

A high-angle, top-down photograph of a person swimming in a pool. The pool's floor is covered in light blue mosaic tiles. The water is clear, and the swimmer's arms are extended forward. A dark shadow of the swimmer is cast onto the tiles below. The overall color palette is various shades of blue.

FLUIDRA

**INTEGRATED
ANNUAL REPORT
2022**

The perfect pool experience

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FLUIDRA

CONSOLIDATED MANAGEMENT REPORT



Letter from the Executive Chairman

GRI 2-22



Dear Fluidra Friends,

Before starting on the roundup of the year and our plans for the future, I would like to express two ideas which both personally and as chairman drive my daily life at Fluidra: gratitude and positive impact.

GRATITUDE. Thank you to everybody who makes Fluidra happen: employees, suppliers, customers, investors, and users. To you I give a big and heartfelt thank you because without your effort, support and enthusiasm we wouldn't be where we are today - leading the pool and wellness sector and with boundless energy to continue growing in a sustainable and responsible way.

POSITIVE IMPACT. If I close my eyes and imagine a pool, what comes to mind are good times, education, sport, and health. If I think beyond that, to the pool of the future, I see those same times positively impacting the environment and our pools becoming a core part of the fight to preserve water as a basic good of humanity. I believe this is possible not only because we are already working on getting there but because for us our ESG policy is a matter of conviction and consistency.

Turning to more day-to-day matters, it will not have escaped anyone's notice that 2022 was once again a challenging year. The adverse economic, political, and social outlook, with the terrible war in

Ukraine that we hope from the bottom of our hearts will end soon, and worldwide high inflation, undoubtedly presented a difficult international scenario to navigate.

Faced with these difficulties, we have had to give the best of ourselves. Our in-depth knowledge of the sector, our human and intellectual capital, and our vocation for innovation and technology have enabled us to anticipate our customers' needs. We are also committed to continuing to deploy the humility and learning capacity that characterize us.



"We want to become the global industry leaders in social, environmental and governance responsibility, while also helping to achieve the Sustainable Development Goals"

Thanks to that, we were world leaders in the pool and wellness market once more, closing the year with nearly €2.39B in sales, €512M in EBITDA and operating across 47 countries with over 6,700 people on staff and an extensive product portfolio.

This year has continued to be based on the customer value creation approach that always guides our decisions; the quality of our products and services; and our commitment to connectivity and sustainability. This gave rise to the smart pool, our goal of creating a more intelligent, automated, and efficient swimming pool to drive comfort and streamline maintenance. Our sustainable product range lets us shore up the foundations of our sustainability strategy going forward, foundations we will continue to develop.

But if there is one thing we are especially proud of it is our 2020-2026 Responsibility Blueprint ESG plan. We want to leverage an equal mix of modesty and ambition to become the global industry leaders in social and environmental responsibility and good governance, while also helping to achieve the Sustainable Development Goals.

We reaped major rewards in 2022 with a 25% carbon footprint reduction across our operations, a 4% rise in sustainable products sales, and the launch of our Diversity, Equality, and Inclusion policy, among other key achievements. In relation to the last point, our Board of

Directors strongly supports diversity in its membership and the organization as a whole. We made progress in this area and at the date of preparing this report will be proposing the appointment of Aedhmar Hynes at the annual shareholder meeting.

Of course, I cannot fail to mention the impressive work Fundació Fluidra has done in bringing the pool experience to people at risk of exclusion. This year more than 12,000 people have benefited from the various projects developed in areas such as health, leisure, and training, and have addressed issues such as hygiene, sanitation, or the simple fact of learning to swim, so common for some and so exceptional for others.

2023 Outlook

The macroeconomic environment remains uncertain. Although we expect some market adjustment due to the normalization of the sector after a period of strong growth, Fluidra is a structurally stronger company today. We have grown our product portfolio in North America, expanded our distribution network in Europe, and improved our commercial pool offering. We are also working to become a more effective and efficient organization to better serve our customers. In short, we are well-positioned to continue to lead the pool and wellness market.

The strong uptick in the global pool market over the past three years, the reactivation of the tourism industry, and

the trend to enjoy outdoor living gives us confidence in the sector's medium- and long-term growth. We are also continuing to strengthen our business by focusing on three core areas: connectivity, sustainability, and improved returns.

I therefore want to finish this letter on an encouraging note: we know that by pulling together we can continue to lead the market, find opportunities and, most importantly of all, support our customers with our products, technologies, ideas, and future dreams of a more social, environmental, and vital pool.

And for that I want to THANK each and every one of you again. Here's to spending 2023 creating the perfect and responsible pool and wellness experience.

Eloy Planes
Executive Chairman

Interview with the CEO



Interview with Bruce Brooks, Chief Executive Officer

2022 was a year of rapid change, across industries. How did Fluidra navigate this environment? What are you most proud of?

2022 has indeed been a year of great change...

We started the year off strong, with solid volume growth in the first quarter, continuing the trends of 2021, and had a good first five months.

Although initially our customers were asking for more product, as the supply

chain normalized during 2022, we saw a strong de-stocking effect, notably in North America. Trading conditions also slowed down during the third quarter, particularly in Northern Europe, which lead us to revise our guidance for the year. In that context, we have delivered a good performance and our end of the year results are a testament to that. Sales grew by 9% to €2,389 million, compared to a very strong prior year period driven by price, acquisitions and currency. These more than offset the volume slowdown I outlined earlier. Adjusted for currency and perimeter, sales declined by 1%.

EBITDA of €512 million was 7% lower, reflecting cost inflation pressures and an unfavorable product and geographic mix. However, with the action we've taken on price, we've seen a sequential underlying improvement in gross margin as we enter 2023.

But what I want to focus on, and I am most proud of, is how our team, our people have been able to pivot with the changes and navigate the macroeconomic uncertainty during 2022. No matter what, we were able to adapt and remained focused on the things we could control.

We continued to look ahead at what would best serve our customers; developing innovative product solutions and providing the high-level service that we are known for. I believe our team was up to the task and performed well above the market. As a testament to our customer centric approach, I am proud to have been named "Vendor of the Year" by the three largest distributors in North America for the second year in a row. These awards reflect the extraordinary effort of everyone at Fluidra.

"Our customer centric approach and commitment to quality and excellent service has proven to be a differentiator for us"

In 2021 we made several strategic acquisitions that not only complemented, but enhanced our product portfolio in the U.S. In 2022 we continued to integrate those businesses into our established processes and product lines. Recently, we completed two more acquisitions, and have agreed on a third one, all of which will help strengthen our European distribution network. On the M&A front, we continue to work on developing a pipeline of opportunities.

One of our ambitions has been to introduce an infrastructure that centers around creating sustained outcomes that drive value and fuel growth while strengthening our environment and society. This is core to our vision, mission and values, so I'd like to highlight a few points.

We reached our 2022 target to source more than 80% of electricity from renewable sources. We believe in equal pay for equal work between men and women and are actively reducing the gender wage gap—making substantial progress in 2022 which positions us well to fully attain our 2024 goal. And, according to our 2022 Survey, we continue to enjoy a high level of employee engagement with an outstanding 90% participation. It's no doubt that our people are a competitive advantage—enabling us to tackle the

biggest challenges of today and capture the best opportunities of tomorrow.

Our efforts have been recognized by ESG rating agencies with CDP upgrading us to B. Having further improved our S&P rating, we have been included for the first time in their Yearbook of most global sustainable companies, leading the pool sector.

Could you tell us more about the Simplification Program you have announced?

I am excited by the opportunity to become a more efficient and effective business. We spent a good part of the year assessing and building our Simplification Program. We are taking the necessary actions to deliver €100 million of EBITDA over the next three years.

This program is built mainly on two core areas: improving gross margin and reducing the fixed cost base. It is also underpinned by our drive to foster an agile and dynamic organization, enrich our culture and uphold Fluidra values.

When we talk about gross margin improvement, it's about redesigning our global product offering by standardizing components to optimize costs. This, together with the globalization of our procurement model and a stock keeping unit ('SKU') rationalization will make us more cost efficient.

As we continue to see labor inflation, we are working on reducing our fixed cost base. We're looking into ways we can streamline our operations and simplify our organization to adapt to the markets we serve while we continue to invest in our people, product development initiatives and the digitalization of our business.



You can read more about our Simplification Program in section 2.1.3 of this report.

In this uncertain environment, how do you see the future of Fluidra?

We have closed 2022 achieving the revised guidance. While the macro-economic environment remains uncertain, we expect our industry will transition to more normalized patterns in 2023. We have an experienced

management team to lead us through this phase.

Our short-term efforts are focused on margins and cash generation. We have started 2023 with good progress on these fronts. Our balance sheet remains solid, with a debt structure that provides flexibility and allows us to navigate through the current environment.

We will continue to focus on growing our strong platform over the mid-term to further value creation. Of great benefit to us is that we have a unique and diversified geographic footprint, which gives us access to markets with vast potential for expansion.

Our customer centric approach and commitment to quality and excellent service has proven to be a differentiator for us. The strategic acquisitions and investments in product development have expanded our portfolio and capabilities accelerating our leadership in sustainable solutions and advancing our evolution of the connected pool experience. And finally, the steadfast commitment to become a more agile, effective and efficient organization from top to bottom— which can only be achieved through the dedicated efforts of our people—is what has and will truly set us apart and allow us to future-proof Fluidra. We are well positioned to continue leading the pool and wellness market.

Fluidra at a glance



€ 2,389 M
SALES



6,771
EMPLOYEES



47
COUNTRIES

€512M
EBITDA

21%
EBITDA margin

€ 1.40
CASH EPS (per share)

€ 0.85
DIVIDEND (per share paid)

2.6x
Net debt/EBITDA

17%
ROCE



E

ENVIRONMENTAL

-7%

Carbon footprint reduction (scope 1)

45%

sales corresponding to sustainable products

83%

renewable electricity consumption

90%

Employee engagement rate

5.4%

Adjusted gender wage gap

12,116

People benefited by social action



S

SOCIAL



G

GOVERNANCE

66/100

S&P Corporate Sustainability Assessment

7.70/10

Customer satisfaction rate

1. Our company



1.1. A Company focused on success

1.1.1. Our history

Founded in 1969, Fluidra has been a leader in the pool and wellness sector since its inception.

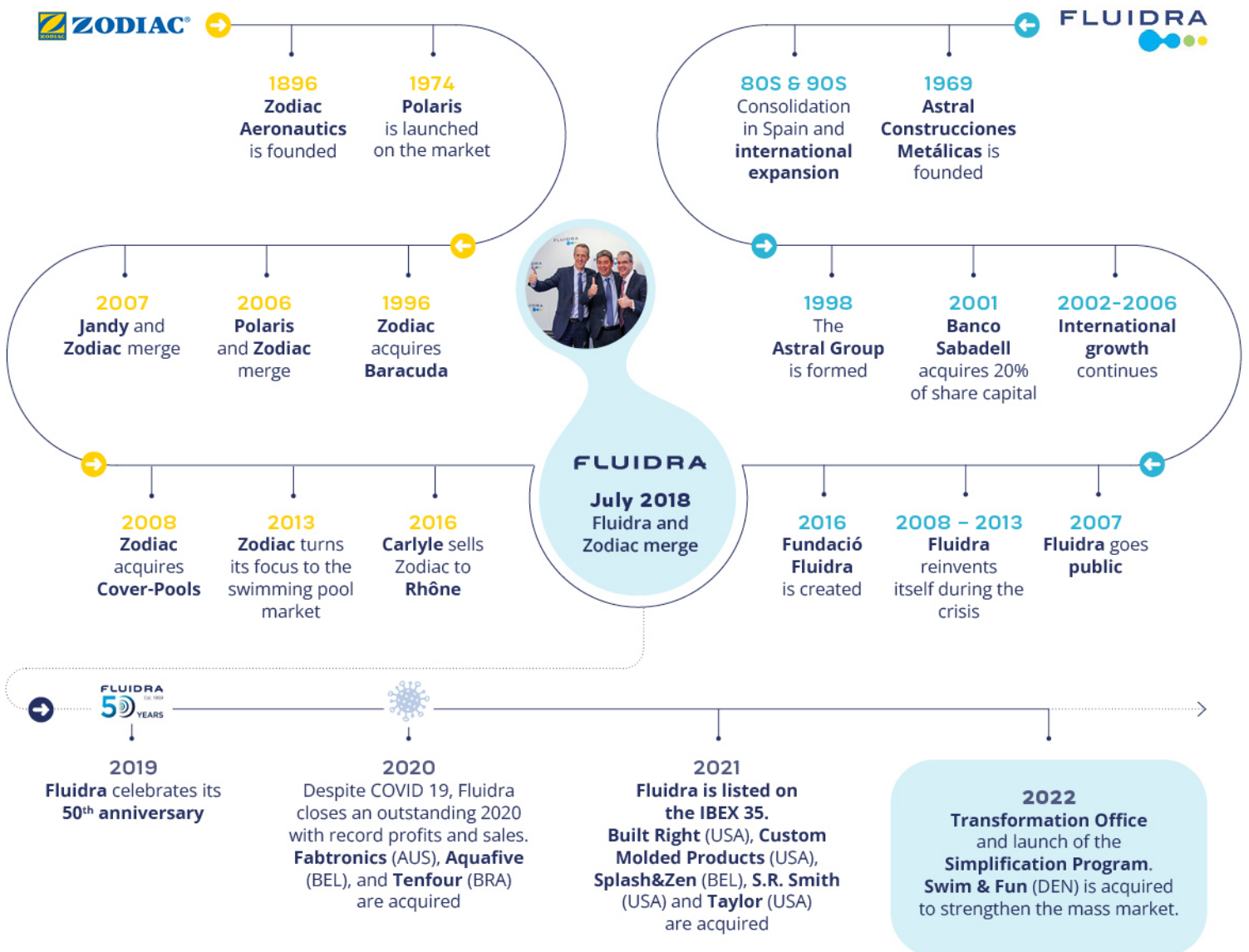
We have extensive experience in developing, producing, distributing and marketing innovative products and services for the residential and commercial pool sector on a global scale.

Through this experience, our commitment to quality and innovation, and our merger with Zodiac in 2018, we are now a global leader in the sector with a network of 123 sales offices, 47 production sites in 47 countries and a workforce of 6,771 people at the end of 2022.

Our product portfolio includes some of the most recognized brands in the

industry, such as Jandy®, AstralPool®, Polaris®, Cepex®, Zodiac®, CTX Professional® and Gre®.

Fluidra has been listed on the Spanish stock exchange since October 2007 and was included in the IBEX 35 in March 2021, a selective index of the 35 most liquid companies.



1.1.2 Milestones of the year

January

Refinancing of the syndicated debt with conditions linked to the fulfillment of ESG targets.
See page 57

Launch of the **ResponseAbilities** app in Spain and the USA to raise ESG awareness among the workforce.
See page 71

February

The Board of Directors approves the new **Global Diversity, Equity and Inclusion Policy**.
See page 155

March

Celebration of **Fluidra Day 2022** to mark World Water Day.
See page 178

Fluidra stands with **Ukraine**: fund-raising campaign through UNHCR and shipment of materials.
See page 176

Q1 results: Turnover €667M (+31%), EBITDA €169M (+26%), Cash Net Profit €103M (+26%).

April

Revamp of the **Fluidra Pro** website to enhance the user experience.
See page 112

May

2022 General Shareholders' Meeting: creation of the new Delegated, Strategy and ESG Committee, and approval of the distribution of a dividend of €0.85 per share.
See page 81

Divestiture of **Togama** company (Spain).
See page 58

June

Launch of the **Now It's Your Turn** survey. Our employee engagement level rises to 90%.
See page 152

Inauguration of EMEA's **new R&D&I center** in Polinyà (Barcelona, Spain).
See page 26

Agreement to acquire **Kerex** (Hungary), which was completed in January 2023.
See page 58

S1 results: Turnover €1,445M (+22%), EBITDA €361M (+9%), Cash Net Profit €218M (+1%)

July

Acquisition of **Swim & Fun Scandinavia**, further consolidating the mass market in Scandinavian countries.
See page 58

Launch of share repurchase program.
See p. 57

August

Fluidra builds two pools at the **European Aquatics Championships** in Rome.
See page 117

September

Fluidra celebrates the first **International Pool Pro Day** (7 September).
See page 109

Hurricane Ian: fund-raising campaign to help our colleagues from Built Right (Florida, USA).
See page 177

Q3 results: Turnover €1,967M (+15%), EBITDA €456M (+1%), Cash Net Profit €260M (-9%)

October

Celebration of the sixth edition of the **Fluidra Innovation Challenge**.
See page 30

Update of forecasts for 2022: Information on the environment, the sector and the new guidelines for 2022, and announcement of the Simplification Program that will deliver in €100M of savings over the next three years.
See page 52

November

Fluidra joins **AFEC** (Association of Air Conditioning Equipment Manufacturers).

December

Agreement to acquire **Meranus** (Germany).
See page 58

Capital reduction and share redemption under the share repurchase program.
See page 59

2022 Results: Turnover €2,389M (+9%), EBITDA €512M (-7%), Cash Net Profit €269M (-20%)

1.1.3. An award-winning year

Inversión a Fondo Award for the company with the greatest increase in volume traded on the stock market, awarded by El Economista.



XXII Prix Pyrénées awarded by the French Chamber of Commerce and Industry of Barcelona.



Legal Team of the Year Award in the Consumer Goods & Manufacturing category awarded by Iberian Lawyer magazine, for the second consecutive year.



Amalia Santallusia (Global Head of HR & ESG) receives the **AQAwards** for Best Human Resources Director.



IX Faro del Mediterráneo Award granted by the Italian Chamber of Commerce of Barcelona, for our contribution to strengthening ties between Spain and Italy.



Poolwerx Partner in Profit (PiP) of the Year Award in both the United States and Australia.



WINDO 2022 Supplier of the Year Award from an independent group of distributors in the United States and Canada.



Supplier of the Year and Sales and Marketing Excellence Awards from the Independent Distributors Network (IDN).



Supplier of the Year Award 2022 Award from PoolCorp.



Supplier of the Year Award at the UK Spa & Pool Awards.



Pool cleaner Voyager won the GOLDEN WAVE 2022 Award in the USABILITY category, awarded by the German magazine *Schwimmbad+Sauna*.

AstralPool HALO Connect System receives several national and regional awards at the **SPASA Awards of Excellence 2022** in Australia. We also earned awards for excellence in education and training and best supplier at the regional level.



Our products were recognized as the best in four categories at the **Pool Nation Awards** in the United States of America:

- **Automation of the Year** (Jandy AquaLink® RS)
- **Heater of the Year** (Jandy JXi Pool & Spa Heater)
- **Best Value Automation** (Jandy and AquaLink iQ904 Bundle)
- **Favorite Test Kit** (Taylor K2005 Test Kit)

Two of our products were awarded in the **Innovative Pool and Spa Equipment category** at the **FPP Pool and Spa Awards**, presented at the Piscine Global 2022 trade show (Lyon, France):

- **Gold Trophy: Spabot** - the first spa cleaning robot.
- **Silver Trophy: Chlor'In®** - salt-free pool electrolysis.



1.2. One Fluidra, one culture

GRI 2-23

Fluidra's mission, vision and values guide our daily performance and help create a strong and integrated corporate culture.

MISSION

To create the perfect pool and wellness experience responsibly

VISION

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



CUSTOMER COLLABORATION

We add value for our users and customers



PASSION FOR SUCCESS

We are committed, accountable and consistent



EXCELLENCE & INNOVATION

We continuously improve and aim responsibly to be the best



HONESTY & TRUST

We are fair, transparent and accessible



LEARN & ADAPT

We are open minded, flexible and positive



TEAMWORK & INCLUSION

We are humble and consider all perspectives

Our mission, vision and values are essential to our organization. When Fluidra employees join the company, they receive training on the mission, vision and values, along with practical examples of their daily application.

We supplement this training with regular communication campaigns and by displaying posters of our values at company facilities around the world. We have also linked each of these values to

the organization's processes and initiatives to help our employees understand how Fluidra's philosophy manifests on a daily basis.

In recent years, Fluidra has experienced inorganic growth through mergers and acquisitions of new companies, leading to a significant increase in our workforce.

Our integration process of new acquisitions includes a Welcome

Program, which allows us to onboard new employees and make them feel part of the team from day one.

Therefore, during the first 90 days after acquisition, we acquaint them with the Group's main policies and introduce them to our history, culture and values.

Integrating our culture into new acquisitions



We welcomed Swim & Fun Scandinavia (Denmark) to the Fluidra Group in 2022.

Carles Franquesa (EMEA regional director), Marti Giralt (EMEA Manufacturing division director) and Pierre-Yves Menes (Mass market manager) had the opportunity to make a trip to Denmark to visit their facilities and meet the team.

In addition, we continued the rollout of the Fluidra culture to the companies acquired last year in the United States of America. We developed several activities to raise awareness of our values, provided examples of how they manifest in our day-to-day activities, and held competitions for our staff to put these values into practice.

1.3. Business structure

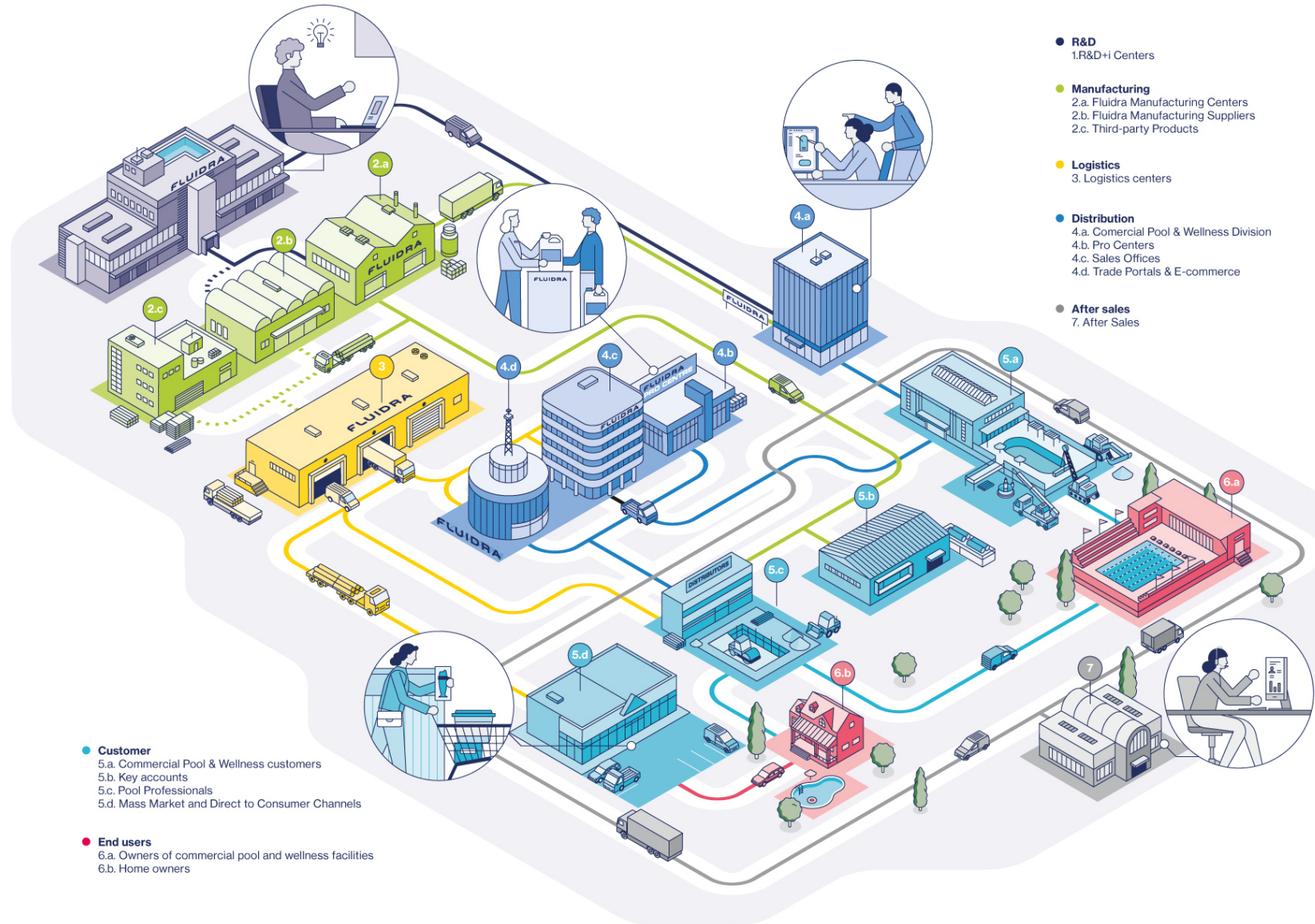
1.3.1. Integrated Business Model

GRI 2-6

Fluidra has a vertically integrated business model that includes all stages of the production process, from design and manufacturing, through logistics and distribution to a comprehensive and customer centric after-sales service.

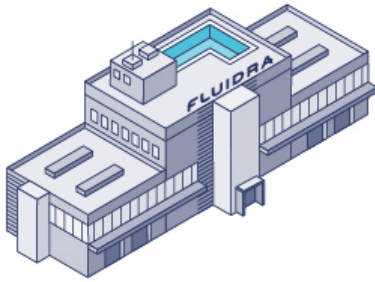
The different stages of our vertical integration add value to the entire chain, creating barriers to entry and making Fluidra a clear benchmark in our sector.

New product development and innovation are a fundamental part of our product strategy and are implicit in our DNA. We have the experience and know-how to create reliable, easy to use and easy to maintain new products and pool equipment.



- **R&D**
1.R&D+i Centers
- **Manufacturing**
2.a. Fluidra Manufacturing Centers
2.b. Fluidra Manufacturing Suppliers
2.c. Third-party Products
- **Logistics**
3. Logistics centers
- **Distribution**
4.a. Comercial Pool & Wellness Division
4.b. Pro Centers
4.c. Sales Offices
4.d. Trade Portals & E-commerce
- **After sales**
7. After Sales


- **Customer**
5.a. Commercial Pool & Wellness customers
5.b. Key accounts
5.c. Pool Professionals
5.d. Mass Market and Direct to Consumer Channels
- **End users**
6.a. Owners of commercial pool and wellness facilities
6.b. Home owners

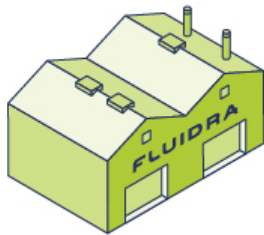


Design & Conceptualization

1. R&D Centers

Innovation and R&D are a fundamental part of Fluidra's DNA. We have 3 regional R&D centers (Spain, USA and Australia) to meet the particular demands of each market, and an additional center (France) focused on global products. ESG Product teams are located in each center in order to ensure that we consider sustainability-by-design.

 For more information, please refer to section "1.4.2. Commitment to innovation and technology".



Manufacturing

2.a. Fluidra's Manufacturing Centers


Fluidra has 47 manufacturing centers where we manufacture a wide range of high quality products with the most advanced and sustainable production technologies, such as plastic injection, laminating and bobbin-wound, thermostatic and blow-molding technique, and metal processing.

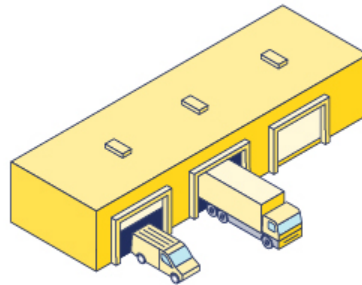
2.b. Manufacturing suppliers

Some of the products we design and sell under our brands are manufactured by suppliers. We work closely with all of them in order to ensure that they apply the same quality and compliance standards that we applied in our manufacturing centers.

2.c. Third-party products

Fluidra purchases third-party products in order to complete the range of products and solutions we market. This allows our customers to purchase all the products they need in just one place.


 For more information, please refer to the section "Sustainability in the product life cycle".

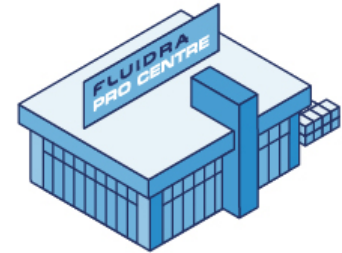


Logistics

3. Logistics centers

We have regional logistics & distribution teams whose mission is to coordinate the flow of purchases and supplies, both national and international, from the manufacturing centers towards our distribution centers, sales facilities, and customers. Fluidra relies on the Group's logistics company (Trace Logistics), as well as external logistics companies, to ensure that we have the necessary stock at each location, at all times.

 For more information, please refer to the section "Sustainability in the product life cycle".



Distribution

4.a. Commercial Pool & Wellness Division

Fluidra has a specialized team for the conceptualization, design and execution of commercial pool, wellness, fountain and lagoon projects around the world.

4.b. Fluidra PRO Centres


Fluidra PRO Centres are on-site stores, located in strategic locations, dedicated to pool professionals. Its a place where customers are able to purchase the latest product and get exclusive advice relating to our products.

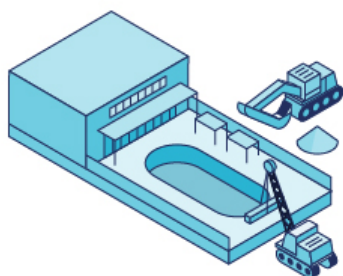
4.c. Sales offices

In addition to the Fluidra PRO Centres, Fluidra has 45 commercial sales offices that serve as sales points for our products.

