluidra's objectives for the EMEA region in 2021 are:

- Develop the manufacturing and distribution organizational structure for the area.
- Create programs to return to normalcy in customer service.
- Integrate the ESG culture across the entire organization.
- Implement the NPS system in as many countries in the region as possible.
- Further the development of Fluidra's quality policies in the region.
- Continue to develop value acquisition processes to improve operating costs.
- Continue to harmonize sales conditions as well as price control to improve sales margins.

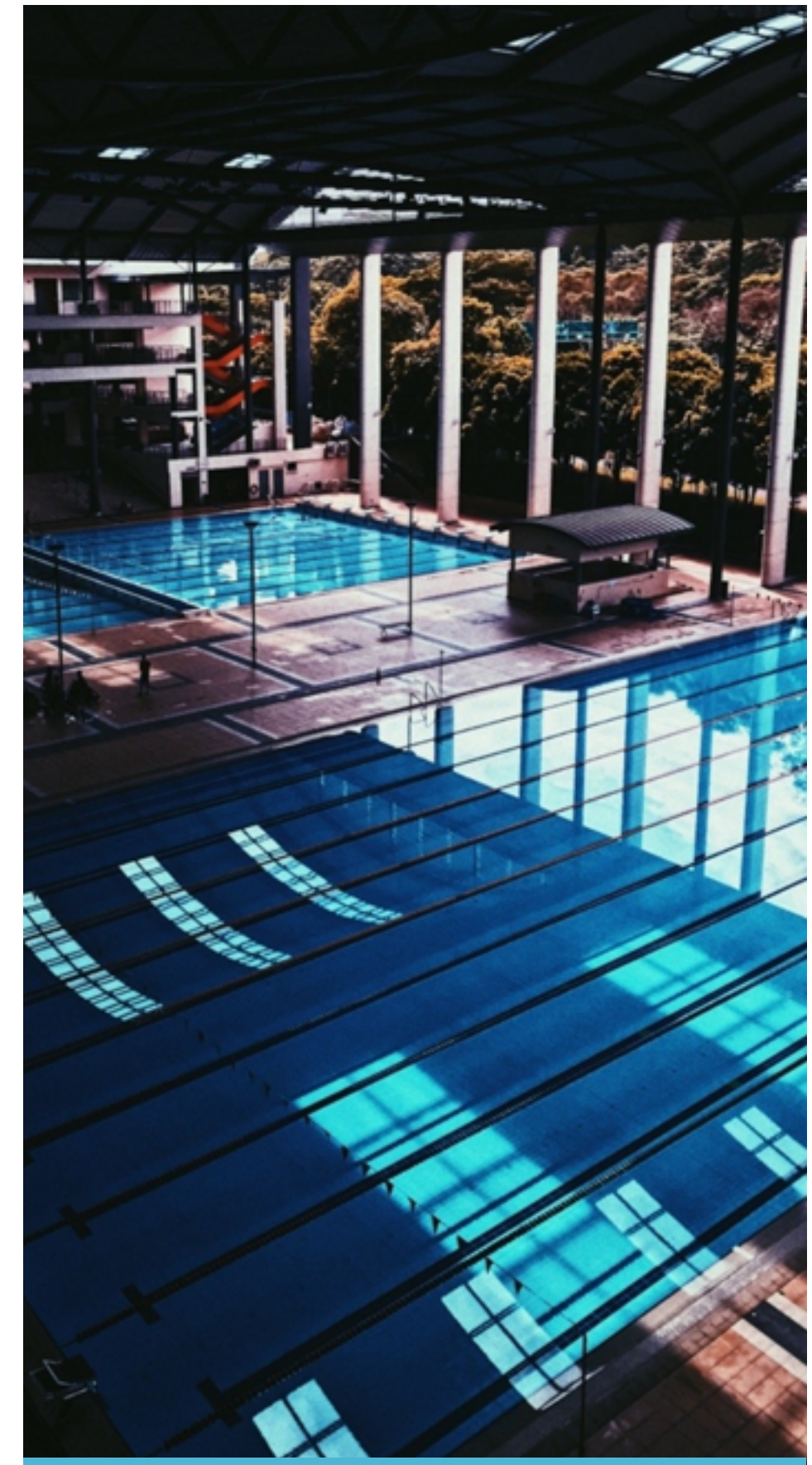
Asia-Pacific (APAC)

The first impact of the corona virus in this region was felt in Australia and South Africa, which slowed their performance at the beginning of the year, compared with the good performance forecasts for Asia and Latin America, which put growth at 2.1% for 2019. This is the area with the slowest recovery due to Covid-19 and the impact of reduced activity in Commercial Pools, with a slight increase of 0.7% in sales to €258 million on a like-for-like basis.

Following a number of mergers and major ERP changes in Australia and South Africa in 2019, the APAC team looked to 2020 with optimism. The Fabtronics acquisition closed in early 2020 but because of Covid-19 the moves, and hence the integration of the business, have been more difficult than anticipated.

Compared to the US and EMEA, a relatively low number of Covid-19 cases were reported in APAC countries. Despite these lower numbers, Australia and South Africa underwent full and prolonged lockdowns.

Asia saw a big delay in commercial pool projects, which resulted in a



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sharp decline in project sales in the second half of the year as the global travel ban affected the hospitality sector.

Fluidra obtained the seventh FINA (International Swimming Federation) certificate in 2020 for the Arena Aquatic PON XX Papua Aquatic Center in Indonesia, which is suitable for holding international championships. The project for these pools is valued at more than €4 million and obtaining the FINA certification once again shows that Fluidra is the partner of reference for competitive water sports all over the world. With this new certification, Fluidra's subsidiary in Indonesia now has seven FINA-certified pools, along with Aquatic GBK and Aquatic PPOP Ragunan. The pool designed and built by the Group for the 19th Sukma Games in Malaysia is also certified.

APAC market environment

At Fluidra, this region includes the countries of Australia, Southeast Asia and South Africa. Except for Australia and South Africa, where the trends are similar to those of other developed markets, i.e., the Residential Pool segment is the most important, the rest is mainly based on Commercial Pools, i.e. Olympic facilities, water parks, wellness centers, hotels and resorts, fountains and lagoons. There is a high probability of success in this region as there is no leading player there.

One of the defining characteristics of this region is the focus on new construction in highly fragmented markets, with tourism as the main driver. In these territories, the end customer is not the professional or the domestic user, but the developer or operator of the facilities. In this environment, Fluidra takes advantage of being a manufacturer, distributor and having an engineering department dedicated to prescription, consulting and design, it is the only vertically integrated competitor.

The bulk of Fluidra Engineering Services' activity is focused on these countries and the Group aims to broaden the range of Commercial Pool products and expand its products globally to achieve profitable growth in the APAC area.

Fluidra's target for this region is 8% per year. However, in 2020 the lockdowns and restrictions on movement hit the hospitality and tourism sector particularly hard and the effects were acutely felt in the Commercial Swimming Pool sector in the APAC region.

2021 Trends

Fluidra remains committed to its strategy, especially since other business units and regions have shown themselves to be resilient and able to take advantage of the change in market trends from the outset. However, in 2021 we are still waiting to see how the vaccination plans are rolled out and to what extent the measures restricting capacity and access to indoor pools will be eased. Nevertheless, forecasts are optimistic for significant growth looking forward to the summer vacation season.

The APAC region has yet to reap the full benefits of "cocooning" sales, although Australia finished 2020 on a strong note and this could signal the start of the sales trend seen in the US and EMEA. Any pent-up demand in Australia will be offset by a slow start to the first half of the year in Asia as projects are still paused.

This explains the conservative approach to total sales growth for APAC. Cost control will remain key.

The evolution of initiatives for 2020 has been interesting. Customers will continue to be the focus of all activities/initiatives across the region and Fluidra's activity in this region will be supported on the following pillars:

- Proximity to customers - Showing our customers that we truly value our relationship, helping them to thrive in 2021 and beyond.
- Winning together - We have a team of over 1,000 people in APAC and they have faced difficult, unexpected and challenging times in 2020. 2021 is the time to empower and engage our teams.
- Operational excellence - Ensure we are measuring the key areas that are important to our customers across the region.
- Drive EBITDA - With the implementation of the simplification projects and the Fabtronics acquisition, there is a clear path to 17% by the end of 2022.
- Deliver on our promises - Teams must prioritize better to ensure that we deliver on our commitments to customers, staff and shareholders.



2.2.2 Result by business line

Piscina and Wellness

By the third quarter of the year, Fluidra's Pool and Wellness business unit had already far exceeded the sales obtained in 2019 (€1,298,000,000), closing the year at €1,447,000,000, an increase of 9.6% compared to the year before. It remains the company's primary source of income with 97% of total sales for the year.

Residential Swimming Pool

Sales in the Residential Swimming Pool segment were the driving force for Fluidra in 2020 in all of the markets where the company does business. Social distancing measures have increased private pool usage and pool purchases. Sales in this business line were up all year long, quarter after quarter, especially during the summer season in Europe and North America. This business line had total sales of €1,073,000,000 for the year, which represents 72% of Fluidra's sales for the entire year, a 12.6% increase compared to 2019.

Commercial Pools

The measures imposed on the hospitality sector had a negative impact on the results for this market segment, which sustained its greatest losses in the months of March and April. Although the negative trend continued throughout the year, quarter-on-quarter sales figures improved, with €90 million in turnover in 2020, 6% of total sales, but 8.9% less than 2019. The outlook for 2021 is positive. The arrival of the Covid-19 vaccines and the plans to have at least 50% of the populations in most European and North American countries immunized by the summer augers well for a vacation season with great potential for growth, given Fluidra's positioning as a market leader and its ability to be prepared after such a complicated 2020.

Pool Water Treatment

The evolution of this business unit is marked by the situation in Southern Europe, which saw slightly negative numbers during the first half of the year, with flat sales of water treatment equipment and worse than expected numbers for the chemical business due to the lockdowns.

However, the outlook changed radically starting in the third quarter and through the summer season in Europe, coinciding with the end of the confinement measures. As a result, the company posted double-digit growth the last quarters of the year, especially in the Water Treatment line, which offset the lower performance of Chemicals.

Sales in this business unit stood at €202 million at the end of 2020, up 5.2% over 2019, and accounted for 14% of the group's total.

Fluid handling

Like the other business units, the fluid handling business was seriously impacted by the situation in the first half of the year. However, once the strict measures to control the pandemic were lifted, sales exploded in the last two quarters of the year.

In line with new residential construction and the sharp increase in new pool construction projects, the second half of the year made up for the first half, with €82 million in revenue, an increase of 8.1% over 2019.

Irrigation, industrial and others

This business unit maintains its minority position in the Fluidra family of business lines, accounting for just 3% of total turnover. It reported €41 million in sales in 2020, 13.7% less than in 2019.

Results by business area

€M	2019	% of sales	2020	% of sales	Evol.20/19
Pool & Wellness	1,320	97%	1,447	97%	9.6%
Residential	953	70%	1,073	72%	12.6%
Commercial	99	7%	90	6%	(8.9%)
Pool Water Treatment	192	14%	202	14%	(5.2%)
Fluid Handling	76	6%	82	6%	8.1%
Irrigation, Industrial and Other	48	3%	41	3%	(13.7%)
Total	1,368	100%	1,488	100%	8.8%



2.3 Analysis of the financial situation

Fluidra began the 2020 financial year in a solid financial position, with a net debt to EBITDA ratio of 2.8, which by the end of 2020 was 1.8. Throughout the year, but especially in the third quarter, the downward trend of net financial debt continued, aided by positive cash generation

A senior secured loan in the amount of €150 million was partially repaid in early 2020, improving certain economic terms including the interest rates on the euro and US dollar tranches of the senior secured loan and the interest rate on the revolving line of credit.

Overall, the total amount of capital available from Fluidra's different sources of financing was €454 million (as compared to €417 million in 2019). The earliest maturity date of this secured loan is July 2025 and there are no pending refinancing requirements in the coming 12 months. The ABL arrangement is set to mature in June 2023 and the revolving line of credit in June 2024. Fluidra does not have any commitments to maintain financing for its secured loan.

The performance of operating cash flow was excellent in 2020, thanks to the steady improvement in results from the second quarter onward and the strong contribution of working capital, which improved the LTM sales ratio by 690 basis points. The liquidity contract signed in June 2017 with BNP Paribas was terminated in 2020 and a new one was signed with Banco de Sabadell, allocating 80,000 shares and €720,000 (compared to the previous 68,888 shares and €462,924.57). This contract is valid from the date of signing (March 30, 2020) and is renewable on a yearly basis.

To hedge the exchange rate risk, Fluidra enters into forward (derivative) contracts for the currencies of the main markets in which it operates. In 2020, to hedge transactions between US dollars and Australian dollars, a derivative with a notional value of €18.7 million was contracted. To hedge transactions between euros and US dollars, in 2020 the company had derivatives with a notional value of €21.1 million, compared to €7.1 million in 2019.

Financial indicators

Millions of €	2019	2020	€ Evol. 20/19
Reported EBITDA	205.3	302.1	96.8
Net Interest Paid	(46.6)	(34.2)	12.5
Income Taxes Paid	(3.8)	(35.2)	(31.4)
Working Capital	(24.4)	34.3	58.7
Other Operating Cash Flows	25.1	25.1	-
Cash Flow from Operations	155.5	292.1	136.5
Capex	(47.6)	(43.5)	4.1
Acquisitions / Divestitures	21.8	(19.1)	(40.9)
Other Investment Cash Flows	(0.8)	1.9	2.7
Cash Flows from Investments	(26.6)	(60.7)	(34.1)
Payments on Lease Liabilities	(15.6)	(20.3)	(4.7)
Treasury Stock	(8.9)	(15.9)	(7.0)
Dividends and Other	(4.4)	(42.8)	(38.4)
Cash Flows from Financing	(28.9)	(79.1)	(50.2)
Free Cash Flow	100.1	152.3	52.2
Net Debt Prior Year Before	841.5	756.8	(84.7)
FX Impact	15.4 ⁽¹⁾	(22.6)	(38.0)
Free Cash Flow	(100.1)	(152.3)	(52.2)
Net Debt	756.8	581.9	(174.9)
Leases, Net	(121.8)	(114.1)	7.6
Net Financial Debt	635.0	467.7	(167.3)

(1) Assuming no FX impact on leases in FY 19.



Investments

Fluidra is a vertically integrated group in good financial health. It has a broad international presence and a catalog of more than 75,000 products. Its inorganic growth strategy is focused on seeking opportunities that add value to its business model.

After the merger with Zodiac and closing 2019 with net debt, EBITDA and cash flow levels in line with the forecast, Fluidra is now focused on its role as a market consolidator by making new acquisitions.

Early 2020 also saw the acquisition of Fabtronics, an Australian designer and manufacturer of electronic components. The idea here is to strengthen R&D capabilities and incorporate full-service, efficient and cost-effective electronic component design and manufacturing solutions. Fluidra acquired 80% of the shares for a price of AUD 15 million. The implicit valuation of 100% of the shares is AUD 18.75 million. The acquisition agreement also includes earn-outs to be generated over the next three years.

Based in Melbourne, Fabtronics has a workforce of around 45 people and a 3,000 m² plant for the design and manufacture of state-of-the-art PCBs, with annual turnover of AUD 18 million and EBITDA of AUD 6 million. The company has been a key Fluidra partner for years, providing R&D assistance. Many of the products designed and manufactured by Fluidra in Australia such as the Viron and EQ salt electrolysis equipment were the result of its partnership with Fabtronics.

In the framework of this strategy in mid-2020 Fluidra closed a deal for the purchase of all of the share capital of Aquafive. The company has a track record of over 25 years as a distributor of pool equipment and holds a prestigious reputation among pool dealers in Benelux (Belgium, the Netherlands and Luxembourg), in addition to having been an exclusive supplier of Zodiac products in this region.

The agreement signed put a value on Aquafive and its subsidiary Pentagone at approximately €4.8 million. The purchase was completed by way of an initial payment of €3.3 million and three deferred payments of €0.5 million that will be made between 2021 and 2023. At the time of its acquisition, Aquafive had a turnover of just over €7 million per annum, with an EBITDA of approximately €900,000.

Fluidra has also strengthened its presence in Latin America with the purchase of the Brazilian company Ten Four, which specializes in the production and sale of chemical products for the pool and wellness sector. As the only company in Brazil that offers both pool equipment and water care products, it offers significant added value to its customers.

With annual sales of around BRL 17 million, which at the exchange rate is approximately €2.7 million, Ten Four specializes in the private label business, mainly the production of solid chlorine, algaecide, pH regulators. Its modern 6,000 m² facilities are located in the city of Valinhos on the outskirts of Sao Paulo.

With this purchase, Fluidra also acquires important supply contracts with leading companies and establishes itself as a platform for the development of the AstralPool chemical product range, as well as a chemical-industrial hub that will enable the company to serve the entire Latin American market.

Under the divestment heading, Fluidra reached an agreement with the Danish firm Dantherm for the sale of SET Energietechnik GmbH, a leading supplier of air conditioning products and solutions for a variety of air conditioning applications including heating, dehumidification, cooling and ventilation, which was acquired by Zodiac in 2013.

Grants received

During the 2020 financial year, Fluidra received a total of €1.2 million in public subsidies compared to €0.5 million in 2019, which were mainly earmarked for training employees, promoting innovation and technology, improving energy efficiency and reducing waste. Australia and Spain top the list of countries that provided the largest subsidies over the last year. Fluidra has no public entities in its shareholding structure.

COUNTRY	FINANCIAL AID*
Australia	531.18
Belgium	45.82
Chile	9.64
China	83.63
Croatia	12.81
Cyprus	6.00
Spain	418.11
France	9.10
Greece	1.03
Poland	32.06
Singapore	97.59
Total	1,246.97

*Figures in thousands of euros

2.4 Shareholder returns

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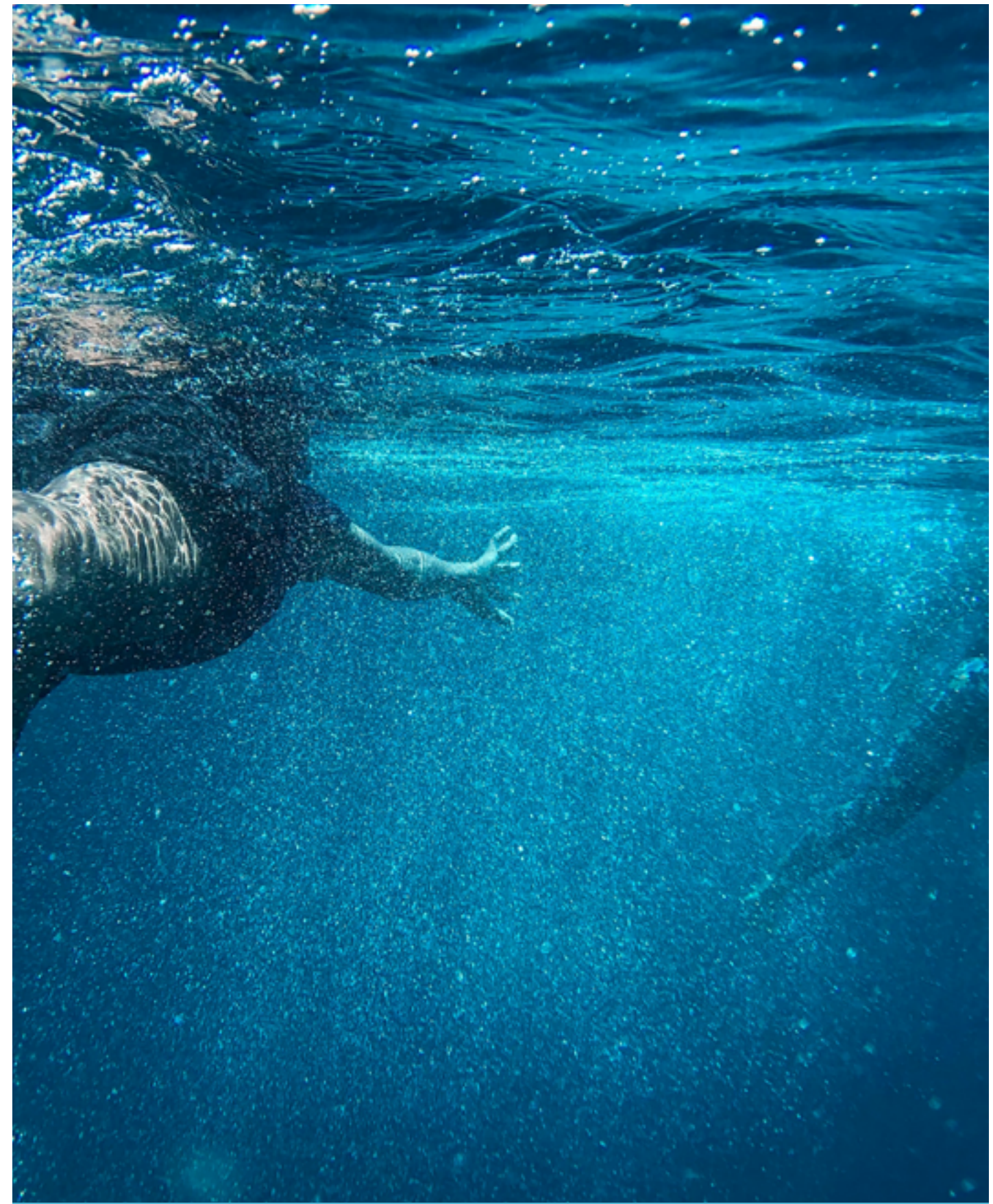
2020 was the second full year of trading for Fluidra's stock and although the early part of the year was impacted by the situation brought about by the Covid-19 pandemic, by the end of the year the company's stock performance had exceeded expectations.

Fluidra stock price, IBEX 35 and IBEX Medium Cap 2017-2020



The year was off to an optimistic start for Fluidra as far as stock prices. By mid-February, the stock had risen from the closing price of €11.94 in December 2019 to €13.30 on February 21, the highest price in Q1. After that, Fluidra's stock and the rest of the market began to decline, reaching its lowest point on April 9 at €8.39 per share.

From then on, Fluidra was one of the first stocks on the Spanish continuous market to recover and was already trending upward by the end of April. Fluidra's stock appreciated by 72% in 2020, closing the year at €20.95 per share and setting a new all-time high. In respect of the number of securities negotiated, the figure was 25%



higher than in 2019. Increases were also seen in the volume of cash flow, which rose by 73%, and a notable increase in the average daily volume, particularly in Q4.

In short, the market has recognized Fluidra's potential and the resilience of both the company's business model and its professionals, so in the final analysis it was a great year for shareholders.

This was reinforced in March 2021 when the company was selected to join the Ibex 35. The decision of the Technical Advisory Committee to include Fluidra is based on twofold criterion of a going-in cap rate and high liquidity. Fluidra's market cap is currently over €4.5 billion, which tops that of eleven current Ibex 35 members.

Dividend

The Board of Directors, among the measures it was obliged to take and to report in March, decided to suspend the distribution of dividends to shareholders until further notice. Fortunately, good performance in both the second and third quarters of the year generated enough cash to resume the payment of dividends to shareholders in October. Specifically, a €0.21 dividend per share was offered, resulting in a total payment of €41 million charged to 2020 results.

Stock market information

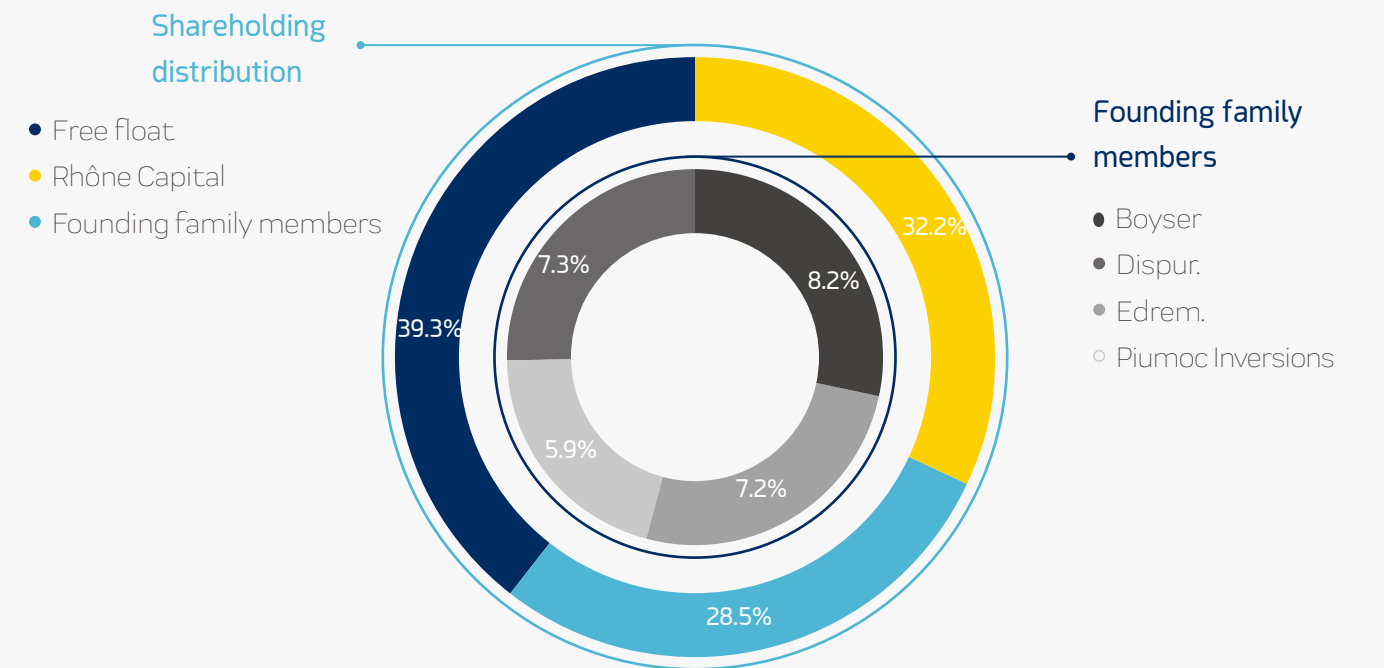
	2020	2019	2018	2017	2016
Capitalization (thousands of euros)	4,098,429	2,386,675	1,915,209	1,330,149	486,558
Number of shares (x 1,000)	195,629	195,629	1,915,209	112,629	112,629
Closing price for the period (€)	20.95	12.20	9.79	11.81	4.32
Maximum price (€)	20.95	12.74	14.40	11.87	4.60
Minimum price for the period (€)	7.72	8.90	9.35	4.22	2.95
Average volume (thousands of shares)	47,494	37,965	41,539	45,043	21,237
Dividend (euros/share)	0.21	N/A	N/A	0.135	0.0901
Dividend yield (%)	1.35%	N/A	N/A	1.14%	2.09%
Payout (%)	tbd	N/A	N/A	62.0%	77.0%

Shareholder structure

At the end of 2020, Fluidra held a total of 2,553,007 treasury shares. At the 2020 year end, the Board of Directors controlled nearly 61% of the company's capital and the remaining 39% is free float.

The holdings of the company's significant shareholders are as shown on the shareholding chart.

Shareholding percentages (at 31 december 2020)



Rhône Capital is a New York-based private equity firm with a strong presence in the European corporate market in a diverse range of companies, including business services, chemicals, consumer products, industrial products, food, packaging, specialty materials and transportation. In 2016 it acquired Zodiac and following the merger of the latter with Fluidra in 2018, it became a majority shareholder of the group, albeit with the intention of gradually divesting. In June 2020 it announced the sale of 4% of the capital, adding another 6.2% in November, leaving it with a 32.2% stake.

In the first quarter of 2021, Rhône Capital made a further capital placement, thus reducing its shareholding to 21%, which is approximately half of what it held in July 2018 after the merger.

Boyser, S.L., Dispur, S.L., Edrem, S.L. and Piumoc Inversions S.A.U. are the companies that represent the founding families that formed the Fluidra group when it first became listed in 2007.

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Relations with shareholders and investors

2020 was an extraordinary year for investor relations, not only because of the situation brought about by the worldwide pandemic but also because of the evolution of Fluidra’s market with moments of extreme uncertainty and volatility.

Because of the restrictions on gatherings it was impossible to hold the 5th Investor Day from in 2020, as had been the custom in previous years, coinciding with the Pool & Wellness fair in Barcelona, an event that was also suspended due to the pandemic. Among the safety measures adopted in March by the company as part of its efforts to maintain active relations with investors and shareholders, the company’s digital media platforms were reinforced, reducing face-to-face meetings and physical contact between people to a minimum in order to safeguard the health of both our own employees and the people with whom they interact.

Events and interactions with analysts and investors

Activity	2019	% total	2020	% total	% 19/20 evol.
Telephone calls	167	65%	304	84%	82%
Virtual conference	0	0%	42	12%	n/a
Face-to-face meetings	60	23%	12	3%	(80%)
Conferences	9	3%	2	1%	(78%)
Roadshows	17	7%	1	0%	(94%)
Visits	5	2%	2	1%	(60%)
Total Events	258	100%	363	100%	41%
Total Interactions	668		949		42%

Despite the restrictions, there were 949 interactions with analysts and investors, a 42% increase, and the number of events increased by 41% to 363. In addition, we participated in virtual forums and seminars such as Baird’s Global Industrial Conference in November 2020.

There were two major milestones in Fluidra’s relationship with investors and analysts in 2020:

- Excellent financial analysis coverage, with a total of 15 analysts who follow Fluidra’s stock very closely and maintain close contact with the company. The corporate website provides details of the consensus of these analysts (<https://www.fluidra.com/shareholders/market-consensus-1>)
- The lock-up period of Fluidra’s main shareholder, Rhône Capital, ended on July 2, 2020, which means that it can now dispose of positions in Fluidra without having to request special authorization from the founding families. Against this backdrop, a block trade of 6.2% of the company’s stock was arranged on November 19 with great success. The demand for Fluidra shares was far higher than the package that Rhône finally decided to offer and the discount was only 4%. Currently, Rhône Capital controls 21.5% of Fluidra’s stock, following another block trade that took place in January 2021.

At the end of 2020, Fluidra’s market cap was more than €4 billion, and in March 2021 it joined the Ixex 35. This means there is a much broader range of potential investors and analysts interested in its stock. Greater market visibility has facilitated the communication of the company’s activities and interaction with market agents. All of this results in higher liquidity and trading levels which in turn makes Fluidra much more attractive to investors and analysts.

The company continues communicating with and working to maintain the trust of its stakeholders through transparency and honesty in its relationships with analysts, investors and shareholders. And, in that vein, the company has bolstered its ESG philosophy. In 2020, this helped to give it greater visibility among ethical investors or those more focused on sustainable investments. At the same time, analysts have become more aware of the importance of these aspects in their analyses and valuations. Fluidra is also present in different ratings and indexes that measure ESG aspects, as detailed in the section “Sustainability indexes and ratings” on [page 63](#).

The goal of the Investor Relations area for 2021 is to continue growing the number of interactions and to hold Fluidra’s Investor Day to elaborate on the company’s strategy.

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3.1 Governing bodies

Fluidra's governing bodies are the General Shareholders' Meeting and the Board of Directors, which in turn has set up the following Governance Committees:

- Appointments and Remuneration Committee.
- Audit Committee
- Delegate Committee

The Bylaws, regulations (of 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 best practices in matters of good governance, by continuously revising and updating its rules.

Fluidra publishes an [Annual Corporate Governance Report](#) following the good governance recommendations for publicly listed companies. Once approved, this document is available on the corporate website.

In addition to the governing bodies mentioned above, Fluidra has a Management Advisory Committee (MAC) which is responsible for the group's day-to-day management.

3.1.1 General Shareholders' Meeting

The General Shareholders' Meeting is Fluidra's ultimate decision-making and control body in the matters falling under its jurisdiction, and the venue through which is articulated the shareholder's right to intervene in the company's essential decision-making. There are rules governing the organization and functioning of the General Shareholders' Meeting which are publicly available on Fluidra's website.

Due to the restrictions imposed by the authorities in response to the Covid-19 public health crisis, Fluidra's General Shareholders' Meeting was completely virtual in 2020, through the corporate website (www.fluidra.com), with the members of the Board of Directors participating via audio or video conference, and with no shareholders or their representatives physically present.