4.d. Online trade portals & e-commerce

We have different online trade portals for pool professionals (such as Fluidra Pro), to facilitate the customer's relationship with Fluidra through the digitalization of all interactions and services: e-commerce; management of orders, deliveries and invoices; training courses available in the Fluidra Pro Academy, among others.

 For more information, please refer to section "4.5.1. Distribution network".



Customers

5.a. Commercial Pool & Wellness customers

These are public or private customers in charge of the construction and/or operation of aquatic, sports or wellness centers. Our commercial pool customers include operators, contractors and project developers, among others. They can request to design and develop a project with our Commercial Pool & Wellness division, purchase specific products through our sales channels or work with pool professionals who purchase our products.

5.b. Key accounts


In some cases, our manufacturing centers also supply parts, components and finished products to our big customers who have their own product portfolio.

5.c. Pool Professionals

Are all those professionals engaged in the installation, care and sale of pool and wellness products, such as pool builders, contractors, maintenance and service technicians, and remodelers. In some markets, we also sell our products to external retailers and distributors, who are responsible for marketing our products to pool professionals. Each year we recognize their dedication on Fluidra's International Pool Pro Day (September 7).

5.d. Mass market and direct to consumer channels

The Mass Market involves the distribution of above ground pools and other Fluidra brands' products through large retailers (our clients) targeting consumers and end-users. Fluidra has specialized brands for the Mass Market channel, such as Gre and Baracuda. On the other hand, we also work with direct-to-consumer brands in order to ensure that pool owners can directly access to essential pool and spa care products.

 For more information, see section "4.5.2. Voice of the customer".



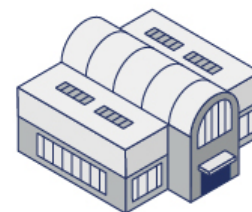
Consumers & End-users

6.a. Owners of commercial pool and wellness facilities

In the field of commercial pools and wellness, the final consumers are the owners and/or managers of the facilities incorporating the pool, the wellness center, lakes and ponds. They can be both public (city councils, regional, national consortiums...) or private consumers (hotels, sport centers...). In these cases, the end users are all those who enjoy these facilities.

6.b. Home owners


In the residential pool sector, consumers and end users are homeowners and all those who are regular or occasional end users of a product marketed by Fluidra.



Aftersales

7. Aftersale services

We provide technical assistance to our customers and end users, through our own staff or external technical services. Fluidra also manages any product incident within the warranty period, but also after its expiration, if requested.

 For more information, see section "4.5.2. Voice of the customer".

1.3.2. Business lines

GRI 2-6

Pool & wellness

Our primary business unit is pool & wellness. Fluidra is responsible for manufacturing and distributing all the components required for the construction, renovation, improvement and maintenance of residential and commercial pools.

Through ongoing innovation, we continue to add increasingly automated, connected, efficient and sustainable products and solutions to our portfolio. This unit, is divided into four business lines:

1. Residential pool

The residential pool is our **core business line**. With approximately **18 million residential pools worldwide**, it is estimated that one out of every four residential pools has some Fluidra-manufactured component.


Our portfolio of residential pools includes all kind of solutions to traditional concrete and tile pools, GRE-brand above-ground pools, Laghetto's high-end pools, AquaForte's natural pools and AstralPool's Inoxpool luxury pools.

Through our R&D centers, our factories located on every continent and an extensive distribution network, we're able to distribute and supply products and

services such as pump and filtration equipment (the core of every pool), LED lighting, protection and safety elements, liners, ornamental waterfalls, heating, automatic pool cleaners, connectivity and automation, all of which allows us to create the perfect pool and wellness experience responsibly.

2. Commercial pool, wellness, fountains and lagoons

The Commercial Pool and Wellness division (CP&W) covers all aquatic facilities for public use, including hotel and resort pools, water parks, municipal pools, competition pools, spa and wellness centers, fountains, ponds and aquariums.

 Visit our website for more information about the commercial pool and wellness division.

Commercial pool & wellness division operations

SOLUTIONS

POOLS



WELLNESS



FOUNTAINS



LAKES AND LAGOONS



SECTORS



COMPETITION EVENTS



SPORTS CLUBS



HOTEL SECTOR



PUBLIC SECTOR



REAL ESTATE PROJECTS



We offer state-of-the-art, innovative and sustainable products and solutions that are specifically designed and developed to honor our commitment to protecting the environment.

Beyond equipment and components sales, our in-house engineering team has the expertise to develop turnkey aquatic projects, including conceptualization, design, specification, and implementation support for water projects around the world.



For more information, see section "4.5.1. Distribution network".

3. Pool water treatment

Proper disinfection and treatment of pool and spa water is essential for users' health.

In this regard, Fluidra offers the best and most comprehensive solutions currently available on the market, from products for manual dosing to fully automated measurement and regulation systems. This is how we can ensure the responsible use of chemicals necessary to keep water in good condition.

4. Fluid handling

We manufacture and distribute high-end valves and accessories to build the pool's hydraulic circuit. Our Cepex and Jandy brands are highly recognized in this field.

Irrigation, industrial and others

In some southern European countries, we supplement our core pool & wellness business with irrigation and landscaping accessories for gardens that are often adjacent to pools. This unit represents only 2% of total annual sales.

The close relationship we cultivate with our customers enables us to use certain products for alternative uses. The maintenance of the gardens and the water pipes for homes with pools is such an example.

This business line also includes industry-level fluid conduction handling and flow control products, a field that shares technology and know-how with specific pool & wellness developments.

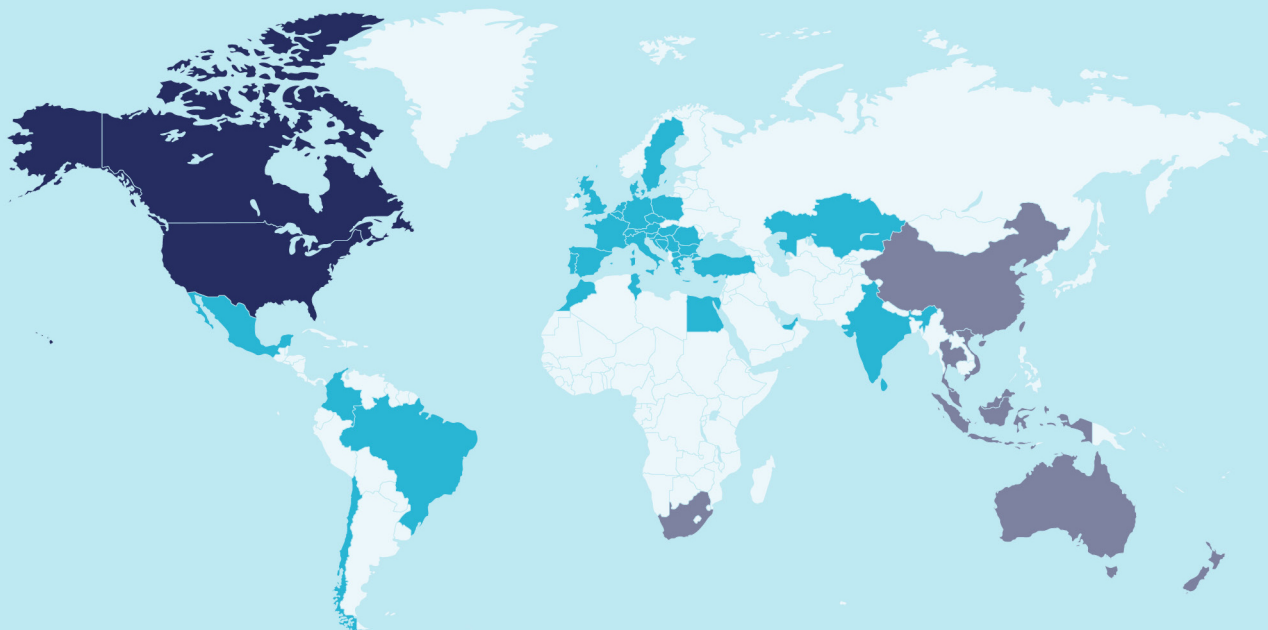


1.3.3. Fluidra in the world

In the international pool market of more than 16 billion euros, Fluidra is the global leader with over 13% of the market share.

Our business is grouped into three major geographical regions, supported by a global team based at our corporate

headquarters in Sant Cugat del Vallès (Barcelona, Spain):



*Fluidra has arranged the sale of its operations in Russia, which is pending approval by the country's authorities.

AMER: North America



In these markets, we manufacture our products and components which are distributed through third parties. Pool professionals are approached by the manufacturers themselves, building close ties of trust and collaboration with them. Fluidra competes in the leading residential and commercial pool segments.

EMEA: Europe, Middle East, North Africa and Latin America



We have a vertically integrated business model, with our own R&D department, production centers, logistics and wholesale operators. Fluidra is unique within this sector, which consists of highly fragmented markets with many national and regional competitors.

APAC: South Africa, Asia and the Pacific



We have a distinct strategy for each country. There is vertical integration in some countries, while other countries have either manufacturing or distribution centers. This landscape is dominated by commercial pools, with a focus on new construction in fragmented markets that are primarily driven by tourism.

1.4. Our products and solutions

1.4.1 Our brands and product catalog


GRI 3-3

At Fluidra we offer our customers a wide range of products and solutions for both the residential pool and commercial pool markets.

With over 80,000 items, our catalog includes products sold by the sector's top brands, including AstralPool, Zodiac, Polaris and Jandy.

Our commitment to the design, manufacture and sale of innovative products is clear — a commitment that aligns with the highest standards of quality and safety, promotes sustainability and connectivity, and complies with the regulatory requirements applicable to each product.



 [Discover the new products launched in 2022](#)

Fluidra Brands



Fluidra's five cornerstones



Pool equipment

Our basic pool equipment product range covers everything from ladders, showers, pumps, valves, filters, heaters, grids, underwater lights and disinfection

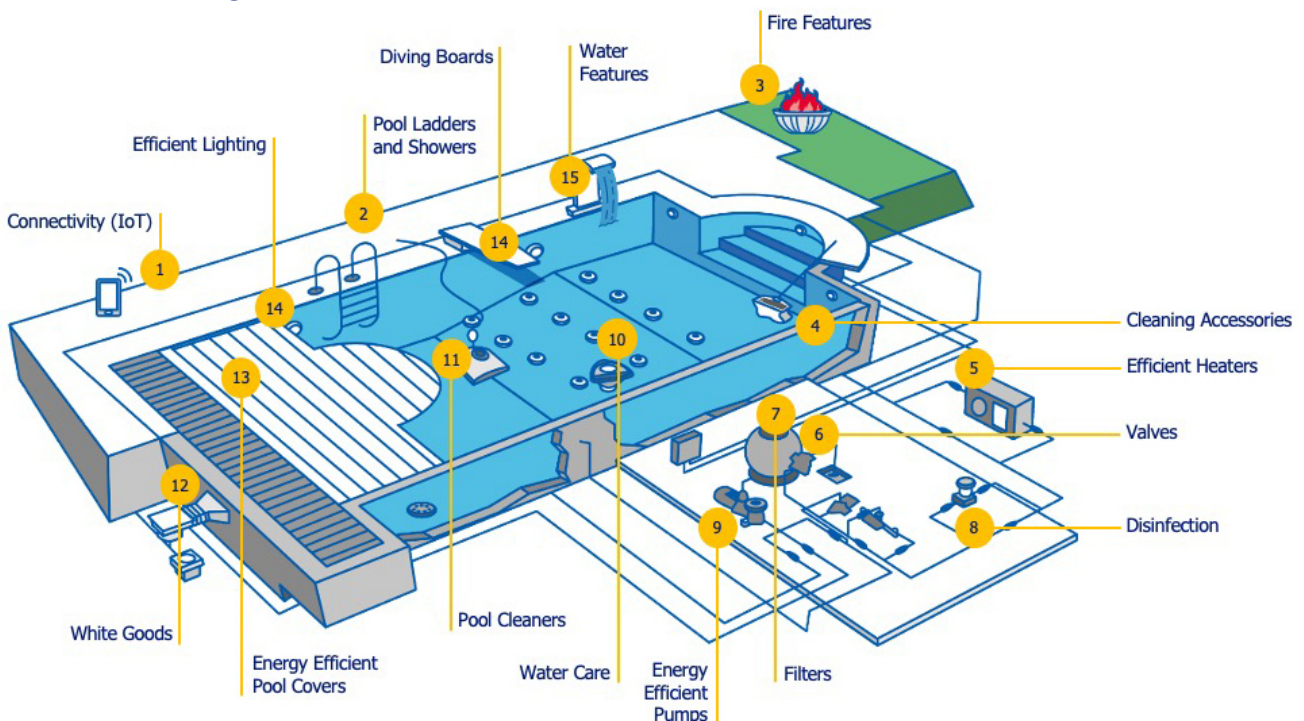
equipment to chemical products and cleaning accessories.

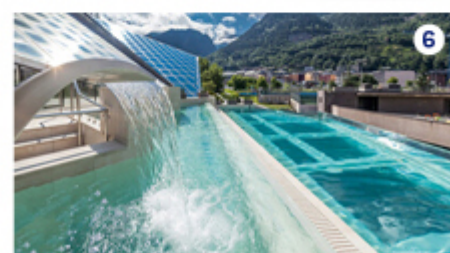
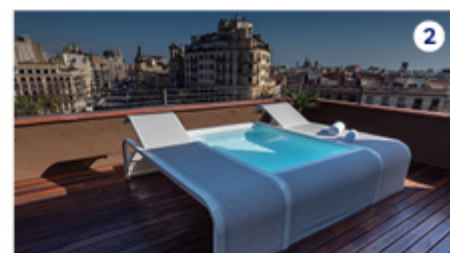
Our catalog also includes products like robotic pool cleaners, pool covers, fire and water features, slides, diving boards,

and connected products, everything you need to create the perfect pool experience.

We also sell spare parts for the main pool equipment to extend the life of our products.

Pool equipment diagram





Above-ground pools

We also have a solid foothold in other important market applications such as above-ground pools, where we have top brands that offer the most innovative pools with the most cutting-edge designs in the industry.

Piscine Laghetto: high-end pools

Piscine Laghetto (1) has been disrupting the pool world and beyond ever since it first hit the market. The Italian DNA of art, culture, and genius runs through all of its product designs. Over the years, the company's creativity has led to updated, revamped products in terms of design, image, and target market.

This approach turns the pool into a piece of furniture that blends seamlessly into any backyard, patio, terrace, or even inside the house. A new "decorating with water" concept that captivates with its originality, elegance and uniqueness, reflecting the essence of the product beyond the world of the pool.

This means that Piscine Laghetto can adapt to the needs of a changing family, making it possible to rearrange, move and relocate. The versatility of Laghetto products makes for quick and easy

installation even in areas that are only for seasonal use. This is the frame of reference for all Laghetto brand pools and, in particular, for the Dolcevita and Playa mini-pools, the best-selling products.

GRE

Our **GRE (2)** brand offers a broad selection of above-ground pools in a variety of sizes and finishes, ranging from wood, steel and composite pools to the butterfly pool, a small pool with an elegant and sophisticated design, which comes complete with comfortable sun loungers.

Polaris

In 2022, the **Polaris (3)** brand also entered the above-ground pool market with the launch of a comprehensive equipment kit, which includes the Polaris Prestige sand filter, the Forza pump, the AutoClear SC salt chlorinator and the only automation system for above-ground pools available in North America, the Polaris PAC.

Natural ponds and pools

AquaForte (4&5) is the Group brand that specializes in ponds, leading the market in products for water treatment and filtration in these types of systems. Our catalog includes products and solutions for four different types of ponds:

- Natural ponds: natural-looking ponds built for swimming, usually with plants.
- Biopools: natural ponds that look like a pool (without plants) but with natural filtration.
- Ornamental ponds: decorative ponds with plants and/or fish. They require a simple filtration system (pump/filter/UV-C).
- Koi ponds: ponds designed exclusively for Koi carp (require a lot of technique/filtration).

Spa & Wellness

We also have one of the most extensive product ranges in the **spa and wellness industry (6)**, including but not limited to swim spas, saunas and steam baths, sensory showers and Nordic baths.

1.4.2. Commitment to innovation and technology

GRI-3-3

1.4.2.1. Fluidra's R&D&I Model

Research, development and innovation (R&D&I) are built into Fluidra's DNA and are part of our corporate values.

We know that success in the pool market depends on equipment that not only is easy to use, install and maintain, but also sustainable and reliable. To that end, we focus on offering customers the best solutions tailored to their needs to create the perfect user experience. Engineering is one of the critical aspects that sets Fluidra apart by bringing added value to the table through highly innovative products.

Our R&D&I model includes all the activities that lead to continuous and progressive innovation, enabling us to bring more efficient, higher quality products to market that are better adapted to the changing needs of customers and users.

By year-end, we had a multidisciplinary team of more than 230 people, including engineers, designers and technicians.

We have a network of four R&D&I centers strategically positioned in the main markets to meet the particular demands of each region with new products and solutions.





We are working to centralize all R&D activities in these centers to create a global vision of solution-oriented pools instead of separate product categories. This means that beyond our innovation teams, the centers incorporate additional divisions that have an impact on product innovation and development, with teams working on areas like project management, product compliance, intellectual property, open innovation, sustainable products, IoT and more.

This will transform the existing innovation teams at each production center into technical units specialized in maintaining the product lines that are manufactured in each of them.

A new development in 2022 was the completion of a new R&D&I center in Polinyà, built to centralize the region's activities and enhance efficiency and focus. In 2023, we will inaugurate the center's R&D lab with several pools for

testing all the products we design. This 900 m² laboratory will also be outfitted with mechanical testing equipment, environmental chambers and accelerated aging equipment, as well as a 3D printer to quickly prototype designs.



 North America Carlsbad, USA	 EMEA Polinyà, Spain	 APAC Braeside, Australia	 GLOBAL Belberaud, France
Development of basic equipment for residential pools, including pumps, filters, heaters, lighting, automation systems and water care.	Its main lines of work are based on connected, more sustainable and environmentally friendly products such as variable speed pumps, pool covers, filtration systems and high efficiency LED lighting systems, among others.	Its primary focus is on the design and development of products that are tailored to the region's needs and conditions, including salt chlorinators and chemical dosers, single and variable speed pumps, cartridge and media filters, water features and LED lights, controllers and solar heating, pool covers and rollers.	Responsible for developing robotic pool cleaners for the global market, as well as automatic heating and disinfection equipment for the European markets.

In 2022, our investment in R&D&I reached 53 million euros, an increase of 37% compared to the previous year,

and double the investment amount from 2019, the first year as a single company after the merger in Zodiac.

Along the same lines, the ratio of investment in this area versus sales has grown to 2.2%, recovering to 2020 levels.

Key R&D&I figures

	2022	2021	2020	2019
Investment in R&D&I (millions of euros) ¹	53	39	37	25
Investment vs. Sales (%)	2.2 %	1.8 %	2.5 %	1.8 %



19.7%

2022 sales of new products launched in the last five years

Product innovation

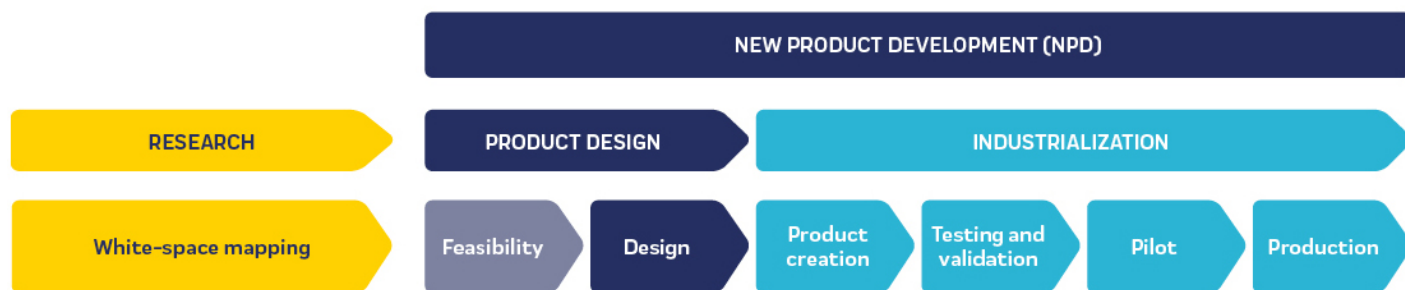
Aligning with our values, at Fluidra we strive to continuously and responsibly upgrade our products and be a market leader as a way to create value for our customers and end users. To that end, our product innovation efforts include:

New product development (NPD)

At Fluidra we have a new product development (NPD) process that covers everything from need identification, design and testing to the final production of the product so that it can be launched and brought to market. The process

begins when the Marketing Department or different distributors identify a need in the market. This leads to the development of a Basis of Interest (BoI), which is a broad-strokes presentation of the project or product that will be developed to meet the identified need.

Once the BoI is presented, we enter the feasibility phase in which a pre-business plan is prepared. This document includes product specs, target price points and costs, as well as expected investments. Based on these assumptions, a preliminary sales forecast is made to assess the project's potential.



When the plan is validated and approved, the design phase begins, where the different hypotheses are analyzed in more detail and the time required for product development is assessed. Once this is completed, the final business plan is drawn up and submitted for approval, which is followed by the industrialization process that ends with a pilot test before the product finally hits the market.

Created in 2021, the new ESG product team has been incorporated into the NPD and value improvement processes to driving sustainability as a key concept in product design and development.

To that end, we have defined processes, metrics and objectives in this regard over the past year.

For more information, please refer to "Sustainable products" section.

In line with recent years, 2022 was a prolific year in terms of new products. To monitor our progress and analyze the impact of R&D&I spending in this area, at Fluidra we use the **vitality index** as a reference, that is, the total sales for the current year of new products that have been launched in the last five years as a percentage of total sales for the year.

In 2022, sales of items associated with the vitality index accounted for **19.7%** (471 million euros), representing a 53% year-on-year increase compared to 2021 (14%, 308 million euros).

Specifically, we launched **46 programs** over the course of the year (compared to 54 in 2021), resulting in the **creation of 337 reference codes** (compared to 502 in 2021), for a total of 1,602 new items launched over the past five years.

¹ Includes investment in intangible assets and R&D expenses incurred during the year.

Below are the major launches in each region:

EMEA

In 2022, we ramped up the development of new products that adapt to identified market needs in five areas:

- **Water disinfection and maintenance equipment**, where the launch of AstralPool's eXPERT /Smart Next + iQBridge RS salt chlorinator and Zodiac's ultra-compact EiSalt power station are particularly noteworthy.



- **Pool cleaning**, with the launch of Zodiac's Voyager iQ automatic pool cleaner, with patented cyclonic suction and helicoidal brushes that can pick up fine and lightweight debris instead of pushing it around as other pool cleaners do.



- **Connectivity**, the iQBridge RS Wi-Fi gateway accessory (which makes it possible to convert some of our AstralPool and Zodiac products into connected products), and the AstralPool iQ Connected Cabinets (a range of eight filtration cabinets that incorporate smart relays for intelligent control of the filtration pump and lighting via Bluetooth, by using an app).
- **Energy savings**, with the introduction of the new range of LumiPlus FlexiMini LED lights that feature a more compact and modern design and are fully compliant with eco-design regulations.

- **Pool construction and poolside products**, with the launch of the "Unik" Skimmer range and the launch of a chrome shower with a sleek and modern design, also available in a solar version with a 30 liters hot water tank.



North America

Our commitment to releasing **products geared towards commercial pools** through the Jandy brand in a push to continue growing in this segment is noteworthy.

As a result, our catalog now includes the Jandy Offline Erosion Feeder, the JCP single-phase commercial pump, as well as new multiport valves and salt chlorinators designed to meet the specific needs of commercial pools. Likewise, 2022 brought the launch of the following products:

- The Polaris ATLAS XT side suction pool cleaner, which incorporates HALO™ technology and offers advanced elimination of fine sediment as well as longer and larger debris.



- The Polaris VORTRAX™ 30iQ Light Commercial HMAC robotic pool cleaner, which delivers superior power and premium performance along with rugged construction that can withstand the rigors of daily cleaning in high-traffic, small to medium-sized commercial hotel, motel, apartment and campground (HMAC) pools.



- The Jandy VersaTemp Heat / Chill pump with SoundShield™ technology, which regulates the temperature of your pool and spa for maximum comfort while significantly reducing operating noise (compared to earlier Jandy models).



APAC

Finally, the **flagship launch of the Halo family of connected devices** (HaloChlor, HaloHub, HaloXpand, Halo Lite2 & 4), in APAC won some of the industry's top awards in 2022.



This is in addition to the launch of the AstralPool XC single element cartridge filter, as well as the launch of the Blu52 Sunflo 2 and Baracuda Titan 2 pumps designed for the mass market.



Product improvements

Aside from new product development, we work to continue improving the quality and functionalities of those already in our catalog. Thus, in the last five years, we have improved a total of 194 references, which have represented 1.4% of our sales in 2022.

In addition, we carry out value improvement projects that consist of redesigning our current products in order to consolidate our integrated margin while maintaining the level of performance and quality. These projects are carried out by an interdisciplinary team, led by R&D, which is responsible for creating, developing, monitoring, testing and executing these projects in close collaboration with the product and quality teams.

We developed 57 cost improvement projects in virtually every product family during 2022, encompassing a wide range of our products across many companies. We prioritized the environmental impact of the enhancements during the review and improvement process, aiming to reduce the materials and/or energy used in product manufacturing, as well as the efficient use of packaging.

On the other hand, we also started reviewing and updating our instruction

manuals this year, creating a specific website for downloading the documentation, which is connected to our product information management system (PIM), and translating it into additional languages.

Leveraging this new website tool we have cut down on the printing of paper manuals with detailed installation and safety instructions, and in their place we created more explanatory and visual manuals in the virtual environment, which can also be updated without obsolete stock management. As a result, we saved 2.6tn of paper for the manuals reviewed and implemented this year.

Beyond building on the efforts that are already underway, our goal for 2023 is to analyze and develop new projects that will help us to further optimize our products, reducing their cost and environmental impact while maintaining or even improving their usability and performance.

Product maintenance

Lastly, alongside the R&D centers, we also have technical offices in each of the Group's manufacturing centers that are responsible for the maintenance of the products in our catalog and replacing existing components with new ones in the event that they have become obsolete or there has been a change of supplier.

Open Innovation

Open Innovation is an innovation strategy that allows companies to reach out beyond their corporate boundary, cooperating with outside organizations and professionals for new product, services, business models development and in the search for internal efficiencies. It allows to discover and test new technologies thanks to start-ups and/or entrepreneurs in a very agile and fast way and, if the pilot is successful, it facilitates the implementation of the technology in the company's processes.

By involving internal and external talent who are highly qualified in the field, this strategy makes it possible to shorten the cycles of each process and create new opportunities for business and growth, even new markets, thus accelerating innovation.

FLUIDRA LAB

Fluidra LAB is the agent that promotes innovation within the company and coordinates all ongoing open innovation activities. Specifically, it is responsible for:

- Identifying, analyzing and responding to the company's internal needs by collaborating with different entities in the global innovation ecosystem.
- Exploring industry trends to identify opportunities.
- Promoting a culture of innovation, encouraging employee participation in processes like the Fluidra Innovation Challenge, our intrapreneurship program.

Fluidra LAB coordinates with the entire organization to ensure that its initiatives are well aligned with the Group's interests and needs.

To this end, it reports directly to the Fluidra LAB Board, composed of members of the Executive Committee, at quarterly meetings.

We also created regional Fluidra LAB committees in EMEA, North America and APAC in 2022 to bridge the opportunities identified and capture the needs of all our regions, and we established specific monitoring in strategic areas such as Industry 4.0, robots, sustainability, IT and logistics, and supply chain.

In 2022 we also expanded Fluidra LAB's management team, with a professional with experience in open innovation in multinational companies who has taken us to the next level as a result of the solid foundations that have been laid.

This has taken us from 75 total opportunities detected in 2021 to more than 300 in 2022, 100 of which have been evaluated with the corresponding business divisions, 19 are in the detailed analysis or negotiation phase, and three have made an impact on business.

Examples of Open Innovation

1. Artificial vision for pool and manufacturing applications

In partnership with two start-ups specialized in artificial vision solutions, at Fluidra we are evaluating and testing applications of this technology for its use in both pools and in manufacturing processes.

The main potential benefits are the optimization of pool maintenance and manufacturing processes, using artificial intelligence to process the images captured by the camera.

2. Filtering technologies

Working together with a swim club, a supplier and Fluidra's R&D teams, a new filtering technology for commercial pools is being tested.

This project has given Fluidra the opportunity to acquire new knowledge that did not previously exist within the company while reducing the cost of testing this technology thanks to the synergies of the partnership. The new product is now available in Fluidra's catalog of commercial pool solutions.

3. Partner with the ecosystem

Fluidra LAB has launched several partnerships in 2022 with major players in the field of innovation and pools. The

first was the launch of a joint open innovation challenge with the Royal Spanish Swimming Federation.

We also participated in the Disrupt-me program of the European Institute of Technology Hub in Israel. In addition, we partnered with Acció, the Generalitat de Catalunya agency that specializes in promoting innovation and business internalization, to participate in the Disruptour: The Future of Manufacturing program.

Fluidra LAB has also participated as a speaker at events including the Mobile World Congress, the Pro Sport Tech Congress and the Mind the Bridge Barcelona Scale Summit; sponsored the GFT IESE Sustainable Tourism Forum start-up competition; attended the VIVA Technology start-up fair in Paris; and spearheaded the INDPULS industrial innovation hub as a founding partner.

4. Communicating innovation

In 2022, we bolstered how we communicate innovation with the launch of a dedicated Fluidra Lab website (<https://www.fluidralab.com/>). The goal was to create a direct window for the innovative ecosystem where they can see our areas of interest, what we offer, our collaboration models and contact information. We also launched a separate Fluidra Lab page on LinkedIn, where we provide information about our activities and share information related to innovation.

Employee involvement in innovation processes

Our innovation model is inclusive and encourages employee participation through the Fluidra Innovation Challenge intrapreneurship program and Fluidra Talks.

Fluidra Lab Talks

This is a series of webinars organized by Fluidra LAB where different technologies or fields of knowledge that may have an impact on the company are presented. The sessions are attended by an expert, who provides both theoretical and practical explanations, and their purpose, beyond spreading knowledge, is to inspire new projects where these

concepts or technologies can be implemented.

Fluidra Lab has continued to move forward with this initiative in 2022, organizing two sessions on Business Prototyping with Blai Carandell (Noba Ventures), and on the Metaverse with Aleix Valls (Liquid Lab Ventures).



Fluidra Innovation Challenge

We held the sixth edition of the Fluidra Innovation Challenge in 2022, using a hybrid format, with Dream Big brainstorming sessions in Sant Cugat, Carlsbad (California) and online across all five continents.


This year's challenge, "How can we improve the customer experience through the implementation of new digital and sustainable strategies for our products or services?", was attended by more than 80 employees (representing participants, mentors and jurors) from eight countries.

The five best teams were selected from the ideas entered in the Dream Big to participate in Fluidra Innovation Week, which included the involvement of both internal and external mentors who helped them to fine-tune their proposals. After this process, Demo Day is where the teams present their ideas to a panel of judges made up of the majority of Fluidra's Executive Committee, which was broadcast live to the entire workforce.

In this edition, three prizes were awarded: one for the winner of the challenge, another for the most sustainable project and the third was chosen by the audience. The winning project was the Three Pool Guys team (United States of America), formed by Josh Bordelon, Jason Anderson and Kyle Beddo, with a proposal for a new evolution of iAqualink that helps customers create a more sustainable pool.

The most sustainable project was from the BIGARQ team (Spain), formed by Raquel Almoño, Mireia Acacio and Irene Pecharromán. The audience's award went to the Think or Sink team formed by Lydia Romero, Matt Gagliano and Jeremy Young.

Cassoulette Lab (France), the 2021 winning project, with team members Mehdi Chaffik, Clement Marrast and Marie-Laure Zoppi, worked over the course of 2022 to validate its viability within the framework of Fluidra's digitalization strategy.

 Learn more about the Fluidra Innovation Challenge 2022 on our YouTube channel.



Intellectual property protection
GRI 3-3

Fluidra remains an industry leader in intellectual property, particularly when it comes to patents. Our international portfolio currently includes approximately 1,682 active and granted patents, 52 of which were obtained in 2022, thanks to our ongoing commitment and focus, primarily on key technologies.

Intellectual property rights allow us to defend ourselves against third-party products that infringe on our intellectual property rights. More specifically, we can

ask them to stop selling their products, change designs and/or compensate us.

As we invest heavily in R&D&I, intellectual property rights are critical for safeguarding our developments and protecting them from misuse by our competitors. One of our goals in this regard is to ensure that the scope of our intellectual property rights is sufficient to adequately protect us from competitors' products. Likewise, at Fluidra we are fully committed to respecting the rights of third parties and competitors.

We regularly check whether we should apply for patent protection for our developments and, when we do, we follow procedures to assess how, when and where to file applications. We also follow up on requests from third parties to ensure that they do not infringe on our rights.

Finally, we train key staff in intellectual property practices to ensure that they know just how important this issue is to the company.

At Fluidra, we strive to provide our customers with the perfect pool and wellness experience in a responsible manner, delivering exceptional products and services driven by a quality-focused approach in line with our values.



1.4.3. Quality Management

GRI 3-3

Quality—with a focus on maximum customer satisfaction, experience and loyalty as part of a framework of sustainable and profitable growth—is one of the cornerstones of our organization. We want Fluidra to be known as a company that is easy to do business with, and offers the finest products on the market.

This is why we prioritize the deployment and continual improvement of systems and approaches that help us to **better listen and respond to our customer's needs and concerns** while simultaneously striving to build a **culture rooted in shared attitudes, methodologies and tools** for a global concept of quality that permeates every element of the value chain.

To that end, our Global Quality department, as part of the Global Operations area, is mandated to promote a quality-focused culture by developing processes, assessing risks and opportunities, and driving continuous improvement. The department boasts a diverse and multidisciplinary team of professionals that spans ten different countries, giving us a presence in every region of the world in which we operate.

Global Quality Management System

Our focus in 2022 has been on extending the **Global Quality Management System** deployed in 2021, in accordance with ISO 9001:2015. To that end, we've started the deployment of our best practices in the companies that Fluidra acquired last year.

The Global Quality Policy and the Quality Management System Manual set out the company's guiding principles in this area, backed by more specific procedures for quality management at the different stages of the product life cycle. The entire organization has access to all these policies and procedures on the MyFluidra quality website.

Following the implementation of the system, we continue to make progress year after year in the deployment of business processes and the promotion of quality concepts on a global scale, without overlooking the specific, critical points the company must focus on from a local standpoint.

This helps us to improve customer satisfaction and experience while offering faster and more efficient solutions coupled with quality in the way we design new products and manufacturing processes, both in our factories and with our manufacturing suppliers.

Certifying our key locations around the world to ISO 9001:2015 remains a top business priority. Our Belberaud (France) location was certified for the first time in 2022, becoming the **first R&D center to earn this certification**.

The list of certifications is completed by Taylor Water Technologies (acquired in 2021), which had a quality system in place that was already certified before joining the company.

Likewise, in 2022 we worked alongside our main manufacturing supplier for the North American region on implementing its Quality Management System, thus extending our commitments throughout our supply chain. Below are the Fluidra locations that are currently certified to ISO 9001:2015:

ISO 9001:2015 CERTIFICATIONS

Company	Country	Start date	End date
Agrisilos	Italy	12-10-2021	12-14-2024
Cepex	Spain	28-09-2021	27-09-2024
Fluidra Brasil Indústria e Comércio	Brazil	18-02-2020	17-02-2023
Fluidra Global Distribution	Spain	01-12-2022	01-11-2025
Fluidra Industry France	France	02-26-2022	02-25-2025
Fluidra Waterlinx	South Africa	05-11-2022	07-16-2025
Inquide	Spain	26-04-2021	25-04-2024
Manufacturas GRE	Spain	02-25-2022	02-25-2025
Poltank	Spain	18-05-2021	15-05-2024
Productes Elastomers	Spain	03-01-2021	28-02-2024
Sacopa	Spain	08-04-2021	08-04-2024
Talleres del Agua	Spain	11-09-2022	11-08-2025
Taylor Water Technologies	USA	11-05-2021	28-11-2024
Zodiac Pool Care Europe (I+D Belberaud)	France	01-10-2022	01-09-2025

Finally, intending to uphold the industry's finest quality team, in 2022 Fluidra's management facilitated a professional development program for the fourth consecutive year, nominating 13 candidates from all over the world to participate in extracurricular training and certification provided by the American Society for Quality (ASQ), the authority in quality benchmarking.

ASQ certification, widely recognized throughout the industry, internationally endorses the professionalism of companies who hold this certification, since it focuses on updated quality tools and concepts. Training has improved the depth and skill set of our Quality teams and will remain a global priority in coming years.

1.4.4. Product safety and compliance

GRI 3-3, 416-1, 416-2, 417-1, 417-2, 417-3

In keeping with our commitment to quality, at Fluidra we are constantly making sure that all the products we bring to market pose no risk to people and the environment, and that they comply with current laws both at an international level and in the countries where they are sold.

Product safety

We strive to ensure that all our products comply with mandatory safety standards so that they pose no risk to users,

customers, employees, or the environment.

To this end, we have had a global Product Safety Council in place since 2019; this is an internal body that employees can turn to for information and guidance, ask questions and raise concerns about product safety.

With this same goal in mind, we also implemented a global strategy designed to continue to effectively manage potential safety concerns while promoting safety requirements during the new product development process.

In 2022, the Safety Council focused on maintaining its communication and risk mitigation across the organization, ensuring that issues were addressed promptly and effectively. The quarterly timeline established in previous years continued in each of the three operating regions (EMEA, North America and APAC) to address any relevant issues that were identified in each.

The only major issue in 2022 was the recall of gas heaters in Australia that began in 2021. Overseen by the ACCC (Australian Competition and Consumer Commission), the Group continued to manage the recall and more than 94% of the process had been completed by year's end, closing more than 10,524 cases.

Did you know that...?

Since 2006, all pools (public or private) in France are required to have safety systems such as fences or covers to protect children.

Pool covers, besides preventing evaporation and reducing the energy costs involved with heating the water, prevent the risk of accidental drowning.

Fluidra Group companies like Cover Pools (USA) and Fluidra Industry France (France) are dedicated to producing custom-made pool covers in both automatic and manual options.



Discover how we manufacture pool enclosures on our YouTube channel.



Product compliance

Given our business' geographic reach, Fluidra is subject to a broad range of national and international regulations and requirements that have an impact on our products in terms of issues like safety, traceability, and sustainability.

To coordinate the response to this growing regulatory environment, in late 2021 we reorganized the management of this division, unifying the Product Compliance and Sustainable Products departments under a single person who reports to the Chief Technology Officer.

This department is split into the three regions where we operate: EMEA, AMER, and APAC. We strengthened the engineering teams in the first two of these regions in 2022 to respond to the surge in product development projects and to the needs generated by integrating the companies acquired in the United States in 2021.

We also stepped up chemical compliance management with a global manager who, working together with the regional managers, coordinates all activities related to this field.

Under the manager's supervision, a new chemical compliance division, headed by Fluidra Commercial Italia, has been created for the Adriatic area (Europe), joining the existing ones in Australia, Brazil, and South Africa.

Regulatory management

Harnessing the help of engineering associations, certification laboratories, product manufacturers' associations, and consulting firms, Fluidra closely monitors all applicable local, regional, and international regulations.

This means that we can anticipate regulatory changes and have enough lead time to incorporate them into our processes and notify and train our customers and suppliers.

Fluidra exhaustively and continuously monitors all applicable local and international regulations, which means it can anticipate regulatory changes.

We have an internal database with over 1,800 standards including IEC, EN, ISO, UL, NEMA, and ANSI, among others, which we expand every year. We also actively participate in the process of drawing up benchmark standards in our different regions, providing expert assistance to standardization committees in the pool sector.

On the other hand, we actively work with the best national and international certification laboratories (UL, Intertek, TUV, SGS Bureau Veritas, IMQ, etc.), who support us throughout the product evaluation process.

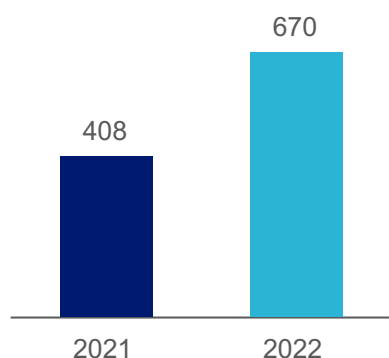
Furthermore, plans are in place to launch a specific product compliance section within our product information management system (PIM) in 2023 to centralize all the information related to the regulatory compliance of each product.

Chemicals management

Due to the potential impacts that chemicals can have on the environment and people, our priority is to ensure that they are properly managed and comply with all regulations. Some of these include REACH (chemical substances), BPR (biocides), and CLP (classification, labeling and packaging of substances) as well as UNE-EN regulations on chemicals and chemical disinfectants.

To this end, we have partnered with Assent Compliance, a company that helps Fluidra manage all stages of regulatory compliance, from data acquisition to reporting. We are also in regular contact with the European Chemicals Agency (ECHA) as well as other international organizations such as CEFIC (European Chemical Industry Council), Euro Chlor, and IIAHC (Isocyanurate Industry Ad Hoc Committee).

At year-end 2022, we had 670 biocide product registrations across the different countries in which we operate, up from 408 the previous year.



This substantial increase is the result of the new national registrations for all tablets that now contain 0.3% boric acid, eliminating this highly hazardous substance (SVHC) and thus minimizing the health risk to our customers (boric acid-free tablets).

On the other hand, benzalkonium chloride (BKC or BAC) is a biocidal active substance that has been used in algacide/greenhouse formulations (biocides) for several decades and has already been approved for PT3 and 4 uses in the EU. Additionally, the subject is under discussion at the Biocide Products Committee meeting for PT1 and 2 uses under the Biocidal Products Regulation (BPR).

We plan to submit an application for authorization for all biocides containing this active ingredient (algacide/greenhouse) before the first quarter of 2024, putting together all the paperwork and tests required to prepare the authorization dossiers before the deadline.

We have also registered 38 new products with this active ingredient in different countries, and we plan to register 70 more in 2023, benefiting from the transitional period during the evaluation of the BPR dossier so that we can grow sales in this category.

Finally, in 2022 we integrated the several existing databases of national chemical product registrations at Fluidra into a new centralized global database that can be accessed by all of the company's stakeholders. Operational as of January 2023, the data will make it possible to consult and control all the national registrations available in each country (by formula and trademark).

Conflict minerals due diligence

In the context of our commitment to human rights, we work to implement due diligence processes to ensure that our business relationships do not contribute to human rights violations.

When it comes to conflict minerals, **Fluidra does not directly import or purchase these types of metals** (tin, tantalum and wolfram, their ores and gold), although some of the products we sell may contain trace amounts of them.

Although we are not subject to Regulation (EU) 2017/821, we have started working on defining and implementing due diligence procedures in our supply chain to ensure that we do not work with suppliers that use minerals from conflict zones, and we plan to continue with these efforts in 2023.

Product labeling

We review all regulatory requirements for product labeling so that we can clearly and transparently communicate the source, components, and instructions for use of our products, as well as waste disposal and management, according to the applicable laws in different countries.

We also work with competent authorities to respond immediately to any potential issues involving the labeling of our products. Only one incident was reported in 2022, involving a problem in the packaging and labeling of chemical products in Brazil.

After the issue was reported by the competent authority, Fluidra set up a task force with members from the compliance, engineering, after sales, and quality teams to analyze the possible causes and identify the necessary preventive and corrective measures.

As a result, Fluidra Brazil had to withdraw 6,500 containers of a new product (VEICO FLASH - CHLORINE 25%) from the market because it began selling it before it had the requisite registration number from ANVISA (Agência Nacional de Vigilância Sanitária), the competent authority. ANVISA issued the registration number in August 2022, and we started selling it again once the label was adapted.

As a corrective measure, Fluidra Brazil implemented a workflow for chemical product development, which includes a double verification (internal and external, by a specialized company) of product conformity, thus reducing the risk of non-compliance with applicable national regulations and/or Brazilian official bodies.

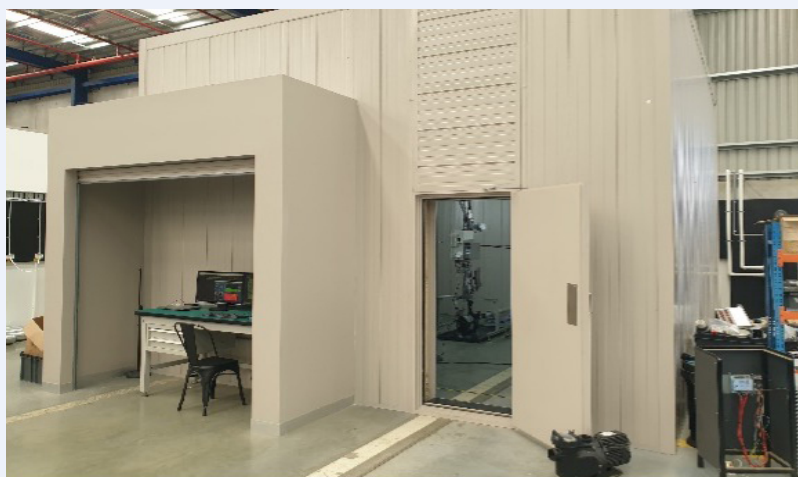
Furthermore, regarding the two labeling incidents reported in 2021, which involved 66 heat pumps mislabeled with the wrong gas used and 48 dehumidifiers without the required "flammability" label, both were successfully closed after the products were relabeled.

Case Study

Fluidra Australia launches a testing facility to test and document its efficiency levels according to Australia's MEPS standard

The MEPS (Minimum Energy Performance and Labelling Standards) is a regulation that seeks to address problems relating to a lack of information on the energy performance of appliances and equipment and incentives that may result in poor energy efficiency choices.

Consistent with our product sustainability commitments, Fluidra Australia has launched a new testing facility to test the efficiency of our filtration pumps and document their levels of compliance with this standard. As a result, we are the first company to achieve full registration of the energy efficiency of pump products in Australia.





1.4.5. Toward an increasingly sustainable pool

GRI 3-3, 302-5

One of the main challenges we face at Fluidra in terms of ESG is how to **promote the sustainability of the products** we produce and distribute. Our goal is to lower our environmental impact by **significantly reducing the consumption of resources** (water, power and consumables) throughout the life cycle, without losing sight of **usability, safety and viability** in terms of maintenance costs and return on initial investment.

In this regard, we are also working to **ensure high ethical, social and environmental standards in the supply chain**.

Based on 2022 data, 99.8% of the Group's CO₂ emissions are indirect emissions (Scope 3). 86.7% of these are generated during the usage phase of the products, 8.0% in the extraction and production of the materials used to manufacture the products and 0.1% in end-of-life management, which demonstrates the need to promote energy-efficient products and circular materials.

In addition, the results of the consumer segmentation study conducted this year in the North American region show heightened concern on the part of consumers for energy efficiency, reduced chemical use and water conservation. The study findings also reflect an interest in understanding how these sustainable benefits relate to the cost savings a product / pool.

For this reason, our efforts in the coming years will focus on promoting a sustainable range of products for customers and end-users, and reinforcing sustainability in all phases of the product life cycle, among other things. To that end, the ESG Product Department was launched at the end of 2021 with the following objectives:

- To analyze the impact of Fluidra's products and generate a series of tools, lines, guidance and standards for continuous improvement throughout the product life cycle and supply chain.
- To support the product development and improvement teams and the organization in general in identifying the most sustainable solutions.

To assist us in this undertaking, the **Water Management Department** was launched in early 2022. Its mission is to offer the best solutions for optimizing the use of water and power in order to minimize the environmental impact, while maintaining optimal levels of water quality and comfort so that both professional customers and end users can enjoy a better and more sustainable pool experience.

The Department is charged with working on efficiency from a holistic perspective on the understanding that the pool ecosystem does not function in isolation but forms part of another larger ecosystem (the environment) with which it is integrated. And it is precisely within this framework that Fluidra conducts research to identify cross-cutting opportunities for improving sustainability.

Within this approach there are two lines of work. The first one focuses on studying the pool's operating cycle in order to reduce its environmental impact and eventually achieve a neutral balance through circularity solutions. The second entails identifying and studying specific sensors that make it possible to define decision-making support systems to improve operating efficiency.

Sustainable products

One of the priorities for 2022 was to advance in the definition of the indicators of **sustainable products**, the framework established by Fluidra to identify products that are notable for their key sustainability aspects.

Five categories of sustainable products were defined in 2021 based on their contribution to sustainability across the different phases of the life cycle: production (low-carbon products), use (products that promote water savings, energy efficiency and/or reduced chemical use) and end-of-life management (circular products).

Sustainable product indicators

WATER CONSERVATION

More efficient products that need less water during the use phase.

CIRCULAR

High quality products that are made from sustainable materials, which are repairable, reusable, recyclable or biodegradable.

LOW CARBON

Products that have been manufactured in a sustainable way and that involve a reduction in emissions associated with the production and supply chain processes.



ENERGY EFFICIENCY

Solutions that prevent or reduce energy use during the use phase.

CHEMICAL REDUCTION

Solutions that reduce or avoid the use of chemicals during the use phase or minimize their environmental impact.



45%

of our total sales in 2022 were classified in at least one of the sustainable product categories.

Our target is that 60% of sales in 2026 and 80% in 2035 will be products classified as sustainable.

Each one of these categories has specific indicators that determine whether or not a product is classified in one or more of them. We made progress in 2022 defining the indicators for the circular products category and also detailed specific requirements for the other categories.

In 2023 we plan to make the information available to the public so that our stakeholders can have access to detailed information on sustainable products in order to make more informed product choices. We are committed to providing accurate and demonstrable information based on specific aspects of the product life cycle.

Our goal is that **60% of product sales (in euros) are classified as sustainable by 2026, and 80% by 2035.**

In 2022, 45% of total sales² (30% of our catalog items) fell into at least one of the categories in this classification, compared to 41% in 2021³.

The products considered for each of the five indicators described above are detailed below:

LOW CARBON

Products whose production processes minimize environmental impact and in particular CO₂ emissions through the supply of certified green energy or the self-production of green energy at the production plant.

17%


OF SALES

² For the purposes of calculating the total percentage of sustainable products, each product is counted only once, regardless of the number of indicators it qualifies for. By contrast, the results per indicator shown below count all products that meet the requirements of that category, even if they also meet the requirements and are therefore being counted in another category. So the sum of these individual results exceeds the 45% total.


³ In 2022, robotic pool cleaners, dehumidifiers, and gas heaters are no longer considered sustainable products based on the new requirements we have defined for classifying a product in one of the five categories mentioned above. Consequently, we have recalculated the data for 2021 to ensure the comparability of information in this area, from 56% reported last year to 41% today.

Low carbon products

These are products manufactured using sustainable methods that contribute to reducing the emissions associated with production and supply chain processes. This includes all products that require fewer raw materials for production or that are produced at facilities with renewable energy sources.

 For more information on the facilities covered, please refer to section "5.2. Climate Change".

17% of our sales were classified under this indicator in 2022 (compared to 16% in 2021).



WATER SAVINGS

Includes the following products, among others: Covers (non-mesh), showers (<8l/min), cyclonic pre-filters, cartridge and regenerative filters, automatic multi-port valves, active glass media and other commercial pool products such as UV MP, Neolysis Freepool and Ozone.

6%
OF SALES

Water conservation

Water scarcity and water stress are two of the main challenges we face as a company to ensure the continuity of our business. The company is committed to more efficient products that make it possible to considerably reduce water usage.

Generally speaking, the operation of a pool involves a series of processes that consume water: evaporation, filtration, filter washing, water replacement due to quality issues, structural leaks or water lost through pool usage. Consequently, in order to reduce water consumption, we must understand the pool as a whole system and act on different fronts simultaneously.

There are various products in our catalog that promote water savings in three different ways: prevention of evaporation, reduction of the need for renewal and filtering processes. In addition, we are currently conducting a number of internal studies to measure and publicize the impact on pool water consumption depending on whether or not these products are used, as well as the benefits of their combined use.

Evaporation is a natural process inherent to the water cycle which occurs in any body of water that comes in contact with the atmosphere. Depending on climate conditions and pool design, it can account for more than 60% of a pool's water losses. For indoor pools, controlling environmental conditions (temperature and humidity) and recovering condensation can both be achieved using dehumidification equipment.


For outdoor pools, the best way to minimize evaporation losses is to use isothermal covers when the pool is not in use. Proper use of covers can reduce water loss through evaporation by up to 80%⁴.

At Fluidra we also sell **filtration solutions** that reduce the amount of water needed to wash the pool filter and keep it in good condition, such as cartridge filters, diatomaceous earth filters and regenerative media filters. In the case of cartridge filters, the savings can exceed 80%, and in the case of perlite filters, mainly used in commercial pools, it is estimated that it can be as high as 90%.

Finally, the concentration of disinfection by-products in the pool water, such as chloramines, requires that the water be replaced periodically to keep the levels of these by-products within the authorized limits (up to 5% by volume of the area of a pool: about 15m³ of water for a 25mx12.5m pool).

This is especially critical in public or semi-public pools. Furthermore, since the water being discarded may be warm water (indoor pools) there may be a need not only to replenish it but also to heat it. At Fluidra we help to reduce the need for water renewal using **technologies that minimize the formation and accumulation of these by-products**. (For more information, see the "fewer chemicals" category).

6% of our sales were classified under this indicator in 2022 (the same as in 2021).



ENERGY EFFICIENCY

This category includes products such as variable speed pumps, heat pumps, chillers, solar heating solutions, covers (non-mesh), solar showers, suction cleaners, UWL LEDs and commercial pool products such as Kivu.

19%
OF SALES

Energy efficiency

Water filtration pumps account for most of the electricity required to operate pools, in addition to water heating and climate control equipment (the latter, for indoor pools).

Using one of our **variable speed pumps** makes it possible to adjust the water flow rate to the pool's needs at any given time and reduce electricity usage. For example, a 50% reduction in speed means a 50% reduction in the flow rate and a 75% reduction in electricity consumption.

When it comes to **heating pool water**, energy efficiency can be increased by using a heat pump, since energy is extracted from the air for heating. This means that up to five times more energy is collected than is consumed, thanks to the fact that the energy is transferred from the air to the pool water.

⁴ It is estimated that the reduction in water loss due to evaporation is 75% during the pool season and 100% during the off season.

Another example is the use of **LED lighting**, which can be up to 80% more energy efficient compared to the old incandescent and halogen bulbs. In September 2021, Fluidra stopped selling pool lighting that does not use LED technology in the European market, in compliance with the (EU) directive 2019/2020 and in 2022 we made the decision to market only LED technology in the United States also, in keeping with the regulations in force, such as the California Appliance Efficiency Regulation - Title 20.

This focus on efficiency allows us to help our customers address the current energy crisis, which has caused many athletic facilities around the world with pools to adopt measures such as lowering the water temperature in order to reduce energy consumption and associated energy costs.

19% of our sales were classified under this indicator in 2022 (compared to 18% in 2021).



FEWER CHEMICALS

Products such as pool covers (solid), control and regulation systems, Neolysis and Freepool disinfection equipment, and connected products such as Aqualink and Blue Connect, contribute to lower chemical consumption in the pool.

9% OF SALES

Chemical reduction

We are working to provide **solutions that reduce or eliminate the need for chemicals** to keep the pool running, or that minimize the environmental impact. 9% of our sales were classified under this indicator in 2022 compared to 6% in 2021.

For example, UV-C equipment reduces the amount of disinfectant needed to keep the pool in good condition and compliant with national regulations by

disinfecting the water with UV-C radiation. Salt electrolysis equipment is another example, as is the combination of UV-C and electrolysis which is called neolysis. In addition to the above, FreePool technology eliminates the need to add a pH regulator by using CO₂ for that function.

A good example of an application for this type of technology can be found in the natural pools of the AquaForte brand, which are more common in northern climates. Rather than chemicals, these pools use a water treatment system that combines advanced filtration with UV and water hydrolysis technologies. They often require the use of a phosphate reducer to prevent algae growth.





CIRCULAR PRODUCTS

With these products we aim to transition from a linear economy model to a circular one by promoting the principles of reuse, repair, exchange, renew and recycle.

Circular products

These are products that aim to transform the linear economy model into a circular one by promoting the principles of **reuse, repair, exchange, renew and recycle**. In doing so, Fluidra's goal is to extend the life cycle of its products.

In 2022 we completed the Life Cycle Assessment (LCA) and the Circularity Assessment of two strategic products, the Astral Pool brand Victoria Plus Silent filtration pump and the Zodiac brand Voyager RE-4400 iQ robotic pool cleaner,

according to the global Cradle to Cradle™ standard, one of the most well-known certifications of product circularity.



Victoria Plus Silent VS
Filter pump





Voyager™
Automatic pool cleaners



This year we have also started to analyze a family of LED lights (Flexi), a steel above-ground pool, and three types of residential pool filters: a laminated filter (Aster), an injection filter (Cantabric) and a blow-molded filter (Millenium). Next up in 2023 will be the study of a salt chlorinator, a heat pump and the Skypool pool structure.

Thanks to the lessons learned during this process, we have defined a multi-attribute circular product concept inspired by the standard mentioned above. So, items falling into the circular product category must include the following key aspects:



CIRCULAR PRODUCTS



RECYCLED MATERIAL CONTENT

Prevent waste from ending up in landfills and avoid the depletion of finite resources (i.e. recycled and/or renewable materials).



REPAIRABILITY AND DURABILITY

Extend the useful life of a product and the value of the materials and energy used to produce it.



RECYCLABILITY

Increase and encourage material recycling to reduce waste generation.



HARMLESS AND SAFE MATERIALS

Design products with materials that are safe for people and the environment



SOCIAL JUSTICE

Promote responsible production for people and the planet along the supply chain.

At present, there is no product that meets all of the above circularity requirements. We have therefore defined a circularity index to monitor our progress on this indicator. By doing so, the circularity level of a product will be determined by how many circularity attributes the product possesses out of the total (five).

Our commitment to more sustainable packaging also plays an important role in our sustainable product strategy.

For more information, please refer to "Sustainability in the product life cycle" section.