Held on May 19, 2020, 87.3293% of the share capital was present and represented at the session, and all the resolutions proposed on the agenda were unanimously approved:

1. Approval of the Company's individual and consolidated group annual accounts and directors' report for the fiscal year ended December 31, 2019.
2. Approval of the consolidated non-financial information statement for Fluidra, S.A. for the fiscal year ended December 31, 2019.
3. Approval of the proposed allocation of earnings for the fiscal year ended December 31, 2019.
4. Approval of the Board of Director's management performance for the 2019 fiscal year.
5. Ratification of the appointment of Esther Berrozpe Galindo as a member of the Company's Board of Directors.
6. Ratification of the appointment of Brian McDonald as a member of the Company's Board of Directors.
7. Consultative vote on the annual report on directors' remuneration for the 2019 fiscal year.
8. Delegation of powers to formalize, interpret, supplement, develop, correct and execute the resolutions adopted at the General Shareholders' Meeting.



3.1.2 Board of Directors

The Board of Directors, as the core of its mission, approves the Company’s strategy and authorizes the organizational resources to carry it forward, ensuring that management meets the objectives set while pursuing the company’s interests and corporate purpose. Its functions and activities are regulated in the [Board of Directors Regulations](#), which are publicly available on the company’s website.

Fluidra’s Board of Directors performs its functions with unity of purpose and independence judgment, by dispensing all shareholders the same treatment guided by the company’s interests. Its responsibilities include:

- Approving the company’s strategy and organization, and overseeing and supervising its compliance.
- Approving certain relevant operations or investments to the group.
- Formulating the annual accounts, the directors’ report and the proposed allocation of the Company’s profits (losses).
- Proposing the appointment and removal of directors and the appointment of internal positions.
- Convening the General Shareholders’ Meeting.

All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. To this end, the company provides the appropriate channels which, under certain circumstances, may include external advice.

Among other measures aimed at keeping the governing body abreast of the matters falling within the scope of its responsibility, in particular matters of an economic, environmental and social nature, the Crime Prevention Plan and the Company’s Risk Map are reviewed and updated annually by the Board of Directors.

Structure and composition

As provided for in Fluidra’s Bylaws, the Board of Directors is composed of 12 members, of whom 6 are proprietary (50%), 2 are executive (17%) and 4 independent (33%). In terms of the diversity of its members, the Board is composed of 11 men and 1 woman, all over the age of 45, of three different nationalities (Spain, USA and France).

Name or corporate name of director	Representative	Position
Eloi Planes Corts		Executive President - CEO
Bruce Brooks		CO-CEO
Óscar Serra Duffo		Vice President and Director
Gabriel López Escobar		Board Member
Piumoc Inversions, S.L.U.	Bernat Garrigós Castro	Vice-Secretary and Board Member
Bernardo Corbera Serra		Board Member
Jorge Valentín Constans Fernández		Lead / Coordinating Board Member
Steven M. Langman		Board Member
Sébastien Mazella di Bosco		Board Member
José Manuel Vargas Gómez		Board Member
Brian McDonald		Board Member
Esther Berrozpe Galindo		Board Member
Albert Collado Armengol		Non-Member Secretary
Maximino Montero Lastres		Non-Member Vice-Secretary

Until the merger with Zodiac in 2018, the role of President and Chief Executive Officer was held by Mr. Eloi Planes Corts. Following that transaction, the role of Chief Executive Officer was split in two, with Mr. Bruce Brooks assuming the position of Co-Chief Executive Officer. Likewise, due to the fact that the Chairman of the Board has the status of Executive Director, Fluidra’s Board of Directors has incorporated the role of a Lead / Coordinating Director, having appointed Mr. Jorge Constans Fernández from among the independent directors in May 2020 to this role.

The Coordinating Director is especially empowered to request a Board meeting or the inclusion of new items on the agenda of a Board meeting that has already been called and his functions also include coordinating and reflecting the concerns of the external directors, coordinating and bringing together the non-executive directors and directing the periodic evaluation of the Chairman of the Board of Directors.

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Eloy Planes Cortés
Executive Chairman - CEO

Eloi Planes joined Fluidra ("Astral" at the time) as R&D Director in 1994. In 2000, Planes assumed the General Management of AstralPool. In 2006 he was appointed CEO of the group and in 2016 he became Fluidra's Executive Chairman.



Esther Berrozpe
Board Member

Esther Berrozpe was President of Whirlpool Corporation for Europe, Middle East and Africa and Executive Vice President of the company. In addition to Fluidra, she sits on the boards of other companies as an independent director.



Bernat Garrigós Castro
Member representing Piumoc Inversions SLU

His professional career within the Fluidra Group spans several different companies. From 1995 to 1998 he was a Product Manager at Astral Grup and until 2002 he was the Production Manager at Ser-vaqua, SA. Bernat Garrigós is CEO of Aniol, S.L.



Bruce W. Brooks
CO-CEO

Bruce Brooks began his professional career at Black & Decker Corporation in 1996, where he held various positions over more than 20 years. In 2011 he joined Zodiac Pool Solutions as its CEO.



Jorge Constans Fernández
Lead / Coordinating Director

Over a lengthy 22-year career at Danone, Constans held various management positions. At Louis Vuitton, he served as President and CEO. He is a member of the boards of directors of THOM Europe, Puig and Fluidra.



Steven M. Langman
Board Member

Steven M. Langman co-founded Rhône in 1996 and is a member, director and CEO of Rhône. In addition to Fluidra, S.A., Mr. Langman serves on the Board of Directors of CSM Bakery Solutions, Hudson's Bay Company, Maxam and Vista Global Holding.



Óscar Serra Duffo
Vice President

Óscar Serra began his professional career in the marketing area of several family-owned companies, including La Casera and Schweppes. In 1989 he joined Plasteral's Sales Department, where he was responsible for the Spas division.



Bernardo Corbera Serra
Board Member

Bernardo Corbera held various positions within the Fluidra Group over the years, in particular at Astral Export, S.A., where he was in charge of international expansion. He has been a member of Fluidra's Board of Directors since 2000 and is also the CEO of Edrem S.L.



Gabriel López Escobar
Board Member

Former Chairman of the Supervisory Committee of PwC Spain. He has been an Independent Director of Fluidra since October 2014 and currently sits on the Audit Committee.



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Sébastien Mazella di Bosco
Board Member

Sébastien Mazella di Bosco joined Rhône in 2005 and became Managing Director of the firm in 2013. He previously worked in the investment banking department of Lazard Frères in New York, specializing in North American and transatlantic mergers, acquisitions and capital markets in the consumer, food and retail sectors.



Albert Collado Armengol
Secretary of the Board of Directors

Law degree from the University of Barcelona. Master's Degree in Taxation from the CEU - Abat Oliba Foundation. Albert Collado is a partner at J&A Garrigues in Barcelona. He joined the firm in 1987 (Arthur Andersen), where, in addition to his own advisory duties, he performed functions related to the strategic development of the firm abroad.



Brian McDonald
Board Member

Brian McDonald served as CEO of RGIS from 2014 to 2017. RGIS is the world's leading inventory management company, a \$680 billion business with 53,000 associates located in 30 countries around the world.



Maximino Montero Lastres
Non-Member Vice-Secretary

Graduated with a Degree in Law from the University of Santiago de Compostela. Holds a Degree in Law from the University of Maine, Le Mans. Awarded a Master's Degree in European Law from the College of Europe, Bruges. Earned a Diploma in International Studies from The Johns Hopkins University SAIS. Since joining Fluidra in 2015, he has held the post of Legal manager for the EMEA and APAC area. He previously worked as a mercantile attorney for Araoz & Rueda (Madrid), Garrigues (Barcelona) and David Polk & Wardwell (New York), in addition to being the Legal Director and Secretary of the Board for the LSB Group.



José Manuel Vargas Gómez
Board Member

José Manuel Vargas has been a senior advisor to Rhône since 2006 and became a partner in November 2017. He was previously the Chairman and CEO of Aena SME, SA, and was in charge of the restructuring and partial privatization process of the company and its IPO in 2015. He has also held the positions of CEO and CFO of Vocento and director of ABC.





Election of the Board

Board members are appointed by the General Shareholders' Meeting or, where appropriate, by the Board of Directors, in accordance with the provisions of the Capital Companies Act. In any case, for each appointment there must be:

- A prior proposal from the Appointments and Remuneration Committee, in the case of independent directors, or
- A prior report from the Appointments and Remuneration Committee, in the case of all other directors.

Fluidra has adopted a Board Selection Policy which describes the requirements to be met by board members candidates, as well as the selection procedure. The process is intended to favor diversity of gender, experience and knowledge, always subject to the principles of merit and suitability.

Board member candidates must be honorable, solvent, competent, experienced, qualified, available and committed to the function. In particular, they must be professionals of integrity, whose conduct and professional career is aligned with the mission, vision and values of the Fluidra Group, as well as with the principles set out in the company's Code of Ethics.

Likewise, the Appointments and Remuneration Committee assesses the skills, knowledge and experience required of Board members and defines the functions and skills required of the candidates proposed to fill each vacancy, evaluating the time and dedication required for them to carry out their duties properly.

There was no change in the composition of the Fluidra Group's Board of Directors in 2020. However, the AGM ratified the co-optation appointments of Ms. Esther Berrozpe and Mr. Brian McDonald as Independent Directors.

There is a commitment to add women directors to the Board as mandates expire, until the appropriate gender equality is achieved. To that end, there is a policy of proactive selection of women in place, with special emphasis on the qualities and skills the position requires. The goal is for female members to represent 17% of the board members by 2022 and 33% by 2026.





Performance evaluation of the Board of Directors

Fluidra's Appointments and Remuneration Committee is responsible for promoting and coordinating the annual performance evaluation of the Board of Directors.

The most recent evaluation was carried out by the Appointments and Remuneration Committee in 2020, without the participation of external consultants. The evaluation, which took into account the recommendations of the Good Governance Code of Listed Companies, as well as the international best practices for good governance, analyzed the level of performance of the Board of Directors and its committees, assessing their organization, practices, composition and structure.

To that end, an anonymous survey was sent to the directors, with questions very similar to the ones asked in 2019, in order to compare results and assess the effectiveness of the action plan defined after the prior year's evaluation process.

Once the survey responses were received, a report was prepared on the results of the evaluation and discussed by the Appointments and Remuneration Committee. Four action plans or recommendations were formalized to continue improving on the excellent results obtained. The results of the evaluation, together with the proposed recommendations, were submitted to the Board of Directors for its approval.

The last time an evaluation included the participation of an external consultant was in 2018 and the purpose was to analyze and evaluate the new composition and operation of the Board and its committees following the merger of Fluidra with the Zodiac Group. The external consultant concluded that the operation of the Board of Directors was adequate, pointing out some areas for improvement for the new Board of Directors that were implemented in 2019.

Board meetings

The Bylaws also provide that the Board will ordinarily meet at least six times a year, at least once per quarter, and in any case as often as necessary to perform its duties. In 2020, the Board met on 14 occasions, with an attendance rate of 100% of the Board members present or represented.

Conflicts of interest

Conflicts of interest are regulated in detail in the company's internal operating rules. Directors must adhere to the following rules of conduct:

- Board members must notify the existence of conflicts of interest to the Board of Directors and refrain from attending and intervening in deliberations that affect matters in which they are personally interested, directly or indirectly through persons related to them. Agreements or decisions affecting them as directors, such as appointments or removals to and from positions on the Board or other analogous ones, are excluded from the foregoing duty of abstention.
- Board members may not use the name of the Company or invoke their status as directors to carry out transactions on their own behalf or on behalf of persons related to them.

- Directors may not participate, directly or indirectly, in professional or commercial transactions with the Company without first informing the Board of the potential conflict of interest and obtaining the Board's approval to go forward with the transaction.
- Directors may engage in transactions that are part of the ordinary course of business and that are of a habitual or recurring nature, providing they have been granted a general authorization to do so by the Board of Directors.
- Likewise, directors must disclose any direct or indirect shareholding that they or their related parties may possess in the capital of a company whose corporate purpose is identical, similar or analogous to the company's.
- Likewise, directors may not engage, on their own account or on behalf of others, in activities that are identical, similar or complementary to the company's, nor may they act as directors or managers in companies that compete with the Company, with the exception of any positions they may occupy in group companies, unless expressly authorized by the General Shareholders' Meeting, and without prejudice to the provisions of Articles 227 to 229 of the Capital Companies Act.
- Directors may not use the Company's assets or use their position within the Company to obtain advantages for themselves without the payment of an appropriate consideration.
- Directors may not take advantage, for their own benefit or that of anyone related to them, of a business opportunity available to the company without the opportunity first being offered to the Company and the Company waiving the opportunity.
- The directors' conflicts of interest are disclosed in the notes to the financial statements.





3.1.3 Committees, composition and responsibilities

Audit Committee

In compliance with the provisions of its internal regulations, Fluidra has an Audit Committee made up of five members, of which three are independent directors, being one of those the Chairman of the Committee.

The main functions of the Audit Committee are:

- To supervise the effectiveness of the company's internal control system, in particular the internal control of financial reporting, internal audit and risk management, including the analysis of environmental risks.
- To review the company's accounts, overseeing compliance with legal requirements and the correct application of accounting principles.
- To supervise the fulfilment of the audit contract, ensuring that the opinion on the annual accounts and the key contents of the audit report are written in clear and concise language and evaluating the results of each audit.
- To examine compliance with the Internal Rules of Conduct and the Board of Directors Regulations.

The Audit Committee ordinarily meets quarterly to review the periodic financial information to be submitted to the stock exchange authorities and any information that the Board of Directors must approve and include in its annual public reporting.

In 2020, the Committee met 9 times. The activities of this Committee are reported annually in the [Audit Committee Annual Report](#) which is published and available in the reporting section of the Shareholders and Investors area of Fluidra's website.

It also meets at the request of any of its members and whenever convened by its chairman, who must do so whenever the Board or its chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever it is convenient for the proper performance of its duties.

During this year, the independent director, Mr. Jorge Valentín Constans Fernández was appointed as the new Lead / Coordinating Director, and Mr. Brian McDonald as Chairman of the Company's Audit Committee, both of them replacing Mr. Gabriel López Escobar.

Composition of the Audit Committee

Name or corporate name of director	Representative	Position	Category
Brian McDonald	-	President	Independent
Gabriel López Escobar	-	Member	Independent
Jorge Valentín Constans Fernández	-	Member	Independent Director and Coordinator
Bernardo Corbera Serra	-	Member	Proprietary
José Manuel Vargas Gómez	-	Member	Proprietary
Albert Collado Armengol	-	Secretary	-

Appointments and Remuneration Committee

This Committee currently has 4 members, two of them independent and one of whom is the Chairman.

The main functions of the Committee are:

- To evaluate the skills, knowledge and experience required to be a Board member.
- To propose the appointment of independent directors for appointment by co-option or by resolution of the General Shareholders' Meeting.
- To examine or organize the succession of the Chairman and Chief Executive Officer.
- To formulate and review the criteria for determining the composition of the management team.
- To report and submit to the Board of Directors the appointments and removals of senior managers.
- To report to the Board of Directors on issues of gender diversity and directors' qualifications.
- To set a target for the female members of the Board of Directors and develop guidelines on how to achieve this target.
- To propose to the Board of Directors: the remuneration policy for directors and senior executives and the individual remuneration of directors and senior executives.

According to the [Committee Regulations](#) the Committee meets on a quarterly basis. The Committee may also meet at the request of any member and as convened by the Chairman. A meeting must be convened any time the Board or the Chairman of the Board requests that a report be issued or a proposal adopted and as needed for the Committee to properly discharge its duties.

The Committee has met during the 2020 financial year on 8 occasions (once in person, 6 times by video conference, 1 time by write-in without a session). All of the Committee's activities for 2020 can be consulted in the

corresponding [Report on Activities of the Appointments and Remuneration Committee](#) in the reporting section of the Shareholders and Investors area of Fluidra's website.

In 2020, the independent director, Ms. Esther Berrozpe Galindo was appointed as Chairwoman of the Company's Appointments and Remuneration Committee, replacing Mr. Jorge Valentín Constans Fernández.

Composition of the Appointments and Remuneration Committee

Name or corporate name of director	Representative	Position	Category
Esther Berrozpe Galindo	-	Chairwoman	Independent
Jorge Valentín Constans Fernández	-	Member	Independent
Sébastien Mazella di Bosco	-	Member	Proprietary
Piumoc Inversions, S.L.U.	Bernat Garrigós Castro	Secretary and member	Proprietary





Delegate Committee

The Delegate Committee is made up of the two executive directors, two proprietary directors and one independent director. As indicated in Article 12 of the Board of Directors Regulations, the Committee is responsible for delegating some or all of the powers that are eligible for delegation under the law to one or more managing directors, on a temporary or permanent basis.

A proprietary director acts as the Delegate Committee’s non-member secretary. The members of the Delegate Committee reflect the composition of the Board and the balance between executive, nominee independent directors.

The Delegate Committee met twice in 2020. There were no changes in the composition of the Delegate Committee during the year.

Members of the Delegate Committee

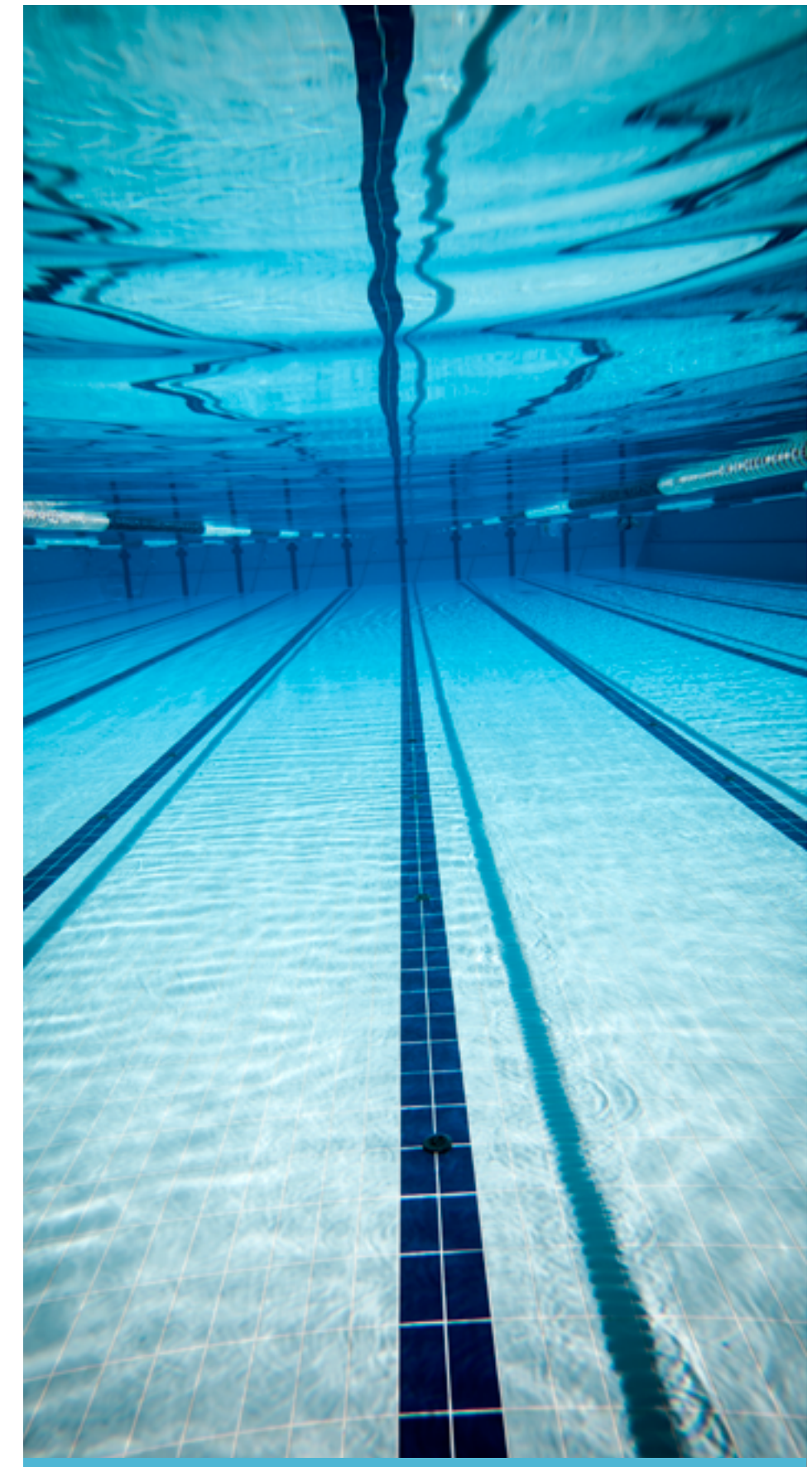
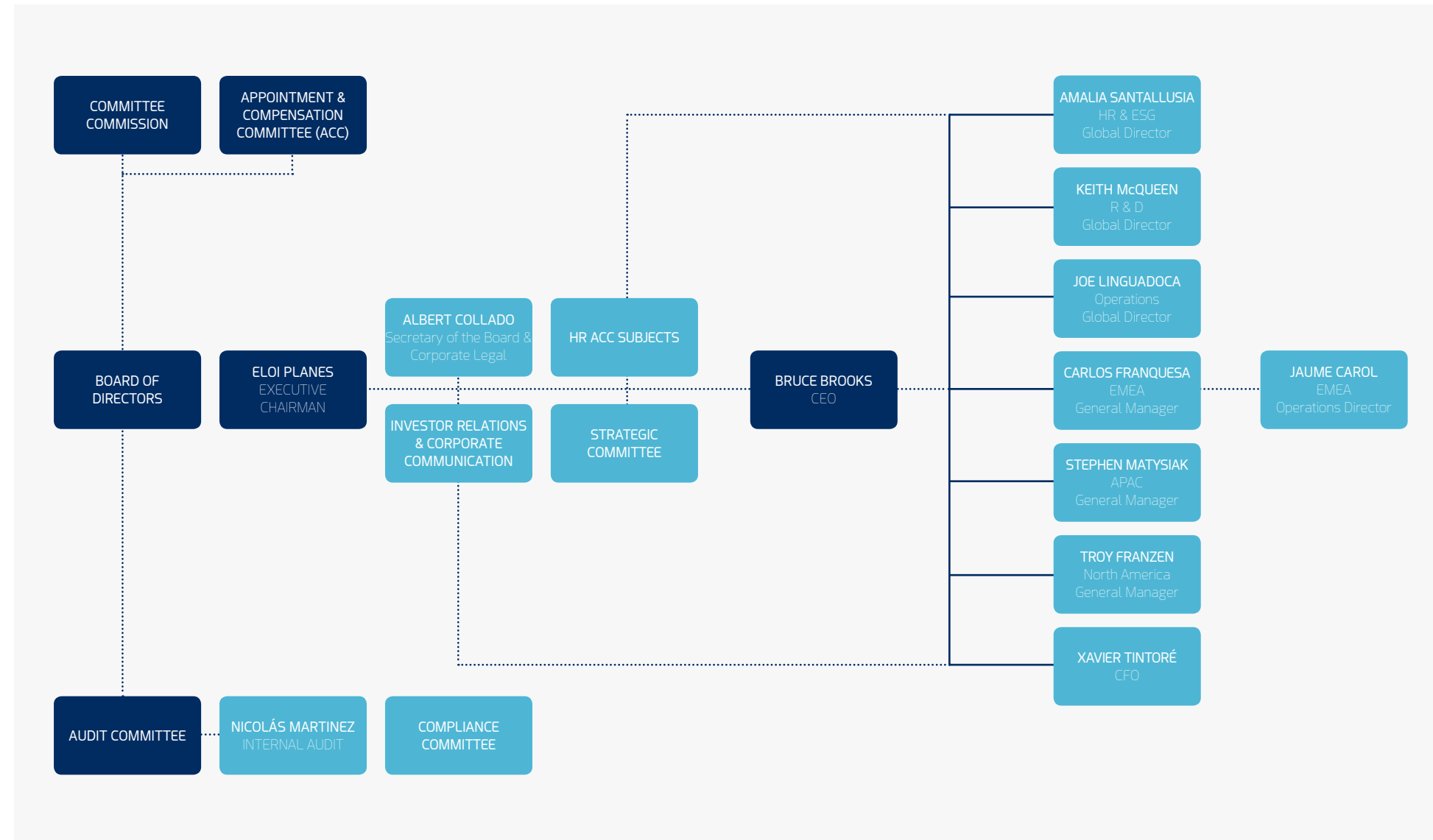
Name or corporate name of director	Representative	Position	Category
Eloi Planes Corts	-	Chairman	Executive
Bruce W. Brooks	-	Member	Executive
Jorge Valentín Constans Fernández	-	Member	Independent
Sébastien Mazella di Bosco	-	Member	Proprietary
Óscar Serra Duffo	-	Member	Proprietary
Albert Collado Armengol	-	Non-Member Secretary	-



3.1.4 Management team: Executive Committee or MAC (Management Advisory Committee)

The Executive Committee is the body in charge of the group's day-to-day management. It is made up of the Executive President, the CEO and the directors of the company's main areas.

Organizational chart



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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, 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, CFO

Joined Fluidra in 2010. Over 25 years of corporate and finance experience in multinationals and public listed 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 experience in business, sales and operations.

Carlos Franquesa, EMEA General Manager

Joined Fluidra in 2007. More than 30 years of experience in business, sales and operations.

Marti Giralt, EMEA Manufacturing Director

Joined Fluidra in 2013. More than 30 years of operations and management experience.*

Joe Linguadoca, Operations Global Director

Joined Zodiac in 2012. Over 25 years of operations experience in manufacturing and durable consumer goods.

Keith McQueen, R&D Global Director

Joined Zodiac in 1995. More than 30 years of engineering and operations experience.

Amalia Santallusia, HR & ESG Global Director

Joined Fluidra in 2019. More than 25 years of experience managing human resources departments.

*Replaced Jaume Carol in January 2021.

3.1.5 Remuneration policy for directors and senior management

The compensation paid to the members of the Board of Directors in their capacity as such is composed of a fixed annual amount and an allowance for attending board meetings. Directors who serve on the Board's committees, i.e. the Audit Committee, the Appointments and Remuneration Committee and the Delegate Committee, receive additional compensation.

There were no changes to directors' compensation compared to 2019.

Directors remuneration

	2018	2019	2020
Fixed (thousands of €)	1,009.0	1,216.0	1,216.0
Allowances (thousands of €)	90.0	120.0	120.0
Total (thousands of €)	1,099.0	1,336.0	1,336.0

The fixed compensation includes the allowances for sitting on committees.

The average director's compensation including allowances for meeting attendance and serving on committees, excluding executive directors, is:

	Men	Women	Total
Average board member compensation (€)	112,430	108,125	112,000

The difference between men and women is mainly due to two factors: the board coordinator is a man and his compensation is higher than that of the rest of the board members and directors in the USA, both men have a different compensation policy. The compensation of executive directors was excluded from the calculation because they also receive additional compensation for chairing the board.

Regarding the compensation of the members of the Executive Committee or MAC (Management Advisory Committee), all members are bound by the same conditions governing the fixed and variable compensation that apply to the rest of the employees. Executive bonuses are usually based on financial objectives (85%) and personal objectives which may be related to the business, people management, etc. (15%). The average compensation, not counting executive directors, is €436,124 per year, and cannot be broken down by gender for reasons of confidentiality since the MAC only has one female member.



3.2 Sustainability management approach

3.2.1 Global ESG Policy

In 2020, the Board of Directors approved a global [ESG Policy](#) (Environment, Social and Governance), applicable throughout the group, which encompasses all of the commitments made by Fluidra on environmental, social and governance issues. This policy stems from the company's conviction that a company with high ESG standards is more sustainable from an economic point of view and is better valued by its customers, employees and shareholders. This policy has been communicated to Fluidra's employees in January 2021 and is available on Fluidra's corporate website.

This policy is linked to the [ESG Master Plan](#) (see [page 17](#)) and serves as a framework for all non-financial policies that exist in the company.

The ultimate aim of this policy is to achieve continuous improvement in the well-being of all people and care for the environment while respecting the laws in all regions where the group does business, both directly and indirectly through its operations. In addition, Fluidra strives to treat all group companies equitably and in accordance with international laws and their specific obligations.

A global ESG Committee has been created and will meet at least every three months to review the ESG strategy and follow up on initiatives and indicators. In addition, it proposes objectives to fulfill the assumed commitments, which must be approved by senior management. The specific objectives are reflected in the strategic plans and performance is addressed in periodic reports. This monitoring will be reported to senior management and the board of directors on a regular basis. This Committee has 11 members from the different regions where Fluidra operates and it met for the first time in December 2020.

3.2.2 Relationship with stakeholders

Stakeholders are those groups whose needs, interests or expectations affect or are affected, directly or indirectly, by the company's business and therefore have the capacity to directly or indirectly influence Fluidra's strategy. Based on this definition, the company has identified the following stakeholders.

Stakeholders	Description	What Fluidra needs from them	What are their interests in Fluidra
Shareholders and investors	People or institutions that invest money in the group or plan to invest at some point.	Know what their concerns and interests are in order to continue the relationship with the company.	Economic return.
Employees	People who work at Fluidra, regardless of their employment relationship.	Involvement in business development.	Generation of quality and sustainable employment.
Customers	Individuals or legal entities that purchase products marketed by Fluidra.	Information on demand and demand trends. Marketing agreements.	Response to market trends, quality products and correct delivery times.
Suppliers	Individuals or legal entities that provide goods or services to Fluidra.	Financing, adequacy of market trend inputs (traceability).	Viability and profitability. Continuous supply.
End users	People who are occasional end users of a product marketed by Fluidra.	Information on their preferences.	Quality, price, diversity, others.
Planet and Society	The environment in which Fluidra works	Identify needs in order to channel the response through the company's actions and the Fluidra Foundation.	Allocation of resources and definition of social and environmental projects in line with the group's strategy.

Although stakeholders do not participate directly in the preparation of the report, through bilateral contacts using the standard communication channels, efforts are made to ascertain their needs and expectations so as to be able to assess and address them in the future. A materiality analysis was conducted in 2019 to identify topics relevant to them.

Stakeholders	Communication channels
Shareholders and investors	<ul style="list-style-type: none"> Corporate website: Investors and shareholders Shareholders' Office General Shareholders' Meeting National and international investor forums Conferences, roadshows, face-to-face meetings Call center Corporate LinkedIn
Employees	<ul style="list-style-type: none"> Employee representation Corporate intranet Suggestion boxes Bulletin boards Performance evaluations Sporting and leisure activities Solidarity activities Informal meetings (coffee chats) with senior management
Customers	<ul style="list-style-type: none"> Customer service After sales service Satisfaction surveys Organization of technical seminars and training sessions Websites and online applications Trade fairs Site visits
Suppliers	<ul style="list-style-type: none"> Bilateral meetings with the highest volume suppliers Supplier audits Correspondence by mail
End users	<ul style="list-style-type: none"> Websites, PR and product applications
Planet and Society	<ul style="list-style-type: none"> Corporate website and social media Participation in awareness-raising events Collaboration with associations and NGOs Solidarity actions and contributions Fluidra Foundation

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3.2.3 Commitment to the Sustainable Development Goals

On September 25, 2015, world leaders adopted a set of global goals to eradicate poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. Each objective has specific goals that must be achieved in the next 15 years.

Fluidra, as a responsible and socially committed company whose business model is based on innovation and sustainability, adhered to the United Nations Global Compact as a participating partner in the financing of the organization, and is committed to the integration and achievement of the Sustainable Development Goals through its activities.

To this aim, the company has linked the 10 challenges of its ESG Plan 2020-2026, which are discussed on [page 17](#), of this report, to the applicable SDGs. At the same time, at the beginning of each of the chapters of this document, the specific SDGs that apply to each subject, and the contributions made by Fluidra to each of them, are indicated.





3.2.4 Sustainability indices and ratings

Fluidra participates in and is evaluated annually by various sustainability indices and rating agencies, that measure the company's performance and progress in environmental, social and good governance matters.

The main indices and rating agencies in which Fluidra participates are as follows:



In 2020, Fluidra participated for the first time in the Standard & Poors (S&P) ESG Evaluation, obtaining an overall score of 69/100. The [complete report](#) with the results of the evaluation is available on the S&P website.



The company has been evaluated for the first time by the [CDP](#) organization (Carbon Disclosure Project), obtaining a "C" rating. With this rating, Fluidra has become one of the companies that are aware of the management and adaptation to Climate Change, demonstrating its commitment to sustainable practices to protect future generations.



FTSE4Good

Fluidra continues for another year in the FTSE4Good Index Series, an index that requires compliance with a series of ESG criteria, in addition to reaching certain levels of capitalization.



Fluidra obtained a BBB rating from MSCI ESG Ratings in the last evaluation of 2019, thus maintaining for 2020 the rating obtained the previous year.



Fluidra is ranked 14th out of 114 in the Reporta Report, which analyzes the quality of the information that companies listed on the Madrid Stock Exchange make available to their stakeholders, assessing the effort made by companies to communicate beyond mere legal compliance.



The company has improved the rating obtained in the Sustainalytics ESG Risk Rating Report from 40.3 points in 2019 (Severe Risk) to 31.7 points in 2020 (High Risk).



Finally, Fluidra obtained 62 points in the Clarity AI platform, which analyzes the social and environmental impact of companies. By dimensions, the company scored 68 points for governance, 60 for social and 58 for the environmental dimension.

3.2.5 Partnerships

Although not one of the relevant aspects identified by Fluidra in its materiality analysis, it is an issue that is addressed in the 2020-2026 ESG Plan. The company strives to expand its partnerships with external agents to expedite the achievement of its ESG objectives, and to be more transparent and share knowledge and best practices with third parties. In 2020, this resulted in Fluidra joining the Fundación Empresa y Clima, from which new partnerships are expected to emerge in 2021.



3.3 Risk and opportunity management

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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 group Fluidra understands that corporate risk management is the backbone of its operations.

The management of the group’s corporate risks is the responsibility of the Audit Committee, as a consultative and delegated body of the Board of Directors for these matters. The Audit Committee’s risk management functions include:

- Identifying the different types of risk, including contingent liabilities and other off-balance sheet risks.
- Identify the acceptable level of risk established for the Company.
- Identify the measures foreseen to mitigate the impact of the identified risks, in case they materialize.
- Identifying the internal reporting and control systems to be used to control and manage risks.

The Audit Committee specifically relies on the Internal Audit Department to supervise the proper functioning of the risk management system.



[102-11, 102-15, 102-29, 102-30]

Risk Control and Management System

Fluidra’s Risk Management System is designed to mitigate all the risks to which the company is exposed in the course of its business. The responsibility for creating and implementing the risk management system lies mainly with the Audit Committee, which in turn relies on the Internal Audit Department. Thus, the Internal Audit Department is responsible for supervising the risk management system to make sure it works properly.

The risk management structure is based on three pillars:

- Common management systems specifically designed to mitigate business risks.
- Internal control procedures aimed at mitigating financial reporting risks and improving the reliability of financial information, designed in accordance with SCIIF.
- The Corporate Risk Map is the methodology used by Fluidra to identify, understand and assess the risks affecting the company. It is meant 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 in an integral and continuous way to allow for effective management of the risks and mitigating controls at all levels of the organization. It is a global and dynamic system covering the entire organization and its environment, including all subsidiaries and geographical areas. Compliance with the system by all company employees, managers and directors is mandatory.

On an annual basis, the Internal Audit Department identifies and assesses risks, analyzing the events that may cause them and determining their impact and probability. As part of this process, the company’s existing controls are reviewed to mitigate each one of the risks identified, instituting additional action plans if the existing ones are considered insufficient and assigning the people responsible for monitoring and following up on their progress.

The analysis of risks and the controls and actions to mitigate their impact and probability is submitted annually to the Audit Committee for review and approval, which subsequently informs the Board of Directors.

In line with the commitments assumed in the 2020-2026 ESG Plan, in 2020 the company’s risk analysis was reviewed to ensure that all environmental, social and good governance risks were included on the Corporate Risk Map, and to identify Fluidra’s challenges and opportunities in these areas. Developing a qualitative assessment of all ESG risks has been set as a goal for 2021.

Following this analysis, two new types of risks (social and reputational Risks) have been added to the Corporate Risk Map, together with the climate risks already identified in 2019.

The Environmental, Social and ESG risks identified as part of this analysis have been added to the Corporate Risk Map as follows:

Corto plazo	Medio plazo	Largo plazo
8 Transparency about ESG performance	1 Acute physical risks	2 Chronic physical risks
9 Integrity and accuracy of non-financial reporting	3 Sustainability of products	
10 Supply Chain Risk Management	4 Protection of Human Rights	
11 Environmental/ESG Regulatory Changes	5 Working conditions	
	6 Health, Safety and Well-being of workers	
	7 Leadership and professional development	

8 Risk identification Environmental Social risk Governance risk



3.3.2 Corporate Risk Map

New product development 3

- Sales of new strategic products are analyzed continuously and compared with competitors using market research tools, and statistical databases able to break figures down by market and product type.
- Comparative studies are conducted that enable figures to be measured against those of competitors and to update the assessments of the products using the information obtained.
- Specific action plans have been designed to ensure production output adapts to the levels of demand forecast for these new products.
- The company is aware that customers' needs and expectations are constantly evolving and change and that they are increasingly aware of sustainability. That is why Fluidra plans to conduct an in-depth analysis in the near future to identify possible risks and opportunities in this regard, in line with the company's commitment to move towards more sustainable products.

Financial risks

- Financial risks, such as exposure to interest rate and exchange rate risks, are monitored continuously so that policies can be proposed and decisions made accordingly.

Credit risks

- Credit risk is monitored continuously, analyzing the financial health and the profits earned from those customers that represent the greatest risk in relation to the fixed costs assumed by the Company.

Technological risks

- Given the lines of business 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 edge. To that end, the company has development criteria, policies and legal protocols in place to guarantee this protection, covering both information security and cybersecurity.
- Similarly, the Company is aware of the constant changes taking place in the markets linked to new technologies and therefore allocates resources to technological research and development.





Risks associated with subsidiaries 9

- 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 and non-financial statements and daily practices. In an effort to standardize procedures and ensure robust controls, there is also an implementation and upgrade plan for the subsidiaries' computer systems.

Risks associated with the integration process

- Fluidra seeks to expand in the territories where it does business by acquiring companies in the sector. A clear example of this is the merger with Zodiac. The Company is aware of the importance of a good integration process that covers the areas of technology, regulations, processes, information systems and personnel management to ensure that the newly acquired companies are efficiently integrated with the Group.

Development of new lines of business

- Fluidra is constantly analyzing new lines of business that add value to the Group. Aware that any new activity involves an intrinsic risk, the company engages the services of specialized external consultants to provide advice on development processes.

Human capital risks 5 6 7

- Talented employees are essential to the achievement of the company's objectives, and the absence of such talent 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.
- To this end, Fluidra companies have a bonus policy 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. Investment are made in factories on a regular basis and employees receive continuous training in order to prevent on-the-job accidents. When COVID-19 broke out in the early part of 2020, all of the company's procedures were reviewed to ensure the safety of factory personnel on the one hand, and the well-being of people working remotely on the other.
- The parent company has a Whistleblower Hotline set up by the Audit Committee that is jointly managed by Corporate HR, Internal Audit and the Legal Department, so that any company employee can file a complaint on any issue that deems appropriate.

Risks related to processes 9

- These risks are monitored and managed centrally by the Management Control Department and checked by the Internal Audit Department. The processes for obtaining consolidated financial and economic information are conducted at headquarters following corporate guidelines. Both the consolidated annual accounts and the individual accounts of each subsidiary are checked by external auditors.

Climate and meteorological risks 1 2

- The company's risk map considers climatology or meteorology as a risk, that is, the possible economic losses derived from adverse changes in certain climatic variables, both globally and locally, in some of the regions or countries where Fluidra operates. The risk and financial impact are calculated based on the potential for lower sales of seasonal products. 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 development products with low water, power 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 taking into account 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 impact on the business, both financially and operationally. One such episode that occurred this year was Storm Gloria, which caused a series of damages, e.g., the pump room at Cepex was affected and required remediation costs to be incurred.
- An in-depth analysis is planned in 2021 to determine the forecasts regarding the consequences of climate change on the group's facilities and operations in order to develop specific prevention, mitigation and adaptation plans and what opportunities can be derived from them. It is also planned to implement the reporting recommendations made by the Task Force on Climate related Financial Disclosure (TCFD).

Tax and legal risks 9 11

- Fluidra has defined a procedure for identifying and assessing legal and fiscal risks that it applies on a regular basis. The purpose of this procedure is to identify disputes or litigation that may have an impact on the company's assets, or differences of opinion that may arise due to different interpretations of the law with regard to a specific tax. The Company analyzes the situation and makes the appropriate accounting provisions in order to adequately cover the risk in the event that it materializes. Specifically, 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.
- The company is subject to different non-financial reporting regulations under which it must provide yearly information on environmental performance and management. Accordingly, the company works to ensure the reliability and integrity of the information provided on energy usage, waste generation or GHG emissions through external verification of its Non-Financial Information Statement.



Reputational risks 8 10

- Reputational risks are relevant to the company as they can affect the corporate image. 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 where it reports on management and performance vis-a-vis environmental, social and good governance matters, as well as the results obtained on the sustainability indexes and rankings in which it participates, such as the S&P Corporate Sustainability Assessment or the FTSE4Good.
- Moreover, due to the geographical and sectoral diversity, and the diversity of legislation under which Fluidra operates, these concepts must be unified in a standard frame of reference to guide the actions of the suppliers that work with the company. With the aim of ensuring respect for Human Rights and the Environment, and an ethical and responsible behavior throughout the value chain, Fluidra launched a pilot supplier audit plan in 2021 that will continue and be expanded in 2021.

Social risks 4

- It is committed to internationally recognized Human Rights. For this reason, it works to prevent and mitigate any potential and/or actual risks that may arise from its activities and/or business relationships. All company personnel, along with its suppliers, agree to respect the principles contained in the Universal Declaration of Human Rights, by accepting the organization's respective Codes of Ethics.
- Some of the countries where Fluidra does business do not adhere to the United Nations Global Compact or ILO principles. Consequently, work began in 2020 on a supplier evaluation and audit system and an in-depth risk analysis is planned for 2021 for the entire value chain.

3.3.3 Emerging risks

Fluidra identified emerging risks in 2020 in order to anticipate any impact in this regard and be in a position to adapt its business strategies in the long term.

Considering the company's business line, water scarcity is one of the main risks in this regard. Water shortages in countries where Fluidra operates may lead to restrictions on water usage and therefore to a decline in purchases of the company's products. In this regard, the company has been investing in R&D for many years to develop equipment that limits the amount of water required as much as possible. Moreover, the integration of circular approaches in the design of Fluidra's products is encouraged in order to promote the reuse of water and water efficiency. The development of a climate scenario analysis is also planned, in which the availability of water in each of the countries where the company operates will be evaluated in order to prevent these business risks and make adjustments as needed.

It is noted that technological risks will increase moving forward, with the emergence of new threats that go beyond cybersecurity, as a result of the extent to which we depend on the use of technology in our daily lives.

3.4 Ethics and integrity

The company has a corpus of internal regulatory policies, standards and procedures which define and specify the behavior that is expected of the group's employees. 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.

In 2020, the supervision of the Compliance area was reinforced, incorporating the compliance function into the Internal Audit Department which reports directly to the Audit Committee. The purpose of the new Internal Audit and Compliance Department is to foster a culture of business ethics and develop internal mechanisms for the prevention, management and control of risks associated with regulatory non-compliance.

In 2020, Fluidra continued to work on adapting its internal corpus of regulations in order to fulfill its commitment to good corporate governance and the continuous improvement of the regulatory compliance management system. In addition, in the month of December all members of the Executive Committee (MAC) received training on the corporate crime prevention model and on competition laws.



[102-12, 102-16, 103-1, 103-2, 103-3]





3.4.1 Human rights

As an organization, Fluidra respects and accepts each and every point of the Universal Declaration of Human Rights, as well as the fundamental conventions of the International Labor Organization in relation to the freedom of association, the right to collective bargaining, child labor and forced labor. In this regard, it should be noted that Fluidra is a signatory member of the United Nations Global Compact, committing itself to the 10 principles defined by the organization in the areas of Human Rights, Labor Rights, Environmental Protection and Anti-Corruption.

Human Rights are present in all the company's codes, policies and values. In fact, the Global ESG Policy sets out the actions that Fluidra undertakes to adopt to prevent and mitigate any negative impact on Human Rights that may occur, either as a result of our activities, products or services, or in its business relationships.

All employees are obligated to understand and accept the rules of conduct on human rights. New hires at Fluidra receive training in Human Rights where they are taught the codes, values and daily work procedures. These materials are available to all employees at all times and 100% of the workforce is required to undergo training on these issues.

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 observed in 2020 regarding non-compliance of child labor or forced labor laws. Likewise, no violations or negative consequences in connection with human rights issues were detected.

In 2021, it is planned to advance in the definition of the Group's due diligence model, through the identification of potential negative impacts on Human Rights, and the evaluation of 40% of the facilities, in order to establish objectives and action plans.

3.4.2 Promoting ethical behavior

Fluidra has two codes of ethics that regulate the conduct of the company's own workforce and anyone who works with or has a relationship with the company: the Code of Ethics and the Code of Ethics for Suppliers. Both documents are based on the ten principles of the United Nations Global Compact, as well as the best international practices in documents such as the OCDE Guidelines for Multinational Enterprises, the International Labor Organization's (ILO) Fundamental Conventions or the 2030 Agenda for Sustainable Development (UN).

The company also has several mechanisms in place to disseminate, promote and ensure the implementation and compliance with both Fluidra's Code of Ethics and the Suppliers' Code of Ethics: the Ethics Committee and the Confidential Channel.

Code of Ethics

It inspires and defines the daily conduct of all company employees. It is a reflection of the values and principles that should guide the conduct of all Fluidra employees.

Established in 2008, it was last updated in 2019 to reflect the new Mission and Values that define Fluidra following the merger with Zodiac. Once updated, the Code of Ethics, which applies to the entire Fluidra Group, was disseminated with the aim of raising the company's awareness of the importance of regulatory compliance and business ethics.

The [Code of Ethics](#) does not replace or override the laws in force in each country or any administrative, civil, criminal, labor or commercial laws at the international level, nor the company's internal regulations or the applicable collective bargaining agreements.

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. Since it was updated, mandatory online and face-to-face training sessions were conducted for all employees, totaling 2,616 people in 2019 and 1,611 in 2020. By December 31, 2020, a total of 75% Fluidra employees had received training in the Code of Ethics. The goal is to have trained 100% of employees by the end of 2021.





Fluidra's ethical commitments to its stakeholders

Fluidra has identified the following stakeholders and the Code of Ethics reflects the commitment to maintain transparent relationships with all of them based on commitment and loyalty.

- **To society and human rights:** commitment to respect the principles of the Universal Declaration of Human Rights.
 - Respect for human dignity
 - Abolition of forced labor
 - Abolition of child labor
- **To Fluidra employees:** commitment to comply with and enforce compliance with current labor laws and to create work environments where respect, equity and safety prevail, with a special focus on promoting transparency and fighting against corruption and money laundering.
 - Respect for people
 - Equal opportunities and non-discrimination
 - Promotion and development of people
 - Right to privacy and protection of personal data.
 - Truthfulness, confidentiality and data processing
 - Workers' rights, collective safety and occupational health and safety
 - Right of association and collective bargaining
 - Proper use of Fluidra's assets
 - Transparency in business and the prevention of money laundering
 - Competition rules
 - Rules on sanctions
 - Anti-corruption and bribery rules
 - Conflicts of interest rules
 - Intellectual and industrial property rules
- **To stakeholders:** commitment to respectful conduct and a vocation of usefulness towards shareholders, consumers, suppliers, public administrations and competitor.

- **To the environment:** commitment to the preservation of the environment and natural ecosystems, articulated through a policy of minimal and rational consumption of natural resources and a thorough understanding of the applicable regulations.
 - Use of clean technology
 - Sustainable use and treatment of resources
 - Respect for the balance of natural systems

- **To the laws in force:** commitment of the company and its employees to comply with the law and to encourage compliance by others.

Supplier Code of Ethics

The [Supplier Code of Ethics](#) establishes a commitment between the group and its suppliers, with both parties promising to respect and uphold the principles of the Universal Declaration of Human Rights, Children's Rights and the Declaration of the International Labor Organization, as well as compliance with current legislation. It is considered an essential prerequisite for current and future commercial relations. At the same time, suppliers are required to conduct themselves in an ethical manner vis-a-vis their own workers, upholding the values of respect, equal opportunities and non-discrimination. In addition, they must observe the strictest standards of health and safety in the workplace, and the right to association and collective bargaining.

Fluidra's suppliers are held to the highest ethical standards in their professional conduct, protecting the rights to privacy and confidentiality in the processing of information, proper use of Fluidra's assets and those of third parties, total transparency in their business dealings, strict compliance with the law and the complete abstention from conduct involving corruption, bribery or extortion.

Finally, the group's suppliers are required to maintain an active commitment to environmental protection and respect for natural ecosystems, striving to minimize the environmental impact of their activities and reduce their carbon footprint, emissions and the use of energy and natural resources.

Fluidra encourages all suppliers to use the Confidential Channel provided to consult any doubts they may have about their own actions or those of

third parties which could be in violation of the ethical principles of any group company.

Since it was approved in 2019, Fluidra has been asking suppliers to accept in writing the principles set out in the document. By signing the document, suppliers agree that representatives of the group may visit their facilities to confirm their good practices. If it is determined that the standards set out in the Supplier Code of Ethics are not being upheld, the company may propose a series of corrective measures or ultimately suspend the contractual relationship.

In this regard, Fluidra began conducting social, environmental, quality and other audits of suppliers in 2020 through an external company and has begun to evaluate suppliers (approximately 15) on ESG issues, also through an external evaluation platform.

Ethics Committee

The Ethics Committee includes members from the Corporate Human Resources, Internal Audit and Legal departments. The Ethics Committee receives, examines and replies to questions, complaints and reports submitted by employees, customers, suppliers and other stakeholders. All requests and incident reports are strictly confidential and the privacy of the parties involved is protected. The Ethics Committee reports to the Audit Committee, a governing body that reports directly to the Board of Directors.

In 2020, the Ethics Committee met five times, where, depending on the type of allegation, the issues were analyzed by the HR, Legal or Audit departments, with no significant cases being identified.

Confidential Channel

The Confidential Channel is available on the corporate website, on Fluidra's intranet and by email at ethics@fluidra.com, and is accessible to all employees, customers, suppliers and other stakeholders. It is possible to ask questions, seek advice or report an incident using the online form or by sending an email.



The procedure for managing communications received through the Confidential Channel is described in the Ethics Committee Regulations. According to this procedure, all communications are handled confidentially and the people involved are treated with respect. To date, it has not been necessary to activate external advisory mechanisms on ethical and legal conduct, being the internal Legal, Tax and Compliance departments the ones that determine the guidelines to be followed in these matters.

A breach of the law, the Code of Ethics or the regulations to which it is subject will constitute an offense whose level of seriousness and penalty will be decided pursuant to the regulations that apply. The sanctioning policy is the one established either in Fluidra's internal rules or in the applicable regulations or, failing that, the policy followed by the Human Resources Department. It may be initiated when there is a complaint or report, as a result of an investigation or whenever the Ethics Committee becomes aware of an alleged violation.

There were 18 reports in 2020 via this channel. Once analyzed and evaluated, they were not found to involve human rights abuses, corruption or discrimination. In all cases, the internal analysis and evaluation protocols were applied and resolved in a timely manner. For data protection reasons, this report does not provide details of the geographical areas from which the reports were received, nor does it provide additional information on the object of the queries or complaints.

3.4.3 Criminal Risk Prevention Model

Anti-corruption

The group has an Anti-Corruption Policy, approved in 2016 which is covered in the Code of Ethics. It is the primary tool for the prevention of corruption, bribery and money laundering, within the structure of the company's crime prevention model. The document containing the details of this policy is accessible to all members of Fluidra on the company's intranet, which is responsible for training and disseminating its content, as a key element for the ethical conduct of the company's professionals. In addition, the eight members of the Executive Committee (100% of the MAC) have received specific training on the Crime Prevention Model and the Anti-Corruption Policy.

Everyone at Fluidra is committed to supporting international and local efforts to prevent and eliminate corruption and financial crime, as well as any other crime that violates the rights of third parties. All employees and partners of the group are aware that participation in or collaboration with political parties or with public institutions, organizations or entities outside the scope of the company's business must be carried out in a completely personal and independent manner from Fluidra.

Under no circumstances may cash gifts be accepted by any member of Fluidra.

Although the law does not require specific money laundering controls for the sector in which the company operates, according to Fluidra's internal rule, none of its employees should carry out or be involved in activities that directly or indirectly involve money laundering and must remain alert to any customer or supplier that attempts to use the Fluidra's corporate structure for money laundering purposes. The company abides by the anti-money laundering laws of any competent jurisdiction and cooperates fully with the authorities responsible for combating money laundering or the financing of illegal activities.

To the extent possible, Fluidra limits the use of cash payments. 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 are allowed.

If there is any suspicion of a risk in this area, all members of Fluidra's professional team are obligated to report it immediately to their hierarchical superior or to the Ethics Committee via the channels enabled for this purpose.

In the course of monitoring and evaluating risks in 2020, there were no actions related to cases of corruption or bribery. Since anti-corruption policies are among the most relevant aspects of the company's materiality study, a due diligence process is planned for 2021 to make progress in this area.

Market competition rules

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. All members of Fluidra's organization agree not to take part in illicit agreements that may limit the free competition of the market in which it operates.

The group is respectful of competition and will prosecute any action that is detrimental to the rules of free competition. Such activities create situations that are contrary to free competition and should therefore be avoided.

In 2020, one sanction was imposed by the Federal Competition Authority of Austria on fair competition that was resolved during the year.

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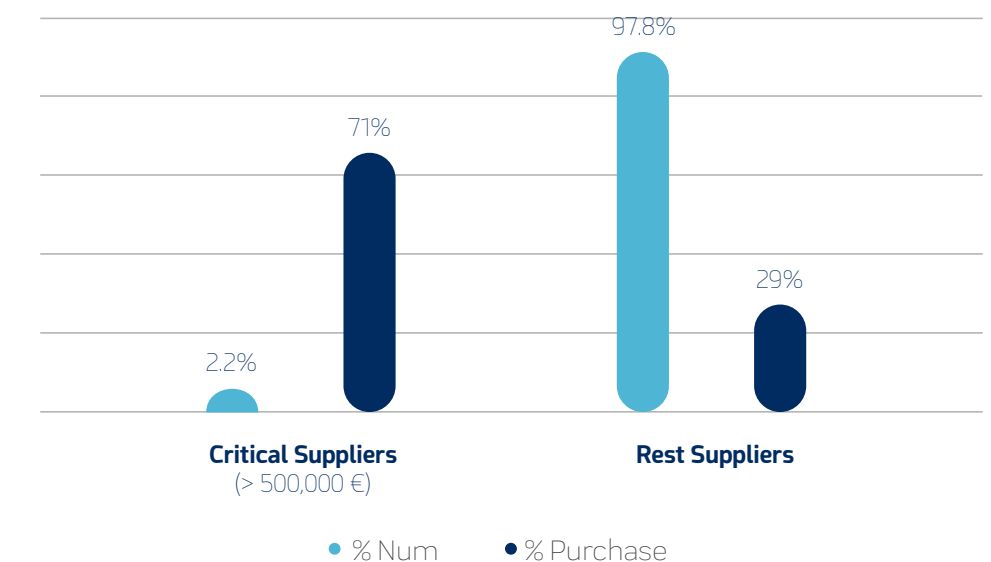


3.5 Supply Chain

Fluidra's dialog with its suppliers is essential to establish strong and lasting relationships based on transparency and honesty, creating a mutually beneficial bond of collaboration. Both suppliers and the rest of the stakeholders provide extremely valid information to improve the company's activity, optimize production processes and improve products and services.

Fluidra has a wide network of suppliers of products and services, although the main focus is on suppliers who are considered critical, i.e., those with purchasing volumes in excess of €500,000. At the close of the 2020 financial year, Fluidra had 314 suppliers rated as critical, which represented 2.25% of the total number of suppliers and 71% of the total purchase (70% in 2019). The company's definition of suppliers includes the suppliers themselves but also contractors, subcontractors and other third parties that provide the company with goods and services. Therefore, the obligations assumed suppliers are enforceable vis-a-vis their employees, contractors and subcontractors.

Number and volume of supplier purchases 2020



3.5.1 Supply Chain Optimization

The group has a Purchasing Policy that was updated in 2016 (and published in 2017) to include environmental and social criteria in the supply chain requirements. All critical suppliers must explicitly accept Fluidra's Supplier Code of Ethics based on the 10 principles of the United Nations Global Compact.

Similarly, all corporate contracts include mandatory clauses requiring suppliers to respect and obey the Supplier's Code of Ethics, as is implicitly reflected in the clauses contained in all orders issued by Fluidra to its suppliers. In the case of new companies coming from the former Zodiac, these clauses are being added gradually as they are incorporated into the corporate systems.

In compliance with Article 539.2 of the Capital Companies Act, Fluidra reports periodically on the average days to pay suppliers, which in 2020 was 66.27 days.

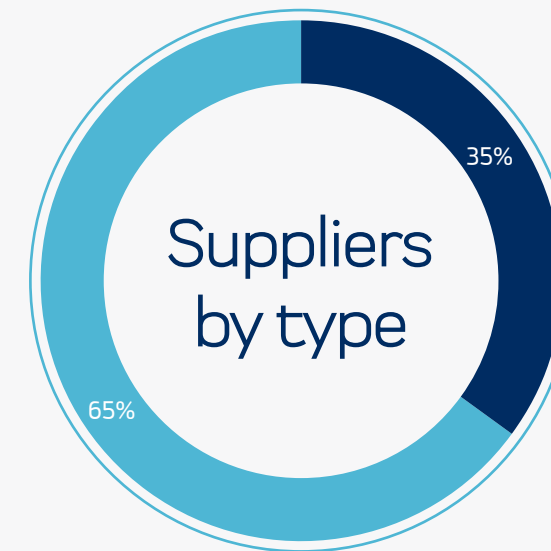


[102-9, 102-10, 204-1]

3.5.2 Supplier breakdown

Fluidra's supplier base is varied and complex, with an annual purchasing volume of around €960 million euros (around €825 million in 2019) and around 14,000 active accounts of suppliers of products and services in 2020 (more than 11,600 in 2019). The company procures components and raw materials for transformation at its own factories as well as finished products for the brands and products not manufactured internally. There are no significant changes in the shareholding structures or locations of our suppliers that would affect our supply chain.

Breakdown of suppliers by type and amount



- Suppliers of products
- Suppliers of services

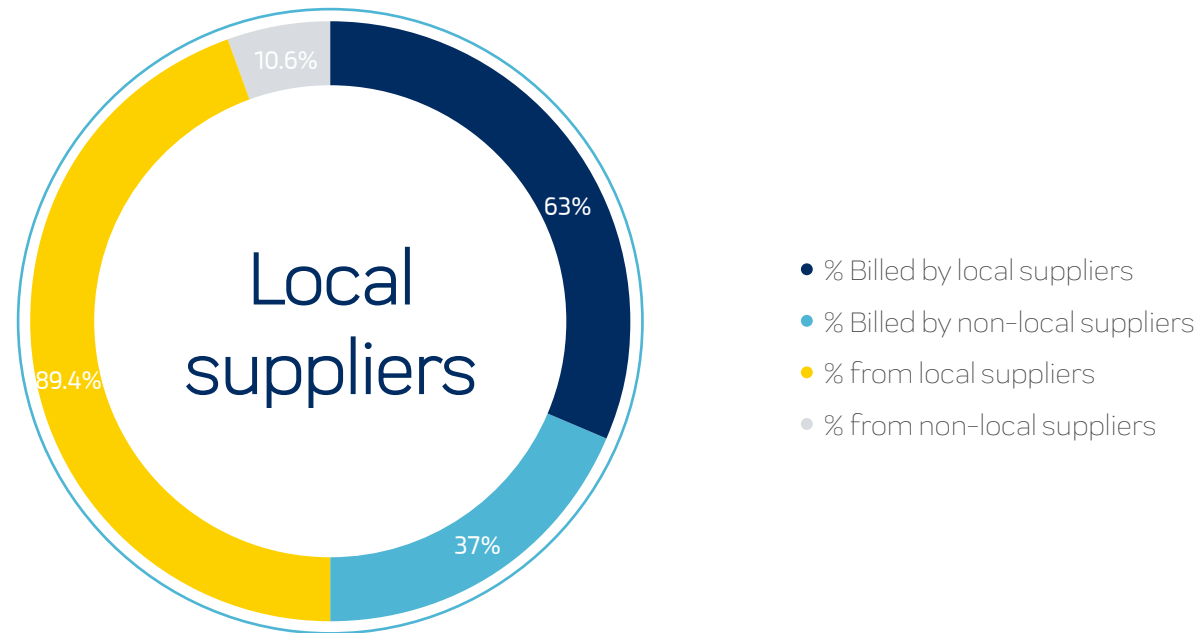


- Amount spent on service suppliers
- Amount spent on product suppliers

As a global Group, Fluidra relies heavily on local networks of product and service suppliers in all cases where it is possible to do so in terms of efficiency and product availability. Purchasing is defined as local when the country of origin is the same as the country of destination. In 2020, local purchasing represented 63% of Fluidra's total purchase, compared to 64% in 2019. In this calculation, all suppliers and all countries of operation of the Fluidra Group have been considered.



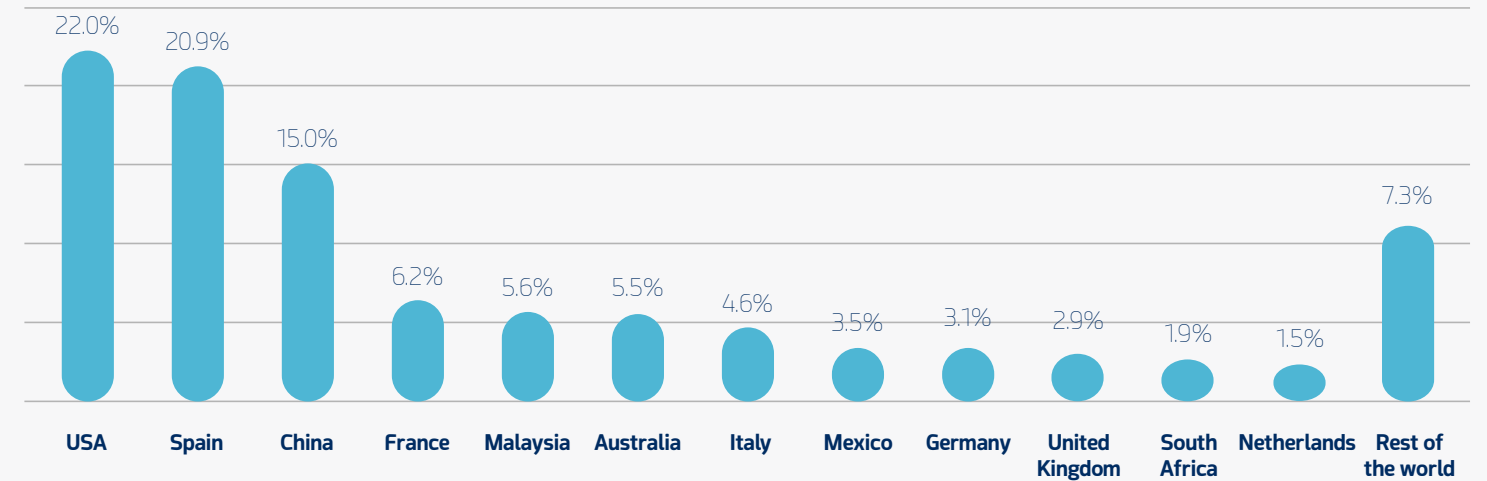
Local suppliers 2020



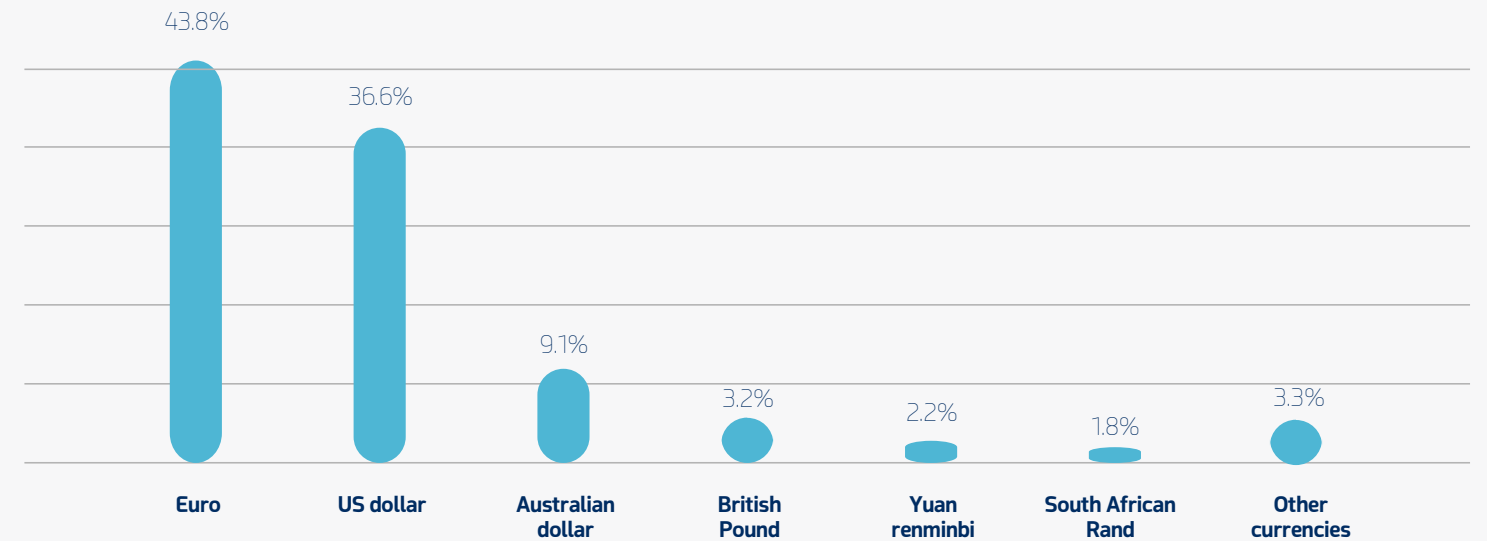
As a multinational group, Fluidra works with different countries and currencies. The United States, Spain and China are the most significant countries, and the euro and the US dollar are the most common currencies.