Other environmental certifications of our products

In addition to our own internal categories, our products have received environmental certificates issued by internationally recognized organizations such as **Energy Star** (US Federal Government), **Climate Care Certificate** (SPASA, Australia), **Smart Approved WaterMark** (Australia).



In 2022, Fluidra had 49 certified references, which accounted for 6.7% of sales during the year (compared to 39 references and 4.7% of sales in 2021).

Accessible pools

In addition to our range of sustainable products, Fluidra also has a number of products that promote the social well-being of users, especially people with disabilities or reduced physical mobility, including a wide variety of automatic lifts, stairs and handrails for better accessibility to both commercial and residential pools. These products accounted for 1.1% of our sales in 2022.

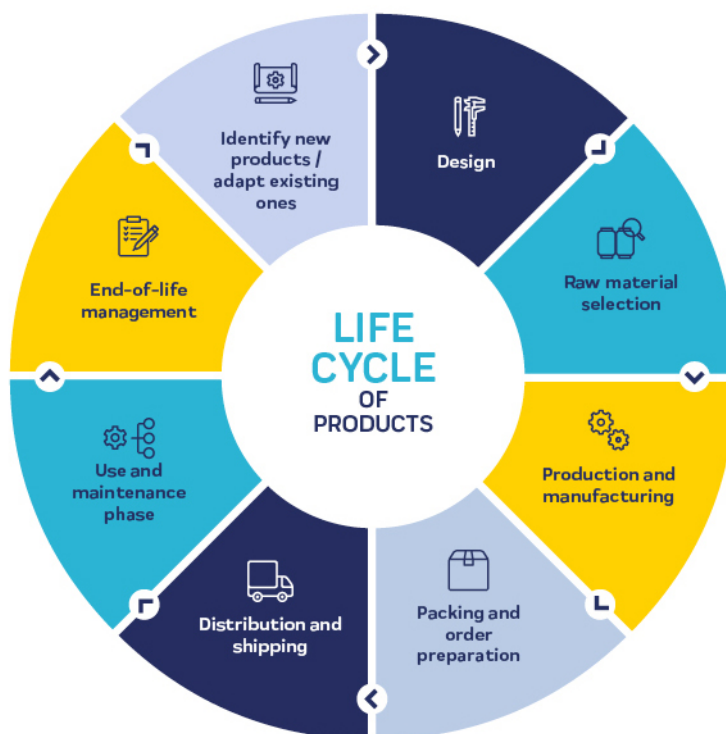
Sustainability in the product life cycle

In 2021, the Company started to analyze the different product families from the perspective of Life Cycle Assessment (LCA) in accordance with the ISO 14040-14044 international standard. LCA is a methodological tool used to

quantitatively measure the environmental impact of a product over the entire life cycle, from the sourcing of raw materials to end-of-life management.

These studies, carried out in collaboration with an external consulting firm, have enabled us to quantify the carbon

footprint over the entire life cycle of the product, together with other environmental impacts, identifying the phases that have the greatest impact in order to develop appropriate strategies to reduce CO₂ emissions.



Identify new product needs and adapt existing ones

A key part of our strategy involves the continuous improvement of our products. These improvements can be driven by a variety of factors:

- **Regulatory.** At Fluidra we adapt quickly and continuously to regulatory changes in order to comply with the requirements in different markets. An example of this is the ban on the use of halogen lighting in Europe. We have adapted our offer by expanding the range of LED lighting, which is much more efficient and now also more accessible to consumers.
- **Responsibility.** As part of our mission to create the perfect pool and wellness experience responsibly, we make it a priority through our sustainable product range to reduce the life-cycle emissions associated with our products.

Changes in consumer habits

Consumer needs are evolving in response to macroeconomic trends and changes, which requires us to be agile in detecting and anticipating them. Examples of this are connected products or those that promote energy efficiency.

- **Customer requirements.** Our customers are clearly the focus of all that we do. We introduce improvements to our products considering their needs, requirements and expectations when working with a leading company like Fluidra (quality, ease of installation and use, etc.).

Design


Design is one of the most important phases in fostering the sustainability and circularity of a product throughout its life cycle, from the choice of raw materials to production to end-of-life management.

For this reason, starting in 2023 we will be incorporating the requirements for the classification of sustainable products into the new product development and product improvement processes. This will enable us to systematically assess sustainability aspects right from the initial stages of defining new products.

Choice of raw materials

At Fluidra we have been working in recent years on the selection of materials or components with smaller environmental footprints, prioritizing those sourced from local suppliers, those made from renewable sources (as permitted by the product's technical requirements) or those that contribute to reducing water or electricity consumption as well as hazardous substances. Several group companies such as Sacopa and CEPEX recover and reuse leftover injection materials which cuts down on the volume of raw materials used.

For companies that use wood as a raw material to build above-ground pools, we pay close attention to ensuring the chain of custody of forestry products. An example of this is Manufacturas Gre, which has PEFC and *Bois de France* certifications that guarantee that the wood we use comes from French forests. We also contribute to reforestation in partnership with the *Platons pour l'avenir* organization (France), to which we donate one euro for each wooden pool sold.

 For more information, please refer to section on "5.1.2. Raw materials and waste management".

We are also exploring the possibility of incorporating recycled materials (post-industrial and post-consumer) in different types of products, as well as the market potential of using alternative materials in both products and packaging (bio-based, more recyclable, compostable, etc.).

Production and manufacturing

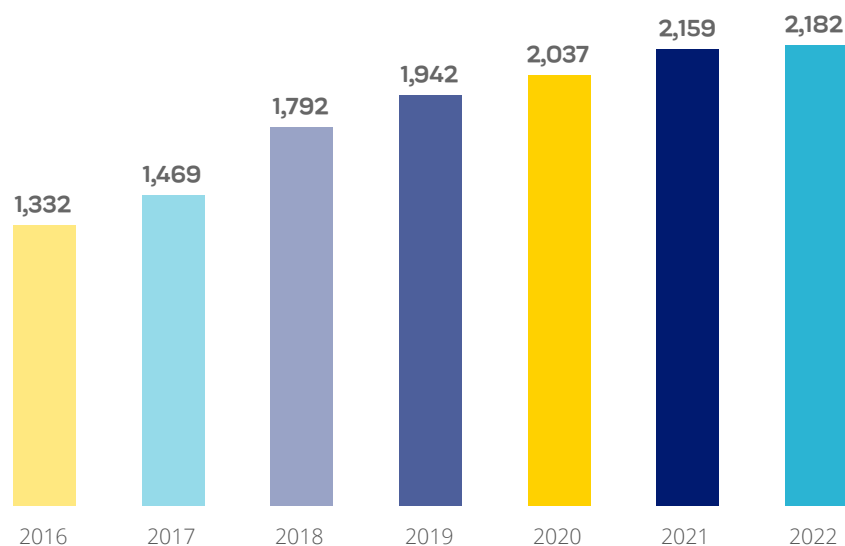
At Fluidra we are committed to promoting the responsible management of resources by adhering to rigorous sustainability and efficiency standards for our products and solutions.

In addition to the environmental management measures implemented at

our facilities, LEAN management is one of the basic pillars of our Company's business. Focused primarily on production plants, this continuous improvement methodology enables us to save costs, reduce delivery times and ensure quality at all levels, all with one goal in mind: to maximize value creation for our customers.

For the deployment of both its principles and philosophy, Fluidra has developed various training activities that were attended by 2,182 people in 2022, which represents an increase of 1.2% over the previous year.

PEOPLE TRAINED IN LEAN METHODOLOGY




The new tools, systems and technologies derived from this methodology are implemented through **value improvement projects** (also known as value generation or added value projects), and by sharing best practices between factories.

In this way, the entire product creation and manufacturing chain is analyzed, from design to procurement and manufacturing and logistics, which allows

us to identify opportunities for improvement at each stage of the chain.

Aside from translating into OPEX savings and improving margins in a consistent and sustainable way, this has a positive impact on ESG, since it allows us to detect opportunities for reducing the consumption of materials and energy, in line with the Group's policy of reducing its environmental impact.

Our LEAN projects focus on three key areas: processes, purchasing and products. **In 2022 we defined 213 value improvement projects (80 related to process, 72 purchasing, and 57 product) compared to 219 in 2021.** These are some of the key process and purchasing initiatives:

 For more information on product-related projects, please refer to section "1.4.2. Commitment to innovation and technology".



Process innovation

In addition to cost reductions, process innovations bring the following benefits:

- **Increased product quality**, because improved efficiency frees up staff and resources for innovation and quality control.
- **Better lead times**, because by streamlining manufacturing processes we can better respond to fluctuations in demand and other market variables, resulting in fewer delays and faster delivery times.
- **Sustainability**, by generating less waste and being more adaptable, making us better equipped to thrive in the future.

By 2022, the total cost reduction as a percentage of cost of goods sold (COGS) through process innovation was 0.37% compared to 0.35% in 2021. From a sustainability point of view, the benefits of the different projects carried out this year are discussed below:

Productivity

The increase in overall equipment effectiveness (OEE) in automatic processes led to a reduction in power consumption of 418,700 kWh in 2022 compared to 2021.

Waste

Shrinkage is defined as material losses. At the Fluidra Brazil plant, the introduction of new molds for making filter housing in the rotomolding manufacturing process has enabled us to reduce the material used by 10%, saving a total of 27,324 kg of plastic.

Purchases

In 2021, Fluidra implemented a group-wide project to reduce the rental cost of the forklift trucks used by Fluidra. As a result, more than 100 forklifts were replaced, mainly at Trace Logistics but also at other group companies such as Cepex, Sacopa, Poltank or Inquide, resulting in annual cost savings of €150,000 (27% savings).

In addition to reducing operating costs, the project has also made it possible to replace some of the old diesel forklifts with electric equipment, cutting CO₂ emissions by 26 tons per year. In other cases, electric machines with obsolete technology have been replaced by electric forklifts equipped with lithium batteries, which are 30% more efficient than traditional batteries.

Packaging and order picking

We prioritize the use of recycled and recyclable materials that meet Fluidra's technical quality requirements. To that end, we work directly on the design of the packaging for new products from the time of inception, while at the same time seeking to change packaging for the existing products in our catalog.

Some of the improvements introduced in 2022 have included:

- Use of post-consumer plastic in three plastic jug models with a reduction of 97tn/year of virgin plastic.
- 47% of the material in eight spare parts bag references is recycled, with an approximate reduction of 4 tCO₂eq/year.
- Development of a new chemical product range with a 47% post-consumer plastic canister in line with ISO 18604 design-for-recycling requirements.
- Elimination of PVC from packaging and switch from plastic to cardboard for different mass market items, eliminating approximately 6 tons of plastic per year.
- Conceptual design and technical testing of new solutions for 1 and 5 kg containers for chemical products.
- Phase two of the conversion from foam to 100% cardboard packaging for our pumps, this year focusing on the Victoria Silent and Europa models.

In addition to the measures described above, in 2022 we began to consider the benefits of implementing a closed loop of reusable packaging at our production companies, which will be a major challenge for the Group's operations.

In recent years we have observed significant changes in the rules governing the types of packaging materials that are allowed. We are currently starting to apply the new Spanish Royal Decree on packaging and waste, awaiting the Regulation to be drafted by the European Commission; the development of the extended producer responsibility requirements for industrial packaging in

France and the regulations in the United Kingdom, among others.

This is the reason why we have been working since the end of 2021 with the Product Compliance Department and external specialists in this area to understand the requirements in each one of the countries where we operate, mainly in the European context, in order to identify the best way to comply with all of them as simply and efficiently as possible.

We have also developed the first **ESG Circular Packaging Reference Guide** with the aim of aligning packaging requirements from a sustainability perspective across our organization. The Guide will be available in Q1 2023.

Logistics & distribution

Distribution and supply chain teams are responsible for planning and managing the Fluidra Group's stock, acting as a liaison and coordinator between the production companies and suppliers and the Group's commercial companies.

The supply chain team integrates and controls end-to-end material and information flows for operations, ensuring that customer demand is satisfied at all times. Apart from establishing the Company's policies, processes and indicators for planning, production and stocks, one of its most important functions, given the uncertainty and volatility of recent years, is to improve demand forecasting.

In the EMEA region, Fluidra Global Distribution is responsible for supplying the European network of hubs with a wide range of products for the Fluidra PRO Centres sales network, sales offices and direct shipments to customers.

This year we increased the availability of make-to-stock products in EMEA to 89%, which is six points higher than 2021. The improvement in availability is proportional to the reduction in partial shipments. For example, in Spain the m³ per order indicator has improved by 11%, reducing the kilometers transported.

The Trace Logistics Group manages these hubs and their shipments, which are handled either by its own companies,

as in the case in Spain and the Netherlands, or through outsourced services (3PL).

In November 2022, we began **construction of a new 16,000 m² logistics hub** that will allow us to concentrate our activities in 2 hubs rather than 4 in Catalonia, with sufficient capacity to reduce its transport and carbon footprint (eliminating around 400,000 km of full truck round trip shipments to and from external warehouses due to lack of capacity). The new warehouse will be certified as Breeam Very Good for eco-efficiency.

In addition, following the strategic plan for the new European distribution network, this year we have reached an agreement with the logistics operator GXO to open a 15,000 m² hub in Lyon dedicated to distribution in France and Belgium. This will have a very positive impact on delivery times, increasing the ability to provide 48-hour service from 60% to 90% of the time.

In the APAC region, Australia and South Africa act as the main distribution hubs for the region. Australia is responsible for coordinating stock movements inside the country itself, as well as New Zealand, the Pacific Islands and most of Asia.

We also have warehouses in each mainland state of Australia and in Auckland (New Zealand) where there is a Fluidra PRO Centre or a sales counter for customers to pick up their products or drop off their warranted products for repair. Our South Africa hub is responsible for servicing the entire African continent.

Finally, Fluidra operates via a central supply chain team in North America that is responsible for supplying all the markets in the region. It is worth noting that we do not act as distributors of our products in this region. This function is handled by other large companies focused either on pool professionals or consumers.

We have two distribution centers, one in California (recently opened) and one in Tennessee.



Promoting sustainability in our logistics operations

Shipping is an important part of the value chain for all products, as well as a rising cost.

In 2021, we set up an EMEA working group to measure and reduce the carbon footprint associated with our logistics operations. In 2022, we analyzed the routes traveled by trucks from production plants to Trace Logistics warehouses, as well as service and safety stocks, in order to optimize routes and focus on multimodal (road-rail) shipping. As a result of this work, in 2022 we managed to eliminate 1,400 product shipments by truck which accounted for a total of 140,000 kilometers traveled, which enabled us to avoid 870 tCO₂ in high season.

We also continued our work on various initiatives to reduce shipping-related incidents in order to mitigate the impact of reverse logistics on emissions (i.e. those resulting from the goods having to be returned to the warehouse and subsequently reshipped to the customer), reducing the number of returns.

Looking ahead to 2023, we will work on defining the methodology for calculating CO₂ emissions with each transport supplier, in accordance with the GHG protocol, in order to improve the quality of the data used to calculate emissions in categories four and nine of scope three of our carbon footprint. Our suppliers are also conducting efficient driving training and upgrading their fleets to the Euro 6 standard.

In the United States, our intermodal transport system has improved considerably, which has enabled us to reduce our carbon footprint. To track and monitor our progress, we have introduced CO₂ emissions as a key performance indicator and are working closely with our freight broker to monitor the monthly emissions associated with shipping our products.

Moreover, the recently opened facility in California has been designed with sustainability in mind to reduce the

average miles per shipment, as well as consolidate shipments and reduce the number of truck trips.

Use and maintenance phase

Products are designed to be as efficient as possible for their intended use, while avoiding any type of environmental pollution and waste of natural resources.

Consumers are increasingly looking to incorporate sustainable technologies into their homes, and pools are an important part of that overall experience. Brands like Zodiac or AstralPool provide pool professionals with calculation tools that can be used to assist customers in choosing the most efficient equipment, which will depend on the size of the pool and the end consumer's location.



For more information, please refer to "Sustainable products" section.

At Fluidra, we also promote the reparability of our products with a full range of spare parts. This is a way of extending the useful life of the product and reducing the quantity of materials used, thus avoiding the total replacement of the product.

End-of-life product management

We are committed to ensuring that all injected parts of the product are made of a single material to facilitate subsequent recycling. Whenever possible, we use international material identification symbols to indicate the materials that were used to make each part of the product.

Instructions on how to manage products at the end of their useful lives are included in the product manuals.

In addition, the reWork project has been launched in different regions (France and Germany), the object of which is to revive the products returned by our customers (with a focus on robots, filtration pumps and heat pumps).

In 2022, we started a pilot project to refurbish and resell these products at reduced prices (up to 30% cheaper), always ensuring high levels of quality and safety.

These products come with a one-year warranty and we disclose the reasons why they were discarded and refurbished.

1.4.6. Connected pool

Connected or smart pools incorporate product and service solutions that make a pool more intelligent and automated by leveraging the Internet of Things (IoT) to deliver enhanced efficiency and convenience.

The rise of digital services and connected products is outpacing demand for non-connected ones. Fluidra's current range includes everything from robotic pool cleaners, automation, filtration pumps and heat pumps to chlorinators and other smart sensors under the AstralPool, BlueriioT, Polaris, Jandy and Zodiac brands.

As a global leader in the industry and a pioneer in this segment, the goal is to reach one million connected pools by 2025.

This growth is evidenced by the 32% increase in the number of active users with IoT connected products and solutions in 2022, reaching over 750,000 customers by year-end (up from 560,000 in 2021). As a global leader in the industry and a pioneer in this segment, the goal is to reach one million connected pools by 2025.


We also aspire to be recognized as a digital market leader with both new and existing customers, offering groundbreaking solutions and profitable share gains. To this end, the end-to-end connected ecosystem is critical to increasing user and customer engagement, generating a new income stream and, at the same time, a flow of

data that provides a source of valuable information when developing new products and improving the performance of those already installed in our growing base of connected pools.

Our focus is on delivering consumers the ultimate smart pool experience, underpinned by the development of

connected products across all major categories. Plus, at Fluidra we focus efforts on providing pool professionals with digital services and added value that improve their business efficiency and their ability to service consumers' pools, equipped with all the data and knowledge they need to be prepared.

The global digital team continues to scale internal resources to build industry-leading capabilities, keeping safety always at the forefront. Our digital growth and IoT leadership is driven by several key, strategic global digital brands, including iAquaLink/iAquaLink+ and Blueriit.

 For more information on our connected product brands, please refer to "1.4.1. Our brands and product catalog".

EFFICIENCY AND SUSTAINABILITY

Connected products can work together to manage the pool more efficiently. Users can either choose to let their pools adapt to the surrounding conditions or they can adjust the parameters remotely.



ADDED SERVICES

Product connectivity makes it possible to offer services within the application, such as tips for easier pool maintenance or forecasts to better adjust pool settings. Pool management can also be entrusted to Pool Pros to facilitate maintenance contracting and optimize the workload.



2. Leading the Pool and Wellness business



Key figures

Fluidra closed 2022 by achieving the targets set in the October 2022 guidance review, with sales reaching 2,389 million euros, 9% more than in 2021, while EBITDA reached 512 million euros.

Fluidra is now a structurally stronger company. We have reinforced our position as a global leader to continue gaining market share; becoming an even more trusted player, offering connectable

and sustainable quality products for our customers and creating value for our stakeholders.

We continued to broaden our product portfolio in North America, expand our distribution network in Europe and enhance our commercial pool offering.

In addition, we have launched a Simplification Program with the goal of

becoming a more effective and efficient organization to better serve our customers. The company remains focused on cash generation and has a strong financial position that provides flexibility to navigate the current uncertain macroeconomic environment and is well positioned to continue to lead the pool and wellness market.

€2,389 M

SALES

+9%

€512 M

EBITDA

21.4% margin on sales

€160 M

NET INCOME

€569 M

NET OPERATING WORKING CAPITAL

24% sales ratio

1

GLOBAL LEADER IN A MARKET WITH STRUCTURAL GROWTH

2

NEW ACQUISITIONS IN 2022

1 additional acquisition agreed

€79 M

CAPEX

3% of sales

2.6x

NET DEBT / EBITDA

€0.85

DIVIDEND (PAID PER SHARE)

2.1. Analysis of financial results



2.1.1. Economic and industry context

In 2022, the global economy gravitated around two main forces: uncertainty and inflation. The rising cost of living, Russia's invasion of Ukraine, the aftermath of COVID-19 three years after the start of the pandemic, supply chain difficulties, and rising raw material prices affected the normal development of the economy in virtually all regions.

The global economic growth forecast has become less optimistic. According to the latest estimates from the **International Monetary Fund (IMF)** as of the date of this report, global GDP has been losing traction. While in 2021 there was global growth of 6.0%, 2022 ended at around 3.4%. In 2023 it is expected to fall 0.5% to 2.9%. At the same time, global inflation, which reached 8.8% in 2022 (a figure not seen for decades), should gradually fall in the coming years.

As pointed out by the **European Commission**, one of the greatest challenges in the year just ended was the high prices of raw materials, energy and finished products, due to the geographical proximity of the war and high dependence, especially in Central European countries, on Russian gas imports. These geopolitical tensions caused inflation in the European Union to reach 9.2% by the end of 2022.

Despite the uncertainties generated, the labor market (with an unemployment rate of 6.2%) has proven resilient in a very adverse context. In this scenario, the **European Central Bank (ECB)** decided to raise the price of money three times in 2022 to contain inflation. These measures should take effect over the next year and stabilize the rise in prices.

Consumer confidence has certainly been a major concern. In 2022, such sentiment waned as geostrategic developments complicated the socioeconomic outlook. It would have been very unlikely for uncertainty, the invasion of Ukraine and record levels of inflation not to have had a knock-on effect on demand.

In September, the European Commission's consumer confidence index reached its lowest level since it was first published in 1985. However, it rebounded in the last three months of the year, according to data from the European Commission.

Despite all this, growth is expected to return to Europe in spring 2023 on a limited basis. **The IMF estimates that European GDP will grow by 0.3%**. The international organization forecasts that the unemployment rate will be around 6.3%. Uncertainty will undoubtedly continue throughout 2023.

Meanwhile, the US economy is less exposed to both geopolitical risk and the energy crisis, as it is one of the world's largest oil and gas producers and the main exporter of liquefied natural gas (LNG) in the world. According to the IMF, its GDP grew by 2.1% in 2022 and the institution expects a rise of 1% in 2023. The country also added 4.5 million new jobs to its vacancies in 2022. In other words, a strong energy sector, employment and GDP growth.

A very different situation from Europe. In fact, in the United States, the job vacancy/worker gap has fallen from a peak of almost six million to just over four million. It is almost halfway to the two million employees needed to slow wage growth and achieve an inflation rate of 2 per cent, in line with the Federal Reserve's target. The expectation is that if a recession does occur in the country, it will be at the end of 2023 and have a very slight effect.

This scenario of higher interest rates and uncertainty surrounding consumption has affected the demand for residential pools. Demand in the pool and wellness sector began to normalize during the financial year 2022 after two years of extraordinary growth thanks to the cocooning effect. In 2023, we expect a continuation of this normalization of residential pool demand after a few years of strong growth, while we forecast moderate growth in commercial pool demand.

In the medium to long term, the market is expected to return to growth. The key driver of growth in the market will continue to be urbanization and, in particular, migration to suburban areas near large cities. This change goes hand-in-hand with the aspiration for a better lifestyle, with a preference for enjoying leisure time and having all comforts within one's own home, whether it is a house or a condo, where the pool plays a key role.

Over the last three years, Fluidra estimates that the global pool stock has increased by approximately one million new residential in-ground pools, bringing the total stock of residential in-ground pools to around 18 million globally. The need to maintain, repair and enjoy this stock will increase and stabilize demand for residential pool products in the medium to long term.

Therefore, the Company's business will benefit in the future from a much larger global market than existed three years ago.

The global macroeconomic environment urges caution. However, thanks to the efforts made in 2022 and previous years, **Fluidra has a robust balance sheet, a diversified business, both in terms of its activities and its geography, and a large portfolio of customers worldwide**

(over 70,000) who, year after year, demonstrate their loyalty and trust in our products and services. This solid and robust positioning, together with the 360° business vision that characterizes and differentiates us, leads us to view 2023 as a transition year for the Company, so we can focus on medium- and long-term expansion.

2.1.2. Overall financial results

In 2022, sales reached €2,389 million, 9% up on 2021, thanks to price increases, the contribution of acquisitions completed in the previous year and favorable currency developments, especially for the US dollar.

The year 2022 started with good prospects for the development of our business based on the final demand situation throughout the northern hemisphere. After two pandemic years, 2020 and 2021, in which pool and wellness activity experienced high growth, 2022 began with a large backlog of orders.

The spring/summer season was positive in North America and Mediterranean countries in Europe. That was not the case in central and northern Europe, where the proximity of the war in Ukraine and energy prices affected consumer confidence.

After the summer, Fluidra's sales were affected by a build-up of inventory in the channel in general and by lower end-consumer demand in Europe. This was mainly due to high energy prices and other inflationary pressures, as well as the increase in interest rates.

In 2021 and the first half of 2022, the pool and wellness sector, like many others, experienced supply chain difficulties.

During this period, distributors, builders and pool professionals built up stock to make sure that they had enough inventory to serve their customers and to try to stay ahead of manufacturers' price increases. As the supply chain normalized in 2022, the sales channel

reduced its accumulated stock level. This impacted sales in the second half of the year, in common with the rest of the sector.

By business line, growth in Commercial Pools was particularly noteworthy, due to the recovery of the tourism sector, especially in southern Europe. A long and intense summer also boosted growth in sales of Water Treatment products.

Inflationary pressures, particularly higher prices for raw materials and the product mix effects, affected the annual gross margin, which was 51.3%, compared with 53.1% the previous year. However, Fluidra implemented its traditional price increase in October with which it expects to recover gross margins in 2023.

EBITDA amounted to €512 million, with a sales margin of 21.4%. This was lower than the margin registered the previous year, due to higher fixed costs as a result of widespread inflation and higher transport and logistics costs. Net profit amounted to €160 million, while cash net profit was €269 million.

Looking ahead to 2023, after a few years of strong growth, Fluidra expects lower sales as inventory in the channel is readjusted in the first half of the year and demand normalizes. The Company expects to benefit from the pricing work conducted in 2022. The Simplification Plan (see detailed information on page 52) will also contribute to margin recovery.

Fluidra therefore published its outlook for 2023 as a whole:

2023 Guidance

	Results 2022	Outlook 2023
Sales (€M)	2,389	2.000 - 2.200
EBITDA (€M)	512	410 - 480
Cash EPS (€)	1.40	0.95 - 1.25

Financial results

€M	2022	% Sales	2021	% Sales	Development 22/21
Sales	2,389	100 %	2,187	100 %	9.2 %
Gross margin	1,225	51.3 %	1,162	53.1 %	5.4 %
Opex before dep. and amort.	713	29.9 %	614	28.1 %	16.3 %
EBITDA	512	21.4 %	549	25.1 %	(6.8)%
Depreciation	90	3.8 %	67	3.0 %	35.9 %
EBITA	421	17.6 %	482	22.1 %	(12.6)%
Amortization (PPA-related)	75	3.1 %	58	2.7 %	28.9 %
Non-Recurring expenses	42	1.8 %	42	1.9 %	(1.2)%
Net financial profit	79	3.3 %	44	2.0 %	79.4 %
Tax expense	61	2.5 %	82	3.7 %	(25.5)%
Minority shareholders	4	0.2 %	4	0.2 %	24.0 %
Net profit	160	6.7 %	252	11.5 %	(36.6)%
Cash net profit	269	11.2 %	337	15.4 %	(20.4)%

Profits by business area

€M	2022	% Sales	2021	% Sales	Development 22/21
Pool & Wellness	2,337	98 %	2,136	98 %	9.4 %
Residential	1,762	74 %	1,660	76 %	6.1 %
Commercial	154	6 %	111	5 %	37.8 %
Pool Water Treatment	306	13 %	256	12 %	19.6 %
Fluid Handling	116	5 %	108	5 %	6.9 %
Irrigation, Industrial & Others	52	2 %	51	2 %	1.9 %
Total	2,389	100 %	2,187	100 %	9.2%

2.1.3. Simplification Program

Since 2018, following the merger with Zodiac, Fluidra has doubled in size, expanding its business and generating synergies from the integration of the two companies. On top of that we have to add the strong demand that the sector experienced in the pandemic years.

During this period, Fluidra focused on growth, providing a high-quality service to its customers and consolidating its position as a world leader in the pool and wellness industry. In 2022, demand began to normalize and this opened up an opportunity for Fluidra to focus on a Simplification Program to enable it to optimize its processes, improve its competitiveness and thus become a more efficient and effective organization in all the areas and regions in which it operates.

Through the Simplification Program, Fluidra's teams have identified more than 270 initiatives that focus on the following areas:

- 1. Redesigning products and processes:** detailed bottom-up analysis of the main products and their manufacturing process to redesign them, simplifying and homogenizing their components. This will lead to greater standardization of production processes, while also cutting costs. It will also generate **an opportunity to globalize and specialize procurement**, leveraging Fluidra's economies of scale in negotiating with suppliers in all regions, through initiatives to consolidate volumes, substitute components and improve supply sources in terms of service and cost.
- 2. Rationalization of SKUs**, which today amount to more than 80,000. This will make a positive contribution to improve efficiency and inventory reduction.
- 3. Optimizing operations and simplifying the organization:** reducing duplication in network of manufacturing plants; as well as resizing and adapting the workforce

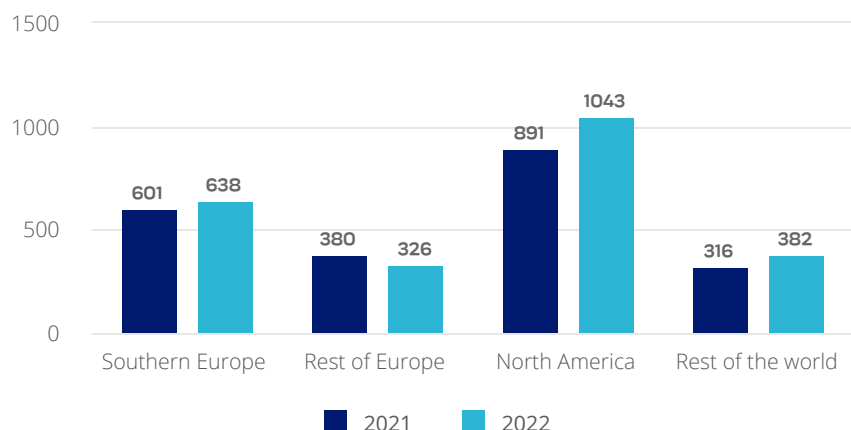
to the business's current needs and outlook.

The ultimate goal is to create a stronger and more streamlined company that can better serve its customers, while providing a more dynamic and enjoyable workplace for its employees. Fluidra's team, supported by a robust culture and values, has the talent and skills to successfully carry out this program.

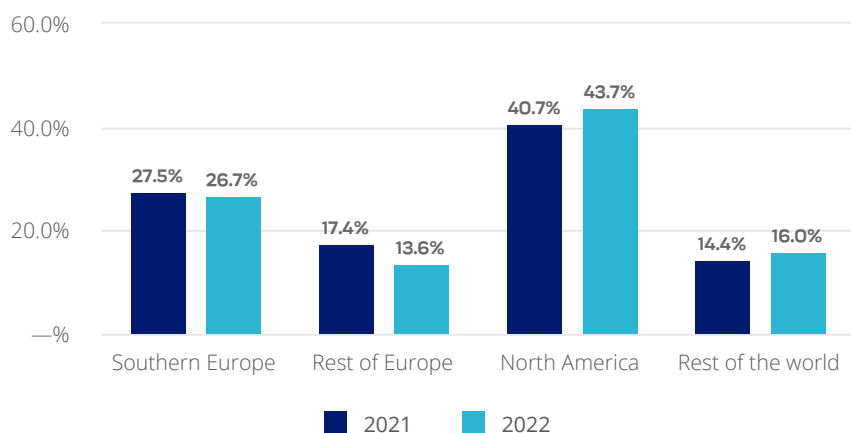
The Simplification Program is expected to contribute savings of €100 million over the next three years, approximately one third each year, contributing to a significant improvement in margins. The program has associated implementation costs of just under €100M, with the greatest impact in 2023. As of the date of this report, Fluidra has already implemented initiatives that will generate savings of 17 million euros by 2023.

2.1.4. Results by geographic area

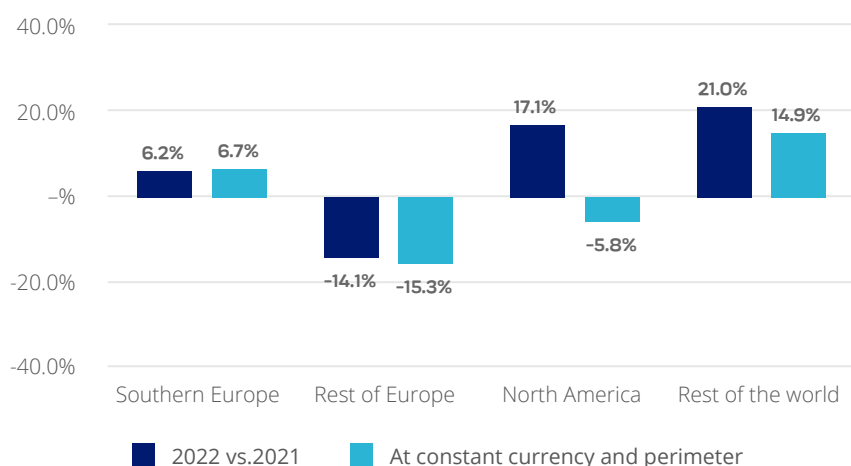
SALES BY GEOGRAPHIC AREA (€M)



GROUP SALES BY DESTINATION (%)



SALES DEVELOPMENT (%)



North America (AMER)

Following unprecedented demand for pools and pool products in 2021, the North American region experienced a cooling of its business in mid-2022.

This situation can be attributed, on the one hand, to the reduction in the construction of new pools and, on the other, to the fact that the region faced high levels of inventories throughout the chain, both at the distributor and manufacturer levels. This stockpiling effect was due to pool professionals seeking to hold additional stocks to protect themselves against price rises and product shortages in 2021 and early 2022.

The number of new pool permits issued in 2022 was lower, which was reflected in a slowdown in orders. In addition, many of the logistics and transport challenges experienced in 2021 persisted during the first half of the year, albeit with less intensity.

Despite these difficulties, the North American business grew by 4% over the previous year (at constant currency), with net sales of €1,026 million. However, margins were reduced by inflationary pressures and the company's decision to maintain the commercial terms of the second quarter orders, with the aim of helping and cooperating closely with the customers and mitigate to some extent the stresses that professionals could experience.

Throughout the year, our team in this region focused on implementing the strategic plan in the following areas:

- Focusing on the aftermarket with a drop-in sales and marketing effort centered around the main Jandy-brand equipment such as water heaters, variable speed pumps and automation solutions that are easy replacements for competitors' products in existing pools.
- Expansion of the business and portfolio into new areas, such as commercial pools, which experienced strong growth.

- Continued integration of the new businesses acquired by Fluidra, such as SR Smith, as well as Taylor Water Technologies, which adds water analytics to the portfolio and recorded a growth in gross income in 2022.
- Development of the connected product portfolio, focusing on promoting the success of the iAquaLink application, the highest-rated remote pool management application, a cornerstone in making pools easier to manage for both professionals and homeowners.
- Accelerating our sales channel diversification strategies, focusing on automated pool cleaners and key partnerships with major retailers, while promoting e-commerce growth initiatives. Robotic pool cleaners remain a growth category and a long-term goal.

Main milestones

Despite persistent challenges in 2022, the North America region has worked closely with customers on product needs, availability and delivery times.

This customer-centric approach resulted in winning the industry's top distributor awards for the second year in a row.



For more information, please refer to "1.1.3. An award-winning year" section.

To tackle continued inflation, Fluidra implemented multiple price increases across its entire product portfolio on a recurring basis from the end of 2019. This was necessary to protect Fluidra's margins. But it was not until the fourth quarter of 2022 that the Company began to see these increases offset the cost inflation borne.

The company has also taken significant steps to implement several ESG initiatives at its North American facilities. These include solar power at its Carlsbad headquarters, implementing several inclusion projects to support workforce diversity, as well as an increased contribution to the community through actions such as our sponsorship of the Step Into Swim program, which focuses on making swimming lessons and water safety available to children in disadvantaged communities.

Future trends

The company expects inflationary pressures and high inventories in the channel to continue in 2023, especially in the first half of the year. As the cost of building a new pool has risen well above pre-pandemic levels, Fluidra expects new construction to go through a period of normalization before it returns to normal trends in the near future.

While the company will continue its efforts to increase its share of the new-construction segment, it will accelerate an aftermarket strategy focused on supplying new products designed specifically for the aftermarket and on loyalty through its ServicePro program to drive long-term recurring sales opportunities.

In the same way, as part of Fluidra's broad approach to driving growth, the company will accelerate its involvement in the commercial sector. It will focus on promoting new businesses and growth categories, such as Taylor water testing/analysis and robotic pool cleaners, and it will build its digital footprint with a focus on connected solutions and software to boost knowledge and open up new sales opportunities.

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

The cocooning effect caused by the pandemic has given society in general a new way of viewing leisure time and the enjoyment of personal spaces.

With the return to normality, the sector is adapting to this new situation in which the residential pool is taking on a leading role in homes. In this context, we are seeing a certain slowdown in new residential pool activity after two years of strong demand during the pandemic.

Thus, throughout 2022 we have gone from better to worse. We started with months of double-digit growth, and ended with negative growth, closing the year practically flat. The residential pool market, in particular product families most closely related to the construction of new pools, fell compared with the

previous year, while aftermarket activity increased. Overall, the impact of the price increases in the last two years has not offset the decrease in sales volume.

By territories, it is worth highlighting the 15% fall in the Central/Northern Europe region (at constant currency and perimeter). In contrast, Southern Europe increased by 7%. At the same time, growth in the rest of the region's territories outside Europe, which have enabled us to achieve a total sales volume in the EMEA region of 1.125 billion euros, very similar to that of 2021.

The commercial pool market, on the other hand, has responded to the return of tourism and group activities, rising compared with last year and enabling us to continue double-digit growth.

Main milestones

2022 started with strong activity and high expectations for the season. The sector made preparations to avoid problems with product availability throughout the season. However, once the season began, faced with the final demand and price inflation situation, the sector found itself with high inventory levels that the pool professionals gradually worked through. This caused something of a standstill in B2B demand, i.e., at the level of product manufacturers, as is our case.

End-consumer demand suffered from the energy crisis and inflation, but this was largely offset by good weather from May to August and the return of tourism after two years of pandemic-induced closures.

This global situation, with excess inventory and relatively restrained demand in some areas, put pressure on our customers to reduce their own inventories to generate cash flow and prepare for the next season in a better position.

Our sector is robust and resilient. Therefore, the focus over the next few years is to roll out the Fluidra PRO Centres model, where the market structure allows, by opening new branches and converting points of sale with the conventional counter system (order & collect) into this new pro-store center model. The aim is to reach 70 Fluidra PRO Centres by the end of 2023. Fluidra currently has 59 PRO Centres in seven markets in the region.

Based on the Company's values and principles, Fluidra took the decision not to continue its activities in Russia as a forceful response to the aggression suffered by Ukraine and its inhabitants. Fluidra has agreed to sell its subsidiaries in Russia, an operation that at the end of the year was pending approval from the country's authorities.

Future trends

Current inflation, together with rising interest rates and moderating raw material and transport prices, point to an uncertain macroeconomic future in the short term. To this we can add the possible fall in the construction of new pools, as well as in the aftermarket, basically affected by the apathy in consumer confidence.

On the other side of the balance sheet, we have a commercial pool market following the trend of the last two years with excellent growth potential.

Fluidra's objectives for 2023 in EMEA are:

- Focus the entire organization on simplification by adapting the structure to the new market reality.
- Continue to deepen our combined strategy as a manufacturer and distributor.
- Recover the margin lost in 2022 as a result of the inflationary environment.
- Return to pre-pandemic customer service standards.
- Integrate ESG culture in all countries and at all levels of the organization.
- Promote the sale of the full range of sustainable products aimed at saving energy and water in the operation and enjoyment of pools.
- Continue implementing the customer relationship survey and roll it out to all 35 countries in the region.
- Commit to new human resources policies to improve the professional development of the people who work at Fluidra, as well as their commitment to the group.
- Speed up the digitalization of the company.

APAC (South Africa, Asia and Pacific)

The APAC region had another solid year, reaching a milestone in sales (up 13% over 2021 at constant currency) and increasing margins steadily from 2019, thanks in large part to results in Australia, the most important country in this region in relation to installed pool stock.

These results are even more significant considering the various challenges the region has faced. On the one hand, various COVID-19 restrictions and lockdowns remained in force for much of the year in Asia (especially in China), where the business is mainly based on tourism. It should be noted that the APAC region did not see an increase in sales as a result of the pandemic, unlike EMEA and North America, but instead more linear and sustained development.

Moreover, South Africa continues to face problems with national power outages, leaving consumers and businesses without electricity for up to nine hours a day. This situation is expected to worsen in the coming years.

Finally, our business in Australia and South Africa has been affected by the weakness of the Australian dollar (AUD) and the South African rand (ZAR), respectively. These have been devalued with a knock-on effect on Fluidra's consolidated figures.

Main milestones

During the financial year 2022, we successfully completed the integration of Fabtronics, acquired in 2020, into our Keysborough (Australia) facilities. We also completed the integration of two new businesses for Australia that were part of the global acquisition of the SR Smith business in 2021: SRS Australia and Sunbather.

As a result of this integration activity, we have created a new commercial pool business unit by combining three smaller operations into one (Fluidra Commercial Australia). This will allow us to tap into the niche of commercial pool business more effectively in the coming years.

Meanwhile, Fluidra Waterlinx (South Africa) has become the first company in the group to simultaneously obtain ISO 9001 (quality), 14001 (environment) and 45001 (occupational health and safety) certifications. This highlights our commitment to the responsible manufacture of a range of quality, value-added products.

Furthermore, as a region, we are continuing to focus on our customers, which improved our satisfaction rating from 6.80 to 7.30 in 2022.

Future trends

Looking ahead to 2023, we have taken a conservative approach to both sales and costs. We expect the costs of products, raw materials and transport to stabilize this year compared with the volatile year 2022, or at least not to suffer such high inflation.

Accordingly, APAC inventory levels should return to historical levels in the course of 2023, once international freight rates return to pre-pandemic levels and the global economy normalizes.

Although 2022 proved difficult for the Asia division, the backlog of approved projects is at the highest levels since the pandemic. This should enable it to recover in 2023.

Finally, we are continuing to focus on talent development and succession planning through our L.E.A.D. program.

The main focal points for action in 2023 will be as follows:

- Simpler, better, faster
- Customer satisfaction
- Improve free cash flow conversion
- Promotion of ESG
- Simplification program
- Aftermarket focus



2.2. Analysis of the financial situation

2.2.1 Financial situation

Fluidra has maintained a solid financial position, ending the financial year 2022 with a debt ratio of 2.6 times EBITDA, slightly above the target debt level of 2 times.

Net debt increased to €1,319 million, mainly due to investment in working capital, the higher dividend paid during the year and the share buyback program.

Fluidra's products are not perishable, and the risk of obsolescence is limited. In 2023 the Company expects to normalize working capital and return to its characteristics cash generation.

In January 2022, Fluidra restructured its financing to adapt it to its needs. It successfully completed the refinancing of its debt, including a term loan B (TLB) and a revolving credit facility (RCF).

The terms of the TLB and RCF are linked to two environmental objectives defined in the "Responsibility Blueprint" ESG plan: achieving climate neutrality in our operations by 2027 (scopes 1 and 2), and reaching 100% renewable electricity consumption by 2027.

The financing has been established in accordance with the Sustainability-Linked Loan Principles and KPI assurance will be carried out by an independent external auditor annually, as part of the assurance of the Integrated Annual Report.

The TLB consists of a US\$750 million tranche and a €450 million tranche with repayments until 2029. Moreover, Fluidra expanded the revolving credit facility to €450 million, extending its due date to 2027.

Financial figures

€M	2022	2021	Development 22/21
Reported EBITDA	470	506	(37)
Net Interest Expense Paid	(52)	(33)	(19)
Corporate Income Tax Paid	(93)	(97)	3
Operating Capital	(229)	(70)	(159)
Other Working Cash Flows	25	36	(11)
Cash Flow from Operating Activities	120	343	(222)
Capex	(79)	(69)	(10)
Acquisitions / Divestments	(26)	(494)	468
Other Investment Cash Flows	11	0	11
Net investment cash flow	(94)	(563)	468
Lease Liability Payments	(33)	(26)	(6)
Treasury stock	(60)	(86)	26
Dividends and Others	(163)	(78)	(85)
Financing cash flow	(255)	(190)	(65)
Free Cash Flow	(229)	(410)	180
Prior Period Net Debt	1,069	582	488
FX and lease changes	20	78	(57)
Free Cash Flow	229	410	(180)
Net Debt	1,319	1,069	250
Net leases	(193)	(168)	(25)
Net Financial Debt	1,126	902	224

2.2.2. Investments

Part of Fluidra's growth strategy is based on seeking opportunities to acquire companies that add value to its business model, supported by its financial strength and integrated structure.

Accordingly, Fluidra continues to make acquisitions that strengthen its position and leadership worldwide. Specifically, in this financial year, the purchases of Swim & Fun in Denmark and Kerex in Hungary were completed, and the purchase of Meranus in Germany was agreed.

Swim & Fun is a mass market distributor offering a wide range of pool, spa and water treatment-related products. The company's turnover is around €30 million.

Kerex is a leading distributor of pool equipment with sales of around €9 million, strengthening our presence in the local market.

In December 2022, Fluidra announced the signing of an agreement to purchase the shares of the Meranus Group, a prestigious leading distributor of pool equipment in Germany, as well as a manufacturer of pool control and dosing technology. Sales at year-end 2022 exceeded €25 million. At the time of drafting this report, it is expected that the deal will be finalized in the first half of 2023. This acquisition will enable Fluidra to improve its leading position in the German market and offer a more complete product portfolio to a broader customer base.

In addition to the acquisition of new companies, investments in tangible fixed assets, usage rights and other intangible assets increased by €10 million to €79 million at year-end 2022.



The main purposes of this investment in tangible assets are new machinery and molds, dies, manufacturing tools and maintenance of production facilities; as well as investments in intangible assets are basically the development of new successful products.

As part of Fluidra's strategy to generate value, whenever there is an activity that, due to strategic circumstances, becomes non-essential, it is diverted when possible.

Accordingly, on May 2022, Togama, S.A.U. was sold for slightly more than €1 million. Togama is in the business of manufacturing glass mosaic tiles for pools, which is no longer part of Fluidra's core business.

Finally, Fluidra has agreed to sell its subsidiaries in Russia. Completion of the deal is subject to approval by the Russian authorities.

2.3. Shareholding structure and shareholder returns

2.3.1. Shareholding structure and shareholders agreements

At year-end 2022, our share capital amounted to €192,129,070, divided into 192,129,070 fully subscribed and paid-up registered shares with a par value of one euro (€1) each. All shares are of the same series and class and provide the same voting and economic rights.

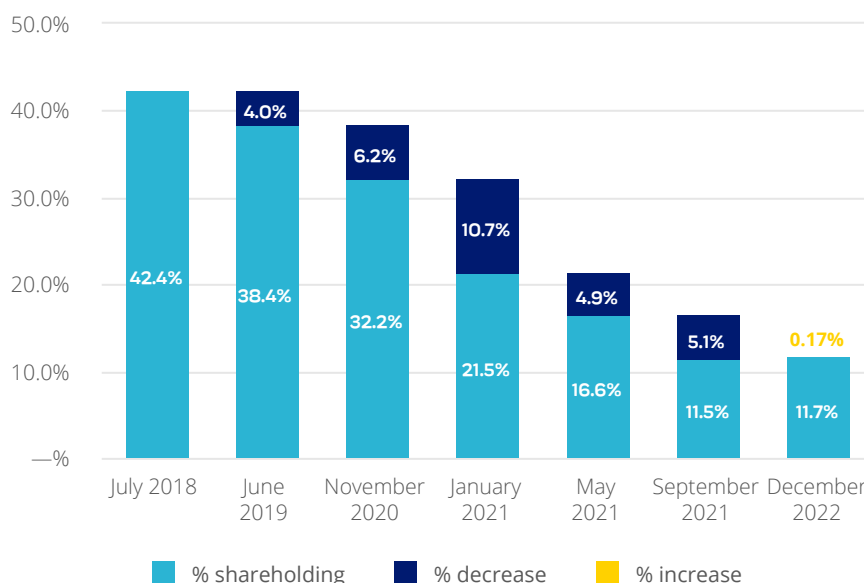
This means a reduction in the share capital by a nominal amount of €3,500,000 compared with the financial year 2021, following the redemption of 3,500,000 treasury shares with a par value of 1 euro each on 15 December 2022. Prior to this operation, the company bought back its own shares on the market in August in order to redeem them. Our treasury stock position at year-end 2022 was 5,792,658 treasury shares, representing 3% of the share capital.

The following are represented on the Board of Directors: the four founding families, which owned 28.3% of Fluidra, and Rhône Capital, which owned 11.7% at year-end (a slightly higher figure than in 2021, due to adjustments in the shareholding resulting from the reduction in the company's share capital).

The latter is a New York-based venture capital firm with a significant presence in the European corporate market across a diverse range of companies and sectors. It acquired Zodiac in 2016. Following the merger of the latter with Fluidra in 2018, it became the Group's majority shareholder with 42.2% of the capital, although with the intention of gradually divesting. Rhône Capital has been gradually reducing its interest in Fluidra since July 2018,



DEVELOPMENT OF RHÔNE CAPITAL'S SHAREHOLDING

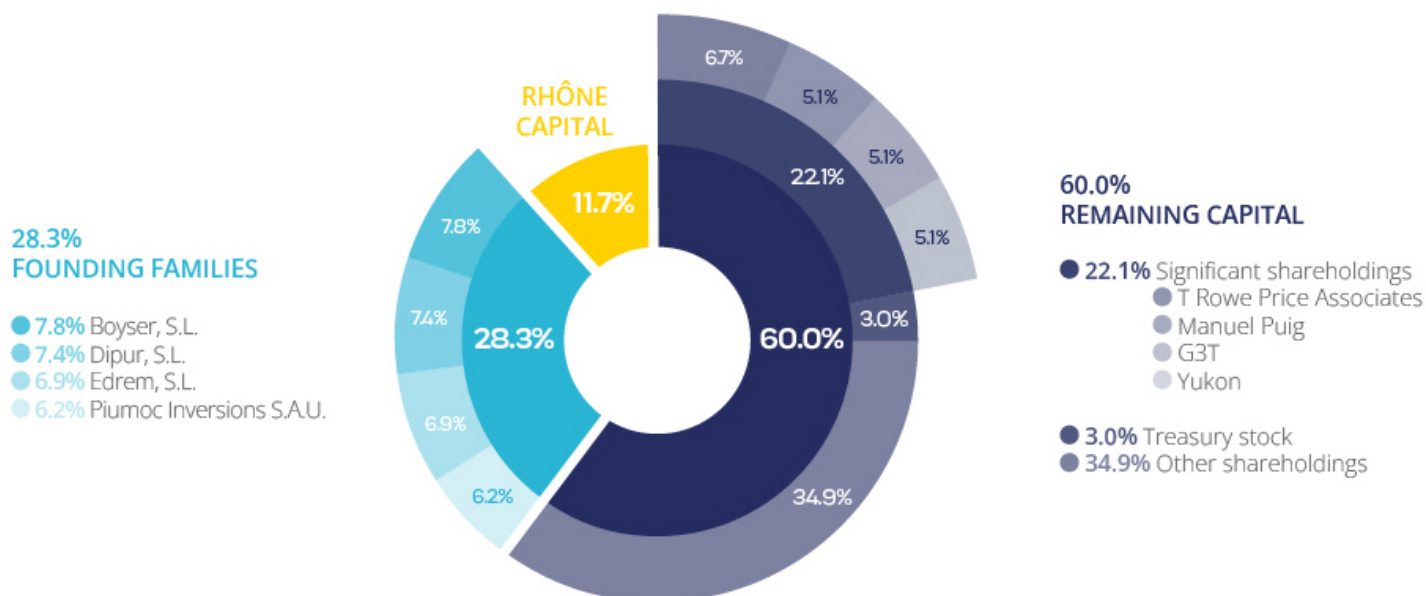


increasing the company's free float and thus increasing liquidity and the entry of new shareholders.

Other significant participations reached 22.1% of the capital. The

significant shareholdings of these four shareholders in the company are distributed as shown in the shareholding chart. It is important to highlight the trust that new shareholders have placed in Fluidra during the year.

SIGNIFICANT SHAREHOLDINGS




*As at 31 December 2022. For further details, see section A.2 of the Annual Corporate Governance Report.

Shareholders agreements

There are currently two shareholders agreements in force between Fluidra's shareholders. In November 2017, during the start of the merger between Zodiac and Fluidra, one was signed by the then majority shareholders (the founding families) and Piscine Luxembourg Holdings 1, S.a.r.l., owned by Rhône Capital. This agreement established the undertaking to support and vote for the cross-border takeover by Fluidra (acquiring company) of Piscine Luxembourg Holdings 2 S.à r.l. (acquired company) and regulated their rights and obligations as future shareholders of the company resulting from the takeover.

Previously, in September 2007, an agreement was signed by the four founding families to govern voting rights for a period of four years from the shares' listing date. This agreement was modified and renewed six times between 2007 and 2020. This latest renewal is currently in force.

 For further information on the shareholders agreements, please access our corporate website.

2.3.2. Stock market information

The Fluidra Group's shares are listed on the Madrid and Barcelona Stock Exchanges through the Stock Exchange Interconnection System (Continuous Market) with the symbol FDR.

In 2022, as in the previous year, volatility and uncertainty once again set the tone for international markets. The pandemic, rising raw material and transport costs, supply chain difficulties and, above all, soaring electricity and gas prices took center stage. All this was accompanied by the difficult geopolitical situation caused by the war in Ukraine.

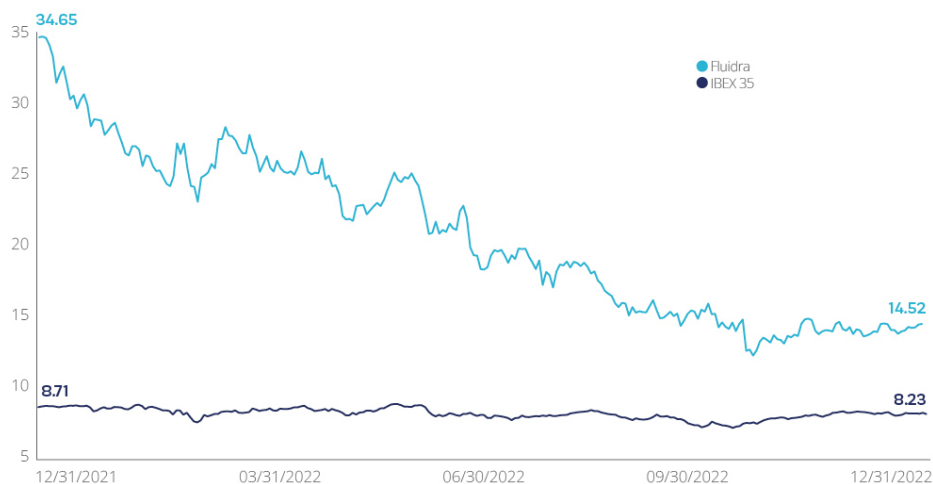
The world has been trying to return to a new normal after the pandemic. We began 2022 seeking to pick up the pre-COVID-19 pace again. The summer and tourism energized certain sectors of activity, but inflation, especially in energy prices (electricity and gas), did not allow the economy to start out on the path to normalization.

Macroeconomic analysts expect 2023 to be a year of readjustment and low economic growth, before returning to a growth path in 2024, if geopolitical tensions and war permit.

For yet another year, the world's stock markets have faced an extraordinary situation. In general, all areas and all stock markets were negatively affected, and sectors that benefited greatly during the pandemic did poorly on the stock market in 2022. That is the case for our company's shares, which ended the financial year 2021 at a price of €35.20 per share, its price fell during 2022.

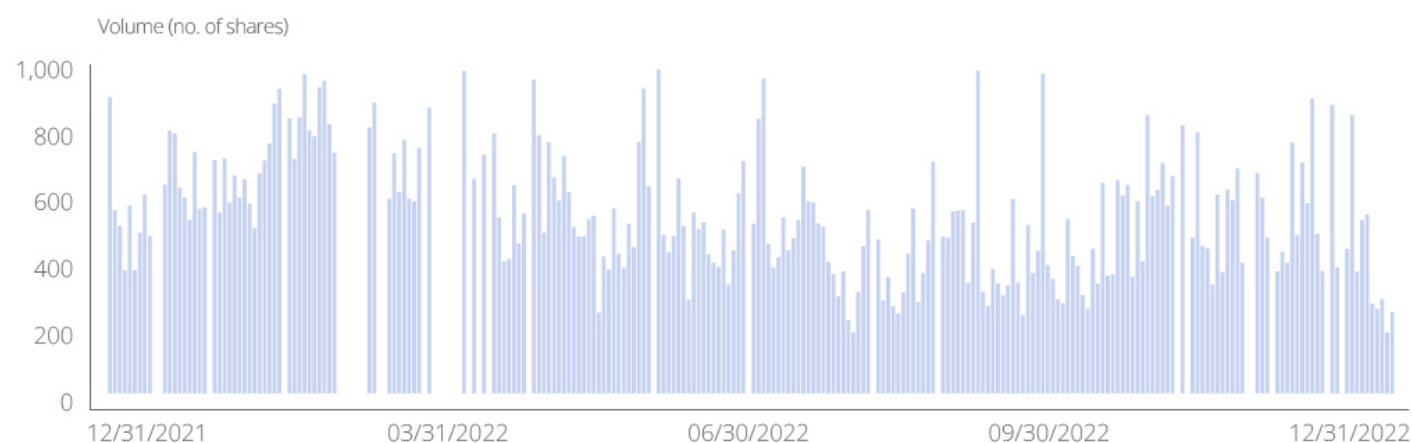
In the last quarter, following the announcement of the Simplification Program and the communication work carried out to shore up the sector's and the company's fundamentals, institutional investors with a long-term profile resumed interest in Fluidra and the share price managed to end the year at €14.52 per share, after reaching a low of €11.93 in October.