Purchases by country in 2020



Purchases by currency in 2020



3.5.3 Supplier evaluation and approval

Since 2011, the company has had a specific Supplier Code of Ethics for its supply chain, which was updated in 2019 and is available on its website. The provisions of this Code are taken into account when approving new suppliers; adherence to the Code is automatically implemented through a general clause in all corporate contracts.

In those cases where there is no explicit contract, the ordering system includes an information clause. This means that it can be consulted by any supplier at any time, even before entering into a business relationship with the group.

In 2020, progress was made on the development of a new, more ambitious global supplier relationship, homologation and evaluation procedure to replace the current one. The procedure includes continuous evaluation of suppliers from a global perspective that addresses financial, human resources, social, environmental, health, and compliance aspects.

Along these lines, an agreement has been reached to develop an electronic platform to serve as a tool for monitoring critical suppliers from a very broad perspective. A pilot plan is underway with approximately 15 suppliers and will continue to be developed in 2021.

All Fluidra Group companies with ISO 14001 certification, conduct environmental assessments of 100% of their suppliers on a three-year cycle, as required by the standard. There is also a pilot plan of supplier audits underway which is intended to detect areas for improvement in their performance on HSE, Quality, Compliance, ESG, Human Resources and other issues. Under the initial plan, three audits were carried out in December 2020 at three engine suppliers located in China. As a result of these audits, which found no serious deficiencies, we will work on improvement plans for the aspects identified.

We are not aware of any violations in 2020 involving child or forced labor or the right to freedom of association and collective bargaining. Suppliers can use the Whistleblower Hotline to report their complaints to Fluidra.

The company has set itself the following goals for 2021 in the sustainable management of the supply chain:

- To triple the number of suppliers assessed on environmental and social matters.
- To train at least 10% of our current suppliers on human rights.

	2020
Nº of suppliers assessed for environmental impacts	80
Nº suppliers with negative environmental impacts	0
% of suppliers with negative environmental impacts and agreed improvements	0
% of suppliers with negative environmental impacts and terminated relationship	0
	2020
% new suppliers evaluated for social aspects (*)	11%

(*) Percentage of purchases in € in 2019. The project to update the supplier evaluation and approval process began in 2020 based on figures from 2019.



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3.6 Fiscal Policy

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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 and business activities.

Compliance with the tax laws in force at all times and in all places is one of the guiding principles of the Fluidra Group's corporate responsibility.

Fluidra has defined a tax strategy, which has been approved by the Board of Directors, and that applies to all group companies in all countries where it does business. It covers all direct taxes on corporate profits, indirect taxes and taxes on earned income and other income that are globally applicable to the Fluidra Group, as well as reporting obligations to the pertinent tax authorities. Due to the confidential nature of these matters, external stakeholders are not involved in the determination of the group's tax policy.

The principles governing Fluidra's Tax Strategy are as follows:

- Comply with all applicable tax obligations in the territories where the Fluidra 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 Fluidra'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.

The Corporate Tax Department, reporting directly to the CFO, is responsible for executing the Tax Strategy through the implementation of the Tax Policy and the design and implementation of the internal procedures and

control mechanisms necessary to ensure compliance with current tax regulations. To this end, during the annual reporting to the Audit Committee, a review of the Group's tax regulations is carried out, including the Tax Strategy, in order to proceed with its drafting, review and updating, if necessary.

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 and Control Committee is responsible for supervising the effectiveness of the tax risk control and management systems implemented by the Corporate Tax Department. It also reports to the Board of Directors regularly on the Group's policies for managing and complying with tax obligations and aspects related to the control and management of tax risks.

The Fluidra Group is made up of 122 companies with operations in 46 countries. According to the data provided, the tax contribution ratio, considering the ratio between taxes paid and pre-tax profit, is 42.13%. Fluidra allocates more than 42% of its pre-tax profit to the payment of tax in the different jurisdictions where it is present.

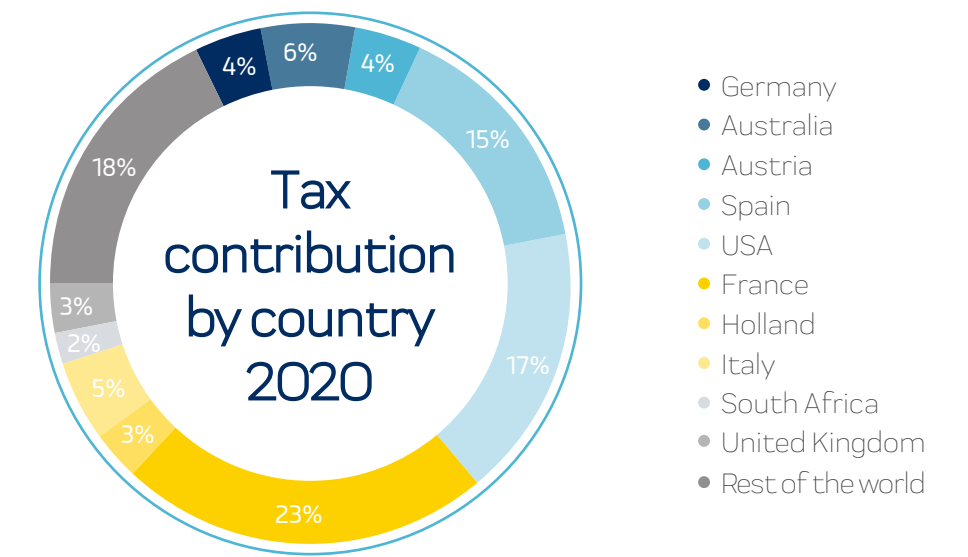
Tax Contribution (in thousands of euros)	
Turnover	1,488,108
Profit Before Tax	139,021
Pre-tax profit **	179,418
Total tax paid	75,587
Total tax collected	104,953
Tax Contribution*	180,540

*The tax contribution includes the corporate income tax paid, the social security paid by the company, output VAT less input VAT, and income taxes withheld.

** Does not take corporation tax into account or social security payments made by the company.

Taxes Paid (in thousands of euros)	
Corporate tax	
Corporate tax	35,190
Payroll tax	
Social security tax payable by the company	40,397

Taxes Collected (in thousands of euros)	
Tax on products and services	
Value added tax	73,402
Payroll tax	
Personal income tax withholdings	31,551



Details of taxes paid by country can be found in the table on [page 115](#).



3.7 Information Security

Fluidra recognizes Information Security and Cybersecurity as an integral part of its business. Accordingly, the company has an Information Security Policy and a Data Protection Policy, both of which apply throughout the group and to all employees.

Fluidra appointed a Chief Information Security Officer (CISO) in 2020 and implemented a new Information Security Policy to share its global security objectives and encourage employee awareness and participation. New technical and organizational information security measures are in the process of being implemented based on these objectives, improving current internal controls and promoting Security-by-Design.

By approving this policy, the management team has confirmed its commitment to protecting Fluidra's information, including that of its companies, customers and employees, from internal and external threats, in accordance with its business needs.

The Security Committee (ISSC) is composed of the CFO, the CIO, the CISO and other corporate directors, including a member of the MAC. In addition, a subcommittee of the Board of Directors, the Audit Committee, is updated regularly on cybersecurity matters to better understand the risks and how the company protects its assets.

The Data Protection Policy, which is consistent with the regulations on this subject in the European Union, in Spain and other countries where Fluidra does business, as well as to the Spanish Penal Code, aims to adapt the company's information systems to the specific regulations on the processing of data of any person who, for whatever reason, is related to Fluidra, ensuring their rights and freedoms. To that end, it regulates the forms for the registration, modification, access and retention of data.

Security Awareness

The information security awareness program has been reinforced by providing regular training to all staff who handle IT resources, focusing on phishing, social engineering, password security and secure remote access with an investment of over 5,000 hours in training.

Cybersecurity during the pandemic

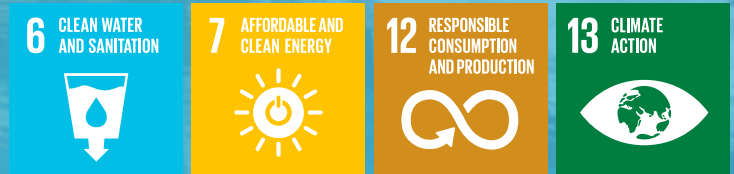
Due to increased cybersecurity challenges during the Covid-19 pandemic, steps have been taken to reinforce the defense of the company's systems and applications, maintain secure remote workforce communications, and have a more expansive program to ensure that personnel, systems and networks remain resilient to emerging threats.

Fluidra Security Operations Center (FSOC)

In 2020, Fluidra implemented a series of processes and technologies for security detection, protection and response, which were integrated into the company's technology platform and include advanced Security Monitoring, Incident Management, Threat Intelligence and Vulnerability Management capabilities.

4. Advancing Environmental Performance

- > 4.1 Environmental management
- > 4.2 Sustainable Use of Resources





The Fluidra Group's business revolves around water for athletic, leisure or therapeutic use in the world of swimming pools and wellness. Given the products it sells and the very nature of the company's business, sustainability and environmental protection are top priorities.

One of the company's goals is to be the market leader in Health, Safety & Environment (HSE) and as such it strives to act responsibly, building a business that will be sustainable in the long term. To that end, Fluidra maintains a commitment to promote the responsible use of water and the application of rigorous sustainability and efficiency criteria in the course of developing, manufacturing, marketing and maintaining its products and services, going beyond what is required by law in each of the geographical locations where it is present.

Sustainability is viewed by the company as a competitive and differential advantage. The product it markets for the construction and maintenance of swimming pools require less energy and reduce the use of water and chemicals, values that add to the quality, efficiency and ease of use for both professionals in the sector and end users.

4.1 Environmental management

In its day-to-day operations, Fluidra applies rigorous environmental criteria to its manufacturing and marketing processes, promoting the use of clean technologies properly treating and recycling resources, waste and spills. At the same time, the group strives to minimize its carbon footprint and the environmental impact of its activities through the efficient use of raw materials, energy, water and the reduction of greenhouse gas emissions.

4.1.1 Environmental Policy

Fluidra's senior management is responsible for the company's [Global HSE Policy](#) (Health, Safety and Environment) and for implementing and maintaining good practices throughout the group in these areas. This policy is intended to protect employees, corporate assets, natural resources, the environment and groups of citizens who are impacted by the company's activities, including its manufacturing activities and the use of its products and services.

As required by ISO 14001 and EMAS standards, although the environmental policy is coordinated at corporate level, the managers or directors of the group's companies are responsible for defining the environmental objectives. They, in turn, delegate this function to the corresponding environmental and safety managers.

The Policy approved in 2019 includes a series of rules of conduct and environmental commitments that must be assumed by all members of the group.

Principles

Strive to use natural resources responsibly in order to minimize the environmental impact of our activities and the negative effect of our products throughout their life cycle. This includes maximizing energy efficiency in our operations as part of our overall climate change strategy and using sustainable materials and green chemistry in our research, development and manufacturing activities whenever possible.

Employees are expected to work together to minimize environmental impact in their daily work, which includes applying the hierarchy of waste prevention measures (avoid, reduce, recycle and reuse all materials).

Commitments

- **Efficient use of energy.**

1. Employees should always consider the most efficient use of energy and look for opportunities to reduce energy consumption in their workplace. This includes turning off lights and equipment in laboratories and offices when not in use.
2. Quality and facilities managers should consider the most efficient use of energy, within the acceptable ranges according to regulatory or compliance standards.
3. Projects are reviewed for energy efficiency and renewable energy utilization. Preference is given to investment projects with enhanced energy efficiency that can be amortized over the duration of the project.

- **Reduction of greenhouse gas emissions.**

1. Employees should minimize travel wherever possible and choose video or teleconferencing options, where available and appropriate.
2. The sales team should choose cars that have better fuel efficiency and drive them in a safe and environmentally friendly manner to save on fuel and minimize CO₂ emissions.

- **Recycling or waste minimization.**

1. Employees should avoid producing waste and use recycling options provided, as long as local recycling systems are in place. They should consider the environment before printing emails, email attachments or other work documents.
2. Process developers should incorporate techniques to reduce and recycle materials.
3. Production employees should seek opportunities to reduce intermediaries and active ingredients in wastewater discharge.

- **Efficient use of water.**

1. Employees should always consider the best use of water and identify possibilities for reducing water usage in the workplace.



4.1.2 2020 environmental balance sheet

Target	Results
<p>Continue with ISO 14001 certification in those production companies of the group that do not yet have it.</p> <p>Communicate the corporate HSE communication plan aimed at all the group's companies and employees to make them aware of the good practices and actions carried out to improve the environment and offer advice to increase awareness in this area. This plan has a specific area for the Fluidra Group's HSE professionals, with technical elements, regulations and advice for their respective companies.</p>	<p>Certification of new plants was delayed in 2020 due to the pandemic.</p> <p>Some of the activities of the HSE Corporate Communication Plan in 2020 included sharing recommendations, deploying the Driving for Life road safety campaign and issuing accident through HSE Alerts. Monthly meetings are held with HSE specialists, although they had to be held by videoconference this year due to the pandemic.</p>
<p>Set waste and emission reduction targets.</p>	<p>There is a target for 2021 to reduce landfill waste by 15%, ramp up recycling and reuse to reduce the company's impact and its emission levels. By 2022, the goal is to reduce Scope 2 emissions by 3% by purchasing more renewable energy in new countries and improving energy efficiency at production plants. On the other hand, the company has committed to become carbon neutral in its own operations by 2027 (Scopes 1 & 2), and in Scope 3 by 2050.</p>
<p>Improve the production, storage and management of chemicals to avoid any risk of contamination in the event of an accident.</p>	<p>A Global Operating Procedure on chemical storage is planned for release in 2021: incompatibilities, risks, what to do in case of spillage, clean-up, etc.</p>



4.1.3 Environmental Management Systems

Fluidra uses ISO 14001 certification to certify the environmental systems of group companies. An independent entity audits and verifies the veracity and traceability, coherence and sustainability of the environmental management system.

Some of the production plants in Spain were certified in 2020, a total of nine (26.4% of the Group's plants), and their certifications will be renewed in 2021 and 2022, with the exception of Cepex which will be in 2023. Currently, the companies holding this ISO 14001 certification are:

- Cepex - Effective: from 2020-06-18 to 2023-06-07 (first audit 2011).
- Inquide (Polinyà and Monzón) - Effective: from 2018-09-15 to 2021-09-14.
- Manufacturas GRE - Effective: from 2019-02-25 to 2022-02-25.
- Metalast - Effective: from 2018-07-26 to 2021-07-25 (first certification 2016).
- Poltank - Effective: from 2018-05-16 to 2021-05-15 (in the process of renewal).
- Sacopa - Effective: from 2018-11-30 to 2021-09-09.
- Trace Logistics - Effective: from 2018-03-07 to 2021-03-06.
- Talleres del Agua - Effective: from 2019-11-25 to 2022-11-08.
- Togama - Effective: from 2020-10-27 to 2022-12-08 (first audit 2019).

In addition, Poltank and Sacopa are also EMAS certified.

Overall, 75 internal audits and 12 external audits were conducted at the group's nine main factories. The effects of the pandemic have delayed the certification of other plants, scheduled for 2021, postponing to 2022 the certification of one of the plants in Brazil and the plant in South Africa. The certification of plants according to ISO 14001 will continue in the coming years until all of them have their environmental management systems certified.

4.1.4 Environmental Risks

Environmental risks are integrated into the group's risk management and, as such, are not treated differently, although a more in-depth analysis of them is carried out by the ESG and HSE Department. Fluidra views risk from a global perspective rather than as the sum of certain factors. As such, it addresses them in a holistic and integrated manner in the actions that it takes to improve processes, products and people management.

As required by law, the company has taken out an environmental insurance policy worth five million euros for the activities of the companies Inquide SAU, Metalast SAU and Trace Logistics S.A. However, beyond this, the company applies a strict prevention policy based on precautionary principles to all operations. A good example of this is the ISO 14001 certification policy for production centers and the best practices applied to the management of the group's companies.

The environment is one of the risks faced by Fluidra risks as a company. As such, it acts responsibly to prevent any of its actions and activities from causing environmental damages and to prevent any external phenomena that could affect the organization. Before the company embarks on an activity, the risks to the health and safety of people and the environment are assessed. Although all Fluidra's business activities take place at industrial parks and commercial offices, because there may be a risk of causing some type of negative ecological impact, directly or indirectly, the most important companies have environmental management and impact measurement processes based on the precautionary principle. In 2020, as in prior years, no operations were detected with any negative impacts, real or potential, on the communities where the group operates. The direct emissions associated with production and the generation of waste, which have the most significant impact on the environment, are managed and kept to a minimum by teams devoted to their control at each plant.

In 2020, the cost of environmental risk prevention totaled €181,819; three weather-related incidents were identified, and remediation costs amounted to €39,176. In addition, in the group's five main factories, investments in environmental improvements amounted to €691,405 in the last fiscal year.

No non-compliance with environmental laws or regulations was reported during the fiscal year.



4.2 Sustainable Use of Resources

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4.2.1 Energy Consumption

Fluidra maintains a strict policy and commitment to optimizing resources through the application of energy-efficiency measures and behaviors among the group's companies and employees.

The total energy consumed in 2020 in all companies of the Fluidra group was 328,604 GJ, which includes offices, points of sale and all of the group's factories. Of this amount, 113,896 GJ came from indirect renewable energy sources, representing 35% of the total energy and 60% of the total kWh of electricity consumed. It should be noted on this point that Fluidra's electricity supply in Spain and Portugal is 100% green energy from renewable sources with guaranteed supply, which contributes to reducing the company's carbon footprint. The group will set itself the target of increasing its consumption of renewable energy by 3% in 2021.

It is important to remember that due to the demand in the swimming pool and wellness sector increased due to the pandemic, which led to an increase in the group's production and, consequently, the use of diesel (production/heating) at most of its plants (approximately 34%).

The cost of energy in 2020 was €6,051,453, which is equivalent to 1.3% of the operating expenses for the year. For a complete breakdown of energy consumption, please refer to the tables on [page 117](#).

Energy intensity⁴

	Unit of measure	2019	2020	2019 Denominator	2020 Denominator
Raw material used	GJ/tn	4.78 ¹	4.22	69,872	77,810
Per square meter	GJ/m ²	0.60 ²	0.53	555,575 ³	618,700 ³
Per employee	GJ/per	62.36 ²	60.45	5,357	5,436
Per EBITDA	GJ/EBITDA	0.002	0.001	€205.3 M	€302.1 M

¹ The ratio of GJ/tn for the previous year is corrected as there was an error in the calculation.

² The 2019 values have been recalculated with using the methodology applied in 2020 to ensure the comparability of the reported data.

³ Total square meters calculated from data reported in 2019 and 2020.

⁴ Including direct and indirect energy consumption within the organization.

In terms of energy intensity, the ratio per type of raw material consumed in 2020 is lower than the year before, which means greater efficiency, which is also seen in the ratio per surface area and per employee.

Attributable consumption outside the organization is limited to the fuel used for heavy-duty shipping which is outsourced by the company. The kilometers contracted in 2020 totaled 20.5 million, which is 7% less than the year before as a result of the effects of Covid-19 pandemic on the company's business activities and optimizing the way in which trucks are loaded.

In 2020, energy audits were carried out at the production plants located in Spain, covering more than 85% of consumption, as stipulated in RD 56/2016. Due to the pandemic and mobility restrictions, the audits were delayed so the reports were received at the end of the year. The proposed energy efficiency measures will be analyzed with the affected plants for implementation in 2021. Noteworthy among the initiatives already implemented by the company is the use of LED lighting at Fluidra Portugal's facilities; the use of solar energy at Fabtronics, a recently incorporated Australian subsidiary; and the use of electric forklifts at Talleres de Agua in Spain instead of diesel-powered ones. In addition, an estimated 656,000 kWh of power have been saved through LEAN management, which has been implemented at many of our plants with the aim of continuously improving our processes and making them more efficient.

Another aspect worthy of note is fleet management, where the group's policy is to constantly invest in efficient vehicles. In 2020, for example, 58 of the total fleet of 192 vehicles were new, resulting in better quality and less pollution caused by Fluidra's fleet. At the end of 2020, the Executive Committee agreed to modify the group's vehicle fleet policy in Spain, with a trend toward gradually reducing the use of diesel vehicles and possibly increasing the use of hybrid vehicles.

4.2.2 GHG (Greenhouse Gas) Emissions

Fluidra is aware of the problem of climate change in the world and is working on an internal action plan to advance in the areas of mitigation and adaptation, to the extent possible. For the first time, in 2020 the company's complete carbon footprint was calculated for all three scopes following the GHG Protocol methodology (operational control). For future controls and determination of reduction targets, 2020 will be taken as the base year, as it is the first year in which the complete footprint was calculated. Based on this work, in 2021 we will proceed to define an emissions reduction and compensation strategy for the three scopes and for the short, medium and long term, taking into account the recommendations of scientists and existing initiatives (SBTi, Paris Accord) when defining these objectives.

Some of the measures already in place, even before the pandemic, were the reduction of face-to-face meetings and Internet-based training to cut down on travel. At the same time, all logistics activities of the group



companies are centralized in the Trace Logistics group's warehouse. This means that shipments are sent in full truckloads, optimizing the number of shipments to reduce emissions.

In 2020, while scope 1 emissions (8,037 tCO₂eq) were down by 4.04% due to company's vehicles being used less during the pandemic and the improvements introduced to reduce emissions, for scopes 2 and 3 the figures were higher than the year before. Indirect GHG emissions from contracted electricity consumption increased to 16,705 tCO₂eq. The higher demand during the pandemic led to an increase of the production and, consequently, the use of energy resources, despite the fact that some facilities were closed for months or weeks during the pandemic. The calculation was also expanded to include indirect GHG Scope 3 emissions, with a final figure of 17,155,484 tCO₂eq, which is not comparable to those reported the year before. This year we were assisted by Ecoact in updating, reviewing and calculating the carbon footprint of the entire Fluidra Group following the methodology of the Corporate Value Chain Accounting and Reporting Standard, GHG Protocol.

In all, Fluidra's estimated emissions for the three scopes stand at 17,180,226 tons of CO₂ equivalent, taking into account that the calculation for scope 3 was more exhaustive in 2020 than in previous years. The categories that have been omitted do not apply to Fluidra's business. Emissions from business travel were clearly affected by the restrictions on mobility as a result of the measures to stop the spread of the Covid-19, due to a significant decline in train and air travel by Fluidra professionals.

Regarding business travel, the data provided by corporate travel agencies in Spain and the United States and a calculation of emissions based on the associated costs for the rest of the countries are presented. The complete carbon footprint methodology will be published on the corporate website.

The portion of emissions associated with product use and waste from products sold has been calculated for the company's two main products: water pumps and heat pumps. In 2021 we plan to expand the scope to include more products as information becomes available.

The 2020-2026 ESG Master Plan contains a series of initiatives and objectives associated with waste reduction, the development of purchasing policies to increase the sustainability of materials and to optimize product distribution with a view to reducing our scope 3 carbon footprint.

For the full breakdown of emissions, refer to the tables on [pages 117 to 119](#).

CO₂ emissions.

Scope 1: 8,037 tCO₂eq

Scope 2: 16,705 tCO₂eq

Scope 3: 17,155,484 tCO₂eq

Pollution

Fluidra releases certain emissions directly into the atmosphere as a result of its production processes. In 2020, a total of 15.15 tons were reported of fugitive CO₂ emissions and 130.30 tons of VOCs.

Due to the increased scope and use of estimates to better reflect the reality of emissions, the data for the previous year are not comparable except for VOCs, where a slight increase can be observed. In the specific case of Poltank, the use of acetone during the production process leads to higher VOC emissions. As a result, the company has launched an initiative to reduce the use of this material by using solvents without VOCs.

For the calculation of these emissions (except for VOCs, Hydrochloric Acid, Chlorine, and Refrigerant Gases), the emissions declared by the main production companies Cepex, Waterlinx, Inquide, Metalast and Poltank were considered, as well as those estimated for the rest of the companies according to their consumption of diesel and natural gas, to which the emission factors of the European Environmental Agency (EEA) were applied for each compound. In the case of VOCs, Hydrochloric Acid, Chlorine, Refrigerant Gases, the figures were reported directly by each of the production companies.

For a complete breakdown of emissions, see the tables on [page 119](#).

Noise and light impact

In terms of noise pollution, the Togama plant located in Castellón de la Plana (Spain) made a significant improvement to its facilities in 2020 to reduce this type of pollution. This plant manufactures the ceramic tesserae that cover floors and walls. The presses used in the production process create a hazardous environment for workers, so that hearing protections had to be used continuously throughout the building where the presses are located.

Thanks to the steps that were taken, the decibel level has been reduced considerably, so that now the use of hearing protection is only required when something specific must be done next to the presses.

No structural modifications were made to prevent or reduce light pollution at any production plant, as there were no incidents or complaints of any kind.

4.2.3 Circular Economy

Waste management

Together with the ISO 14001 environmental management system implemented at the production centers, Fluidra's environmental policy must be complied with by all members of the company to ensure the efficient use of resources and the correct treatment and disposal of waste. The ESG Master Plan envisages onboarding the circular economy into the group's processes, specifically circular products, i.e., those designed to be recycled or reused from the outset. Training in the circular economy is planned for all departments involved and a strategy is being defined to advance in the integration of circular products, from the design phase to end of life, starting with a pilot project that will begin in 2021.

Waste management at the production plants is focused on waste separation. Hazardous waste is first separated from non-hazardous waste, which is then further separated to facilitate collection and recycling. Both types of waste are delivered to authorized waste managers for disposal. Fluidra spent a total of €1,153,508 on waste management throughout the group in 2020 (for those estimated data on waste generated, there is no expense associated with them, since the management of waste is beyond Fluidra's control).

Recycling at locations other than production plants is becoming more common, with more and more locations making an effort, despite the difficulties encountered, such as the lack of governmental facilities to dispose of recycled waste in some countries. However, the Fluidra group has set medium-term objectives to ensure that all locations including production plants and others recycle and dispose of waste through authorized waste managers if this option is available in the region.

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In 2020, Fluidra changed the way information is processed to include an in-depth breakdown of the types of waste, in keeping with the GRI classification system, which is different from the one used previously and contains an additional category. The information for the 2020 fiscal year is presented in the new format, while the information from prior years is shown in the old format.

Currently, based on the GRI classification system, information is only available for hazardous and non-hazardous waste managed internally by the group or by a specialized third party. The companies in the Fluidra group do not transport or treat waste classified as hazardous in Annexes I, II, III and VIII of the Basel Convention. All treatment or transport of such waste is carried out within the country.

The total volume of waste generated was 26,922 tons (8,615 tons of hazardous waste), which is 41% higher than the year before as a result of a substantial increase in sales, which led to a corresponding increase in production and the inclusion of assumptions on the volume of waste generated at some facilities where primary data were not available. The scope of the data has therefore been broadened considerably and is not comparable with prior years.

	2020				
	Incinerated	Recycled	Reused	Landfill	TOTAL
External Management	0.8%	42.2%	6.7%	50.3%	21,160 tn
Internal management	0.0%	82.8%	17.2%	0.0%	5,762 tn

Tables with a full breakdown can be found on pages 116 and 117.

There was a target to reduce waste by 15% in 2020, but changes in data processing and the expanded scope of reported data and production activity have made it impossible to measure the degree of compliance. For 2021, the target of a 15% reduction in waste to landfill has been re-set to be achieved by increasing recycling and reuse to reduce the company's impact. Also by 2021, it is planned to prepare a life cycle analysis (LCA) of a product, define policies relating to materials and conduct training on circular economy in those departments involved in product development.

Several projects are being developed or are already underway to reduce packaging waste:

- Replacing plastic bags with bags made of compostable material for spare parts.
- Reduction in the use of cardboard sleeves and primary packaging for valves.
- Reducing the use of protective foam and replacing it with cardboard for pool pumps.



Use of raw materials

Fluidra has a varied and horizontal production structure, manufacturing an assortment of components and products for swimming pools encompassing different sectors (plastic sector, chemical sector, metal sector, ceramic sector, manufacturing sector, logistics sector and commercial sector). This makes the processing of raw materials and packaging somewhat complicated.

To understand the 2020 results, it is important to remember that the high demand as a result of the pandemic led to an increase in production, which in turn caused the use of raw materials to increase by 11.4%.

In tons	2019	2020
Non-renewable materials (t)	45,537	49,257
Packaging (t)	11,574	14,145
Reused/recycled materials (t)	12,761	14,408

The complete breakdown can be found in the tables on [page 116](#).

4.2.4 Water and wastewater

Although Fluidra’s products are used in the Pool and Wellness sector, in the course of its own production and marketing activities the group has a relatively low water consumption profile. At most locations, only domestic water is used, although the plant where chemical disinfectants are produced have a significant impact.

Most water is obtained from public or private networks, with groundwater consumption (wells) accounting for 3.8% of the total and surface water for 21%, in all cases being fresh water. Togama company connected to the public water network in September, at which point it stopped using well water. The volume of surface water captured and reused as

well as dumping was reduced considerably with the closure of the chlorine production section of the Monzón plant, and this trend was maintained in 2020.

A total of 78.8% of the water that is discharged goes through public or private networks, 4.9% undergoes external treatment; 11.8% goes to surface water and the remaining 4.5% is treated internally or, in the case of water for sanitary use, is discharged into the subsoil. There were no spills in 2020 that could have an effect on the environment, nor were there any discharges of runoff water that affected habitats. Also, there is no record of catchments that have significantly impacted water sources. This year, the company spent €67,959 on spill management and prevention.

Water consumption was higher in 2020 due to increased production, a significant broadening of the scope of reported data and also some leaks that occurred in Talleres del Agua and Trace Logistics for a total of 1,025m³. At the China production plant, which had a major water leak in 2019, there were no further problems thanks to the repairs to the supply system. Group companies also sponsor initiatives to reduce water consumption, such as the initiative carried out this year by Inquide SAU to use the water from machinery cleaning as the raw material for liquid product mixtures. To this regard, it should be highlighted that Fluidra has set itself the target of reducing its water consumption that is related to sales by 5% in 2022 (currently at 0.084 liters/€).

Some of the group’s commercial companies are located in third-party facilities where general services (water consumption, wastewater management) are included in the rent. None of Fluidra’s production facilities were under water restrictions in 2020.

In 2020, a request was received from the Ebro Hydrographic Confederation (EHC) for a series of tests and analyses to be conducted on the grounds of Inquide SAU’s plant in Monzón. Fluidra is working to respond to the EHC’s request and to provide it with a status report.

For 2020, Fluidra has adapted the way it records water consumption and discharges to conform more closely to GRI guidelines, specifically the updated GRI 303 Standard: Water and wastewater in 2018.

Water extraction	Unit of measure	2019	2020
Public or private water network	m³	74,432	93,706
Underground water (well)	m³	4,519	4,760
Surface water (river, lake, etc.)	m³	27,727	26,247
Total	m³	106,678	124,713

13% of the water usage data was estimated due to a lack of primary data.