EVOLUTION OF THE SHARE PRICE



The economic situation and the inventory correction in the channel required us to review the outlook for the year as a whole. In keeping with the transparency and honesty that characterizes us, on 19 October review our guidance for 2022.

Despite the change from the initial guidance, when one compares the last pre-pandemic financial year, 2019, with 2022 performance, **revenues were more than €1 billion higher** and EBITDA was more than €150 million higher.



Stock market information

	2018	2019	2020	2021	2022
Capitalization (thousands of euros)	1,915,209	2,386,675	4,098,429	6,886,143	2,840,534
No. of shares (x 1,000)	195,629	195,629	195,629	195,629	192,129
Year-end price (€)	9.79	12.20	20.95	35.20	14.52
Maximum price during year (€)	14.40	12.74	20.95	38.25	35.25
Minimum price during year (€)	9.35	8.90	7.72	18.76	11.93
Average volume (thousands of shares)	41,539	37,965	47,494	177,630	173,884
Dividend (euros/share)	n/a	n/a	0.21	0.40	0.85
Dividend yield (%)	n/a	n/a	1.00 %	1.13 %	5.75 %
Pay-out (%)	n/a	n/a	39 %	47 %	49 %
Total Shareholder Return (TSR)	-17.1%	24.6%	72.7 %	69.1 %	-52.9 %

Dividend

In view of the good business performance and cash generation during the financial year 2021, in May the Annual General Shareholders Meeting approved the payment of **€166 million in dividends** to all issued shares (195,629,070 shares, all with equal rights), i.e., €0.85 per share.

This almost doubled the dividend paid in 2020, which totaled €78 million.

The payment was made in two installments. The first was on 5 July 2022 (€0.43 per share) and the second was on 3 November 2022 (€0.42 per share).

In line with our capital allocation policy, the Board of Directors has proposed,

subject to approval at the General Shareholders Meeting to pay a dividend charged to voluntary reserves of 0.7 euros per share to be paid in the second half of 2023.

2.3.3. Investor and shareholder relations

GRI 3-3

The year 2022 was, once again, relevant in terms of investor relations. This was both because of the situation

experienced throughout the world as a result of the pandemic, and because of the evolution of Fluidra's value in a market with moments of confusion, uncertainty and volatility.

The data in the table below endorse the work by the Investor and Shareholder

Relations department. In 2022, we had a total of 555 meetings. This is in line with our activity the previous year, when we had a total of 598 meetings.

Meetings with analysts and investors

	2022	% total	2021	% total
Meetings with investors	385	69 %	370	62 %
Meetings with analysts	170	31 %	228	38 %
Total meetings	555	100 %	598	100 %

	2022	% total	2021	% total
No. of Institutions	316	94 %	294	94 %
No. of Analysts	19	6 %	19	6 %
Total	335	100 %	313	100 %

Analyst coverage continues to be excellent, with a total of 19 analysts (national and international) who follow Fluidra's stock very closely and with whom we maintain close contact. Details of these analysts' consensus are available on the corporate website.

In 2022, we continued to work with ethical investors or those more focused on sustainable investments, publicizing the portfolio of sustainable products that allow customers to manage the perfect pool and wellness experience sustainably and efficiently. Accordingly, our Company is present in different ratings and indexes that measure ESG aspects, as detailed in the section on sustainability indexes and ratings on page 76 of this Report.

The objectives of the Investor Relations area for 2023 are to maintain the levels of interaction in Europe, increase it with investors from the United States and participate again in Capital Markets Day (CMD) to deepen our strategy, the fundamentals of our business and the market in which we operate, and Fluidra's ability to increase its profitability and value creation.



3. We create the perfect pool and wellness experience responsibly



3.1. Fluidra's commitment to sustainability

GRI 2-23, 3-3

At Fluidra we are convinced that **a company with high environmental, social and governance standards** (*Environment, Social and Governance or ESG*), is **more economically sustainable and more highly valued** by its stakeholders.

Aware of this, we work to create the perfect pool and wellness experience responsibly with the aim of guaranteeing the continuous improvement of people's well-being, caring for the environment, and promoting a responsible business culture throughout the entire value chain.

All these commitments are reflected in the **Global ESG Policy**, approved by the Board of Directors in 2020, which applies

to all Group companies and is based on the following:

- Implement due diligence based on ESG risk analysis and assessment in order to identify, prevent or mitigate actual or potential negative impacts.
- Develop and implement effective systems to ensure optimal management of all the aspects to be taken into account and to build trust.
- Encourage our business partners (suppliers, contractors, etc.) to apply principles of responsible business conduct, to the extent possible.
- Encourage communication with local stakeholders when planning and making decisions regarding projects that may affect them.

Aligned with our mission, vision and values, this policy provides the framework for all the company's non-financial policies, such as Diversity, Equity and Inclusion (DEI) and Health, Safety and Environment (HSE).



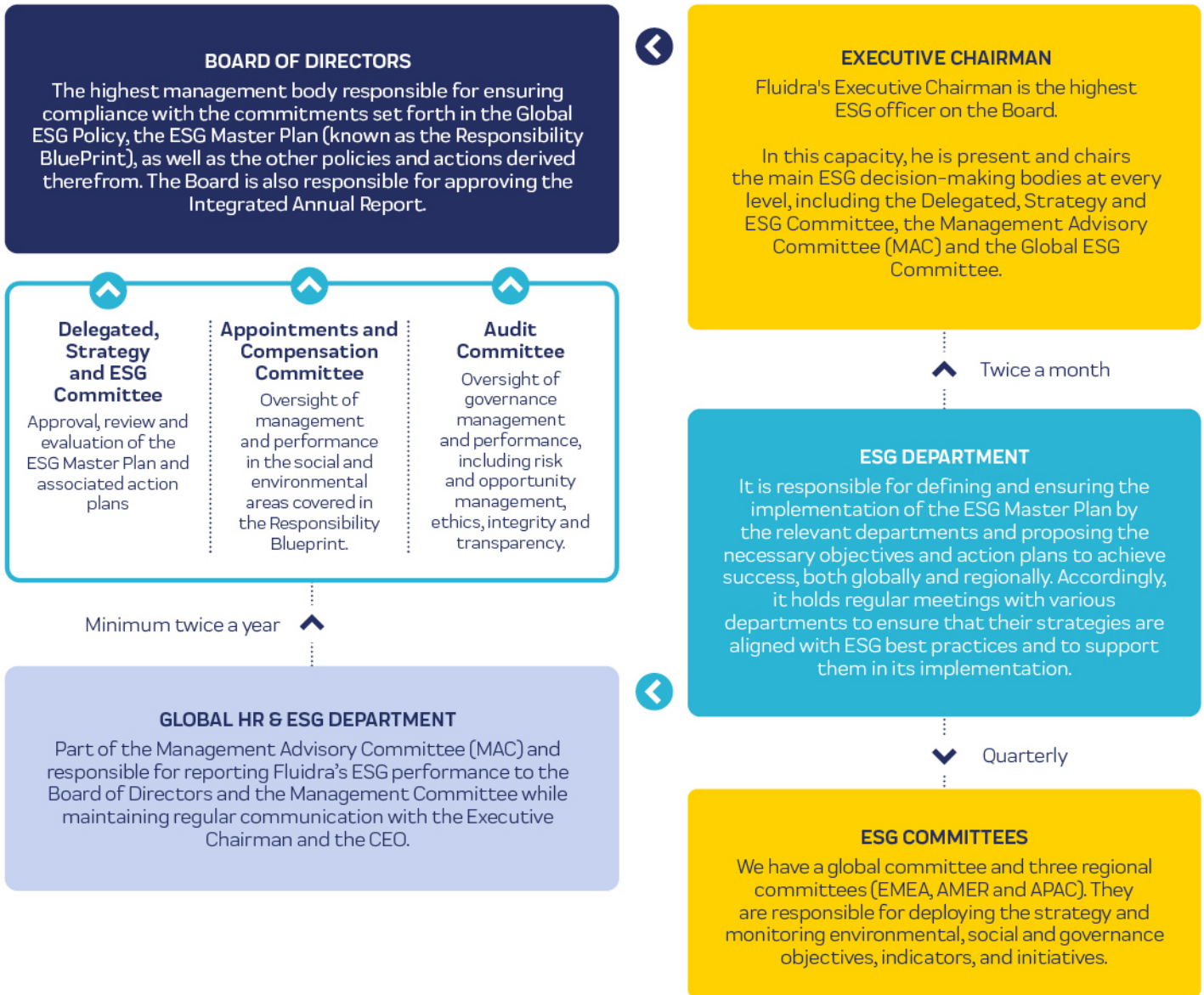
Access the Global ESG Policy on our corporate website.

In 2022, we strengthened the governance of ESG issues with the creation of the Delegated, Strategy and ESG Committee and the establishment of regional ESG committees in the three regions where we operate.



ESG governance model

GRI 2-12, 2-13, 2-14, 2-24



3.2. Responsibility Blueprint: our roadmap

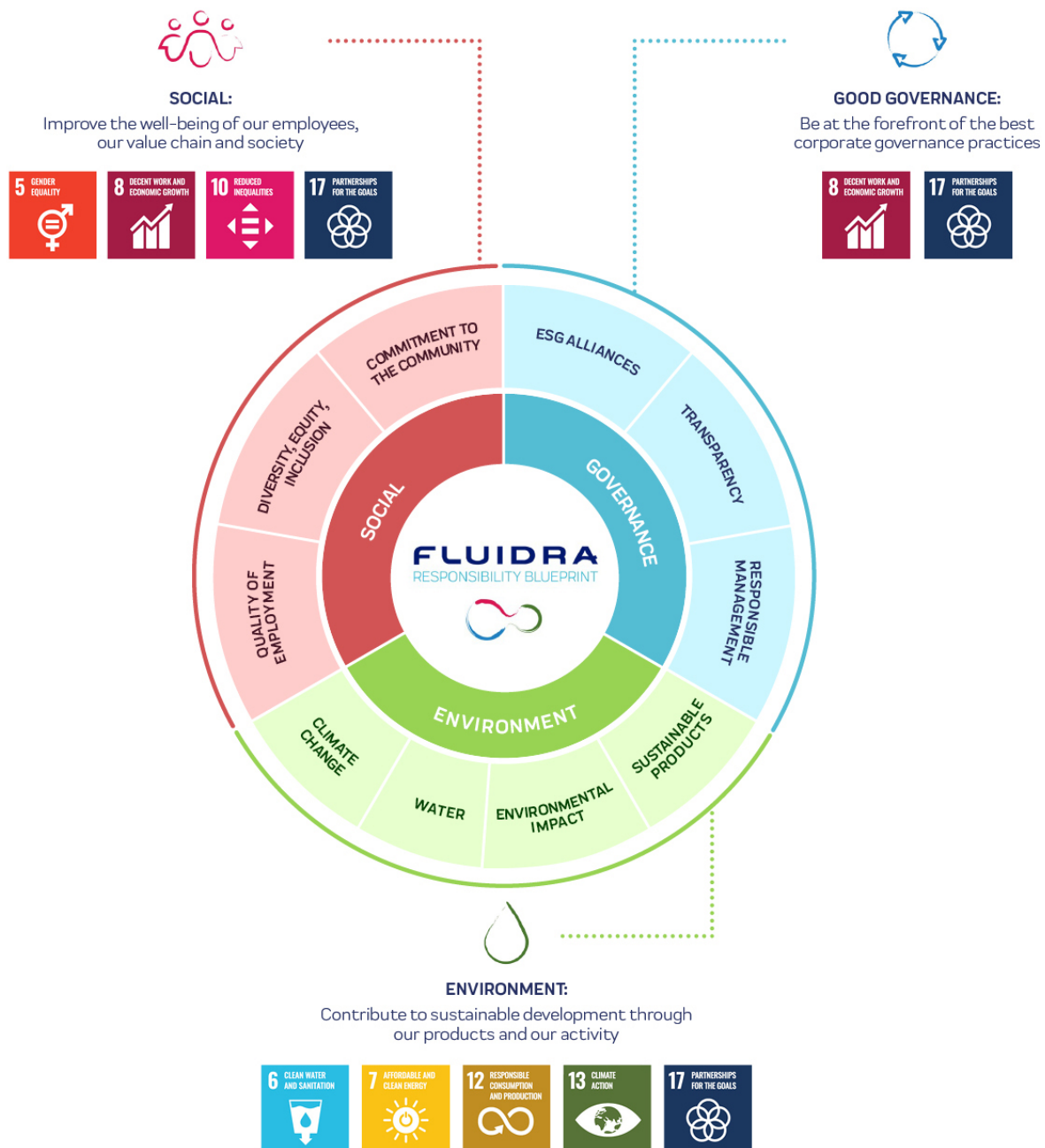
To ensure compliance with the commitments made in the Global ESG Policy, in 2020 we approved the ESG Master Plan (known as the Responsibility Blueprint) for 2020-2026.

With this roadmap, the organization seeks to align itself with the **highest international ESG standards** to become

the leader in sustainability in the pool industry by the end of 2026. Accordingly, we regularly review our strategy to ensure that it is in line with the results of the Organization’s materiality analysis.

The Responsibility Blueprint is made up of **10 strategic lines** that cover the three pillars of ESG (Environmental, Social and

Good Governance), all of them associated with some of the nine Sustainable Development Goals (SDGs) that Fluidra has identified as priorities based on the risks and opportunities they pose for our business.



FLUIDRA RESPONSIBILITY BLUEPRINT



E - Environment

At Fluidra we contribute to sustainable development through our activity and our products.

In this regard, special mention must be made of the efforts made in 2022 to reduce the carbon footprint of our operations, with a particular focus on increasing the percentage of renewable electricity consumed and improving energy efficiency.

The same applies to the targets for water reduction and percentage of waste sent to landfill. As a result, we have recalculated our objectives for 2022 and 2026, and set more ambitious targets.

Finally, in 2022 we have made progress in defining indicators for **sustainable products**. This has meant that, according to the criteria of this classification, some products that had been considered under this category in previous years have been excluded. Accordingly, we have recalculated the 2021 results to ensure comparability.



For more information on environmental initiatives, please refer to chapter "5. Sustainable development".

S - Social

In the social field, we are working to improve the well-being of our employees, of those who make up our value chain and of society in general.

In 2022, we have increased the level of staff engagement by one point, reaching 90% of engagement rate. We also continue to make progress towards our goal of achieving an adjusted net gender pay gap by 2024; we reduced the gap from 6% to 5.4% in 2022.

The promotion of digital training platforms, together with the gradual end of COVID-19 restrictions, has meant we have been able to significantly increase training hours for our staff from an average of 8.9 hours to 14.8 hours per employee in 2022.

Finally, we continue to make progress in assessing the potential human rights impacts of our activities and business relationships to anticipate future EU due diligence regulations.



For more information on social initiatives, please refer to chapter "6. We improve people's well-being".

G - Good governance

Finally, through the Responsibility Blueprint we seek to be at the forefront of best practice in good governance and extend our commitments to responsible business behavior throughout the value chain.

In 2022, we have achieved and, in many cases, even exceeded the targets set for 2022. Special mention must be made of the results obtained in the S&P CSA, where we have reached 66 points (60 in 2021), and the CDP questionnaire, where we have reached level B (B- in 2021).

We also continued to make progress in our supplier evaluation and audit program, having exceeded the objectives set for this year.

Finally, the overall satisfaction index of our customers has increased by 0.30% compared to last year, an exceptional result considering that the number of customers invited to participate has increased significantly.




For more information on governance initiatives, please refer to chapter "4. Good Governance".

Key indicators and targets associated with the Responsibility Blueprint

Challenges	Commitments	Indicator	Results		Objectives			Page
			2021	2022	2022	2023	2026	
Sustainable products	Increase the catalog of sustainable products.	% sales of sustainable products	41 %	45 %	N/A	47.5 %	60 %	37
Environmental management	Environmental Management System.	Number of production centers certified (ISO 14001).	7	8	9	11	17	129
	Improve waste segregation at our facilities	Waste generated sent to landfill (% of total).	17 %	27 %	20 %	23 %	14 %	132
Water	Reduce water consumption (own facilities).	Ratio of water consumption (liters) to sales (€).	0.064	0.070	0.061	0.058	0.050	143

Challenges	Commitments	Indicator	Results		Objectives			Page
			2021	2022	2022	2023	2026	
Climate change	Achieve climate neutrality	Emissions in own operations (Scopes 1 and 2) in tCO ₂ (vs. 2021).	20,981	-25 %	-10 %	-40 %	-90 %	134
		Value chain emissions (Scope 3) in tCO ₂	9,2M	-22 %	N/A	N/A	N/A	138
	Reduce energy consumption (own facilities).	Ratio of energy consumption (GJ) to sales (k€)	0.204	0.172	0.198	0.192	0.175	135
	Increase the use of energy from renewable sources.	% of electricity from renewable sources.	71.3 %	83 %	83 %	86 %	96 %	136
Quality employment	Promote employee engagement.	Engagement survey participation (%).	80 %	74 %	N/A	85 %	85 %	152
		Engagement rate (%).	89 %	90 %	N/A	82 %	80 %	152
	Ensure occupational health and safety.	Accident rate (own and external staff).	1.04	1.07	1.00	0.80	0.80	172
	Promote respect for human rights throughout the value chain.	No. of potential human rights impacts assessed (internal operations).	5	10	10	15	23	148
No. of potential impacts assessed with action plans (internal operations).		0	5	5	10	23	148	
Diversity, Equity and Inclusion	Equal pay for equal work	Wage gap (adjusted)	6 %	5.4 %	5.5 %	3 %	0 %	167
	Increase the presence of women in positions of responsibility	No. of women identified as successors to MAC and MAC-1 positions (%).	28 %	36 %	32 %	38 %	36 %	166
Community Engagement	Positively impact local communities through solidarity.	No. of people benefited	3,385	12,116	12,320	14,700	N/A	175
Responsible management	Improve customer satisfaction	Customer Satisfaction Index	7.40	7.70	7.50	7.80	N/A	121
	Promote responsible business practices on the supply chain.	Suppliers trained in ESG (% volume of purchases in €).	43 %	53 %	50 %	65 %	75 %	106
		No. of suppliers evaluated (cumulative).	297	324	320	340	350	106
		No. of suppliers audited (cumulative).	17	41	35	60	100	106
Transparency	Improve scores on the ESG indexes and rankings in which we participate	S&P CSA	60	66	63	66	74	76
		CDP	B-	B	B-	B	A-	76

The achievement of the ESG objectives defined in the framework of the Responsibility Blueprint has been linked to the variable remuneration of the MAC (Executive Committee), its direct reports (MAC-1), and to the management teams of the Group companies and other leadership positions (area managers).


 For more information, please refer to section "4.1.5. Governing bodies' compensation policy".

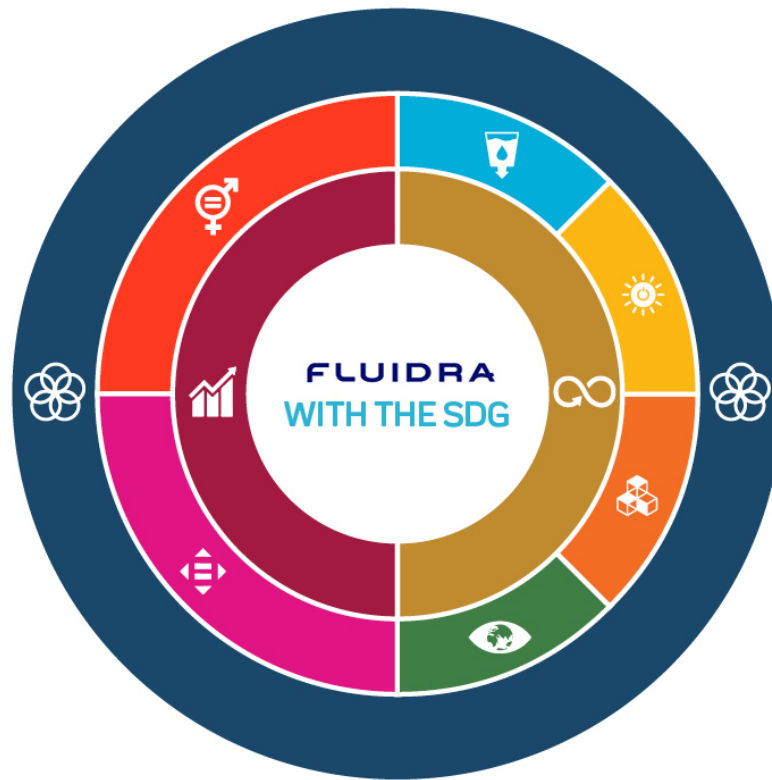
3.2.1. Our contribution to the Sustainable Development Goals

As a member of the United Nations Global Compact, we are committed to contributing to the achievement of the **Sustainable Development Goals and the 2030 Agenda** through our ESG strategy. To that end, we have analyzed the goals and targets defined by the UN in order to prioritize and focus our efforts on those most closely linked to our business.

In this regard, we have identified three priority SDGs, through which we will draw up actions to promote our Company's sustainable development.

Based on this classification, we have defined which objectives associated with each of the identified goals are relevant to the company in order to set specific objectives and indicators that enable us to measure and monitor our contribution.

 For more information, please refer to section "7.7. Table of Contents according to SDGs".



8 DECENT WORK AND ECONOMIC GROWTH

It acts as the backbone for the commitments and initiatives in this area to promote the sustainable development of people, both inside (employees) and outside the organization (supply chain, society, etc.). We have identified the following sub-goals associated with this.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

It centralizes the actions associated with the life cycle of products, from the design to the consumption by the end user. The following SDGs have been identified around this objective:



17 PARTNERSHIPS FOR THE GOALS

We aim to foster alliances and collaborations with other organizations to make progress towards achieving the aforementioned objectives.

3.2.2. Raising awareness on our commitments

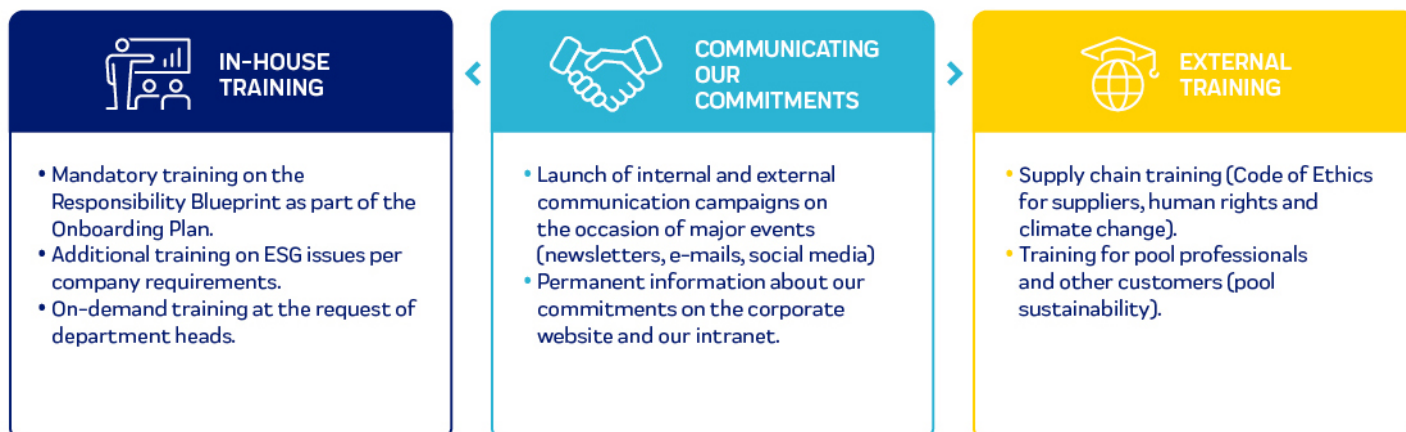
GRI 2-17, 2-23

Making Fluidra's ESG commitments and objectives known throughout the entire value chain is essential to achieving them.

In order to understand the communication and training needs of stakeholders on ESG issues, we took advantage of the materiality analysis carried out in 2021 to ask them about Fluidra's performance in this area and what opportunities for improvement they detected. All stakeholders indicated that there was room for the company to make improvements in this area.

As a result, the **ESG Training and Communication Model** was defined and developed with both internal actions (for Fluidra employees) and external actions (for external stakeholders, like suppliers) to communicate, raise awareness and provide training on the importance of responsible business conduct. The pillars supporting this plan are as follows:

ESG communication and training model



Internal training

Did you know?

From 2022, all people joining Fluidra must undergo training on our ESG commitments as part of their onboarding plan.

At the beginning of 2022 we launched mandatory training on the Responsibility Blueprint (ESG Master Plan) for all staff, which we have incorporated into the Onboarding Training Plan. So, from now on, everyone joining the Group has to complete it within days following the signing of their contract.


At the beginning of 2022, we also continued to strengthen the Board of Directors' expertise in this area. Accordingly, we have developed a training session for the Board of Directors on the strategic relevance of ESG and future challenges in this area. The training led to a conversation about the opportunities associated with sustainability and the pool that further increase the value of the work carried out.

Throughout the year, the ESG department has developed various in-person and online training courses on diversity, equity and inclusion, carbon footprint and circular economy for different areas of the Company. A total of **1,090 employees** received **998 hours of ESG training** in 2022.

External training: promoting sustainability along the value chain

As part of our commitment to encourage the Group's business partners to apply principles of responsible conduct, we have continued to train our suppliers on those aspects of our ESG strategy that have the greatest impact on our supply chain. In 2022, we extended the training session on the principles of Fluidra's Code of Ethics and Human Rights to new suppliers, and we developed a new training pill on climate change.

The aim of these sessions is to raise awareness of our commitments in these areas and provide suppliers with tools, such as carbon footprint calculators, for implementation throughout our supply chain before establishing new requirements for our suppliers.

 For more information, please refer to section "4.4.3. Our progress in shared values".

Furthermore, with a view to 2023, we plan to develop various training programs on sustainability for customers through the Fluidra PRO Academy. At these events, we will present our catalog of sustainable products and offer tips on how to promote sustainability during pool operation (e.g. how to promote energy and water saving in filtration).

Communicating our commitments

We have ESG sections both on the corporate website and on our intranet, where we permanently communicate our ESG commitments to our stakeholders, including the Integrated Annual Report, which is published annually. This year we have included a specific section on sustainable products to share all the news on the subject within the Organization.

Along with the Training Plan, a series of information pills were created to publicize specific ESG aspects, both internally and externally. We have launched campaigns on the occasion of International Water Day, Sustainable Mobility Day, Climate Change, Women's Day and Cultural Diversity Day, among others.

We have also developed other global and/or local initiatives to involve the entire company in the implementation of our strategy:



626

Participants in 2022
(Spain and the United States)

5,251

Challenges accomplished

2,553,958

liters of water saved

7,600

kgCO₂ avoided

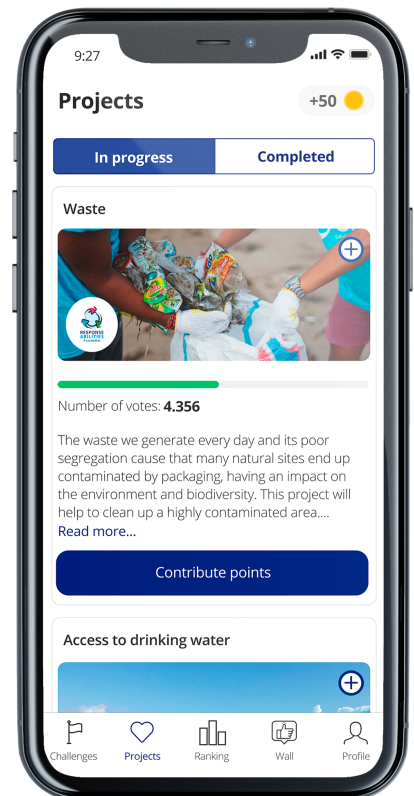
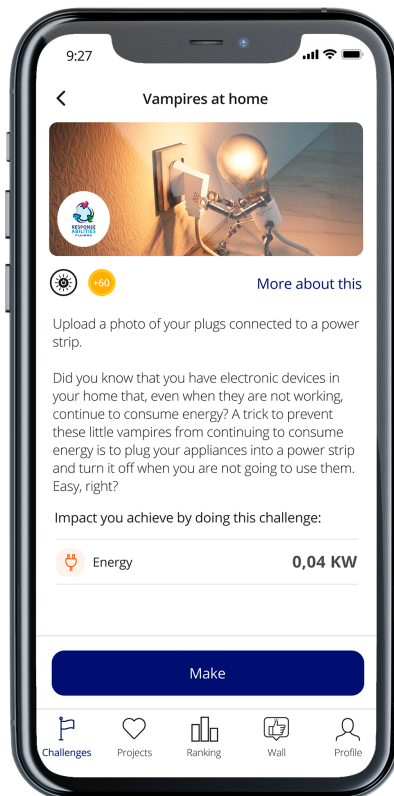
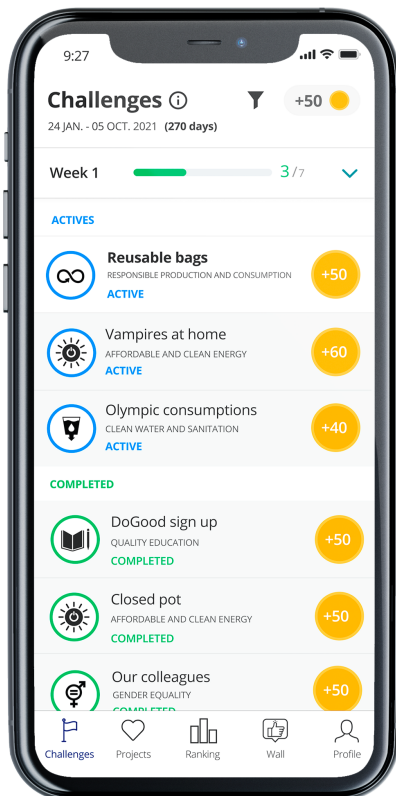
ResponseAbilities Program

In 2022, we implemented a first phase of the ReponseAbilities program, an award-winning initiative at the 2020 Fluidra Innovation Week (now known as the Fluidra Innovation Challenge) that is channeled through a mobile application available to the Group's employees in several languages.

Aside from learning how they can contribute to sustainability in their daily lives, employees could actively participate in the ESG strategy, proposing improvements throughout the organization and receiving awards for their level of involvement in the program. The objectives were:

- Raise awareness and help Fluidra's employees to implement the nine Sustainable Development Goals and the Company's objectives.

- Integrate the 2030 Agenda into employees' daily work so that they can be involved in and keep in line with the Company's sustainable strategy.
- Improving Fluidra's non-financial reporting.
- Disseminate good environmental practices.
- Generate sustainable habits among employees.
- Offer social experiences for the workforce.



Halfway through the program, a competition was launched by Fluidra Group companies; it was won by Talleres del Agua (Spain). The three employees who contributed the most points to the competition were awarded a visit to the facilities of the CRAM Foundation (a center for marine recovery in the Mediterranean, with which we collaborate through Fundació Fluidra), a visit to the headquarters in Sant Cugat del Vallès and internal recognition for their achievement (2&3).

At the end of the program, the three finalists were awarded a cash prize which they were able to allocate to their chosen social project. The winners, one from the United States and two from Spain, will also enjoy a working day dedicated to visiting their selected local project.

Integration of ESG into local operations

In 2022, several Group companies developed initiatives to engage our people in implementing our ESG commitments in their daily work.

Fluidra Commercial España launched the **Green & Safe Place to Work** initiative (1), a competition between the commercial branches we have in each country, with the aim of introducing the ESG strategy, encouraging their participation and involvement in the development and implementation of local initiatives, and at the same time fostering teamwork and cooperation among branches.

The initiative had a scoring system linked to the achievement of a series of quarterly and annual objectives, such as proposing ideas for sustainable safety packaging on the shelves of our warehouses, having zero accidents at work, participating in a social action, or reducing water and electricity consumption in the delegations, among others. Additional points were also awarded if the initiatives were implemented in other delegations in the country.



After almost ten months of competition, the winning delegations were Malaga, Vilafranca del Penedès (Barcelona) and Girona, which received diplomas for the most sustainable delegations in 2022.

Thanks to the initiative, our commercial delegations have reduced electricity consumption by 23% and water consumption by 51%.

In the APAC region, it is worth highlighting the working party set up at Fluidra Vietnam to promote local ESG initiatives. Once a month, the staff is divided into three groups, one for each pillar of the strategy (Environmental, Social and Governance), to analyze and research the Company's main challenges in each area and propose local initiatives that contribute to achieving the global strategy.

As a result, in 2022 they developed a campaign to save electricity consumption, encourage charitable actions, training in water rescue (4) and a club to promote the physical and mental health of staff, while promoting solidarity, friendship and teamwork.

Finally, in the North American region (AMER) we organized a **team scavenger hunt at our offices in Carlsbad** (United States of America), with challenges to raise awareness of ESG issues, accompanied by a final discussion session, so that participants could share their learnings and reflect on local projects that contribute to achieving the global objectives.

3.3. Relationship with stakeholders

GRI 2-29

Stakeholders are those groups whose needs, interests or expectations affect or are affected, directly or indirectly, by Fluidra's business activities and who therefore have the ability to directly or indirectly influence our strategy.

At the time of the merger with Zodiac in 2018, the company redefined its

stakeholders, identifying as such all groups that help us or benefit from the achievement of our mission: to create a perfect pool and wellness experience responsibly.

As a company, we provide our stakeholders with various two-way communication channels through which they can report their needs and expectations regarding the organization.

We also involve representatives of all our stakeholders in the development of the biannual materiality analysis. In 2023 we will conduct a new materiality study in which we intend to involve more stakeholders from more geographical areas in order to have a larger sample size.



Stakeholder relations table

 <p>EMPLOYEES People who work at Fluidra, regardless of the type of employment contract.</p>	 <p>SHAREHOLDERS AND INVESTORS People or institutions that currently invest or plan to invest money in the group at some point in the future.</p>	 <p>CUSTOMERS Individuals or legal entities that purchase products sold by Fluidra.</p>
<p>What do they expect from Fluidra?</p> <ul style="list-style-type: none"> • Creation of quality employment • Training and professional development • Fair working conditions <p>How do we involve them?</p> <ul style="list-style-type: none"> • Satisfaction and engagement survey • Internal communication (intranet, notice boards, social media) • Recreational, sports and solidarity activities • Informal welcome and regular meetings (coffee chats) with senior managers • Regular meetings with workers' representatives <p>Main initiatives undertaken in the year</p> <ul style="list-style-type: none"> • Launch of the Pulse Survey • Reduction of the pay gap • Launch of the "Fluidra Go" talent acceleration program • Development of the "Conscious Leader" program • Promotion of individual development plans (MyPlan) • Launch of the "Embracing Diversity" strategy <p>Results</p> <p>90% employee engagement rate</p> <p>5.4% pay gap</p>	<p>What do they expect from Fluidra?</p> <ul style="list-style-type: none"> • Economic profitability • Risk Management <p>How do we involve them?</p> <ul style="list-style-type: none"> • Shareholders' Office: email, telephone support • Corporate website and social media • National and international investment forums, conferences, roadshows, face-to-face meetings • Presentation of the Integrated Annual Report <p>Main initiatives undertaken in the year</p> <ul style="list-style-type: none"> • Meetings with Investors • Distribution of dividend • Participation in ESG ratings <p>Results</p> <p>555 meetings with investors</p> <p>66 / 100 in the S&P CSA rating</p>	<p>What do they expect from Fluidra?</p> <ul style="list-style-type: none"> • Response to market trends • Value for money • Safe products • Multi-channel product availability and correct delivery times • Incident resolution and warranty management <p>How do we involve them?</p> <ul style="list-style-type: none"> • Customer and after-sales services • Satisfaction Surveys • Technical seminars and training courses • Trade shows • Facility visits • Websites and online applications <p>Main initiatives undertaken in the year</p> <ul style="list-style-type: none"> • Launch of the annual satisfaction survey • Opening of new Pro Centers • Development of the Fluidra Pro platform • Creation of International Pool Pro Day <p>Results</p> <p>7.70/10 Customer Satisfaction Rate</p> <p>Opening of 9 new Pro Centers</p>



END USERS

People who are occasional or regular end users of a product marketed by Fluidra.

What do they expect from Fluidra?

- Product usability
- Value for money
- Reduction of pool-related costs.
- Sustainable products

How do we involve them?

- Websites, social media and product applications.

Main initiatives undertaken in the year

- Launch of new connected products
- Definition of classification criteria for sustainable products.

Results

75,000
Connected Pools

45%
sustainable product sales



SUPPLIERS

Individuals or legal entities that provide goods or services to Fluidra.

What do they expect from Fluidra?

- Support for local suppliers
- Feasibility and profitability
- Continuous supply
- On-time payment
- Foster mutually beneficial relationships

How do we involve them?

- Bilateral meetings with large-volume suppliers
- Communications via e-mail
- Training sessions
- Development of corrective and improvement action plans

Main initiatives undertaken in the year

- Training on the Code of Ethics for Suppliers, Human Rights and Climate Change
- On-site assessments and audits
- Purchases from local suppliers

Results

187
Suppliers trained in ESG

70%
spending on local suppliers



PLANET AND SOCIETY

The environment in which Fluidra operates.

What do they expect from Fluidra?

- Contribution to the development of local communities
- Absence of damage caused to the environment
- Creation of local employment

How do we involve them?

- Initiatives developed by the Fluidra Foundation
- Corporate volunteer programs
- Collaboration with NGOs and associations

Main initiatives undertaken in the year

- "Fluidra Day 2022" competition: presentation of social projects focused on the swimming pool
- Endorsement of volunteering policy (Australia & New Zealand)
- Promotion of new initiatives in support of the community through the PATH Foundation (United States of America)

Results

€ 1,007,665
contribution to NGOs and non-profit organizations

10
winning projects at the Fluidra Day event

3.4. Sustainability indexes and ratings

One of the commitments adopted within the framework of the Responsibility Blueprint is to promote greater transparency regarding the company's ESG performance. For this reason, we participate in and are evaluated annually by various indexes and *ratings*, which

measure our environmental, social and governance performance.

In 2022, we were recognized for our efforts to improve performance in these areas, increasing the score obtained in *ratings* such as S&P, CDP and

Sustainalytics. Based on the results obtained, Fluidra draws up action plans to integrate best practices and continue to improve its ESG performance.



Fluidra obtained a score of 66 out of 100 points (+6 vs. 2021) in the Corporate Sustainability Assessment (date of publication: November 14, 2022).

These results have led us to be included in the S&P Global Sustainability Yearbook 2023, which distinguishes companies that stand out for their commitment and performance in sustainability in their sector.



In 2022 we obtained a rating of B (*Management level*) in the Carbon Disclosure Project (CDP) Climate Change questionnaire, improving one level on the score achieved in 2021, when we achieved a B- (date of publication: 13 December).



According to the Sustainalytics *rating*, Fluidra has a medium exposure to ESG risks, with a score of 23.29 out of 100, compared to the 24.66 points obtained last year, which represents a drop in the level of risk (date of publication: January 19, 2023).



In line with the results of the last two years, Fluidra has obtained a BBB rating in the MSCI ESG Ratings assessment (date of publication: November 29, 2022).



Fluidra maintains the score obtained in last year's ISS ESG Corporate Rating, achieving a C on a scale from D- to A+ (date of publication: December 2022).



FTSE4Good

For yet another year, Fluidra continues to form part of the FTSE4Good index, where it obtained a score of 3.3 points out of a possible 5. This represents an improvement of 0.3 points compared to 2021 (date of publication: December 19, 2022).



Fluidra is also evaluated by Clarity AI, a technology platform that provides information on the social and environmental impact of more than 36,000 organizations. In 2022, we achieved a score of 76 out of 100 (Leaders level), compared to 72 points in 2021 (date of publication: December 2022).



Finally, Fluidra has entered the top 3 best companies in the Reporta Report 2022, up four positions compared to the previous year (Date of the score: December 19, 2022).

3.5. Partnerships

GRI 2-28

Through partnerships with other stakeholders we can make faster progress achieving our goals, since sharing information and being part of working groups provides access to a number of valuable resources.

In the field of ESG, Fluidra has been a signatory of the **United Nations Global Compact** since 2007, a United Nations instrument that seeks to find solutions that address global challenges from the corporate sphere. As a member of the initiative, Fluidra has integrated the UN's ten principles into the Responsibility Blueprint, thus reinforcing its commitments to human rights, labor, environment and the fight against corruption in our business operations.

In 2022 we participated in various acceleration programs promoted by this organization, such as the Climate Ambition Accelerator (Climate Change), the Target Gender Equality and the SDG Ambition Accelerator (Sustainable Development Goals). With a view to 2023, Fluidra is to participate in the Business & Human Rights Accelerator program, in the field of human rights.



Fluidra has been a member of the board of trustees of **Fundación Empresa y Clima** since 2011. This organization provides companies with the tools needed to face the challenges of climate change, along with guidance for actions to improve efficiency in reducing emissions. Thanks to this foundation and for the first time, Fluidra was able to attend the COP27 climate summit held in Sharm al Shaij in November 2022, participating in a side event where we shared strategies to decarbonize industries.

More recently, we have also joined the **Ellen MacArthur Foundation** community, an organization that seeks to accelerate the transition to the circular economy.

Beyond the field of sustainability, we maintain partnerships with various educational institutions, with organizations that seek to promote innovation in the field of water, as well as with centers to contribute to research into the health benefits of pools. They include:

- Eurecat Technology Center
- Catalan Water Partnership
- Acció: Innovation Office of the Generalitat de Catalunya
- Leitat Technological Center
- Tech Barcelona
- University of Girona
- Catalonia School of Engineers
- Sant Joan de Déu Hospital
- ESADE
- IESE

We are also members of various industry associations and organizations with the aim of defending our interests. In 2022, our contributions to such entities amounted to 487,666 euros, compared to 692,184 euros in 2021. In particular, we are members of the following organizations:

- ANAIP: Asociación Española de Industriales de Plásticos (Spain)
- EUSA European Union of Swimming Pool Associations (Europe)
- Foment del Treball (Spain)
- FPP Federations des Professionnels de la Piscine (France)
- Instituto de la Empresa Familiar (Spain)
- SPATA The Swimming Pool and Allied Trades Association (UK)

Competitiveness, enthusiasm, teamwork, self-improvement and a passion for success are values that Fluidra and its brands share with the world of elite sports.

In 2022, as part of the agreements with Club Natació Sabadell and Club Natació Atlètic-Barceloneta swimming clubs, Fluidra brands sponsored the AstralPool CN Sabadell and Zodiac Club Natació Atlètic-Barceloneta water polo teams. Fluidra is also a member and sponsor of several sports organizations, such as:

- European Swimming League (LEN)
- American Swimming Union (UANA)
- Oceania Swimming Association (OSA)
- Real Federación Española de Natación (RFEN)
- Federació Catalana de Natació
- Indescat Sport Cluster

4. At the forefront of corporate governance best practices



Key figures

We also continue to work to lead best practices in corporate governance and transparency, making honest and accurate information on our performance and activities available to our stakeholders, both in this report and in the various ESG ratings and indices in which we participate.

Last May, we renamed the Delegate Committee as the Delegated, Strategy and ESG Committee, which will be responsible for advising and proposing to the Board actions of strategic relevance in ESG matters, in order to ensure that our ESG commitments are part of the Company's business plans. In addition, as of 2021, the Executive Committee, its direct reports, and other leaders within the company have ESG objectives linked to their annual variable compensation.

We are also committed to promoting responsible business management, both in our own activities and throughout our value chain, conveying our commitments and encouraging responsible and sustainable conduct in business relationships with our customers and suppliers. In this regard, 88% of our workforce and 30.5% of our suppliers have accepted and signed our Code of Ethics. In addition, in 2022 we have continued our program of supplier evaluations and audits.

Our customers are at the heart of our business and, for this reason, we are committed to helping them grow their business by providing them with quality products and innovative services.

Thus, we wanted to recognize the work carried out by professionals in the sector by establishing the International Pool Pro Day, an event that will be held every year on September 7. This commitment has allowed us to be recognized once again this year as one of the best organizations to work with, receiving some of the most relevant awards granted by the main distributors of the sector.



17%
female representation
in the Board of
Directors

3-4%
variable compensation
of the leadership team
linked to ESG TARGETS

88%
EMPLOYEES that have
accepted and signed
the Code of Ethics

29%
SUPPLIERS
(by purchase volume)
assessed on ESG issues

7.7/10
overall CUSTOMER
SATISFACTION rate

66/100
S&P Corporate
Sustainability
Assessment SCORE

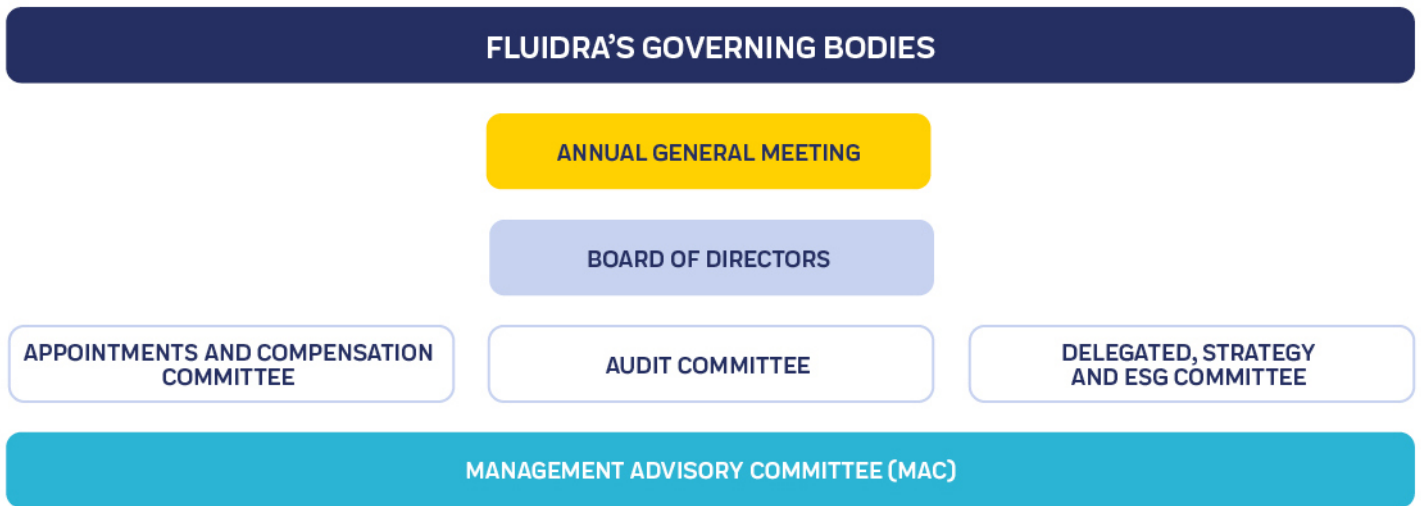
4.1. Governing bodies

GRI 3-3

The By-Laws, regulations (both of the AGM and the Board of Directors) and other internal standards and procedures make up the corpus of rules that govern Fluidra's corporate governance system.

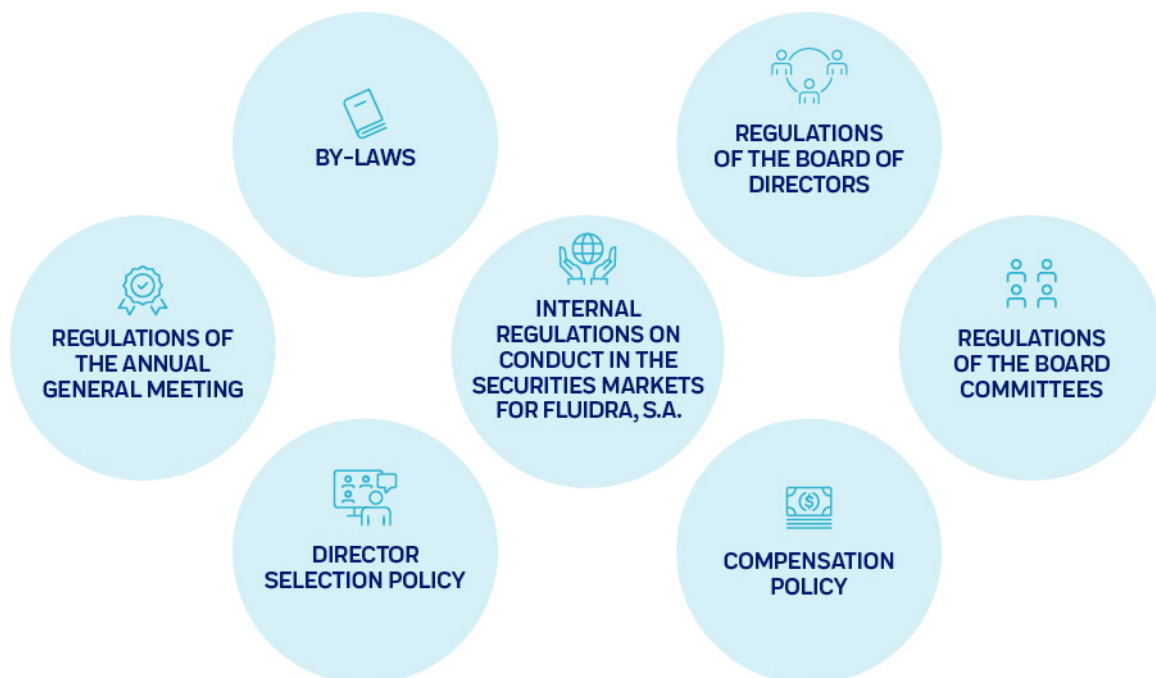
The Company ensures compliance with the recommendations and the international best practices in matters of good governance, which is why we are continuously revising and updating our rules.

Furthermore, we publish an [Annual Corporate Governance Report](#), which is based on good governance recommendations for listed companies.



FLUIDRA'S INTERNAL GOVERNANCE RULES

Main internal rules



4.1.1. Annual General Meeting (AGM)

The Annual General Meeting (AGM) is Fluidra's top decision-making body on matters that fall to its powers. Through the AGM, shareholders are able to exercise their rights in the Company's fundamental decision-making.

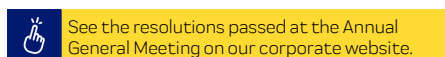
Its organization and operation are regulated in the Regulations of the General Shareholders' Meeting, updated in May 2022 and available on our corporate website.

Amongst other matters, the Regulations govern the rights of shareholders to vote and attend meetings (regardless of the number of shares that they hold), either in person or online, to take the floor and to vote remotely.

We also inform them about the shareholders' agreements that are currently in force on a specific section of our website.

In 2022, we held a hybrid AGM so that our shareholders or legal representatives could attend it in person or online over our corporate website.

Held on 5 May 2022, 87.01% of the share capital was present and represented at the AGM, at which all the resolutions tabled on the agenda were unanimously passed.



See the resolutions passed at the Annual General Meeting on our corporate website.

4.1.2. Board of Directors

GRI 2-12

The Board of Director's main mission is to approve the Company's strategy and the organization required for its implementation, as well as to supervise and control that Management complies with the objectives set and respects the Company's corporate purpose and interests.

The Board performs its functions with unity of purpose and independent judgment, as well as treating all shareholders with the same degree of consideration. Its **responsibilities** include:



Approving the Company's strategy, its implementation, and overseeing and supervising compliance with it



Proposing the appointment and removal of directors, and the appointment of internal positions



Approval of certain transactions or investments of relevance to the group.



Convening the Annual General Meeting



Drafting the financial statements, the directors' report and the proposed allocation of the Company's profit/(loss)

In order to **increase the sphere of influence of ESG in the Company**, on March 30, 2022 the Board agreed to rename the Delegated Committee to the Delegated, Strategy and ESG Committee with effect on May 5, 2022. The Committee was conferred powers to advise the Board and submit proposals to it to take actions of strategic relevance in respect of the growth, development and transformation of the business and its technology **by placing emphasis on the ESG strategy so that it forms part of the Company's business plans**.

All directors should be entitled to call on the Company for the advice and guidance they need to carry out their duties, which, in certain cases, may include the advice of external consultants.

We also take measures to improve the governing body's knowledge of matters within its competence, particularly economic, environmental and social matters.

Structure and members

GRI 2-9, 2-11, 405-1

One of the objectives of the Appointments and Compensation Committee is to **favor the occupational diversity, expertise, nationality and, in particular, the gender** of the members of the Board and senior management. This Committee is aware that the recommendation on the proportion of female directors is not currently being fulfilled, as a result of which it has taken measures to address this situation. The fact that the latest vacancies of

independent directors have been covered by women proves that the steps taken are working. However, further increases in the gender balance can only come about when candidates are selected to cover **future vacancies**.

The Appointments and Compensation Committee is also working to raise the number of independent directors on the Board to 50% of members (currently 41.7%).

As provided for in our By-Laws, the Board of Directors is made up of 12 members, broken down as follows:

Composition of the Board of Directors

16.6%

2 EXECUTIVE DIRECTORS

41.7%

5 PROPIETARY DIRECTORS

41.7%

5 INDEPENDENT DIRECTORS

Average age: 57.75

Nationalities: 3 (Spanish, American, and Italian)

Average tenure: 6.7 years

 Eloi Planes Corts Executive Chairman - CEO 	 Óscar Serra Duffo Vice-Chairman 	 Bernat Garrigós Castro Member 	 Bernardo Corbera Serra Member 	 Jorge Valentín Constans Fernández Lead director and member 	 Bárbara Borra Member 	 Esther Berrozpe Galindo Member
 Bruce Brooks Co-CEO 	 José Manuel Vargas Gómez Member 	 Steven M. Langman Member 	 Brian McDonald Member 	 Gabriel López Escobar Member 		
 Albert Collado Armengol non-director secretary	 Maximino Montero Lastres Non-director Vice-Secretary	 Delegated, Strategy and ESG Committee	 Audit Committee	 Appointments and Compensation Committee	Committee President	

Further information about the experience and expertise of the members of the Board of Directors can be found in section C.1.3 of the Annual Corporate Governance Report.

For more information, please refer to "Election of the Board" section.

In 2022, the legal entity, Piumoc Inversiones S.L.U. that sat on the Board was replaced by Bernat Garrigós Castro as a consequence of the amendment introduced by Law 5/2021, pursuant to which listed companies must be managed by a board of directors made up of natural persons only.

Until the merger with Zodiac in 2018, the role of Chairman-CEO was held by Eloy Planes. Following the merger, the role was split, with Bruce Brooks taking on the role of Co-CEO and Eloy Planes acting as Executive Chairman-CEO. Since the Chairman of the Board is an executive director, the Board now has the position of a Lead Director, for which Jorge Constans Fernández was chosen from among the independent directors in June 2020.

According to article 15.5 of the Board Regulations, the Lead Director has special powers to convene the Board or to add new items to the agenda of a meeting that has already been called. Amongst other duties, the Lead Director is also responsible for liaising with external directors and addressing their concerns, in addition to coordinating and meeting with non-executive directors, and taking the lead in the regular evaluation of the Chairman of the Board.

Election of the Board

GRI 2-10

According to article 17 of the Board Regulations, Board members are appointed by the Annual General Meeting

or, as the case may be, by the Board of Directors, pursuant to the provisions of the Capital Companies Act.

Voting on the proposed appointment of directors is carried out individually and

separately, as required by law. In any event, for each appointment there must be:



A prior proposal from the Appointments and Compensation Committee, in the case of independent directors, or



A prior report from the Appointments and Compensation Committee, in the case of all other directors.

Fluidra has adopted a Selection Policy for the Board of Directors that describes the requirements to be met by candidates to become directors, as well as the selection procedure. The selection process is intended to favor diversity of gender, experience and expertise, subject to the principles of merit and suitability at all times.

[Access Board of Directors' selection policy in our corporate website.](#)

All candidates must ostensibly be **honorable, solvent, competent, experienced, qualified, available and committed** to the post they are to take on. In particular, they must be professionals of integrity, whose conduct and career is aligned with the mission, vision and values of the Fluidra Group, as well as with the principles set out in our Code of Ethics.

The election of independent directors is carried out in line with the independence criterion in article 529.12 (fourth paragraph) of the Capital Companies Act, including limits on terms of office of 12 years.

Likewise, the Appointments and Compensation Committee assesses the skills, knowledge and experience required of Board members, so it therefore defines the functions and essential skills the candidates must have who are put forward to fill each vacancy, as well as estimating the time and dedication required for them to carry out their duties properly.

Although there is no upper limit in the Board Regulations on the number of company directors who can sit on the

Board, this information is taken into account when assessing candidates' suitability in the appointment and re-election process in order to evaluate how much time they have available to properly perform their duties. To do so, each case is examined individually, based on best practices of good governance related to this issue.

[For more information, please refer to section C.1.11 of the Annual Corporate Governance Report.](#)

Furthermore, article 21.2. of the Board Regulations covers the circumstances under which Board members must resign. In 2022, in addition to the director Piumoc Inversions S.L.U. being replaced by Bernat Garrigós Castro, the directors Bruce Brooks, Steven Langman and José Manuel Vargas Gómez were re-elected.

Performance evaluation of the Board of Directors

GRI 2-18

In keeping with recommendation no. 36 of the Spanish Code of Good Governance for Listed Companies, Fluidra's Appointments and Compensation Committee is responsible for promoting and arranging the annual performance evaluation of the Board of Directors.

During this process, the running and performance of the Board and its members are analyzed on an aggregate and individual basis, **with a view to:**

- Detect needs and gaps to be filled in order to make the Board robust, balanced and effective.
- Submit a report that justifies the definition of the profiles required for the selection of new directors.

- Present a complete scorecard of the characteristics of the Board including the following variables: experience, workload, gender diversity and independence of judgment.

[For more information, please refer to sections C.1.17 and C.1.18 of the Annual Corporate Governance Report.](#)

In 2022, the evaluation process was handled internally. However, Fluidra regularly (at least every 3 years) has an independent assessment conducted of the Board's performance, with the assistance of an external consultant. The last independent assessment was carried out in 2021, and the one before that in 2018 due to the merger with Zodiac. Both were conducted by the consultants Seeliger y Conde.

The results and findings of the evaluation were presented to the Chairman of the Board and the President of the Appointments and Compensation Committee, for the purpose of drawing up future action plans:

- Improving the quality of the Board's talks, including more strategic discussions.
- Enhancing the skills and expertise of the members of the Board on digital matters and IoT.
- Promoting greater gender diversity on the Board.