Dumping	Unit of measure	2019	2020
External treatment	m³	–	4,634
Public or private water network	m³	–	74,851
Surface water	m³	–	11,223
Underground	m³	–	3,478
Internal treatment	m³	–	822
Total	m³	77,084	95,008

56% of the dumping data is estimated since most of the group’s facilities are not equipped with dumping meters. For 2019, only total figures are provided as the systems do not allow us to provide the same breakdown as in 2020.

5. Keeping the best team

- > 5.1 Human Resources Policy
- > 5.2 Talent
- > 5.3 Training and Development
- > 5.4 Recognition
- > 5.5 Compliance



5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES



5. KEEPING THE BEST TEAM

Fluidra's team is made up of people who identify closely with the company's mission, vision and values, as reflected in the 2019 global engagement survey. This identification is key in the company's culture and as a result there is a great deal of reciprocity between employees and the company. The corporate culture based on these values is the cornerstone to the continued advancement of the new Fluidra following the merger in 2018.

The HR department's roadmap for 2020 focuses on a two-pronged approach: continuing to deploy the core values of the corporate culture and generating and developing more internal employability. This internal employability comes from the company's desire to manage people from a place of trust, generating and facilitating teamwork, dynamism, collaboration, transparency, career opportunities and contributing to the professional and personal development of all employees. The situation caused by the pandemic changed timings and priorities, so that beginning in March the company's main concern was to guarantee the safety and health of all employees globally, developing global action protocols to safeguard the continuity of the business. Covid-19 also led to the promotion and improvement of digital leadership, with the company taking advantage of all available communication and management channels as well as remote work.

This eagerness to develop people has led to the harmonization this year of the company's talent assessment and identification processes, which will be helpful in the design of a succession plan that guarantees global people management in the short and medium term.

Fluidra's success would not be possible without its excellent team of professionals who are capable of working safely and consistently as they pursue their personal and professional development with the company. The company's people management policy focuses on equal opportunities for everyone, regardless of race, gender, religion or ideology. Hiring and professional career development within the organization are consistent with the group's core principles and values.

Fluidra has a series of specific policies in place, starting with the Human Resources Policy as the framework of reference, as well as other specific policies which are derived from it, such as the Health and Safety, Equality and Diversity or Talent policies, among others. All of these policies are people-focused and are intended to guide their actions and conduct.

Fluidra's Executive Committee (MAC) is responsible for reviewing the data and monitoring the key human resources (HR) indicators throughout the organization in order to establish corrective measures or implement new initiatives as deemed appropriate.

First motivation and engagement survey

The first motivation and engagement survey titled "It's your turn!" was sent to all Fluidra employees in July 2019. The purpose of the survey was to understand what they think about relevant aspects of the company and their work in order to determine improvement actions.

The participation rate was 72% and the areas with the highest scores were:

- Corporate image (83%): "Fluidra is a company of recognized prestige in the market".
- Global commitment (82%): Employees give their best every day and are happy to work at the company.
- Teamwork (83%): Teams work well.
- Professional task (79%): Employees know what is expected of them at work and enjoy what they do.

Good scores were also received on issues such as whether the company does what is necessary to compete effectively (76%) and internal communications (74%).

The results also revealed areas where there is some room for improvement, the most notable of these being: treating employees more fairly; providing more continuous training; improving the process of selecting, training and integrating talent; and improving recognition of achievements and contributions throughout the organization.

As a result of the survey, global and local action plans were put in place with the following objectives:

Global Action Plans.

The global action plans focused on improving the areas of "Trust & Consistency", and "Recognition", through the following initiatives implemented in 2020:

- Communication actions: some of the initiatives implemented in this regard include periodic messages from the CEO on relevant topics, virtual townhalls, meetings with management and finance lessons for non-finance people, among others.
- Governance model, through the definition of global, regional and local responsibilities for all departments, and the formalization of policies.
- Definition and/or consolidation of recognition programs in all regions.
- Development of a Professional Training Development Policy and Program in order to engage and promote talent.

Local Action Plans

These plans are aimed at redirecting and solving local management issues. With 201 local action plans put into place, this means that 52% of Group companies and 71% of employees are covered by at least one of these plans. Of all the plans defined following the 2019 survey, 63% were completed or in progress as of October 2020.



5.1 Human Resources Policy

Fluidra's HR Policy is divided into five major areas to foster a motivating environment that fosters a commitment on the part of the employees to the Group's values and objectives.

Compliance

- Ensure compliance with labor laws.
- Guarantee worker health and safety.
- Preserve the right to freedom of association and collective bargaining.

Talent

- Create an employer brand that promotes the attraction of talent.
- Ensure a selection process that is in line with the company's values.
- Promote equal opportunities to join the organization.
- Have a welcome plan that facilitates the integration of new employees.
- Respect ethnic, cultural and social diversity.

Training

- Develop talent by enhancing strengths and addressing areas for improvement.
- Enhance the role of the leader, a key factor for the team's talent.
- Develop the human and professional potential of all employees and offer growth opportunities.
- Provide continuous training for the development of skills.
- Facilitate and promote national and international mobility among group companies.

Organization

- Alignment of work models: the merger process involves a change in the organizational structure of the company and its teams.
- Change management: clearly define and actively communicate the vision for the future to all employees.
- Alignment of employees toward a common and global vision with the new corporate values shared by all.
- Organize the roles and responsibilities within the group so that everyone knows what is expected of them and feels committed.
- Encourage open, clear and transparent communication within the organization that promotes a sense of belonging.

Recognition

- Unify and design new compensation policies.
- Transparent and fair market compensation policy.
- Attractive benefits policy.
- Work-life balance.



5.2 Talent

5.2.1 Quality employment

Fluidra closed the year with 5,436 employees, 1.4% more than in 2019. The company's job structure remains stable with a hierarchical structure in which 3% of positions are senior management and 14% are managers. The maturity and operating experience of the staff are ensured by the fact that 65% of employees fall within the 30 to 50 age range.

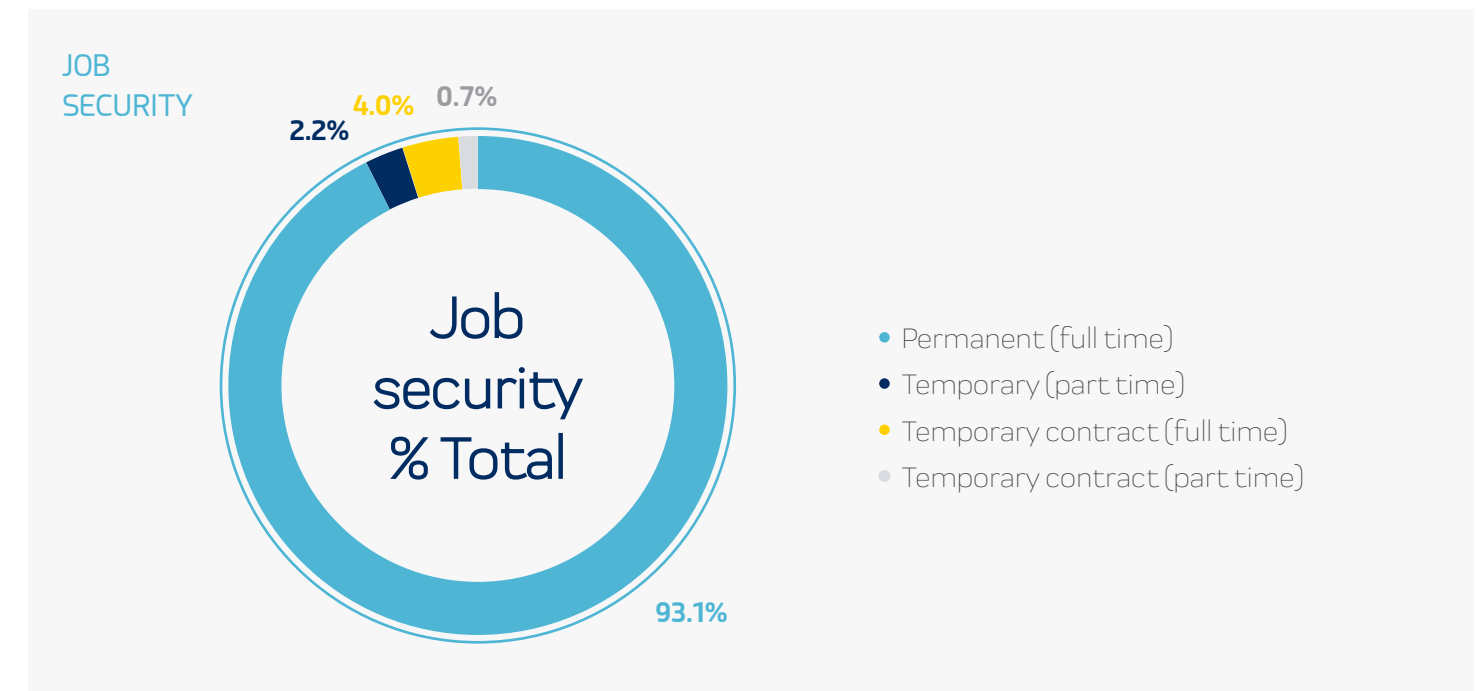
COMPOSITION OF FLUIDRA PROFESSIONALS

Job category	Men	Women	Total
Executive	121	28	2.7%
Managers	258	79	6.2%
Professionals	537	199	13.5%
Technicians	910	377	23.7%
Administration and support	444	592	19.1%
Production:	1.347	544	34.8%

Age	Men	Women	Total
18 – 29	408	225	11,6%
30 – 50	2.337	1.197	65.0%
Over 50	872	397	23.4%

Job stability is very important to Fluidra, which is why we have a high percentage - 95% - of permanent employees, similar to the figures for 2019 and an estimated average length of service of 8 years.

Because of the flexibility that is required to deal with the somewhat seasonal nature of the business, approximately 6.5% (7% in 2019) of our staff are externally outsourced, temporary employees, which helps us to stabilize our accounts.



The structural turnover of permanent contracts at Fluidra in 2020 was down two points compared to 2019 to 10% (from 12% in 2019), in line with pre-merger levels. The figures were relatively high in 2018 and 2018 because of the merger between Zodiac and Fluidra. Furthermore, the voluntary turnover of indefinite was set at 4.6%.

There was a major reorganization in 2019 in connection with the integration of Zodiac and Fluidra in those geographical areas where each one had significant market shares. In the United States, Australia, South Africa and Europe, the integration process led to the elimination of some duplicate positions during the year. In 2020, the most significant adjustments were in Spain, the United States and Brazil, which accounted for 69% of the group's layoffs.

For a complete breakdown of employee data, please refer to the tables on [pages 120 to 126](#).

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5.2.2 Diversity, Equity and Inclusion

Equity, inclusion and diversity are all principles that underpin the company's procedures and actions. Fluidra's Global Equality and Diversity Policy was approved in 2010. Its main objective is to ensure that all people, regardless of race, nationality, gender, age or any other circumstance, have the same opportunities when joining the company, while working for the company and even when they leave the company. In virtual coffee chats with the company's CEO, employees agreed that the principles of diversity, equity and inclusion should be integrated into one of the company's values rather than creating a separate value. In North America, meetings have been held with employees, with the participation of the CEO and the President of the region, to discuss and get direct feedback from employees.

Gender equality

The principle of equal treatment between women and men means the absence of all discrimination, direct or indirect, by reason of sex, in particular as regards maternity, the assumption of family obligations, or marital status.

One of the plan's objectives is to increase the number of women in all professional categories and to increase their representation globally by 2% next year. There are plans to launch awareness-raising and training actions for employees and managers in 2021 related to diversity, equity and inclusion in the business environment, with the hope of reaching 40% of the group's employees. In addition, the recurring training courses on the Code of Ethics, which also touch on this topic, will continue to be held every two years.

In 2020, Equality Plans for Spanish companies were created or updated, analyzing the current situation and establishing objectives and action plans for the coming years. Some of these actions included informing employees of the new Equality Plan, reminding them of the work-life balance measures available to them and reviewing the internal vacancy policy to improve the process and ensure that all employees have the ability to apply for open positions.

Fluidra is also working on updating the harassment protocols, which will be finalized and published in 2021. No complaints were received through the Ethics Channel in 2020 regarding inequality or harassment in the company.

Objectives	Actions
Egalitarian corporate culture	To promote a corporate culture based on equal treatment so that men and women have the same opportunities for accessing jobs and training, are given the same promotion prospects and salaries, and in general enjoy the same working conditions, by focusing our human resources policies on the attainment of this goal.
Eliminate situations of inequality	Adopt specific measures that favor women when there are clear cases of inequality with regard to men.
Equal representation on governing bodies and in other areas	Boost the number of women on the Board of Directors and in senior management positions, and in other areas of the company where they may be underrepresented. In the selection processes of board members and senior management, as well as of other professionals in the organization, Fluidra will take gender diversity into consideration in order to safeguard equal opportunities without contravening the main purposes of the selection process, such as taking on the person most suited to a post by applying objective criteria in terms of candidates' training, professional experience and qualifications. Gender or other forms of diversity should not constitute an obstacle in ensuring the efficient running of the Board of Directors and/or the management, sales, production and operational teams that successful candidates join.
Equal opportunity and non-discrimination	Respect and act in accordance with the principles established in Fluidra's Code of Ethics related to equal opportunities and non-discrimination by remedying any actions that could lead to a breach in these principles. Such breaches must be dealt with by the Ethics Committee or any other body in the organization with the power to take action.
Non-sexist communication	Apply the principle of gender equality mainstreaming throughout the organization by ensuring that all corporate documentation is written using non-sexist language.
Work-life balance	Implement work-life balance measures that allow employees returning from maternity or paternity leave to continue advancing professionally in keeping with their interests and the opportunities which the company is able to offer at the time.
Specific equality plans	To design equality programs adapted to the need of each group company by setting specific targets and actions that promote equality in the workplace.
Collaboration in raising social awareness of equality	Take part in external programs and/or projects that support equality between men and women by raising awareness and promoting participation throughout the organization.

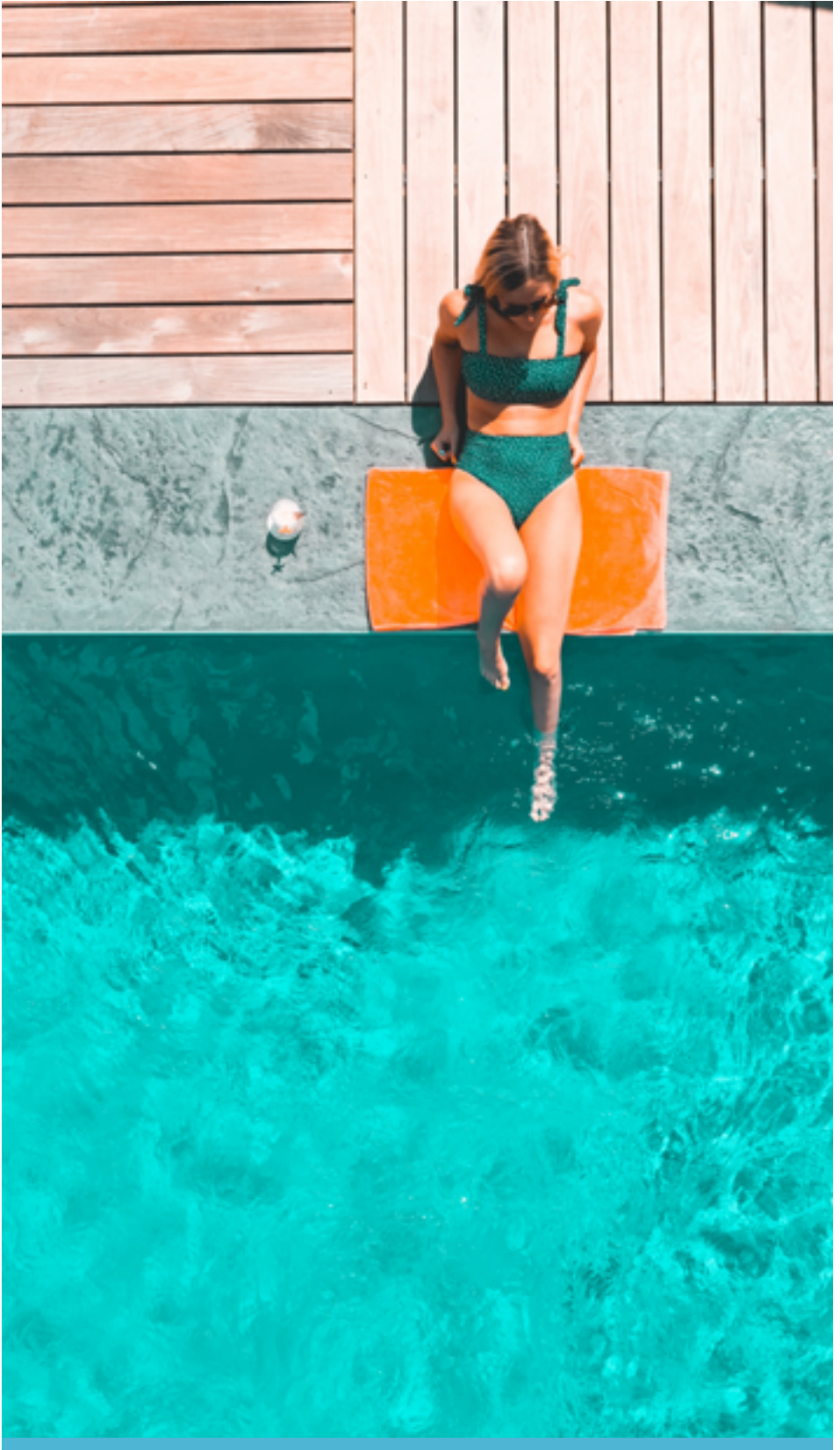
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Equality on the Board of Directors

In 2019, once certain decisions were made regarding the configuration of the Board of Directors following the merger of Zodiac and Fluidra, one of the director’s terms of office expired and he was replaced by a woman. Although this represents only 8% of the composition of the Board, it is the first step toward achieving a more egalitarian Board in terms of gender.

There is a commitment to add women directors to the Board as mandates expire, until the appropriate gender equality is achieved. To that end, there is a policy of proactive selection of women in place, with special emphasis on the qualities and skills the position requires. The goal is or female members to represent 17% of the board members by 2022 and 33% by 2026.

Integration of disabled people in the workplace

Fluidra requires all member companies of its group to facilitate the integration of people with disabilities and to encourage their placement in positions where they can grow professionally in accordance with their abilities, complying at all times with the applicable legislation in force regarding the hiring of people with disabilities.

In this regard, Fluidra has set the following objectives and has prepared the pertinent actions to achieve them.

Objectives	Actions
Workplace accessibility	Ensure that the workplaces of all Group companies are accessible to everyone by breaking down any physical barriers that may exist.
Equal treatment and opportunities	Foster a corporate culture based on equal treatment so that people with disabilities have the same opportunities for accessing jobs, for training, promotion, professional development, compensation and working conditions in general, by focusing our human resources policies on the attainment of this goal.
Collaboration in raising social awareness of disabilities	Take part in external programs and/or projects that support equality for the disabled by raising awareness and promoting participation throughout the organization.
Facilitate labor insertion	To establish collaboration agreements with organizations and associations that work towards the inclusion of the disabled in the job market.
Compliance with current legislation in this regard	To ensure that all Fluidra companies and workplaces comply with the laws in force governing the hiring of disabled persons.

All companies comply with the laws in force in their countries regarding hiring people with disabilities or exceptional measures such as engaging services or buying products from special job centers. In this area, Fluidra collaborates with the Adecco Foundation, with whom it occasionally organizes workshops and other activities in Spain and in other countries where the company has a presence.

In addition, Fluidra has established a series of objectives and actions aimed at promoting the integration of disabled people in the workplace: eliminating physical and architectural barriers at the group’s facilities; enter into collaboration agreements with centers and associations that work for the inclusion of people with disabilities; and promoting a corporate culture based on equal treatment and opportunities for the disabled, among others.

The inclusion of people with disabilities is one of the aspects where work needs to be done in the future to improve overall ratios, even in places where there are no specific laws as occurs in Spain. In some countries like the United Kingdom there is an equality policy that details the company’s integration objectives in this area, while in others there are specific measures to promote the employability of this group. One example is Germany, where they offer five extra days of vacation.

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At the end of 2020, Fluidra had 48 people on its staff (31 in Spain) with a disability of 33% or more (compared to 33 in 2019), of whom 13 are women (12 in 2019) and 35 are men (21 in 2019). It should be remembered that these figures may be skewed as in some of the countries in which Fluidra operates it is not allowed to declare employees who have a disability. In addition, the group collaborates with numerous associations that have workers with different degrees of disability.

Employees with disabilities	Women	Men	Total
Germany	2	1	3
Australia	0	2	2
Brazil	0	1	1
Spain	8	23	31
France	1	3	4
Netherlands	0	1	1
Italy	2	3	5
South Africa	0	1	1
TOTAL	13	35	48

Cultural integration

Fluidra’s broad international presence is one of its greatest assets. A workforce that draws people from different origins and cultures brings a cultural richness to the organization and this is something that can be nurtured and strengthened. To that end, the company promotes the multiculturalism of its teams, the international mobility of its professionals and has formulated various corporate objectives to facilitate the social, cultural and labor integration of professionals from other countries.

Objectives

Actions

Equal treatment and opportunities

Foster a corporate culture based on equal treatment and opportunities so that immigrants have the same opportunities for accessing jobs, for training, promotion, professional development, compensation and working conditions in general, by focusing our human resources policies on the attainment of this goal.

Facilitating integration

Provide all of the information and training needed by foreign employees to attain a satisfactory degree of social, cultural and professional integration by carrying out specific welcoming programs when necessary.

Collaboration in raising social awareness of the value of immigration

Work with external programs and/or projects that support equality for immigrants by raising awareness and promoting participation throughout the organization.



5.3 Training and Development

Fluidra understands that talent development is critical to the company's performance, which is why we work to enhance the strengths and develop the areas for improvement of the people who make up the company. Training is understood as a continuous learning process and with that in mind that there are programs, courses and seminars available to the group's employees that contribute to the practical transfer of knowledge, the acquisition and development of skills and the improvement of leadership skills. All of this is regulated in the Global Training Policy, which indicates those aspects that are mandatory for the entire organization (introduction to the company, Code of Ethics, corporate values, cybersecurity and data protection), those which are specific to certain categories (such as training in legal or tax issues for management positions) and those which are developed according to local training needs.

Training at Fluidra is open to men and women alike since all company employees have the same right to training, regardless of gender and/or ideology. Most of the training at Fluidra is primarily technical in nature and deals with the skills required for the position, as well as language training.

In 2020, a total of 43,698 hours of training were provided, with an average of 8.3 hours of training per professional. This involved an investment of approximately €420,200 by the company.

Some training programs could not start in 2020 due to the pandemic. The decision was made to postpone them until people could meet in person and the training could be held in the classroom for more direct interaction. The global training programs offered online have focused on Fluidra's values, a component for the continued reinforcement of the corporate culture.

The breakdown of training data can be found in the table on [page 127](#).

This year, Fluidra USA has launched the LinkedIn Learning program for its employees, which has been very well received. The EMEA and APAC regions will implement this program in 2021, promoting the development plans of their employees using this tool.

In the coming months, awareness and training actions will be launched for employees and managers related to equality in the business environment, in addition to the recurring training courses already held every two years on the Code of Ethics, which also touch on this topic.

Objectives 2021 - Development

✓ All employees will have an Individual Development Plan

✓ The number of One-2-One meetings will be increased

✓ Widespread implementation of LinkedIn Training in all regions

✓ New initiatives: Acceleration of Women and Young Talent

Global Onboarding, Training, Talent & Succession Policies

Fluidra has global policies that define the global framework and provide general instructions, which are then adapted by each country, for the processes of onboarding new employees, training, talent development and succession in a given position.

This unifies the way in which company information is provided to new employees and the mandatory training they must receive on the company's principles and values, the Code of Ethics, data protection and cybersecurity. In addition, there are specific training courses for managers on topics such as anti-corruption or regulatory compliance, which affect a cross-cutting part of the organization.

The rest of the training courses are identified through the Talent Review process and are the responsibility of each region.

Global policies, local training

In line with one of the objectives of the strategic plan which is the progressive digitalization of the company and the business, various development plans have been implemented in different areas and at different levels of the company:

- Digital transformation program: management has conducted these training sessions in line with the company's objectives of digitizing the company, its business and its processes.
- Redesign of our reporting tool: by selecting the PowerBI tool, a series of technical and functional training sessions have been offered to the IT team and various non-technical profiles within the organization in order to equip them with the skills needed to use this tool for reporting company data.
- ERP training: the IT Training team has developed an eLearning training plan to assist people with the change of systems at the subsidiaries. This is a continuation of the support that which was previously offered in person.
- Internal cybersecurity training: the cybersecurity team has launched a continuous internal training plan for employees designed to raise awareness and increase their understanding of how to detect possible cyber threats to the company.
- Languages: As it has been doing for years, the company continues to offers employees who need to improve their language skills the possibility of taking online classes, mainly in English, and in some other languages in specific cases. In person training was halted in 2020 and, once resumed, was replaced by online training.

In addition to these more global development plans for the organization, specialized training is offered in specific areas or for certain people, on an as needed basis.

Worth mentioning in this regard are the Leadership Development programs offered in the USA throughout 2020. One is designed for newly promoted managers or those joining for the first time who have not received management training, while the other is intended for people with 1 to 5 years of experience, with the aim of improving the impact of their management style.

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In the APAC region a workshop was held with senior management to better understand the impact of management decisions in areas such as health and safety, environment and governance, in addition to specific technical training for the Business Intelligence Manager. Moreover, the services of a coach were used to improve leadership skills, enhance communication and promote values, in particular honesty and trust.

Finally, a special training program was designed in EMEA for industry managers to provide an overview of the importance of performance evaluations in an organization. Managers were provided with tools to help them continuously monitor their teams and, more specifically, show them how to approach the performance evaluation interview and the right way to give feedback. The goal is to increase employee engagement, facilitate the evaluation process and create a culture of continuous feedback.

Performance and talent evaluation

For a company like Fluidra, it is essential to know how to attract, develop and retain talent. In 2020, a global talent management procedure was implemented that will enable us to identify and promote internal talent globally, thus reinforcing the company's continuity/succession plan.

The group relies on the Cornerstone platform for internal talent management, evaluating not only which objectives are achieved but also how they are achieved. During the feedback process, the values and skills observed during the year are discussed. Since it is an integrated platform, development plans are managed using the same tool.

All new employees receive training in the tool and in the annual performance evaluation system in place for all professionals. Practically 100% of employees are in the Cornerstone database and managers and executives rely on this system to design and manage their teams' work and their development. Employees can attend online training through the platform, consult their file, manage annual objectives, have their One20-ne interviews with their direct superiors and take part in different actions offered by Fluidra throughout their professional career with the company to optimize their professional profile.

In 2020, a total of 2,763 performance evaluations were carried out, 9.5% more than the year before, covering 51.5% of the total workforce.

Talent Review, Fluidra's tool for managing talent

Each year, Human Resources managers prepare the process and send out, via the Fluidra MyTalent platform, the Potential and Succession review task called Talent Review for all employees who have been with the company for more than 6 months.

It is intended to analyze what the succession needs would be if an employee leaves Fluidra (either voluntarily or due to retirement) as well as the professional aspirations and leadership potential of team members. Managers are responsible for answering a questionnaire about their teams, which is used to score members on their Potential and this, together with the performance score, allows Fluidra to create a talent matrix.

These evaluations are then used to create individual development plans for employees to aid them in their professional development. The actions may vary but should be analyzed in detail, since the object is for them to be as simple and effective as possible. Examples include training actions, follow-up and feedback sessions, broadening their vision by participating in projects in other areas, introductory sessions in other departments of the company, etc.

The HRBP or HR MANAGERS are responsible for training the managers of each company or region in this process, and assisting them with completing the questionnaires, evaluations and actions. They are responsible for organizing the calibration meetings and for overseeing the information presented by each manager at these meetings.

The Talent Area of the corporate Human Resources Department is responsible for keeping the process up to date, receiving suggestion for improvements from program participants, jointly organizing the calibration meetings with the HR HRBPs, drafting the required reports, following up on the action plans from prior years in relation to development plans, succession plans, etc.

It is also responsible for designing the training materials for managers and employees. It is also in charge of launching the process and following up and assisting the HRBPs in the process.

It provides the members involved with the tools they need for the process to be successful. It is also responsible for overseeing the process for the members of the MAC. Based on the results of the task and calibration meetings, action plans are established for Future Leaders, employees with high potential, and for other employees who may be under consideration as such.

It is the responsibility of the *manager* together with his/her HRBP to establish an action plan, to implement it, and to keep his/her area manager informed of its progress.

Engagement survey

An engagement survey was conducted in 2019 with a participation level of 72%. The purpose was to understand what employees think about relevant aspects of their work and the company and, based on the results, to determine improvement actions.

The survey showed positive data on the perception of corporate image (83%), overall commitment (82%), teamwork (83%) and professional duties (79%). It also helped to identify areas for improvement such as:





advancing in the equitable treatment of employees; providing more continuous training; improving the process of selecting, training and integrating talent; and improving recognition of achievements and contributions throughout the organization.

The action plans defined to improve these aspects, both globally and locally, were monitored in 2020, with 30% having been completed, while another 33% were still under development at the end of the year. The remaining ones had to be delayed or temporarily suspended.

A new survey is planned in 2021 to measure how much progress has been made.

Attracting talent

Fluidra is committed to its presence on social media networks such as LinkedIn where it publishes news items that make the company known to potential candidates. Many job opportunities are also published on this channel. There are also collaboration agreements with various universities that facilitate access to specialized professionals who want to enter the job market.

In some regions there are *referral* programs where employees recommend candidates to join the company. Fluidra is also an active participant in different forums and events through its professionals.

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5.4 Recognition

5.4.1 Work flexibility, work-life balance and work organization

Group companies are free to establish flexible working conditions depending on the specific circumstances and needs of each location. This is encouraged by corporate management, especially when it is aimed at reconciling work and family life.

In compliance with 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 organizational flexibility in those positions where this is possible.

There are several examples of flexible organizational models that facilitate the work-life balance of its employees.

At the Fluidra Group HQ there is a flexible scheduling policy in place that allows employees to reconcile their personal and family life with their work responsibilities. They can also work extra hours during the week in order to have a shorter workday on Fridays or other days, depending on the person's needs. Working hours are also reduced during the summer and some holidays.

Another example of this is Fluidra Comercial España, where working hours are arranged in such a way as to facilitate work-life balance and customer service at the same time. Employees can start their workday anytime between 8:00h and 09:30h, take a half-hour for lunch and leave once they have put in the required number of hours. On Fridays from August to March, the workday ends at 1:30 pm.

Similarly, in the United States these hours can be used to take every other Friday off.

Although working remotely emerged in 2020 during the pandemic out of necessity and prudence to protect the health of our employees and society in general, Fluidra's parent company already had a teleworking policy and model in place that greatly facilitated the transition to the new situation brought about by the pandemic.

The company is committed to the ability of employees to have a family and personal life and to that end has created channels of communication to raise the awareness of managers and employees of the importance of rest and digital disconnection.

	Male beneficiaries	Female beneficiaries	Total
Flexible hours	2,458	2,360	4,818
Special working hours (maternity, nursing mothers, etc.)	430	313	743
Reduced working hours for caregivers	13	97	110
Total	2,901	2,770	5,671

There are many advantages to having flexible working hours and autonomy in the workplace. However, it can also be a risk for work-life balance if working hours are extended to the detriment of family life. With this in mind, the employees themselves are made aware of their responsibility not to exceed their regular working hours. Despite the technological and global environment and the fact that it can be difficult in a transnational group dealing with time differences, we try to limit communications and connections to e-mail or other corporate tools after the end of the working day. Employees are urged not to send e-mails, make business calls or extend work meetings beyond 7:00 p.m., to the extent possible, as defined in the digital disconnection policy.

New parents may freely decide how to enjoy maternity and paternity leave, in compliance with the laws in force in each country. Some Group companies in places where there are no laws on paternity leave have voluntarily defined their own rules. Thus, in 2020 there have been 46 women and 66 men entitled to parental leaves (26 and 46 respectively in 2019).

Employees who take maternity leave are reinstated at the end of their leave. At year-end, a total of 54 men and 26 women had returned to work after the end of their corresponding leaves (41 and 15 respectively in 2019). Thus, the rate of return to work in 2020 was 71.43%, although it should be noted that there were some people who were still on leave at the end of the year.

Maternity and paternity leave and reinstatement	Entitled to leave	Entitled to leave	Reinstatement	Still on leave 1 year later
Maternity leave	46	-	-	-
Paternity leave	-	66	-	-
Maternity reinstatements	-	-	26	15
Paternity reinstatements	-	-	54	31
Total	46	66	80	46

Rate of return

71.43%

(There are people who are still on maternity and paternity leave at the year-end).

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5.4.2 Compensation and wage gap

In March 2020 Fluidra implemented certain measures to mitigate the potential economic impact on the company's operations at all levels and to safeguard the maximum number of jobs for employees.

These measures included:

- The Board of Directors, the Executive Chairman and the CEO agreed to reduce their compensation by 30% between the months of April and July (both inclusive). In addition, the members of the Management Committee agreed to reduce their salary by 20%, and the managers by 10% on a voluntary basis between April and June (both inclusive). In the US, employees' salaries were reduced by 10% for part of this time in order to avoid more drastic measures such as the ones taken in Australia. However, thanks to the excellent results at the end of the year, by December it was possible to reinstate the full salaries of those who had voluntarily agreed to a reduction.

- Fluidra also had to make some temporary adjustments to the workforce in different countries in order to adapt to fluctuations in demand. The salaries of the affected employees were supplemented to soften the impact. These types of flexible staffing measures were adopted in different geographical regions as the situation progressed throughout the year.

- In some of the Group's companies in Spain, there were temporary layoffs (ERTEs) between April and May, which did not affect the entire workforce.

With the worst months of the pandemic behind us by May 31, the vast majority of employees were back at their jobs, although more than 60% continued working remotely to minimize the risk of catching the virus if there were a new outbreak.

This temporary and extraordinary situation notwithstanding, salary ranges are managed by Fluidra in a way that enhances internal equity and makes 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.

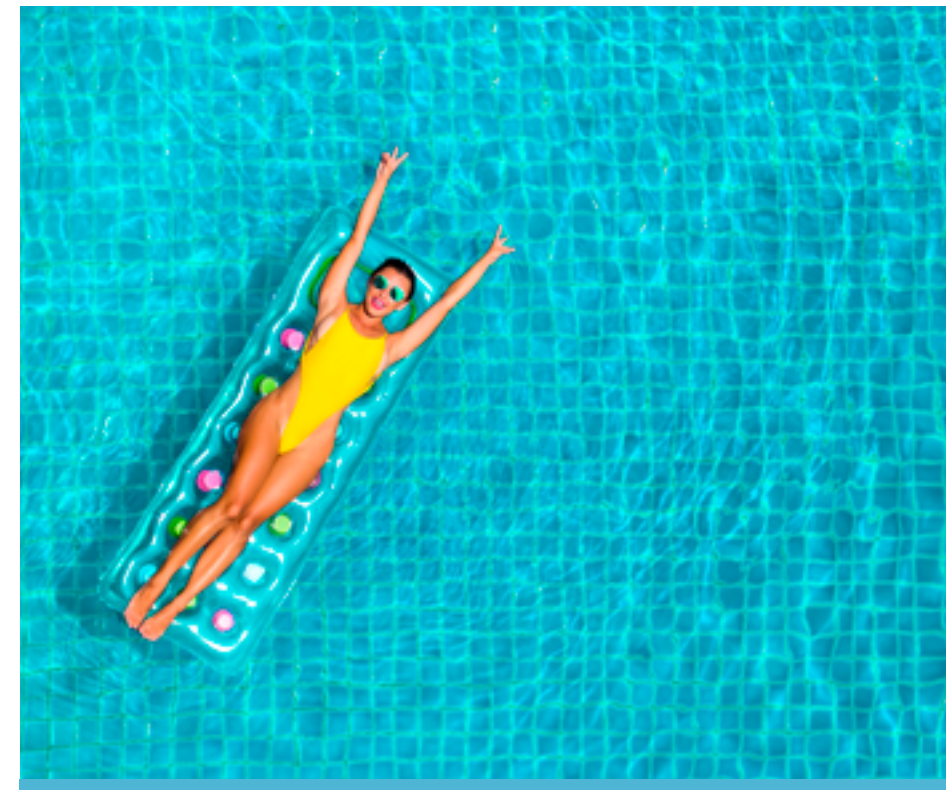
It should be noted that 2020 data are not comparable with 2019 due to:

- The sample size for calculating average compensation: while in 2019 only 55% of employees were considered, this year 96% of the workforce was included, the only exclusions being temporary employees with seasonal contracts and employees who are paid by the hour.
- Breakdown of results: last year we reported unconsolidated data, broken down by geographical area, in local currency. This year, the data was consolidated and converted to euros using the average annual exchange rate.

Compensation	Men	Women	Total
Fluidra average compensation in 2020 (€) ¹	38,794	29,878	35,870
Fluidra average compensation in 2019 (€) ²	38,353	28,103	34,797

¹ The data scope in 2019 was only Spain.

² The data scope in 2020 includes all Fluidra companies



Fluidra average compensation in 2020 (€)	Men	Women	Total
Executive	238,342	222,299	236,653
Managers	102,617	91,405	100,112
Professionals	56,277	51,732	55,226
Technicians	25,859	25,326	25,669
Administration and Support	22,739	23,407	23,149
Production	19,041	18,511	18,893

Fluidra is committed to effective equality which means offering equal opportunities and equal pay for the same job, regardless of gender.

Therefore, Fluidra's compensation policy strives to move ever closer to equal pay for men and women, based on categories and functions, in order to eliminate the unjustified pay gap due to seniority. In 2020, Fluidra, with the support of a specialized and independent external firm, made progress creating a unified corporate compensation system in order to provide information on the wage gap for the entire group.

The unadjusted wage gap, expressed as a percentage, is the difference between the total gross salary including fixed and variable compensation (excluding performance bonuses) received annually by men and women. The calculation does not consider adjustments that would allow us to isolate the effect of differences between men and women on wages, both in socioeconomic terms (age, seniority, level of education or academic and professional choices) and in term of the positions they hold (sectors where they work or types of occupations, among others).

Mean: Shows the difference between the average pay of men and women. It is equivalent to the sum of the data set, divided by the number of values in the set: $(M - F) / M \times 100\%$

M = Average salaries of males
F = Average salaries of females



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Fluidra has provided data for 96% of the company's workforce (excluding seasonal and hourly workers). The results are shown in euros, calculated at the average annual exchange rate.

Overall, based on the available information, the wage gap between men and women is 23%. The composition of Fluidra's workforce is an important factor, as 70% of the workforce are men compared to 30% women. This is not accounted for in the results of the wage gap analysis.

WAGE GAP BY JOB CATEGORY

	Total
Executive	7%
Managers	11%
Professionals	8%
Technicians	2%
Administration and support	-3%
Production	3%

The differences between the compensation policies of 45 countries, the standards of living in the countries where Fluidra does business and the breakdown of the workforce between men and women must all be considered. Although the 2020 study concludes that there are differences in the wages paid to men and women, the differences are less striking when analyzed by professional category, as they are more comparable when the functions performed by each professional group are considered.

Fluidra is firmly committed to continue analyzing the differences observed, which demonstrate the need to take steps to increase the number of women in the organization. The company is committed to gaining a deeper understanding of the root causes of these differences and gradually solving them, if necessary, and therefore has set the objective to achieve a zero net wage gap by 2024.

5.5 Compliance

5.5.1 Freedom of association and collective bargaining

Regardless of the country, all Fluidra employees have the right to associate and to collective bargaining. Given that the group is present in 46 countries, each job center adheres to the labor agreement that applies to its geographical area and industry. In countries where there are no specific regulations, the workers themselves may organize to dialog with the company when there is a conflict to be resolved.

In 2020, there were 14 works committees with 88 labor representatives and 17 delegates. Elections for committee members and delegates are held in accordance with the laws in force.

Works committees and labor delegates have the authority to communicate with company representatives directly to ask questions, make suggestions, initiate collective bargaining talks or convey any other need or suggestion.

Each country has its own specific regulations regarding the collective agreements for the different economic sectors. 45% of all employees are covered by the collective bargaining agreements existing in their countries. The minimum notice periods for operational changes are contained in the collective bargaining agreements.

The diversity of the countries where Fluidra does business is also reflected in the collective bargaining agreements, which vary greatly from one location to another. In Spain, the country with the largest number of group employees, 100% of the workforce is covered by a collective bargaining agreement, while in South Africa, the third largest country in terms of employees, the percentage is 25%. There are other cases such as the Netherlands, Kazakhstan, Romania, Sweden and Switzerland where coverage is 100%; in Egypt it is 94%; in Brazil and China it is 87%, and in France 85%. Finally, in Belgium, the percentage of employees covered is 19%. In the rest of the countries where the company operates, there are no collective bargaining agreements so the provisions of the country's labor law are followed. For more information on the countries where Fluidra does business and the number of workers in each one, see [page 120](#).



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Due to its relevance within the group, the agreement for the chemical sector in Spain is scheduled to be updated in 2021.

5.5.2 Health and safety in the workplace

Immersed in a global pandemic that is unparalleled in modern history, from the very beginning Fluidra has prioritized the health and safety of employees above all else. Accordingly, various protocols were developed to guarantee the health and safety of employees at all of the group's facilities. These protocols indicated how to proceed and also recommended different measures: social distancing, masking, hand sanitizer, reorganization of work spaces, reduced contact with people outside the company to the extent possible, remote work, etc.

There were also corporate campaigns focused on the Covid-19 pandemic in 2020. Everyone from corporate management and corporate HSE to the individual locations emphasized the health and safety measures advocated by the WHO and by the different national health agencies: reminders and posters on good H&S practices, social distancing, ventilation, etc. Corporate travel was suspended except as absolutely necessary and required the approval of a member of MAC (Management Advisory Committee). In addition, local government recommendations have been followed, facilitating remote work whenever possible and reducing workers' movements on a daily basis to the extent possible.

In some countries, Covid-19 tests were administered to make sure it was safe to return to work. Because coordination at the internal level was key and remains so even now in 2021, a series of crisis committees were set up in the different regions which were interconnected through the HR area and through the MAC meetings.

Health and Safety Management System

Fluidra has a Health, Safety & Environment (HSE) Policy which contains the objectives and actions around this high priority issue for the company and which also permeates the particular health and safety, and environmental policies of each group company, with special emphasis on occupational risk prevention.

The company has an occupational health and safety management system developed in accordance with European regulations and OHSAS standards. Although this system is not externally certified, it is reviewed during internal audits. Due to the Covid-19 pandemic, travel was restricted and audits

could not be carried out in 2020. As a workaround to this problem, in 2021 a self-assessment system called HSE MaSys (HSE Management System) will be implemented which will enable the different group companies to self-assess and prepare action plans to correct gaps and make advancements in the process of improving HSE aspects.

Employees can report hazards or dangerous work situations to their supervisor or directly to the person responsible for HSE in their area; the confidential channel available in Myfluidra and the confidential e-mail (ethics@fluidra.com) are also available. In 2020, HSE managers were informed of the implementation of the Golden Principle, which makes it explicit that all employees have the right to stop any activity that presents a risk. In addition, training on accident investigation and the methodology to be followed (similar to that already conducted in October 2018) was provided to HSE managers in January 2020. The SAI 360 reporting system details the guidelines for accident investigation and the implementation of the corresponding actions.

Employees	% of total	Men	Women
People covered by the H&S management system	100%	3,617	1,819
People covered by the internally audited H&S management system	100%	3,617	1,819
People covered by the externally audited or certified H&S management system	0	0	0

* H & S: Health and Safety

Aside from the audits mentioned above, safety visits are carried by the Corporate HSE Management area 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 the pandemic, it was not possible to carry out the planned visits in 2020, although Fluidra's facilities in Morocco, Egypt, Mexico, Bulgaria, Australia, United States, Brazil, as well as facilities of group companies in Spain, were visited in 2019. Due to travel restrictions in 2020, only the Metalast, Inquide, Sacopa and Poltank plants in Spain were visited, although regular video-conferences were held with Brazil, China, USA, Bulgaria and South Africa to monitor the status of HSE issues, primarily Covid-19.





Occupational risk prevention plans

To guarantee safe working conditions, Fluidra requires risk assessment and risk analysis of processes and workplaces at all sites before any potentially hazardous activity can begin. Site management is responsible for providing risk assessments and developing protective measures in collaboration with employees, who must be aware of, respect and comply with local safety requirements, such as using the appropriate types of personal protection, respecting safety alarms and warning signs, taking part in observation and training programs or reporting behaviors and conditions that pose a safety risk.

For their part, employees are expected to make a personal commitment to be actively involved in preventing accidents and hazards in the workplace, informing and warning colleagues of any unsafe behavior.

Each group company in Spain has its own Risk Prevention Plan that includes periodic risk assessments commensurate with its operations, offering the required training to all internal and external staff.

In 2020 the company began to implement the HSE Champion Manual for facilities considered low risk or small units, as a tool for implementing and documenting HSE initiatives and programs in the workplace.

Prevention plans are normally drawn up by external prevention services and implemented by the prevention coordinators, prevention delegates and health and safety committees of each company. This ensures that existing risks are detected and properly controlled, that prevention plans are observed and that corrective measures are monitored.

Training and awareness-raising in health, safety and well-being

In 2020, the member companies of the Fluidra Group hosted a variety of OHS and prevention training programs. While commercial and corporate services companies focus more heavily on risk prevention in offices and fire extinction, the industrial companies emphasize training that is more specific to their production activities, with courses on safety in merchandise transport, the safe operation of lifting platforms, safety working at heights and using electric forklifts, emergency plans, first aid plans and health and safety campaigns. In addition, as part of the reporting and prevention policy, information on workplace accidents and internal safety inspections is posted on bulletin boards. There is currently no specific collective bargaining agreement in the field of health and safety.

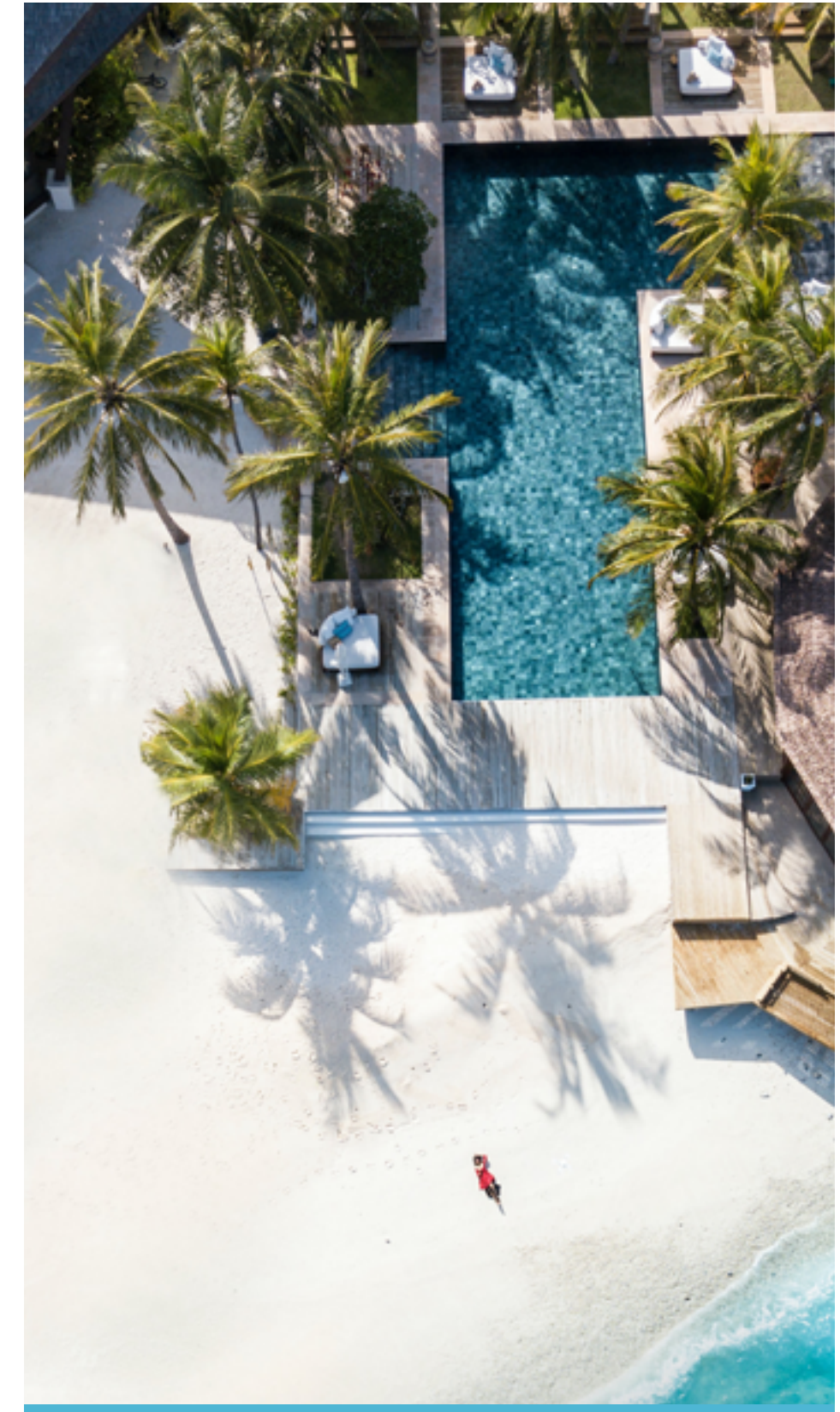
As a result of last year's public health situation, special online and on-site training was provided on health and hygiene measures to prevent the spread of the virus in the workplace. The training focused on the use of masks and other PPE, encouraging remote work whenever possible, the need for social distancing and the use of the hand sanitizer provided at the facilities, as well as proper use of common spaces to avoid large gatherings. Risk assessments were also prepared throughout the year to determine the situation at all group companies and to establish measures to eliminate or minimize them to the extent possible.

Also in 2020, the HSE Corporate Communication Plan was expanded and further developed with advice, best practices and information to raise awareness around Health, Safety and Environment. In addition, as part of the ongoing reporting and prevention policy, information on workplace accidents and internal safety inspections is posted on bulletin boards.

All this is supplemented by a special area on Fluidra's intranet, accessible to all employees, where they can consult best practices in HSE and find advice and useful information.

This has been possible thanks to the implementation of a global for HSE management software program which helps to gather and share data on occupational health and safety among companies, publicize the best practices that are being applied and their results, as well as identify the areas with the highest risk in order to optimize resources where they are most needed.

Finally, Fluidra looks after the health and wellbeing of employees by continuously providing information and promoting programs such as smoke-free workspaces around the world, for example. Employees are encouraged by the company to take advantage of voluntary health programs, such as Fluidra Health, a pilot program available in some companies that offers annual medical check-ups on a voluntary basis. It also promotes healthy behaviors such as sports and balanced nutrition. The Fluidra Health program began in 2019 as a pilot scheme in some of the Group's companies. Due to the Covid-19 pandemic in 2020, it could not be further expanded and all related activities were stopped. If the health situation allows this, the program will be taken up again and expanded.



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Absenteeism and accident rates

The Health, Safety and Environment (HSE) Department, together with the Human Resources and ESG Departments, ensure the well-being of everyone and compliance with current regulations. Corporate agreements with mutual accident insurance companies in Spain, or equivalent private organizations in other countries, ensure proper management and follow-up of occupational accidents and occupational diseases that may occur.

Fluidra currently has 20 Health and Safety Committees with a total of 106 members. Committee meetings are held quarterly to review accidents and near misses, investigate accidents, and assist with audits or HSE inspections.

Workplace accidents and incidents at Fluidra are defined on the basis of the companies' own activities. In this regard, 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 fire and explosions. We also monitor possible occupational diseases associated with particular positions or types of work, such as respiratory diseases, skin conditions, disorders of the extremities, neck and back problems, poisoning, infectious diseases, cancer and other maladies.

The accident rate in 2020, calculated as a percentage of the workforce, was 2.71% for men and 1.15% for women (2.2% overall), compared to 3% in 2019, so this is a very positive trend. The target for 2021 is to reduce accidents by 25% compared to 2020.

Workplace accidents (number)	2018	2019	2020 Total	2020 Women	2020 Men
Requiring medical leave	246	159	63	13	50
Not requiring medical leave	287	167	56	8	48
Fatalities	0	0	0	0	0

Includes commuting accidents

Accidents declined in 2020 due to the correct application of safety measures but also to the impact of the pandemic on our work, such as temporary closures of facilities and the implementation of teleworking. However, the accident rate has been dropping steadily since 2018. This is due to the implementation of the Health, Safety and Environment Policy and related actions and activities like:

- 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.

The accident frequency rate in 2020, calculated as the number of accidents requiring sick leave out of total working hours per 200,000, was 1.56 for men and 0.78 for women (1.28 global), much lower than the global rate of 3.17 the year before. On the other hand, there were not fatal accidents involving employees. The number of commuting accidents for the group was 11 for men and 2 for women (these numbers are included in the figures for accidents with and without leave time). No occupational illnesses were reported by the Fluidra Group in 2020 or 2019.

The severity rate in 2020, calculated as the number of days lost out of total working hours per 1,000, was 0.25 for men and 0.15 points for women, which is equivalent to a global rate of 0.22, compared to the global figure of 0.35 in 2019.

Finally, 12 of our contractors' workers took medical leave (7 men and 5 women), which resulted in a Lost Time Injury Frequency Rate (LTIFR) for contractors of 30.34 points in 2020.

In 2020, absenteeism for the entire group totaled 545,891 hours (including occupational accidents and illnesses, common contingencies, parental absenteeism and leave time), which represents 7% of the total theoretical working hours (compared to 209,391 hours, which accounted for 2% in 2019).

Hours lost*	2020	%**
On-the-job accidents and injuries	13,969	0.18%
Due to illness	301,802	3.87%
Parental absenteeism	48,126	0.62%
Leaves of absence	181,994	2.33%
Total absenteeism hours***	545,891	7.00%

**In 2019, the total number of absenteeism hours was 209,391. Because of the way the company's information systems are configured, it is not possible to break this data down into the categories presented for 2020.*

***Percentage of reported total hours worked: 7,440,189, plus 365,321 estimated hours for 2020. In 2019, the group reported a total of 10,017,145 hours worked. The reduction in hours worked is due to layoffs and shutdowns due to the Covid-19 pandemic.*

****The sharp contrast in absenteeism hours between 2019 and 2020 is due to the broadened scope of the data.*



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6. COMMITMENT TO SOCIAL DEVELOPMENT



Fluidra works every day to improve the impact of our operations on the communities where we do business. The ability to engage and dialog with the different agents in the places where we are present allows the company to contribute to the sustainable development and the well-being of society as a whole. This is consistent with the mission, principles and corporate culture and takes the form of ongoing dialog and involvement with all stakeholders, always in connection with the Pool and Wellness business.

Fluidra also participates in social initiatives to promote social values and community development, either through direct contributions by the company or through the projects of the Fluidra Foundation. The company's social actions are aligned with the following Sustainable Development Goals (SDGs) 3, 4, 6, 9, 10 and 17.

The stakeholders who are the focus of the projects of this kind fall into three vulnerable groups: the elderly, people with disabilities and communities at risk of poverty.

Starting in 2021, through the global ESG Committee and employee collaboration, Fluidra's social action will become more global. This means that Fluidra employees will be 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.

In 2020, Fluidra contributed €276,320 to foundations and non-profit organizations (of which €63,350 corresponded to contributions to trade associations and tax-exempt groups), in addition to €450,301 to the Fluidra Foundation within the framework of its collaboration and social development efforts.

The professional associations with which Fluidra collaborates:

- ASOFAP Asociación de Fabricantes de Equipos Productos Químicos y Constructores de Piscinas (Spain)
- Cámara de Comercio, Industria y Servicios de Madrid (Spain)
- Cambra de Comerç de Barcelona (Spain)
- Catalan Water Partnership (Spain)
- CEAM Center for Metallurgical Studies and Advice (Spain)
- CEOE (España)
- CEP Centro Español de Plásticos (Spain)
- EUSA European Union of Swimming Pool Associations (Europe)
- Foment del Treball (Catalan employers' association) (Spain)
- FPP Federations des Professionels de la Piscine (France)
- 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)

In addition, Fluidra also collaborates with: UNE, Indecat, AMEC, Cecot, Fundación Empresa & Clima, United Nations Global Compact, Fundación Corresponsables, Asociación de Emisores Españoles, AECOC, AERI, Clúster de l'Energia eficient de Catalunya, FIGAWA, Instituto de la Empresa Familiar, CEAPI, Change2Grow, IAKS, PIMEC, CPONET, AERCE, COCEF, and Cambra Comerç Brasil-Catalunya.

In fiscal year 2020 there were no significant fines or penalties for legal or regulatory non-compliance.

6.1 Fundació Fluidra



Fundació FLUIDRA

Llegat Joan Planes

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Fundació Fluidra is a foundation set up by Fluidra S.A. in 2016 which is entrusted with managing and promoting the company's social action in line with its ESG strategy. At the same time, the Group also requires the Foundation to expand its own expansion in social impact projects related broadly to the pool, water and culture.

With these premises, during 2020 Fundació Fluidra has decided its future strategy by focusing its action on developing projects within the framework of these three basic pillars:

- **The social pool:** from this area, and in close collaboration with Fluidra's employees globally, Fundació Fluidra seeks to develop projects that improve people's lives. Knowledge of this sector allows Fundació Fluidra to be effective in its goal of facilitating access to swimming pools, proposing swimming training as a global necessity, conducting studies on the benefits of using water and analyzing its therapeutic scope... Fundació Fluidra's general vision coincides with that of Fluidra: to provide the best experience that can be achieved in a swimming pool facility. From the Foundation in particular, this experience must have the social impact of wellbeing, of being a place for people to relate to each other, of promoting health and the knowledge of swimming.

- **Water as an element of development:** to develop both communities and people. Fundació Fluidra intends to promote projects aimed at access to water, training on its use, and the implementation of concrete solutions. The main objective of these projects should be to provide certain underprivileged groups with support and a basis for them to grow and develop as a society and as individuals, in a more favorable environment. In short, the mission of this pillar is to enable economic impact through proper access and sustainable use of water as a vital element. In this line, one of Fundació Fluidra's objectives is to make a farm in Senegal profitable, with the aim of generating wealth for its local environment. This wealth of the environment would make it possible to achieve a certain level of food sovereignty and avoid the need to travel in search of sustenance.

- Other local interests. By taking care of the different local sensitivities and concerns in the social sphere, Fundació Fluidra will achieve global excellence. Fluidra is headquartered in Catalonia (Spain), where there is a deep-rooted tradition of supporting culture and music from the business world. This explains Fundació Fluidra's involvement in various culture and music projects. Fundació Fluidra believes that culture is one of the necessary pillars for the development of civilizations, and at the same time sees music as an instrument capable of dignifying individuals and groups. In this area, and beyond financial contributions, Fundació Fluidra also seeks to contribute its business experience with the aim of making the various cultural and musical initiatives more profitable, through the professionalization of management, and its approach as a profitable activity.

Specific projects worked on during 2020:

Fundació Fluidra has continued to make progress in its KAG-25 project developed in Senegal together with an Agricultural School run by Escuelas Pías, located in the Karang area. This initiative is converting a 25-hectare farm in the south of the country into a profitable horticultural farm, where the profits can be invested in training the young students.

Fundació Fluidra continues as a protective member of the Palau de la Música Catalana and the Gran Teatre del Liceu, helping to promote Barcelona's culture. It also collaborates with the Orquestra Simfònica del Vallès, FOC, the Fundació Abadia de Montserrat, the GIO Orquestra and the Fundació Catalunya Cultura to promote 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.





6.2 Sponsorships and collaborations

Fluidra’s activities revolve around water and its sustainable and responsible use, at the service of people’s well-being and health. Fluidra wishes to provide society and, in particular, the people who need it most, with all the knowledge it has acquired about this vital resource in its more than 50 years of history.

*For more details of these sponsorships, please consult Fluidra’s website (<https://www.fluidra.com/sustainability/partnerships>).

During 2020, Fluidra’s monetary contributions to foundations and non-profit associations amounted to 450,300 euros (compared to 546,106 euros in 2019). These contributions went to: Spanish Red Cross, IESE Foundation, ESADE Foundation, Fundació Privada per a la Creativació, and Fundació Fluidra.

	2020	2019
Sports sponsorships (€)	110,000	120,000
Contributions to professional associations (€)	276,320	234,877





6.3 Local Collaborations

Fluidra also makes financial contributions to local associations that promote sports entities and cultural associations in the towns where its work centers are located or in the surrounding area, all over the world.

Social action through the PATH project in the USA.

P.A.T.H. (Providing Alternative Tomorrow's with Hope) is a volunteer organization run by Fluidra North America employees, based in Carlsbad whose mission is to help the community through employee actions and donations, providing a future and alternatives with hope for those in need.

Founded in 2011, it focuses on supporting four specific areas: military, health, local community and industry-related organizations. There are 15-20 members of the group and each employee volunteer donates approximately one to two hours per month to support the following organizations and activities:

Military - Warrior Foundation Freedom Station

P.A.T.H. has chosen to support the U.S. military, due to the large presence they have in Southern California and in addition to having veterans on staff. Every year it hosts a golf tournament, canceled this year due to the pandemic. In 2020 it was able to raise \$40,000 and to date has raised over \$330,000.

Health - Susan G. Komen (Breast Cancer Research) American Red Cross.

Due to the high number of women affected by breast cancer, P.A.T.H supports the Susan G. Komen Foundation. Every year, many members of the company, from Carlsbad and the Salt Lake City headquarters, walk 5K to raise money for this great cause, which this year was done virtually raising \$20,000. There are also two blood drives a year at the company's facilities.

Local community: homeless shelter and Brother Benos food pantry

Brother Benos is an initiative that provides the homeless with clothing and food. Each year PATH places containers around 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 in what is referred to as "Thanks for Giving" month.

Industry - Swim Across America/USA Swimming Foundation

In 2020 it was not possible to take part in any of their activities. The plan for 2021 is to support Step Into Swim, a campaign to create one million swimmers in 10 years. The company also plans to support Swim Across America, which swims to fight cancer, and the International Swimming Hall of Fame.



6.4 Covid-19: agile, effective and supportive response

The year 2020 has been a real challenge for companies. Not only has the Covid-19 pandemic affected people's health; it has had a serious impact on society as a whole.

Fluidra, aware of its responsibility, sprang into action for the good of society and public health by collaborating on the 3Dcovid19.org "Printing to Save Lives" initiative.

Its production plants were used to produce consumables and valves for standard ICU ventilators as well as visors for face shields for hospitals that had run out of these parts due to increased demand as a result of the public health crisis. Between Sacopa, Cepex, R&D and external collaborators, and under the supervision of the EMEA Operations Department, Fluidra used 30 3D printers and injection machines to manufacture and distribute more than 100,000 units of these materials.

The effort was coordinated by the 3D Laboratory of the Consorci Parc Taulí de Sabadell, where the requests from the hospitals were received, and the Association of Industrial Engineers, which coordinated the manufacturing and forwarded the requests to the different collaborating companies. The supplies were then sent to the Barcelona Physicians' Association (COMB), which distributed them to the hospitals.

6.4.1 COVID-FREE Perfect Pool

The lifting of lockdowns coinciding with the arrival of summer was a key period of time for the Swimming Pool & Wellness sector. With a twofold objective - to relaunch a sector that had just experienced the worst months of its history and to offer a public service to society - Fluidra launched a unique project that brought together all the anti-Covid-19 measures in one pool. The "COVID-FREE Perfect Pool" project at the Club Natació Atlètic-Barceloneta (CNAB) served to demonstrate the various measures that can guarantee the safety of swimming pools and spas.

The additional measures implemented at CNAB which could be extrapolated to all pools included:

- **Water quality:** the conditions of the pool water must fall within the parameters established in Royal Decree 742/2013 and it must be ensured that the water is disinfected and has sufficient disinfecting power to eliminate any pathogens in the water. The CNAB indoor pool is equipped with the Freepool system, a disinfection system that produces chlorine by saline electrolysis, combined with ultraviolet (UV) light treatment that acts on a broader spectrum of germs for total safety, and a pH balance controlled by CO₂.
- **Air quality:** UV lamps were installed in the ventilation ducts of the indoor pool to disinfect all the recirculated air flowing through the ventilation equipment.
- **Capacity control:** automatic controls were installed at the entrance to the indoor pool to keep a count of the number of people inside the pool area at all times.
- **Sanitizing showers:** installation of timed shower arches to sanitize all swimmers before entering the water.
- **Internet of Things:** the Fluidra Connect solution continuously records water parameters - temperature, pH, free chlorine - and uploads them to the Internet, allowing maintenance managers to manage them in real time while sharing the information live on the CNAB screens for the convenience and peace of mind of users.
- **Surface cleaning:** the CNAB was equipped with portable equipment for sanitizing all surfaces and accessories using a specialized Surfosan product.



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7. ABOUT THIS REPORT

The structure of this 2020 Integrated Report follows the framework established by the International Integrated Reporting Council (IIRC) as the most widely used international standard in the preparation of Integrated Reports. Furthermore, this report has been prepared in accordance with the GRI Standards: Core option of the GRI Standards of the Global Reporting Initiative.

Regarding the independent verification of the GRI indicators in this report, the table on page 128 specifies which ones have been verified. This independent review and its subsequent report were carried out by EY.

The Board of Directors, the company's highest governing body, and the Executive Committee (MAC) are involved in the request for external verification, which was entrusted in 2020 to the firm EY, an entity of proven competence, external to Fluidra, and which applies professional criteria following systematic processes with an empirical basis in verification. The external verifier's report can be consulted in the External Verification section.

This report has at all times sought to maintain both the principles of content (inclusion of stakeholders, sustainability context, materiality and completeness) and those of report quality (accuracy, balance, clarity, comparability, reliability and timeliness), as described in standard GRI 101: Foundations 2016.

The inclusion of stakeholders, sustainability context and materiality are reflected in the section titled "Materiality". From the aspects identified as relevant, the GRI contents, which can be found in the "GRI Content Index", were selected. For the principles of completeness, accuracy, balance, clarity, comparability, reliability and timeliness, the company has endeavored to provide relevant information in this document regarding its significant impacts in 2020 and future years, to provide measurable and comparable data, to cover both favorable and unfavorable results, to present the information in an accessible manner, relying on third parties for reliable verification of such information. Efforts are made to present this report regularly coinciding with the General Shareholders' Meeting.

The scope of each one of the indicators shown throughout this report is specified. Likewise, data from prior years is provided to facilitate a better understanding of the evolution of the company's performance.

In 2020, like the year before, the environmental indicators reached practically 100% representativeness of the consolidated turnover, matching the coverage of social indicators, which also reached practically 100% representativeness. As far as comparing this year's non-financial key indicators with those of previous years, some of the information is not completely comparable since adjustments were made to certain items, particularly those relative to human resources and the use of water and materials, as a consequence of adapting to GRI requirements.

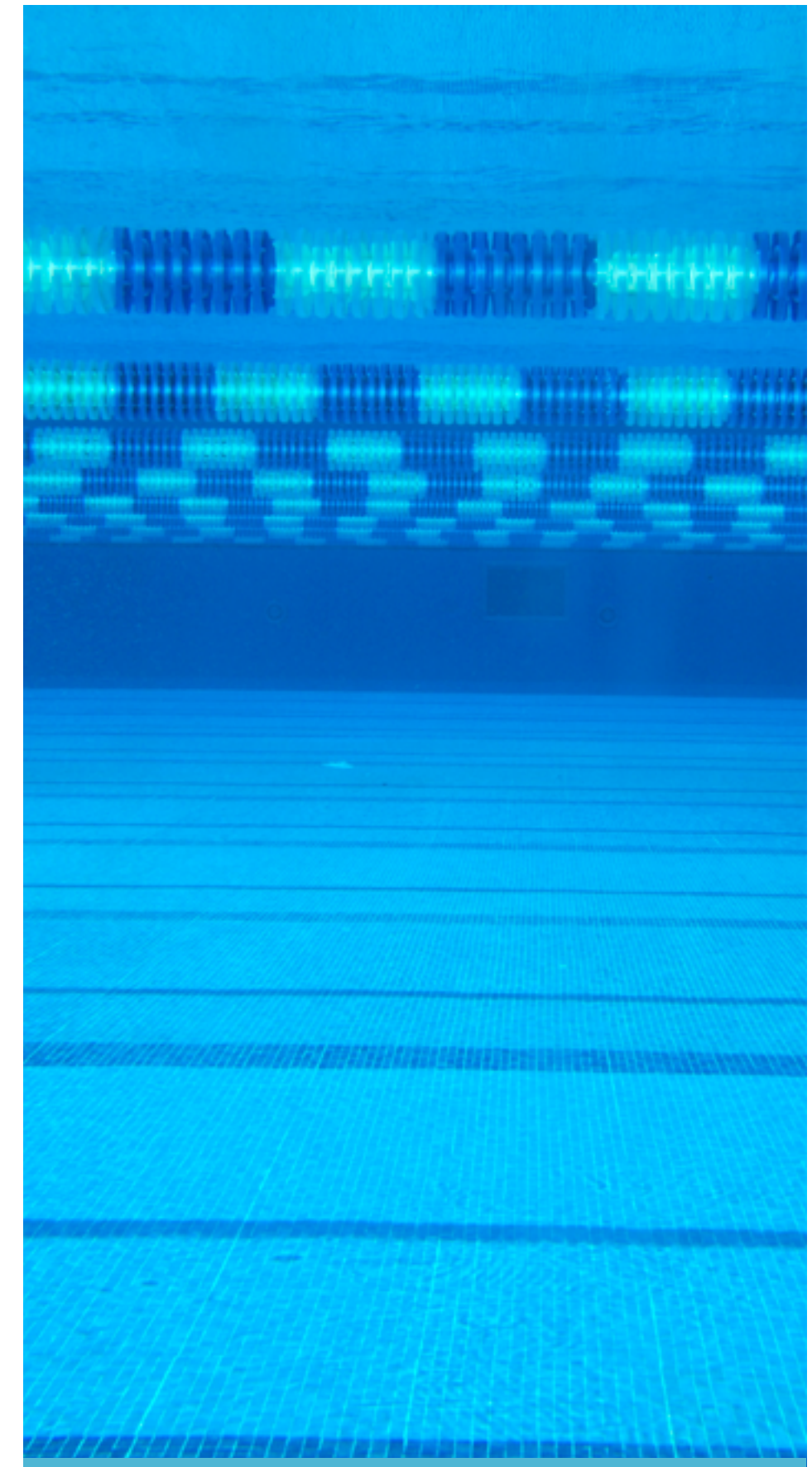
Also affecting the comparability of the data is the sale of the company Aquatron Robotic Technology LTD as a consequence of the merger with Zodiac, which was mandated by the European Union to prevent Fluidra from having a monopoly on the robot market.

The biggest impact on the evolution of previous reports is the already completed merger with Zodiac and the creation of the new Fluidra in July 2018.

The subsidiaries that presented non-financial data in 2020 are listed in Appendix I of the Consolidated Financial Statements and Consolidated Directors' Report at December 31, 2020 and available at www.fluidra.com

Technical data in this report

- **Reporting period:** calendar year 2020
- **Date of the last published report:** April 2020 (regarding 2019 Fiscal Year)
- **Reporting cycle:** annual



7.1 Materiality

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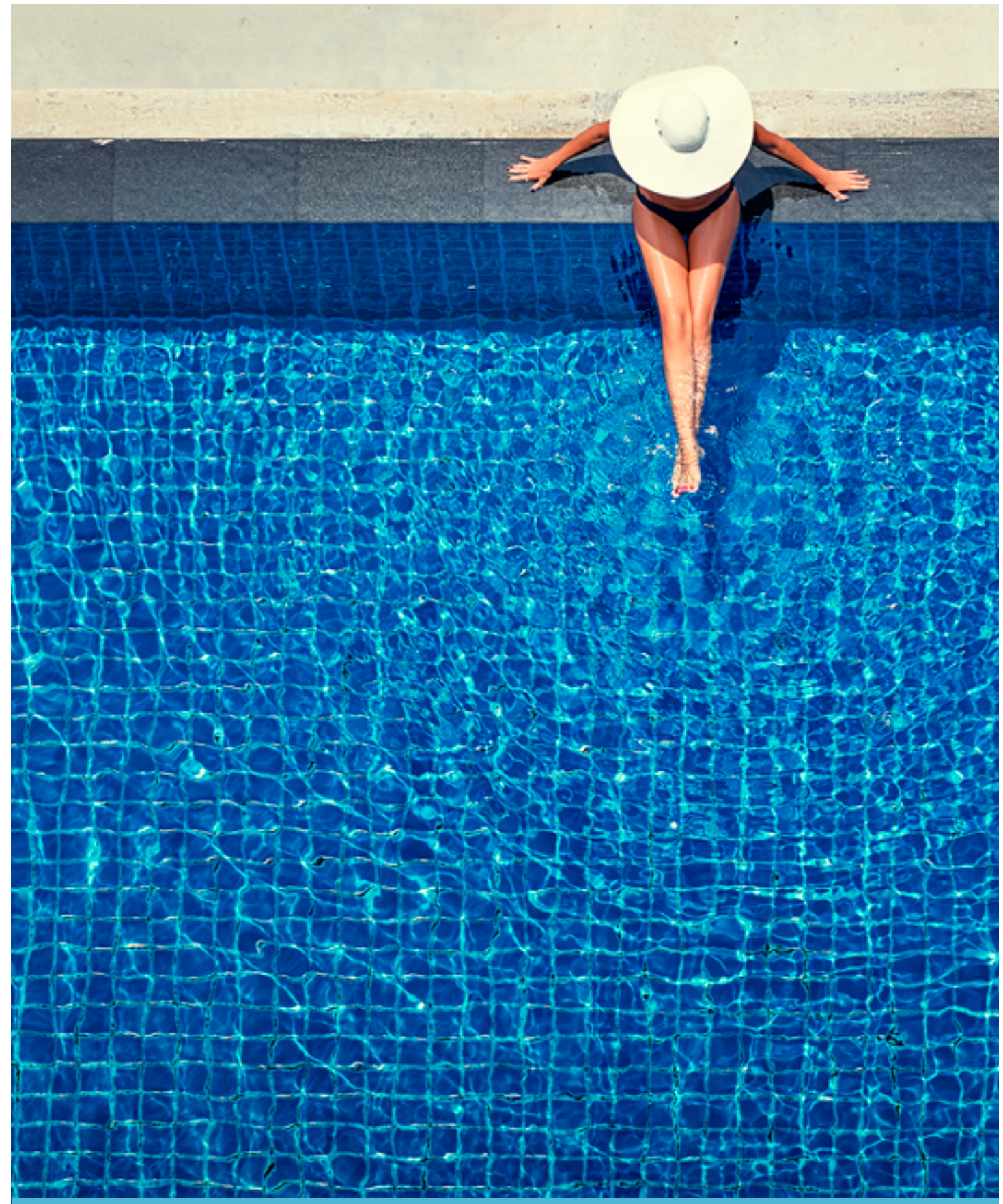
For the new Fluidra, materiality stems from its stakeholder-focused mission (employees, users, society, planet, investors, customers, suppliers). The relationship with them and their expectations, together with the internal need for economic growth, defines the management lines and measurement of results, in addition to considering external factors such as regulations and international agreements and the perspective of dual materiality. The Sustainable Development Goals (SDGs) serve as guidelines for the societal and environmental priorities and the plan is to quantify the company's contribution to the SDGs that are high priority for Fluidra. The time between updates of the materiality analysis will not exceed two years, with an update planned for 2021.

In 2019, the materiality analysis went even further based on the results obtained in 2018. 129 people representing stakeholders, both internal (73) and external (56), were surveyed using a questionnaire sent by email and, in some cases, hand-delivered. The survey was conducted between September and November 2019 and sought a sufficient sampling of stakeholders and geographical areas to secure and consolidate important aspects of the group. Survey participants rated material aspects from 1 to 5 based on relevance and the need for the company to take action. This work resulted in the following relevant aspects.

To identify material aspects, an analysis of the company's internal and external context was carried out, which considered the impact of the company's activities and business areas from an environmental, social and good governance perspective, as well as the most relevant aspects in the sector, the applicable legislative requirements, and the most relevant trends in the field of sustainability.

These aspects were then prioritized through a consultative process with the participation of representatives of all Fluidra's stakeholders in each of the geographical areas where the company operates. They were provided with a questionnaire, along with a brief explanation and some context surrounding the process, and asked to evaluate the relevance of the aspects previously identified, on a scale ranging from "not relevant" to "critical".

As a result, twenty-eight material aspects were detected, of which eight were classified as "very relevant", seventeen as "relevant" and the other three as "less relevant". The results of the prioritization process are shown below:



Most relevant aspects:

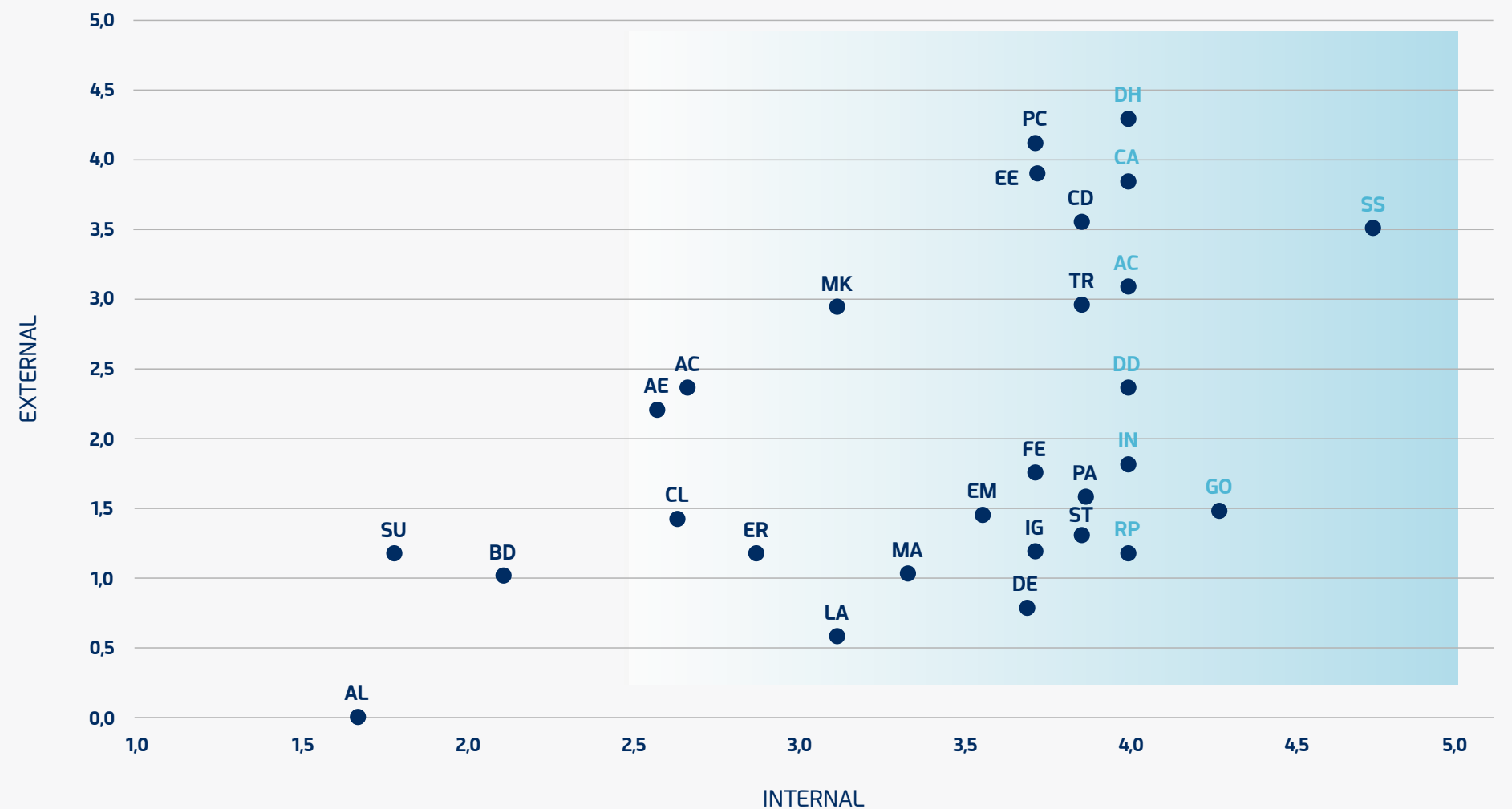
- Customer health and safety (SS)
- Governance (GO)
- Human rights (DH)
- Environmental compliance (CA)
- Anti-corruption policies (AC)
- Due diligence (DD)
- Product innovation (IN)
- Employee compensation (RP)

Relevant aspects:

- Unfair competition (CD)
- External transparency (TR)
- Procurement practices (PA)
- Health and safety at work (ST)
- Customer privacy (PC)
- Energy and emissions (EE)
- Training and education (FE)
- Diversity and equality (DI)
- Economic performance (DE)
- Employment (EM)
- Materials (MA)
- Marketing and labeling (MK)
- Freedom of association and negotiation (LA)
- Waste and wastewater (ER)
- Life cycle analysis (AC)
- Local Communities (LC)
- Water and Effluents (AE)

In 2020, the relevance of the health and safety of both customers and employees, two of the aspects identified as relevant in the Materiality Study, has taken on renewed importance. Therefore, for much of the year, efforts were focused on operating in such a way as to ensure the health and safety of all stakeholders of the group, partly adapting the business and the way of working to minimize any risk. All of these actions have enabled Fluidra to withstand the impact of the Covid-19 pandemic, provide a comprehensive response, solve supply problems and maintain a solid financial and liquidity situation.

Materiality matrix



This document contains information on the aspects that are considered material and relevant according to the materiality matrix that emerged from the prioritization analysis.





7.2 Contact details

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 **Telephone number**
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 **Website**
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 **Activity**
Manufacturing and sales of Swimming Pools
and Wellness equipment.

 **Markets**
Fluidra is directly present in more than 46 countries: Australia, Austria, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Egypt, France, Germany, Greece, Hungary, India, Indonesia, Italy, Kazakhstan, Malaysia, Mexico, Montenegro, Morocco, Netherlands, New Zealand, Poland, Portugal, Romania, Russia, Serbia, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, Tunisia, Turkey, United Kingdom, USA, Vietnam and Dubai.

7.3 Appendix: Tables of information

Economic

Economic value generated and distributed

(thousands of €)	2018	2019	2020
Economic earnings generated	1,055.7	1,406.6	1,525.7
Total revenue (sales + other income)	1,055.7	1,406.7	1,525.7
Earnings distributed	1,022.2	1,261.4	1,348.1
Employees (personnel costs)	223	277.9	272.4
Suppliers (change in inventories + other operating expenses)	767.9	922.1	950.8
Shareholders (dividend*)	0	0	40.7
Company-Public administrations (taxes **)	3.9	6	39.1
Capital providers (financial costs)	27.6	55.4	45.1
Retained economic earnings	33.4	145.2	177.6

Dividend*- Earnings attributable to the holders of the parent company's equity instruments.

Taxes**- Refers to the taxes payable on earnings



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Taxes incurred and paid by country

**Figures in thousands of euros*

Spain		Germany		Netherlands		United Kingdom	
Taxes incurred	16,011.73	Taxes incurred	1,174.41	Taxes incurred	2,358.36	Taxes incurred	1,229.13
Taxes collected	11,806.11	Taxes collected	6,183.06	Taxes collected	3,578.47	Taxes collected	4,348.06
USA		Australia		Italy		Other	
Taxes incurred	23,764.86	Taxes incurred	3,758.11	Taxes incurred	1,900.28	Taxes incurred	6,809.93
Taxes collected	6,120.45	Taxes collected	6,899.54	Taxes collected	7,418.09	Taxes collected	24,881.24
France		Austria		South Africa		Total	
Taxes incurred	16,116.11	Taxes incurred	1,703.64	Taxes incurred	760.73	Taxes incurred	75,587.29
Taxes collected	26,064.12	Taxes collected	5,366.36	Taxes collected	2,287.61	Taxes collected	104,953.11



**The rest: Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Jordan, Kazakhstan, Luxembourg, Malaysia, Mexico, Montenegro, Morocco, Montenegro, New Zealand, Poland, Portugal, Romania, Russia, Serbia, Singapore, Sweden, Switzerland, Thailand, Tunisia, Turkey, United Arab Emirates and Vietnam.*

**Taxes incurred: includes corporate taxes paid and company's portion of social security tax.*

**Taxes collected: includes output VAT less input VAT and income tax withholdings.*

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Environment

Materials used

Non-renewable materials (t)	2019	2020
Metal	4,489	5,584
Chemicals	21,415	22,018
Plastic	19,633	20,430
Glass	-	1,225
Total	45,537	49,257

Packaging (t)	2019	2020
Drums (all kinds)	50	87
Cardboard boxes	4,286	5,887
Other (cork, foam, etc.)	382	-
Wood pallets	5,028	6,067
Plastic (film, bags, etc.)	1,828	2,104
Total	11,574	14,145

Reusable/recyclable materials (t)	2019	2020
External raw materials	97	76
Internal raw materials	394	1,100
Glass	12,270	13,232
Total	12,761	14,408

In 2020, the percentage of recycled and reused materials accounted for 23% of the total materials and packaging used (22% in 2019).

Waste		2020				
External management (t)		Incinerated	Recycled	Reused	Landfill	TOTAL
Hazardous	Batteries, electric and electronic waste	0.01	8.7	0.01	7.0	8,027
	Plastic	-	-	-	80.6	
	Chemicals, oil and lubricants	94.9	63.8	75.6	7,696.8	
Non-hazardous	Plastic	0.01	970.4	468.6	-	13,133
	Wood	24.5	2,292.0	880.7	153.4	
	Metal	0.01	506.6	0.01	23.9	
	Non-recyclable or mixed	24.1	216.0	0.04	2,234.8	
	Paper and cardboard	17.5	4,865.5	0.01	455.2	
Total		0.8%	42.2%	6.7%	50.3%	21,160

Part of the data reported on the table above (20.3%) was calculated using estimates of each company's activity, due to the lack of primary data at some facilities. This ensures that data is provided for 100% of the companies.



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Waste		2020				
Internal management (t)		Incinerated	Recycled	Reused	Landfill	TOTAL
Hazardous	Batteries, electric and electronic waste	-	-	-	-	
	Plastic	-	-	-	-	588
	Chemicals, oil and lubricants	-	588.1	-	-	
Non-hazardous	Plastic	-	156.0	875.5	-	
	Wood	-	1.0	102.0	-	
	Metal	-	2.0	11.0	-	5,174
	Non-recyclable or mixed	-	24.0	-	-	
	Paper and cardboard	-	4,001.10	1.6	-	
Total		0.0%	82.8%	17.2%	0.0%	5,762

Internal waste management refers to the handling of waste within Fluidra's own facilities before it is ultimately disposed of or eliminated.

EXTERNAL MANAGEMENT				
Denomination	Item	Unit of Measure	2018	2019
Non-hazardous waste	Quantity	Tm	5,553	6,138
Hazardous waste	Quantity	Tm	444	475
			5,997	6,613

INTERNAL MANAGEMENT				
Denomination	Item	Unit of Measure	2018	2019
Non-hazardous waste	Quantity	Tm	3,320	6,203
Hazardous waste	Quantity	Tm	6,428	6,271
			9,748	12,474

[302-1, 305-1, 306-2]

Energy Consumption

DIRECT ENERGY ¹				
Denomination	Item	Unit of Measure	2019	2020
Natural gas	Consumption	GJ	55,462	45,239
Diesel (production/heating)	Consumption	GJ	24,104	32,404
Diesel for vehicles	Consumption	GJ	68,850	62,100
			148,416	139,743

¹ The 2019 values were recalculated using the methodology applied in 2020 to ensure the comparability of the reported data.

INDIRECT ENERGY				
Denomination	Item	Unit of Measure	2019	2020*
Total electric grid	Consumption	GJ	185,666	188,861
% renewable electricity (of the total energy consumed in kWh)			62%	60%

*2.8% of the electricity figure had to be estimated due to the lack of primary usage data for certain facilities.

Direct Greenhouse Gas Emissions (Scope 1)

SCOPE 1				
Denomination	Item	Unit of Measure	2019 ¹	2020
Natural gas	Emissions	tCO ₂ eq	2,773	2,311
Diesel (production/heating)	Emissions	tCO ₂ eq	1,535	2,062
Diesel for vehicles	Emissions	tCO ₂ eq	4,051	3,649
Fugitive emissions	Emissions	tCO ₂ eq	16	15
			8,375	8,037

¹ The 2019 values were recalculated using the methodology applied in 2020 to ensure the comparability of the reported data.



[305-2]

The direct GHG emissions caused by Fluidra are based on the use of fossil fuels for production, heating, fugitive emissions and the use of owned or leased vehicles at the group’s offices, points of sale, warehouses and factories.

This is calculated using the following formula: Total liters or kWh of fuel consumed (by type) * emission factor

Emission factors: those published by DEFRA in its latest version of the document. The Global Warming Potentials (GWPs) published in the fourth IPCC 100-year report (Regulation 517/2014) are used to calculate leakage in tons of CO₂ equivalent, as indicated in the document issued by DEFRA for the corresponding year.

Indirect Greenhouse Gas Emissions associated with the generation of power purchased or consumed (Scope 2)

SCOPE 2³

Denomination	Item	Unit of Measure	2019	2020
Electric grid	Emissions	tCO ₂ eq	16,380 ²	16,705

² The 2019 values were recalculated using the methodology applied in 2020 to ensure the comparability of the reported data.

³ On a location basis

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 (10,607t), following the recommended best practices and using the electricity mix rated for each country based on the data published by the regulators; 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.

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Indirect Greenhouse Gas Emissions (Scope 3)

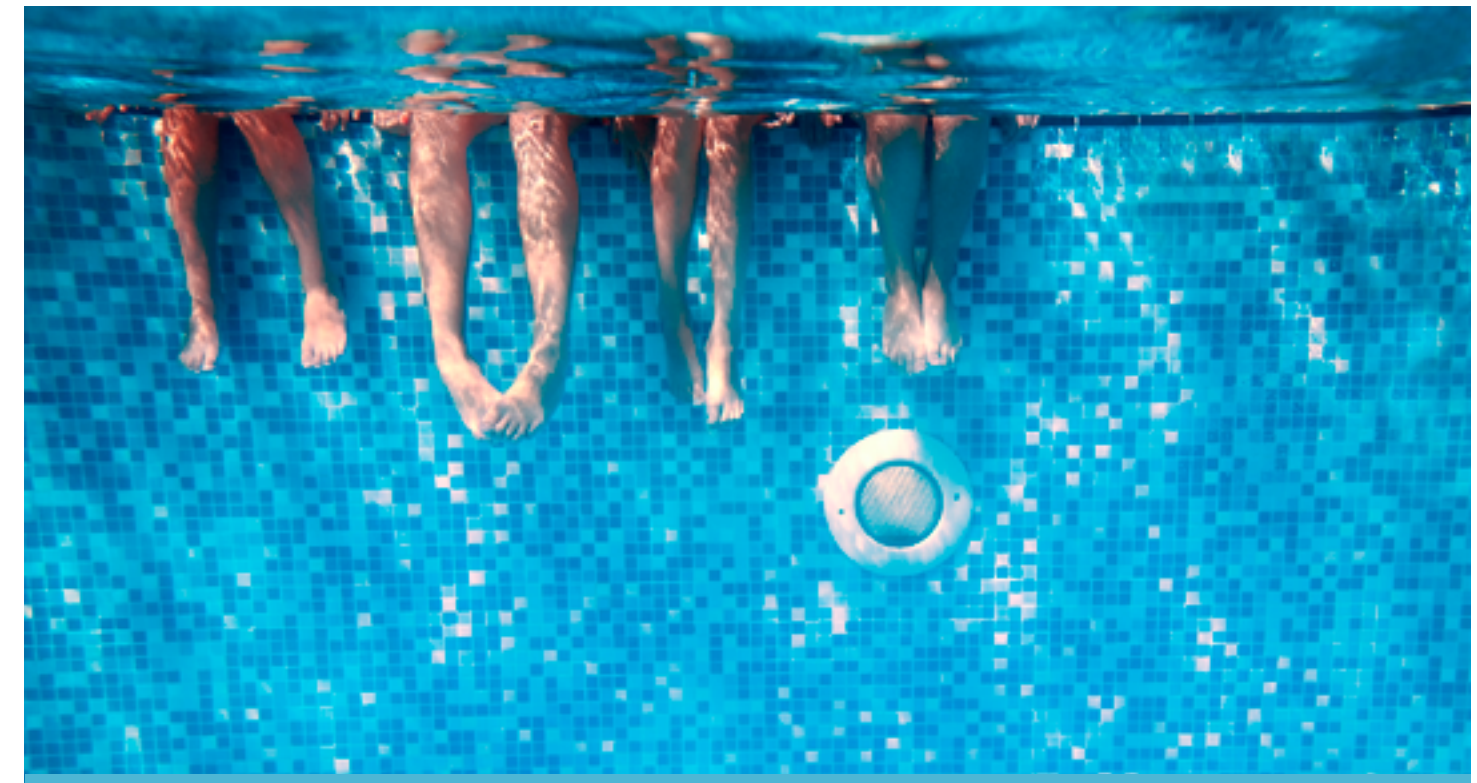
SCOPE 3				
Denomination	Item	Unit of Measure	2019	2020
Cat 1: OPEX	Emissions	tCO ₂ eq	-	297,447
Cat 2: CAPEX	Emissions	tCO ₂ eq	-	2,614
Cat 3: Fuel- and energy-related activities	Emissions	tCO ₂ eq	-	4,231
Cat 4: Upstream transportation and distribution	Emissions	tCO ₂ eq	15,989	120,677
Cat 5: Waste generated in operations	Emissions	tCO ₂ eq	-	3,809
Cat 6: Business travel	Emissions	tCO ₂ eq	3,087	1,297
Cat 7: Employee Commuting	Emissions	tCO ₂ eq	-	5,723
Cat 9: Downstream transportation and distribution	Emissions	tCO ₂ eq	-	105,001
Cat 11: Use of sold products	Emissions	tCO ₂ eq	-	16,300,115
Cat 12: End-of-life treatment of sold products	Emissions	tCO ₂ eq	-	314,570
			19,076	17,155,484

Scope 3 indirect GHG emissions based on the Greenhouse Gas Protocol (GHG) categories, according to the Greenhouse Gas Protocol document titled "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" 2011. However, it should be highlighted that due to the limitations of the current systems used to capture and present data, the information in this report does not cover all of Fluidra's activities.

Significant atmospheric emissions

In tons	2019	2020*
Other volatile compounds (VOCs)	127.2	130.30
Hydrochloric acid	-	0.03
Chlorine	-	0.13
Fugitive emissions (CO ₂ eq)	-	15.15
CO	-	3.31
SOx	-	4.46
NOx	-	10.22
PTS	--	0.64

* 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 fuel and natural gas.



Social

Information on workforce
Employees per country

	2020						2019					
	Men	%	Wom.	%	Total	%	Men	%	Wom.	%	Total	%
Fluidra	3,617	67%	1,819	33%	5,436	100%	3,565	67%	1,792	33%	5,357	100%
Spain	1,240	63%	718	37%	1,958	36.02%	1,190	63%	693	37%	1,883	35.2%
USA	426	73%	157	27%	583	10.72%	463	74%	164	26%	627	11.7%
South Africa	383	76%	123	24%	506	9.31%	369	76%	117	24%	486	9.1%
Australia	261	63%	152	37%	413	7.60%	269	63%	161	37%	430	8.0%
France	270	68%	130	32%	400	7.36%	256	69%	113	31%	369	6.9%
China	113	51%	109	49%	222	4.08%	133	51%	128	49%	261	4.9%
Brazil	131	77%	40	23%	171	3.15%	88	60%	58	40%	146	2.7%
United Kingdom	84	57%	64	43%	148	2.72%	87	74%	31	26%	118	2.2%
Italy	92	75%	30	25%	122	2.24%	78	68%	37	32%	115	2.1%
Germany	59	63%	35	37%	94	1.73%	86	75%	28	25%	114	2.1%
Netherlands	52	67%	26	33%	78	1.43%	47	66%	24	34%	71	1.3%
Portugal	47	69%	21	31%	68	1.25%	42	67%	21	33%	63	1.2%
Bulgaria	47	77%	14	23%	61	1.12%	51	76%	16	24%	67	1.3%
Austria	36	67%	18	33%	54	0.99%	34	64%	19	36%	53	1.0%
Russia	30	61%	19	39%	49	0.90%	29	62%	18	38%	47	0.9%
Indonesia	29	66%	15	34%	44	0.81%	28	67%	14	33%	42	0.8%
Dubai	34	85%	6	15%	40	0.74%	32	86%	5	14%	37	0.7%
India	31	82%	7	18%	38	0.70%	39	80%	10	20%	49	0.9%
Mexico	12	35%	22	65%	34	0.63%	12	39%	19	61%	31	0.6%
Thailand	19	58%	14	42%	33	0.61%	19	58%	14	42%	33	0.6%

	2020						2019					
	Men	%	Wom.	%	Total	%	Men	%	Wom.	%	Total	%
Turkey	23	77%	7	23%	30	0.55%	22	73%	8	27%	30	0.6%
Belgium	20	77%	6	23%	26	0.48%	16	89%	2	11%	18	0.3%
Hungary	17	77%	5	23%	22	0.40%	15	75%	5	25%	20	0.4%
Morocco	14	64%	8	36%	22	0.40%	12	48%	13	52%	25	0.5%
Poland	10	53%	9	47%	19	0.35%	9	50%	9	50%	18	0.3%
Canada	12	67%	6	33%	18	0.33%	12	71%	5	29%	17	0.3%
Egypt	14	82%	3	18%	17	0.31%	14	88%	2	13%	16	0.3%
Greece	10	67%	5	33%	15	0.28%	10	67%	5	33%	15	0.3%
Kazakhstan	8	53%	7	47%	15	0.28%	9	53%	8	47%	17	0.3%
Vietnam	6	43%	8	57%	14	0.26%	6	46%	7	54%	13	0.2%
Sweden	9	69%	4	31%	13	0.24%	8	67%	4	33%	12	0.2%
Singapore	9	75%	3	25%	12	0.22%	9	69%	4	31%	13	0.2%
Cyprus	8	73%	3	27%	11	0.20%	8	73%	3	27%	11	0.2%
Croatia	9	82%	2	18%	11	0.20%	7	78%	2	22%	9	0.2%
Malaysia	5	50%	5	50%	10	0.18%	6	55%	5	45%	11	0.2%
Serbia	7	70%	3	30%	10	0.18%	7	70%	3	30%	10	0.2%
Chile	8	89%	1	11%	9	0.17%	10	83%	2	17%	12	0.2%
Czech Rep.	7	78%	2	22%	9	0.17%	6	75%	2	25%	8	0.1%
Colombia	4	57%	3	43%	7	0.13%	5	50%	5	50%	10	0.2%
New Zealand	4	57%	3	43%	7	0.13%	4	67%	2	33%	6	0.1%
Romania	7	100%	0	0%	7	0.13%	6	86%	1	14%	7	0.1%
Switzerland	5	100%	0	0%	5	0.09%	5	100%	0	0%	5	0.1%
Tunisia	1	25%	3	75%	4	0.07%	2	40%	3	60%	5	0.1%
Bosnia and Herzegovina	2	67%	1	33%	3	0.06%	2	100%	0	0%	2	0.0%
Denmark	0	0%	2	100%	2	0.04%	1	33%	2	67%	3	0.1%
Montenegro	2	100%	0	0%	2	0.04%	2	100%	0	0%	2	0.0%

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Employees by category

	Male	%	Female	%	Total	
Fluidra total 2020	3,617	67%	1,819	33%	5,436	100.0%
Executive	121	81%	28	19%	149	2.7%
Managers	258	77%	79	23%	337	6.2%
Professionals	537	73%	199	27%	736	13.5%
Technicians	910	71%	377	29%	1,287	23.7%
Administration and support	444	43%	592	57%	1,036	19.1%
Production:	1,347	71%	544	29%	1,891	34.8%

	Male	%	Female	%	Total	
Fluidra total 2019	3,565	67%	1,792	33%	5,357	100.0%
Directors	144	83%	30	17%	174	3.2%
Middle Managers	558	75%	189	25%	747	13.9%
Technicians	960	70%	405	30%	1,365	25.5%
Administrative	437	40%	650	60%	1,087	20.3%
Operators	1,466	74%	518	26%	1,984	37.0%

Employees by age

	Male	%	Female	%	Total	
Fluidra total 2020	3,617	67%	1,819	33%	5,436	100.0%
18-29 years old	408	64%	225	36%	633	11.6%
30 - 50 years old	2,337	66%	1,197	34%	3,534	65.0%
Over 50 years old	872	69%	397	31%	1,269	23.4%

	Men	%	Women	%	Total	
Fluidra total 2019	3,565	67%	1,792	33%	5,357	100.0%
Under 30	517	67%	256	33%	773	14.4%
30 - 45	1,722	65%	922	35%	2,644	49.4%
46 - 55	923	67%	460	33%	1,383	25.8%
Older than 55	403	72%	154	28%	557	10.4%

Employees by contract type

	Men	%	Women	%	Total	
Fluidra total 2019	3,617	67%	1,819	33%	5,436	100.0%
Permanent (full time)	3,446	68%	1,620	32%	5,066	93.1%
Temporary (part time)	23	19%	97	81%	120	2.2%
Temporary contract (full time)	124	58%	89	42%	213	4.0%
Temporary contract (part time)	24	65%	13	35%	37	0.7%

	Men	%	Women	%	Total	
Fluidra total 2019	3,565	67%	1,792	33%	5,357	100.0%
Permanent (full time)	3,379	68%	1,570	32%	4,949	92.4%
Permanent (part time)	22	15%	123	85%	145	2.7%
Temporary contract (full and part time)	164	62%	99	38%	263	4.9%



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	Permanent (full time)	Permanent (part time)	Temporary contract (full time)	Temporary contract (part time)
Fluidra total 2020	5,066	120	213	37
18 – 29	550	11	66	6
30 – 50	3,330	81	113	10
Over 50	1,186	28	34	21

	Permanent (full time)	Permanent (part time)	Temporary contract (full time)	Temporary contract (part time)
Fluidra total 2020	4,949	145	224	39
Under 30 years old	671	14	81	7
30 – 45 years old	2,476	76	75	17
46 – 55 years old	1,285	39	48	11
Older than 55 years old	517	16	20	4

	Permanent (full time)	Permanent (part time)	Temporary contract (full time)	Temporary contract (part time)
Fluidra total 2020	5,066	120	213	37
Executive	148	1	0	0
Managers	334	3	0	0
Professionals	720	8	6	2
Technicians	1,233	27	20	7
Administration and support	944	48	32	12
Production	1,687	33	155	16

In 2019, this information disaggregated by age was not available, so it has been estimated based on the data obtained for 2020.

	Permanent (full time)	Permanent (part time)	Temporary contract (full time)	Temporary contract (part time)
Fluidra total 2020	4,949	145	224	39
Directors	173	1	0	0
Middle Managers	733	10	4	0
Technicians	1,300	43	21	1
Administrative	987	51	37	12
Operators	1,756	40	162	26

In 2019, this information disaggregated by professional category was not available, so it has been estimated based on the data obtained for average annual contracts.



Because of the flexibility that is required to deal with the somewhat seasonal nature of the business, approximately 6.5% (7% in 2019) of our staff are externally outsourced, temporary employees, which helps us to stabilize our accounts.

	Men	%	Women	%	Total	
Fluidra total 2020	531	67%	260	33%	791	100%
Permanent contracts added	313	67%	155	33%	468	58%
Temporary contracts added	218	67%	105	35%	323	42%

	Men	%	Women	%	Total	
Fluidra total 2019	535	67%	263	33%	798	100%
Permanent contracts added	301	65%	162	35%	463	58%
Temporary contracts added	234	70%	101	30%	335	42%

	Men	Women	Total
Fluidra average 2020	3,661	1,839	5,500
Permanent (full time)	3,487	1,648	5,135
Temporary contract (full time)	141	90	231
Part time (permanent and temporary)	33	101	134

	Men	Women	Total
Fluidra average 2019	3,680	1,811	5,491
Permanent (full time)	3,415	1,557	4,972
Temporary contract (full time)	247	131	378
Part time (permanent and temporary)	18	123	141

	Permanent (full time)	Temporary contract (full time)	Part time (permanent and temporary)
Fluidra average 2020	5,135	231	134
Executive	213	0	1
Managers	328	0	3
Professionals	676	6	9
Technicians	1,263	24	31
Administration and support	951	34	54
Production	1,704	167	36

	Permanent (full time)	Temporary contract (full time)	Part time (permanent and temporary)
Fluidra average 2019	4,972	378	141
Directors	206	0	0
Middle Managers	972	7	8
Technicians	1,223	35	34
Administrative	921	63	48
Operators	1,650	273	51

In 2019, this information disaggregated by professional category was not available, so it has been estimated based on the data obtained for 2020.

	Permanent (full time)	Temporary contract (full time)	Part time (permanent and temporary)
Fluidra average 2020	5,135	231	134
18 – 29	555	65	22
30 – 50	3,399	118	73
Over 50	1,181	48	39

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	Permanent (full time)	Temporary contract (full time)	Part time (permanent and temporary)
Fluidra average 2019	4,972	378	141
Under 30 years old	674	36	47
30 – 45 years old	2,487	198	49
46 – 55 years old	1,291	103	32
Older than 55 years old	520	41	13

In 2019, this information disaggregated by age was not available, so it has been estimated based on the data obtained for 2020.

	Men	%	Women	%	Total
Hired through employment agencies	235	67%	116	33%	351
Self-employed contractors	6	86%	1	14%	7

	Men	%	Women	%	Total
Hired through employment agencies 2019	291	75%	95	25%	386
Related independent contractors 2019	3	100%	0	0%	3

New hires and staff rotation

New hires	Men			Women			Total
	Aged 18 – 29	Aged 30 – 50	Over 50	Aged 18 – 29	Aged 30 – 50	Over 50	
Germany	1	5	1	5	6	0	18
New hire rate	10%	16%	6%	100%	30%	0%	19%
Australia	28	36	11	19	23	12	129

New hire rate	64%	31%	11%	51%	32%	29%	31%
Austria	5	2	0	1	1	0	9
New hire rate	63%	13%	0%	17%	25%	0%	17%
Belgium	0	1	0	0	0	0	1
New hire rate	0%	8%	0%	0%	0%	0%	4%
Brazil	7	31	0	5	8	0	51
New hire rate	37%	22%	0%	0%	100%	0%	30%
Bulgaria	0	16	0	0	2	0	18
New hire rate	0%	36%	0%	0%	13%	0%	30%
Chile	1	0	0	0	1	0	2
New hire rate	25%	0%	0%	0%	100%	0%	22%
Cyprus	0	1	0	0	0	0	1
New hire rate	0%	14%	0%	0%	0%	0%	9%
Croatia	0	16	0	0	0	0	16
New hire rate	0%	200%	0%	0%	0%	0%	145%
Dubai	0	2	0	0	1	0	3
New hire rate	0%	7%	0%	0%	20%	0%	8%
Egypt	1	0	0	1	0	0	2
New hire rate	33%	0%	0%	50%	0%	0%	12%
Spain	32	100	10	20	50	4	216
New hire rate	32%	13%	3%	30%	10%	2%	11%
France	2	30	0	2	21	0	55
New hire rate	6%	17%	0%	13%	25%	0%	14%
Hungary	1	1	0	0	0	0	2

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New hire rate	50%	9%	0%	0%	0%	0%	9%
Indonesia	1	1	0	2	0	0	4
New hire rate	10%	6%	0%	50%	0%	0%	9%
Italy	3	7	0	2	1	0	13
New hire rate	38%	11%	0%	100%	4%	0%	11%
New Zealand	0	1	0	0	0	0	1
New hire rate	0	33%	0%	0%	0%	0%	14%
Poland	0	0	0	1	0	0	1
New hire rate	0%	0%	0%	100%	0%	0%	5%
Portugal	7	0	0	0	0	0	7
New hire rate	58%	0%	0%	0%	0%	0%	10%
Czech Republic	1	1	0	0	0	0	2
New hire rate	100%	20%	0%	0%	0%	0%	22%
Russia	0	0	0	1	0	0	1
New hire rate	0%	0%	0%	33%	0%	0%	2%
South Africa	19	30	4	4	5	3	65
New hire rate	33%	11%	6%	25%	7%	9%	13%
USA	25	39	12	20	19	2	117
New hire rate	47%	15%	10%	67%	23%	4%	20%
Vietnam	0	1	0	0	1	0	2
New hire rate	0%	25%	0%	0%	20%	0%	14%
Total	157	336	40	94	157	22	806
New hire rate	37%	14%	5%	42%	13%	6%	15%

In 2019, the necessary mechanisms for obtaining this information were not available.

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Terminations	Men			Women			Total
	Aged 18 – 29	Aged 30 – 50	Over 50	Aged 18 – 29	Aged 30 – 50	Over 50	
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
Dubai	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
Mexico	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
USA	13	46	28	8	13	8	116
Vietnam	0	0	0	0	0	0	0
Total	52	184	65	47	113	17	478

	% Men	% Women	% Total
Total structural turnover 2020	10.6%	8.7%	10%
Voluntary turnover 2020	5%	4%	4.6%
Total structural turnover 2019	12%	12%	12%
Voluntary turnover 2019	7.5%	8.3%	7.8%

	Men	%	Women	%	Total
Terminations in 2020	301	63%	177	37%	478
Terminations in 2019	417	66%	214	34%	631

No. of terminations 2020	
Fluidra total 2020	478
Executive	14
Managers	21
Professionals	64
Technicians	87
Administration and support	123
Production	169

No. of terminations 2019	
Fluidra total 2019	631
Directors	19
Middle Managers	112
Technicians	115
Administrative	162
Operators	223

No. of terminations 2020	
Fluidra total 2020	478
18 – 29	99
30 – 50	297
Over 50	82

No. of terminations 2019	
Fluidra total 2019	631
Under 30 years old	131
30 – 45 years old	288
46 – 55 years old	151
Older than 55 years old	61

In 2019, this information disaggregated by age was not available, so it has been estimated based on the data obtained for 2020.

Workplace accident data

Workplace accidents (number)	2018	2019	2020 Total	2020 Women	2020 Men
Requiring medical leave	246	159	63	13	50
Not requiring medical leave	287	167	56	8	48
Fatalities	0	0	0	0	0

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Hours lost*	2020	%**
On-the-job accidents and injuries	13,969	0.18%
Due to illness	301,802	3.87%
Parental absenteeism	48,126	0.62%
Leaves of absence	181,994	2.33%
Total absenteeism hours***	545,891	7.00%

*In 2019 there were 209,391 hours of absenteeism. Because of the way the company's information systems are configured, it is not possible to break this data down into the categories presented for 2020.

**Percentage of reported total hours worked - 7,440,189, plus 365,321 estimated hours for 2020. In 2019, the group reported a total of 10,017,145 hours worked. The reduction in hours worked is due to layoffs and shutdowns due to the Covid-19 pandemic.

***The sharp contrast in hours between 2019 and 2020 is due to the broadened scope of the data.



Hours of training

Training Hours by Category in 2020	Men	Women	Total
Executive	28	147	175
Managers	13,342	5,110	18,452
Professionals	4,341	2,745	7,086
Technicians	2,817	2,038	4,855
Administration and support	730	1,718	2,448
Production	10,228	454	10,682
Total training	31,486	12,212	43,698

Training Hours by Category in 2019	Men	Women	Total
Directors	14	71	85
Middle Managers	8,544	3,795	12,339
Technicians	1,361	985	2,346
Administrative	353	830	1,183
Operators	4,942	219	5,161
Total training	15,214	5,900	21,114

The information on training hours broken down by professional categories was not available in 2019, so it was estimated based on the information reported for 2020.

7.4 GRI Table of Contents I

GRI 101: Foundation 2016

GRI 102: General Disclosures 2016

GRI content	Comments/omission	Pages	Revised
102-1 Name of the organization		113	✓
102-2 Activities, brands, products and services		12, 20-23	✓
102-3 Location of headquarters		113	✓
102-4 Location of operations		113	✓
102-5 Ownership and legal form		113	✓
102-6 Markets served		12-13, 36-42	✓
102-7 Scale of the organization		3, 4, 20, 35-36, 42, 46	✓
102-8 Information on employees and other workers		120-124	✓
102-9 Supply chain		73	✓
102-10 Significant changes to the organization and its supply chain		7, 44, 47, 73, 110	✓
102-11 Precautionary principle or approach		64, 81	✓
102-12 External initiatives		68, 69	✓
102-13 Membership of associations		104	✓
102-14 Statement from senior decision-maker		5-6	✓
102-15 Key impacts, risks and opportunities		64-67	✓
102-16 Values, principles, standards and norms of behavior		68, 69, 90	✓

102-17 Mechanism for advice and concerns about ethics		70	✓
102-18 Governance structure		50, 55-57	✓
102-19 Delegating authority		55	✓
102-20 Executive-level responsibility for economic, environmental, and social topics		60	✓
102-22 Composition of the highest governance body and its committees		50-52, 55-57	✓
102-23 Chair of the highest governance body		50	✓
102-24 Nominating and selecting the highest governance body		53	✓
102-25 Conflicts of interest	Confidentiality issues: conflicts of interest are not disclosed to stakeholders.	54	✓
102-26 Role of highest governance body in setting purpose, values, and strategy		50	✓
102-27 Collective knowledge of the highest governance body		49	✓
102-28 Evaluating the highest governance body's performance		54	✓
102-29 Identifying and managing economic, environmental, and social impacts		60, 64-65	✓
102-30 Effectiveness of risk management processes		64	✓
102-31 Review of economic, environmental and social topics		17-18	✓
102-32 Highest governance body's role in sustainability reporting		49	✓
102-33 Communicating critical concerns		49	✓
102-35 Remuneration policies		19, 59	✓
102-36 Process for determining remuneration		56, 97-98	✓
102-40 List of stakeholder groups		11, 61	✓
102-41 Collective bargaining agreements		99	✓

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102-42 Identifying and selecting stakeholders		11, 61	✓
102-43 Approach to stakeholder engagement		61, 110, 111	✓
102-44 Key topics and concerns raised		61	✓
102-45 Entities included in the consolidated financial statements		110	✓
102-46 Defining report content and topic Boundaries		110-112	✓
102-47 List of material topics		111-112	✓
102-48 Restatements of information		110	✓
102-49 Changes in reporting	The materiality analysis is scheduled to be updated in 2021.	111	✓
102-50 Reporting period		110	✓
102-51 Date of most recent report		110	✓
102-52 Reporting cycle		110	✓
102-53 Contact point for questions regarding the report		113	✓
102-54 Claims of reporting in accordance with the GRI Standards		110	✓
102-55 GRI content index		128	✓
102-56 External assurance		110, 135	✓

GRI content	Comments/omission	Page	Revised
GRI 201: Economic Performance 2016			
103-1 Explanation of the material topic and its Boundary		34, 111	
103-2 The management approach and its components		16-18	
103-3 Evaluation of the management approach		16	

201-1 Direct economic value generated and distributed	Partial. Information not available on operational costs and investments in the community, which is expected to be completed in 2021.	114	✓
201-3 Defined benefit plan obligations and other retirement plans	Not applicable: Fluidra does not have any retirement plan obligations		✓
201-4 Financial assistance received from government		44	✓

GRI 202: Market Presence

103-1 Explanation of the material topic and its Boundary		87, 111	
103-2 The management approach and its components		16-18, 87	
103-3 Evaluation of the management approach		87	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Compensation at Fluidra is always at or above the Minimum Wage in each country of operation. Partial: the ratio of starting salary versus local minimum wage in each country of operation is not provided.		✓
202-2 Proportion of senior management hired from the local community	Practically all senior executives in every country are local.		✓

GRI 204: Procurement practices 2016

103-1 Explanation of the material topic and its Boundary		72, 111	
103-2 The management approach and its components		17-18, 72	
103-3 Evaluation of the management approach		72	
204-1 Proportion of spending on local suppliers		73	✓

GRI 205: Anti-corruption 2016



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103-1 Explanation of the material topic and its Boundary		68, 71, 111	
103-2 The management approach and its components		17-18, 68-71	
103-3 Evaluation of the management approach		68	
205-1 Operations assessed for risks related to corruption	Information not available: total number and percentage of operations assessed with corruption risks are missing, expected to be completed in 2021.	71	✓
205-2 Communication and training about anti-corruption policies and procedures		69-71	✓
205-3 Confirmed incidents of corruption and actions taken		71	✓
GRI 206: Anti-competitive behavior 2016			
103-1 Explanation of the material topic and its Boundary		68, 71 111	
103-2 The management approach and its components		17-18, 68-71	
103-3 Assessment of the management approach		68, 71	
206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices		71	✓
GRI 207: Tax 2019			
103-1 Explanation of the material topic and its Boundary		76, 111	
103-2 The management approach and its components		17-18, 76	
103-3 Evaluation of the management approach		76	
207-1 Approach to tax		76	✓

207-2 Tax governance, control, and risk management	For additional information, please refer to the 2020 Consolidated Financial Statements Auditors' Report available at https://www.fluidra.com/shareholders/integrated-report-annual-accounts	70, 76	✓
207-4 Country-by-country reporting	Information not available: New content reported this year, information expected to be completed in 2021.	76, 115	✓

GRI content	Comments/omission	Page	Revised
GRI 301: Materials 2016			
103-1 Explanation of the material topic and its Boundary		79, 111	
103-2 Management approach and its components		17-18, 79, 85	
103-3 Evaluation of the management approach		79, 85	
301-1 Materials used by weight or volume		85, 116	✓
301-2 Recycled input materials used		116	✓
GRI 302: Energy 2016			
103-1 Explanation of the material topic and its Boundary		79, 111	
103-2 Management approach and its components		17-18, 82, 79	
103-3 Evaluation of the management approach		79, 82	
302-1 Energy consumption within the organization		82, 117	✓
302-3 Energy intensity		82	✓
302-5 Reduction in energy requirements of products and services		30	✓



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GRI 303: Water and effluents 2018			
103-1	Explanation of the material topic and its Boundary		79, 111
103-2	Management approach and its components		17-18, 79, 85
103-3	Evaluation of the management approach		79, 85
303-1	Interactions with water as a shared resource	Information not available: No information is provided on the scope of the assessments, their timing and the tools or methodologies used. There is no collaboration with suppliers in this regard.	30, 85
303-3	Water withdrawal		85
303-4	Water discharge	Information not available: the company is in the process of upgrading its reporting systems and expects to have information on priority substances of concern for which discharges are treated in the next fiscal year.	85
GRI 305: Emissions 2016			
103-1	Explanation of the material topic and its Boundary		79, 111
103-2	Management approach and its components		17-18, 79, 82-83
103-3	Evaluation of the management approach		79, 82-83
305-1	Direct (Scope 1) GHG emissions		82-83, 117
305-2	Energy indirect (Scope 2) GHG emissions		82-83, 118
305-3	Other indirect (Scope 3) GHG emissions		82-83, 119
305-5	Reduction of GHG emissions	The company plans to define an emissions reduction and offset strategy in 2021.	82

305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		83, 119
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GRI 306: Effluents and Waste 2016			
103-1	Explanation of the material topic and its Boundary		79, 111
103-2	Management approach and its components		17-18, 79, 83-84
103-3	Evaluation of management approach		79, 83-84
306-2	Waste by type and disposal method		83-84, 116-117

GRI 307: Environmental compliance 2016			
103-1	Explanation of the material topic and its Boundary		79, 111
103-2	Management approach and its components		17-18, 79, 81
103-3	Evaluation of the management approach		79, 81
307-1	Non-compliance with environmental laws and regulations		81

GRI 308: Supplier Environmental Assessment 2016			
103-1	Explanation of the material topic and its Boundary		79, 111
103-2	The management approach and its components		17-18, 75, 79
103-3	Evaluation of the management approach		75, 79
308-2	Negative environmental impacts in the supply chain and actions taken		75

GRI content	Comments/omission	Page	Revised
GRI 401: Employment 2016			



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103-1 Explanation of the material topic and its Boundary		87, 111	
103-2 The management approach and its components		17-18, 87	
103-3 Evaluation of the management approach		87	
401-1 New employee hires and employee turnover		124-126	✓
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	All employees have the same rights to employee benefits.		✓
401-3 Parental leave		96	✓
GRI 402: Labor/management relations 2016			
103-1 Explanation of the material topic and its Boundary		87, 111	
103-2 The management approach and its components		17-18, 87	
103-3 Evaluation of the management approach		87	
402-1 Minimum notice periods regarding operational changes		99	✓
GRI 403: Occupational health and safety 2018			
103-1 Explanation of the material topic and its Boundary		100, 111	
103-2 The management approach and its components		17-18, 100-102	
103-3 Evaluation of the management approach		100-102	
403-1 Occupational health and safety management system		100	✓
403-2 Hazard identification, risk assessment and incident investigation		100	✓
403-3 Occupational health services		101	✓

403-4 Worker participation, consultation and communication on occupational health and safety	Information not available: There is a lack of data on employee participation and consultation processes for the development, implementation and evaluation of the health management system, which is expected to be completed in the next fiscal year.	102	✓
403-5 Worker training on occupational health and safety		101	✓
403-6 Promotion of worker' health		101	✓
403-7 Prevention and mitigation of health and safety impacts directly linked by business relationships		100, 102	✓
403-8 Workers covered by an occupational health and safety management system		100	✓
403-9 Work-related injuries	Partially answered. Some of the information is not available due to the new requirements in the 2018 version. The company is working to have complete information in 2021.	102, 126, 127	✓
403-10 Work-related ill health		102	✓
GRI 404: Training and education 2016			
103-1 Explanation of the material topic and its Boundary		87, 111	
103-2 The management approach and its components		17-18, 87	
103-3 Evaluation of the management approach		87	
404-1 Average hours of training per year per employee		127	✓
404-3 Percentage of employees receiving regular performance and career development reviews	Information not available: Data from performance evaluations by gender and professional category. The company is working to have complete information in 2021.	94	✓
GRI 405: Diversity and equal opportunity 2016			
103-1 Explanation of the material topic and its Boundary		90, 111	
103-2 The management approach and its components		17-18, 90	



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103-3 Evaluation of the management approach	90	
405-1 Diversity in governance bodies and employees	50, 89, 120-121	✓
405-2 Ratio of basic salary and remuneration of women to men	97-98	✓
GRI 406: Non-discrimination 2016		
103-1 Explanation of the material topic and its Boundary	90, 111	
103-2 The management approach and its components	17-18, 90	
103-3 Evaluation of the management approach	90	
406-1 Incidents of discrimination and corrective actions taken	71, 90	✓
GRI 408: Child labor 2016		
103-1 Explanation of the material topic and its Boundary	68-69, 111	
103-2 The management approach and its components	17-18, 68-69	
103-3 Evaluation of the management approach	68-69	
408-1 Operations and suppliers at significant risk for incidents of child labor	69, 75	✓
GRI 409: Forced or compulsory labor 2016		
103-1 Explanation of the material topic and its Boundary	68-69, 111	
103-2 The management approach and its components	17-18, 68-69	
103-3 Evaluation of the management approach	68-69	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	69, 75	✓

GRI 412: Human rights assessment 2016.

103-1 Explanation of the material topic and its Boundary	68-69, 111	
103-2 The management approach and its components	17-18, 68-69	
103-3 Evaluation of the management approach	68-69	
412-1 Operations that have been subject to human rights reviews or impact assessments	69	✓
412-2 Employee training on human rights policies or procedures	69	✓

GRI 413: Local communities 2016

103-1 Explanation of the material topic and its Boundary	81, 111	
103-2 The management approach and its components	17-18, 81	
103-3 Evaluation of the management approach	81	
413-2 Operations with significant actual and potential negative impacts on local communities	81	✓

GRI 414: Social assessment of suppliers 2016

103-1 Explanation of the material topic and its Boundary	72, 111	
103-2 The management approach and its components	17-18, 72, 75	
103-3 Evaluation of the management approach	72, 75	
414-1 New suppliers that were screened using social criteria	75	✓

GRI 415: Public policy 2016

103-1 Explanation of the material topic and its Boundary	71, 111	
103-2 The management approach and its components	17-18, 71	

7. ABOUT THIS REPORT | 7.4 GRI CONTENTS

103-3 Evaluation of the management approach		71	
415-1 Political contributions	Fluidra does not make contributions to political parties or their representatives.		✓
GRI 416: Customer health and safety 2016			
103-1 Explanation of the material topic and its Boundary		22-23, 111	
103-2 The management approach and its components		17-18, 22-23	
103-3 Evaluation of the management approach		22-23	
416-1 Assessment of health and safety impacts of product or service categories		22-23	✓
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		22-23	✓
GRI 417: Marketing and labeling 2016			
103-1 Explanation of the material topic and its Boundary		24, 111	
103-2 The management approach and its components		17-18, 24	
103-3 Evaluation of the management approach		24	
417-1 Requirements for product and service information and labeling		26	✓
417-2 Incidents of non-compliance concerning product and service information and labeling		24, 26	✓
417-3 Incidents of non-compliance concerning marketing communications		26	✓

GRI 418: Customer privacy 2016

103-1 Explanation of the material topic and its Boundary		24, 111	
103-2 The management approach and its components		17-18, 24	
103-3 Evaluation of the management approach		24	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		24	✓

GRI 419: Socio-economic compliance 2016

103-1 Explanation of the material topic and its Boundary		68, 111	
103-2 The management approach and its components		17-18, 68	
103-3 Evaluation of the management approach		68	
419-1 Non-compliance with laws and regulations in the social and economic area		104	✓



7.5 External audit



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Translation of an independent review report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

INDEPENDENT REVIEW REPORT ON THE SUSTAINABILITY INFORMATION IN THE INTEGRATED REPORT 2020

To the Board of Directors of Fluidra, S.A.:

Scope of work

As commissioned by the Management of Fluidra, S.A. (hereinafter, Fluidra), we have completed our review of the sustainability information contained in the Integrated Report of Fluidra for the year ended December 31, 2020 (hereinafter, the Report) and the GRI Content Index of the attached Report. This Report was prepared in accordance with the conditions contained in GRI Sustainability Reporting Standards (GRI standards).

The limits set by Fluidra for the preparation of this Report are defined in section "About this report" of the attached Report.

The preparation of the attached Report and its contents are the responsibility of the Management of Fluidra, which is also responsible for defining, adapting and maintaining those internal management and monitoring systems whereby the information is obtained. It is our responsibility to issue an independent report based on the procedures applied in our review.

Criteria

We have performed our review in accordance with:

- The Guidelines for the review of Corporate Responsibility Reports issued by the Spanish Institute of Chartered Accountants (ICJCE).
- Standard ISAE 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), with a limited assurance scope.

Procedures performed

Our review consisted in asking questions to the various Departments of Fluidra that participated in the preparation of the attached Report and in the application of certain analytical procedures and review tests on a sample basis as described below:

- Interviews with personnel responsible for the preparation of sustainability information in order to obtain an appreciation of how sustainability objectives and policies are evaluated, placed in practice and integrated into Fluidra's global strategy.
- Analysis of the processes for collecting and validating the sustainability information contained in the attached Report.

- Verification of the processes whereby Fluidra determines what its material aspects are, as well as the participation of stakeholders in them.
- Review of the suitability of the structure and contents of the sustainability information in accordance with the Guide for the preparation of sustainability reports under Global Reporting Initiative (GRI) Standards according to the "essential" option.
- Verification through review testing based on sample selections of the quantitative information in the contents included in the GRI Content Index and its satisfactory compilation based on the data provided by the informational sources. The review tests have been defined for the purposes of providing the indicated level of assurance.
- Checking that the financial information in the Report has been audited by an independent third party.

These procedures have been applied to the sustainability information contained in the attached Report and in the GRI Content Index, which is included in the chapter "About this Report" with the extent and scope indicated above.

The scope of our review is substantially less than that of a reasonable assurance review. Therefore, the assurance provided is also lower.

This Report is not in any way to be considered an audit report.

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.

Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a comprehensive quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the applicable legal and regulatory provisions.

This assignment has been performed by a team of specialists in sustainability with extensive experience in the review of this sort of information.

Conclusions

As a result of our review, nothing has come to our attention that leads us to believe that the rest of the contents included in the GRI Content Index has not been prepared in all its material aspects in accordance with the Guide for the preparation of sustainability reports under Global Reporting Initiative (GRI) Standards, including reliability of data, suitability of the information presented and the absence of significant deviations and omissions.

This Report has been prepared exclusively in the interest of Fluidra, in accordance with the terms of our engagement letter.

ERNST & YOUNG, S.L.
(Signature on the original in Spanish)

Antonio Capella Elizalde

May 6, 2021

A member firm of Ernst & Young Global Limited



The image features a vibrant blue background with a dynamic, rippling water texture. A central white circle contains the company name and website. Two additional white circles are positioned on the left and right sides of the frame, partially overlapping the central one. The overall aesthetic is clean and modern, emphasizing fluidity and water.

FLUIDRA

www.fluidra.com