Board meetings

The By-Laws also provide that the Board will normally meet at least eight times a year and at least once per quarter and, in any event, as often as necessary to perform its duties. In 2022, the Board met on eight occasions, with an attendance rate of 100% of the Board members in person or by proxy.

In order for meetings to be as effective as possible, members are provided with specific information beforehand so that they are able to prepare for all Board and committee meetings.

In this regard, according to article 15 of the Board Regulations, Board meetings must be announced at least five days in advance and the announcement must always include the meeting agenda and the information necessary for the deliberation and passing of resolutions included as items on the agenda, unless the Board of Directors has been convened for an emergency meeting. The Chairman, with the assistance of the Secretary, must ensure that the Directors receive all such information.

Conflicts of interest

GRI 2-15

For issues involving conflicts of interest, the Company has detailed guidelines that the directors must observe, **whose ground rules are as follows:**

- Reporting any conflicts of interest to the Board of Directors, and refraining from attending and participating in deliberations on matters in which they have a personal interest, whether directly or indirectly. Agreements or decisions affecting them as directors, such as appointments or removals to and from positions on the Board or other similar ones, are excluded from the foregoing duty of abstention.
- Refraining from using the name of the Company and flaunting their status as directors to carry out transactions on their own behalf or on behalf of persons related to them.
- Desisting from directly or indirectly conducting business or commercial transactions with the Company without first informing the Board of the potential conflict of interest and obtaining the Board's approval to do so.
- 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.
- Disclosing 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.
- Refraining from engaging, 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 AGM, notwithstanding the provisions of Articles 227 to 229 of the Capital Companies Act.
- Refraining from using the Company's assets or wielding their position at the Company to obtain personal advantages without the payment of an appropriate consideration.
- Desisting from taking advantage, for their own benefit or that of anyone related to them, of a business opportunity open to the Company, unless it is offered to the Company first and the Company waives the opportunity.



For further information, please refer to the note on "Related-Party Balances and Transactions" in the financial report.

4.1.3. Board committees

Audit Committee

In compliance with the provisions of its internal regulations, Fluidra has an Audit Committee made up of five members, three of whom are independent, including its President.


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 supervise the fulfillment of the audit engagement by ensuring that the opinion on the financial statements and the key contents of the audit report are written in clear and concise language, as well as evaluating the results of each audit.
- To review the company's accounts by overseeing compliance with legal requirements and the proper implementation of accounting standards.
- To examine compliance with the Internal Code of Conduct and the rules of governance.

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

It also meets at the request of any of its members and whenever convened by its President, who must call a meeting whenever the Board or its Chairman requests that a report be issued or a proposal be adopted and, otherwise, whenever necessary for the proper performance of its duties.

The Committee met six times in 2022. It should be highlighted that in this financial year, Bernardo Corbera Serra was replaced by Bernat Garrigós Castro as a member of the Audit Committee.

 [Access the Annual Report on the Activities of the Audit Committee on our website.](#)

Appointments and Compensation Committee

It is currently made up of four members, two of whom, including its President, are independent.


The main **functions** of the Appointments and Compensation Committee are:

- To evaluate the skills, knowledge and experience required to be a member of the Board of Directors.
- To propose the appointment of independent directors for appointment by co-option or by resolution of the AGM.
- To examine and arrange the succession of the Chairman and CEO.
- To draft and review the criteria for deciding on the members of the management team. To report and submit the appointments and removals of senior managers to the Board. To report on issues of gender diversity and directors' qualifications to the Board.
- To set a target for the number of the female members of the Board and draw up guidelines on how to achieve this.
- To propose the compensation policy for directors and senior executives and the individual remuneration of directors and senior executives to the Board.

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 its President. A meeting

must be convened any time the Board or its Chairman requests that a report be issued or a proposal adopted, whenever needed for the Committee to properly discharge its duties.

The Committee met six times in 2022. It should be highlighted that in the financial year, the nominee director Piumoc Inversions, S.L.U., represented by Bernat Garrigós Castro, stepped down from its post as member and Secretary of the Appointments and Compensation Committee, following which it was replaced by Bernardo Corbera Serra as a member of this Committee. In addition, the Company's non-member Secretary, Albert Collado Armengol, was appointed as Secretary of the Appointments and Compensation Committee.

 [Access the Annual Report on the Activities of the Appointments and Compensation Committee on our website.](#)

Delegated, Strategy and ESG Committee

Pursuant to the provisions of article 12 of the Board Regulations, the Board's Executive Chairman and the CEO must sit on the Delegated, Strategy and ESG Committee. It must also have at least two non-executive directors, one of whom must be an independent one, and its Secretary is the Board's Secretary.

Therefore, the Delegated, Strategy and ESG Committee is made up of the two executive directors, two nominee directors and one independent director. Specifically, the independent director Barbara Borra joined the Committee as a new member in 2022. The other five members sat on it before it was renamed.

The Delegated, Strategy and ESG Committee met three times in 2022.

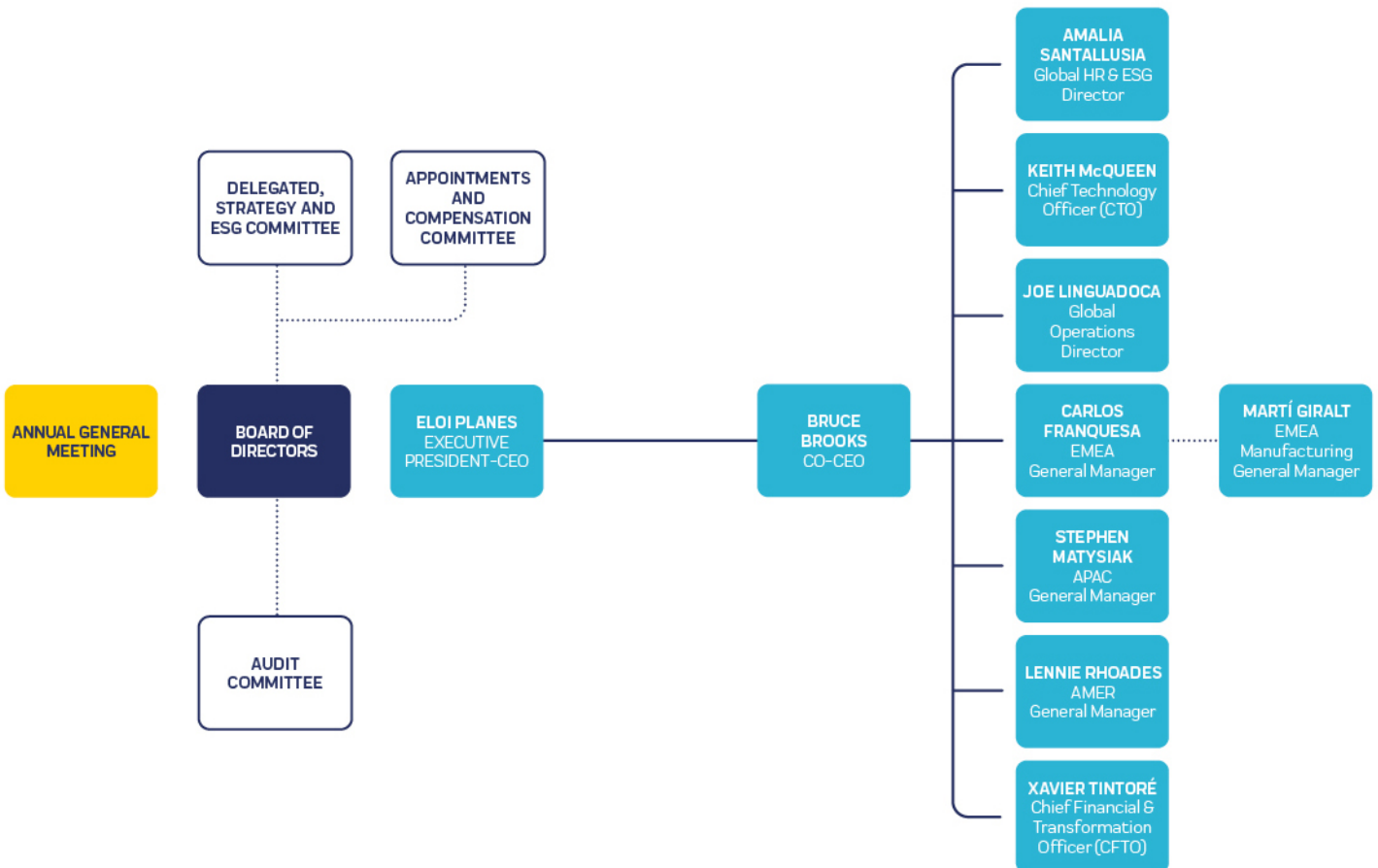


4.1.4. Management Advisory Committee

The Management Advisory Committee (MAC) is the body in charge of the Group's day-to-day management. It is made up of the Executive Chairman-CEO, the Co-CEO and the directors of the company's main departments.

The make-up of the MAC changed in 2022 following the retirement of the President of Fluidra North America, Troy Franzen. His position was taken over by Lennie Rhoades, who joined Fluidra in October.

Organizational chart of Fluidra's governing and management bodies



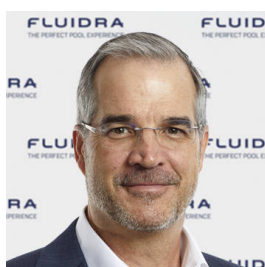
Members of the MAC



Eloy Planes Corts (Executive Chairman-CEO)

Eloy Planes earned a degree in Industrial Engineering at the Technical University of Catalonia and a Master’s Degree in Business Management at the EADA business school. Belonging to the second generation of one of the Company’s founding families, Eloy Planes joined Fluidra (Astral at the time) as R&D Director in 1994.

Since then, he has held different posts at the Group until he was appointed as its CEO in 2006. Since 2016, he has acted as the Company’s Executive Chairman. Under his oversight, he was responsible for the merger with Zodiac and for Fluidra becoming listed on Spain’s IBEX-35 index. He is also the President of the international trade fair, Piscina & Wellness Barcelona, and of the foundation Fundació Catalunya Cultura.



Bruce W. Brooks (Co-CEO)

Bruce holds a Degree in Marketing from the University of Virginia. He has more than 30 years of experience in global consumer and industrial products industries. He spent more than 20 years at Stanley Black & Decker, where he held various posts during his time there, including that of the Group’s Vice-President.

He joined Zodiac Pool Solutions as CEO in 2011. In 2016, Bruce oversaw the successful transition of ownership from the Carlyle Group to the Rhône Group and in 2018 he played a decisive role in the plan to merge with Fluidra. Since then, he has held the post as the organization’s Co-CEO.



Xavier Tintoré (Chief Financial and Transformation Officer – CFTO)

Xavier holds a Degree in Business Administration and Management and an MBA from the ESADE business school, a CEMS Master in International Management from HEC Paris, and he took the General Management Program at the IESE business school. He has more than 30 years of experience in management at companies such as Shimizu Corporation, Dade Behring (now Siemens Healthcare) and Indo Internacional.

He joined Fluidra in 2010, where he has been the head of several departments (finance, legal, systems, etc.) until his appointment as CFO in 2018. He recently added the management of the Group’s Transformation Office to his duties to become its CFTO.



Amalia Santallusia (Director of Global HR & ESG)

Amalia earned a Degree in Law and a Master’s Degree in Human Resources at the UA, and she took the General Management Program at the IESE business school.

She started out her career in an office (CEF) in the field of labor affairs. She subsequently occupied several posts as manager of human resources in sectors such as health (Amplifon Ibérica), the automotive industry (Valeo) and distribution (Lidl supermarkets). After 25 years of work experience, she joined Fluidra in 2019 as Director of Global Human Resources and ESG.



Joe Linguadoca (Director of Global Operations)

Joe holds a Degree in Mechanical Engineering from the University of Drexel and an MBA from Loyola College in Maryland. He has over 25 years of operations experience in manufacturing and durable consumer goods.

He began his career at Stanley Black & Decker, where he held various posts such as Vice-President of Operations. He joined Zodiac in 2012 as Vice-President of Global Supply Chain, following which he took on the role as Global Operations Director following its merger with Fluidra.



Keith McQueen (Chief Technology Officer – CTO)

Keith earned a Degree in Applied Science and Mechanical Engineering at Purdue University, Indiana, and has a track record of over 30 years in engineering and operations.

He started his career at the Whirlpool Corporation as an industrial engineer. He moved on to Zodiac in 1995 as Global R&D Director, which he held until its merger with Fluidra. He took over the post of Chief Technology Officer in 2021, following his time as head of the IT, IoT and Data, and R&D departments.



Lennie Rhoades (AMER General Manager)

Lennie holds a Degree and an MBA in Industrial and Systems Engineering from Ohio State University. He has more than 20 years of experience as senior manager in the home and industrial goods sector, both at home and abroad.

Over this time, he has reaped many successes in companies close to ours, such as JELD-WEN, Husqvarna and Electrolux. Before joining Fluidra, he was the CEO of Big Ass Fans, where he helped achieve strong growth through innovation and product diversification, in addition to improving results thanks to the roll-out of strategic operational efficiency.



Stephen Matysiak (APAC General Manager)

Stephen has a Degree in Marketing and earned an MBA at the Henley Business School. He started his career as a marketing manager for the Baracuda brand and subsequently became the General Manager of Zodiac Pool Care in South Africa.

He moved to Australia in 2014 to take over as the country's General Manager. Lastly, following its merger with Fluidra, Stephen became APAC General Manager, a post he currently still holds.



Carlos Franquesa (EMEA General Manager)

Carlos earned a Degree in Business Administration and Management from the ESADE business school and has a track record of more than 35 years in management, sales and operational environments. He started at Square D, a subsidiary of Schneider Electric, after which he held senior managerial posts in companies in the Cirsa Group.

He joined Fluidra in 2007 and since then has held various senior managerial positions, including as General Manager of Business for the Fluidra Group until its merger with Zodiac in 2018. He then occupied his current post as EMEA General Manager.



Martí Giralt (EMEA Manufacturing General Manager)

Martí holds a Degree in Business Administration and Management and an MBA from the ESADE business school, and he took the General Management Program at the IESE business school. He has over 30 years of experience in equipment marketing, sales and management. He has worked for companies such as Flamagas, Chupa Chups and the Yves Rocher Group where he held a number of senior managerial posts.

He joined Fluidra at the beginning of 2013 as Business General Manager for Iberia. He currently acts as EMEA Manufacturing Senior Manager, as well as being the head of the R&D, Marketing, Key Accounts and Mass Market departments in the region.

4.1.5. Governing bodies' compensation policy

GRI 2-19, 2-20, 201-3

On May 5, 2022 Fluidra's Annual General Meeting approved the Compensation Policy for the members of the current Board of Directors for financial years 2022 (from the date of its approval) to 2024, inclusive. The principles that govern the Policy are as follows:

- To pay competitive compensation, in line with the remuneration trends and practices of comparable companies.
- To promote the long-term creation of value and the sustainability of results over time, thus avoiding taking unnecessary risks and incurring unfavorable results.
- To align compensation with the best interests of shareholders and the Company's ESG strategy.
- To ensure the fairness and proportionality of compensation: balance between internal equity and market competitiveness, as well as guaranteeing non-discrimination.
- To set standards for transparency in how compensation is handled that also abide by the laws in force.

Although the Policy is a follow-up to the previous one, some changes have been introduced with a twofold objective in mind:

- To align its contents with the best interests of our stakeholders, the Group's strategy, and the best practices in sectors and companies in a comparable situation to ours, on the basis of our size and current position.

- To introduce the changes necessary to adapt the Policy to the new requirements of the Capital Companies Act.

Thus, we conduct a comparative analysis with the assistance of external consultants so that the compensation of the members of the Board of Directors is in keeping with that in other comparable companies, in terms of size, sector, and the domestic and international markets in which we operate. Furthermore, we took into consideration the information received from institutional investors and proxy advisers, as well as the provisions of the Spanish Code of Good Corporate Governance on directors' compensation. The main amendments made are as follows:

- Increase in the top annual compensation of the directors for the discharge of their duties (from €1,600,000 to €2,000,000), in addition to the fixed compensation paid to each member of the Board, and the compensation for belonging to the Board's various committees.
- Increase in the fixed compensation of the executive directors from €531,000 to €600,000 in the case of the Co-CEO, and from €390,000 to €500,000 in the case of the Executive Chairman-CEO.
- An increase from 100% to 150% in respect of the maximum proportion that the executive directors' annual variable target compensation can reach in relation to the fixed compensation at the year-end.
- The drafting of a plan for long-term incentives (2022-2026 LTI) for Fluidra's key directors and senior management.



Access the Compensation Policy on our website.

Compensation of the Board of Directors

The compensation system differentiates between the compensation of directors for their supervisory and joint decision-making functions, and the compensation for the performance of executive functions in the Company.

Compensation of the members of the Board of Directors for the discharge of their duties

On the one hand, compensation is made up of a set annual allowance, based on the members' posts, responsibility and whether they sit on the Board's committees and, on the other, of expenses for attending Board meetings.

As can be observed below, the approval of the new Compensation Policy has resulted in an increase in the compensation of the Board of Directors, effective since 1 June 2022.

The differences in average remuneration by gender derive from the additional remuneration received by the members of the Board based on their responsibilities within the Company's governing body.

Therefore, as set out in section 3.2 of the Policy, the fixed compensation associated with chairing the Board of Directors and its committees, and the compensation of the Board's Lead Director is higher than the rest of the members of the Board of Directors, given their greater responsibility in ensuring the smooth running of this body.

Except for the chair of the Appointments and Compensation Committee, held by a woman (Esther Berrozpe), the rest of the above mentioned posts were held by men at the year-end.

Total compensation paid to the Board

In thousands of euros	2022	2021	2020
Fixed	1,337	1,214	1,216
Expenses	120	120	120
Total	1,457	1,334	1,336

Average compensation by gender

In thousands of euros	2022	2021	2020
Men	123	102	112
Women	114	110	108
Total	121	103	112

The compensation of the rest of the members of the Audit Committee and the Appointments and Compensation Committee is slightly higher than that paid to the members of the Delegated, Strategy and ESG Committee, to which another female director (Barbara Borra) belongs.

Lastly, expenses for attending meetings are higher for the members of the Board who live outside of Europe, all of whom are men.

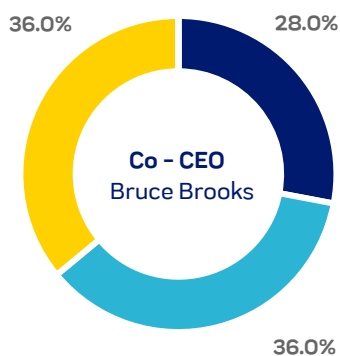
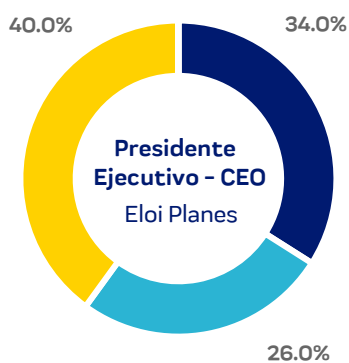
Compensation of the executive directors of the Board

The compensation of executive directors is a key issue for the Board of Directors and the Appointments and Compensation Committee. Therefore, the compensation model is continuously reviewed, evaluated and updated by both bodies.

Fluidra has devised a competitive executive compensation program, which motivates the executive directors of the Board and rewards them for achieving financial and strategic targets that generate long-term value for shareholders, while providing rewards commensurate with performance. Thus, the following practices are in place for calculating their compensation:

- There is balanced spread between the fixed and variable items, both annual and long-term.
- Their contributions to the business strategy (including the ESG strategy), and to the Company's best interests and long-term sustainability.
- Compensation aligned with the compensation conditions of the management team.

In 2022, the compensation of the two executive directors (the Executive Chairman-CEO, Eloy Planes, and the Co-CEO, Bruce Brooks) was as follows:



- Fixed compensation
- Annual variable compensation
- Long-term variable compensation

The executive directors' compensation is mainly made up of the following items:

Annual fixed compensation

This is based on the **level of responsibility and the career track record** of the executive directors, in line with market rates. In 2022, fixed compensation amounted to €500,000 in the case of the Executive Chairman-CEO, and €600,000 in the case of the Co-CEO.

In addition to these amounts compensation was paid in kind (use of a vehicle, life insurance and family medical insurance), as well as the coverage paid for the civil liability insurance policy for Fluidra's officers and directors.

Furthermore, as an expatriate the Co-CEO receives tax and legal advice during his time abroad and he is paid the costs for moving and traveling, provided they are duly justified, arising from his trips between Spain and the United States, up to a maximum annual amount of €65,000.


Annual variable compensation

Annual variable compensation is subject to **hitting the financial and management targets** set for the current year.

In both cases, the weighting of financial targets (EBITDA, EPS, free cash flow and sales growth) was 85%, whilst individual targets (ESG targets and other operational targets associated with the Strategic Plan) accounted for 15%.

Under the Policy, annual variable compensation may not exceed 100% of the Executive Chairman's fixed compensation and 150% in the case of the CEO. The achievement rate for financial targets ranges from 0% in the event that the minimum threshold is not reached to a maximum of 185% in the event the maximum values established for each indicator are attained or surpassed.

On February 23, 2023, the Appointments and Compensation Committee (ACC) reviewed the degree of achievement of the targets to which the accrual of the 2022 annual variable compensation was linked and submitted its findings to the Board of Directors for approval. Following this review, the degree of achievement was 12.3% for the Executive Chairman-CEO, and 11.9% for the Co-CEO.

 For more information, please refer to section B.7 of the Annual Report on Remunerations of Directors.

Long-term variable remuneration

As described above, the executive directors and the non-executive directors considered to be key in the Company belong to a long-term variable remuneration program based on stock options given to them by the Company (also known as LTIs).

In 2022, the **2018-2022 Plan** came to an end. The period for measuring the achievement of the financial targets to which the plan is linked is four years (from January 1, 2018 through December 31, 2021, although its payment is subject to staying at Fluidra until December 31, 2022).

Having met the requirements, in January 2023 we proceeded to pay 170% of the incentive linked to the degree of compliance with the TSR and EBITDA metrics, having exceeded the maximum value thresholds established for both metrics. This has meant the delivery of 161,856 shares in the case of the Executive Chairman-CEO, and 299,009 in the case of the Co-CEO.

Once the shares have been allocated, executive directors may not transfer ownership of a number of shares equivalent to **twice their annual fixed remuneration** until three years have elapsed since the shares were acquired. However, the above will not apply to any stock options that an executive director needs to dispose of, if necessary, to cover the costs associated with their acquisition, including taxation arising from the handover of the stock options.

Similarly, **the Company may demand the reimbursement of the stock options** delivered under the 2018–2022 Plan, or even that they be offset against other types of remuneration of any nature to which a beneficiary is entitled if, **during the two years following the settlement** of the Plan, it becomes evident that such a settlement was based wholly or in part on information that was subsequently shown to be clearly false or seriously inaccurate.

The **2022–2026 Plan**, which as happened in the previous year, entails the concession of a certain number of units (PSUs) that serve as a benchmark for calculating the final number of the Company's stock options to be handed over to the beneficiaries, provided the requirements set in the Plan have been met was approved in 2022.

The 2022–2026 Plan spans a **period of five years** (January 1, 2022 to December 31, 2026), and **comprises three separate cycles that last for three years** (2022–2024, 2023–2025 and 2024–2026).

The incentive for each Cycle of the 2022–2026 Plan will be settled in June of the year after the measurement period end date, following the approval of the financial statements for the year in question (that is, June of 2025, 2026 and 2027).

The beneficiaries of the 2022–2026 Plan must stay at Fluidra until the year-end date of each cycle in order to be able to receive the stock options associated with hitting the targets set for each of them.

However, the Plan anticipates some exceptions to the above, such as the good leaver clauses. Thus, should a beneficiary leave the Company in good faith before the measurement period end date, the number of stock options to which that person is entitled will be calculated for each cycle on a pro rata basis.

The 2022–2026 Plan contains **malus and clawback clauses**. The Board of Directors will decide, where applicable, whether the circumstances that trigger the enforcement of these clauses have occurred and the part of the incentive that, where appropriate, is to be reduced or clawed back.

Insofar as the clawback clause is concerned, Fluidra may demand the reimbursement of the stock options delivered in each cycle of the 2022–2026 Plan, or even that they be offset against other types of compensation of any nature to which a beneficiary is entitled if, **during the two years following the settlement** of each cycle, it becomes evident that such a settlement was based wholly or in part on information that was subsequently shown to be clearly false or seriously inaccurate.

The above will apply to the executive directors in all cases and to the beneficiaries who are responsible for such information. In any event, incentives paid to the members of the MAC and to the President of the Audit Committee, who are not subject to the clawback clause, will be recalculated using the right information.

Once the stock options under the 2022–2026 Plan have been distributed, the executive directors and members of the MAC **may not dispose of the stock options received under the 2022–2026 Plan** until three years have elapsed from the end date, in which case they must hold a number of stock options **equivalent to at least twice their annual fixed compensation**, in the case of the executive directors, and one time **that amount for the rest of the members of the MAC**.

However, the above will not apply to any stock options that must be disposed of a) to cover the costs associated with their acquisition, including taxation arising from the handover of the stock options; or b) to deal with one-off circumstances that require their disposal, provided a dispensation has been granted by the Board of Directors, with a favorable report by the Appointments and Compensation Committee.

As a new feature, in addition to the total shareholder return (TSR) and EBITDA, the 2022–2026 Plan includes **targets linked to the rating obtained in S&P's Corporate Sustainability Assessment**, which assesses our annual ESG performance. For further information about our new plan, please see annex I of the Compensation Policy.

Social benefits

The executive directors are entitled to an **allowance to cover contingencies involving death or disability** equivalent to four annual payments of their fixed gross compensation at the time of death, and another by virtue of set pension contributions that are earmarked for a pension fund.

The contributions made by the Company in 2022 amounted to €16,000 in the case of the Executive Chairman-CEO, and €8,470.5 in the case of the Co-CEO. These commitments are drawn up in an insurance policy.

Compensation of senior management


Regarding the remuneration of the members of the MAC, all members are bound by the same conditions that govern the fixed and annual variable compensation that is paid to the rest of the employees.

Inssofar as the MAC's annual variable compensation is concerned, it is subject to both **achieving the financial targets (85%) and the personal management targets (15%)**. The total weighting of each of the targets of these categories varies depending on the responsibility of each of the MAC's members.

		Financial targets	Individual targets			
			ESG	HR	Performance	Total
Executive directors and the CFTO	EBITDA	25%				
	Cash EPS	25%				
	Free cash flow	25%	4%	4%	7%	15%
	% increase in sales	10%				
	Total	85%	4%	4%	7%	15%
Rest of the MAC	EBITDA	40%				
	Free cash flow	35%	3%	3%	9%	15%
	% increase in sales	10%				
	Total	85%	3%	3%	9%	15%

In addition, a part of the individual targets (3%) of the people who report directly to the MAC, company general managers and other leadership positions (department heads) are linked to meeting ESG targets on a global and regional level.

The targets set include increasing renewable electricity consumption, reducing the carbon footprint, expanding the proportion of women in succession plans, narrowing the pay gap, raising the customer satisfaction index, implementation of action plans to address potential human rights impacts and increasing the number of suppliers audited under ESG criteria, amongst others.

 For further information on ESG targets, please refer to section "3.2. Responsibility Blueprint: our roadmap".

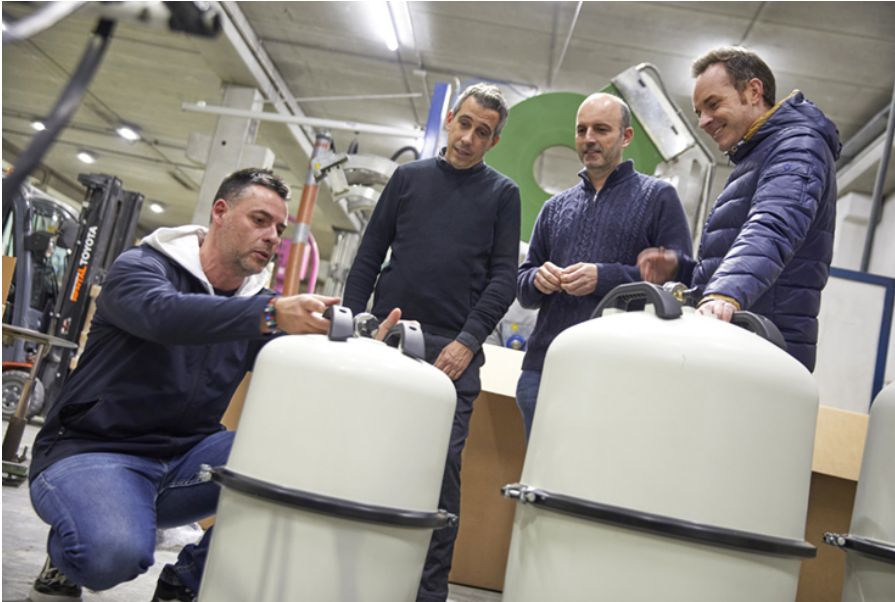
Furthermore, all members of the MAC form part of the long-term incentive plans (ILPs) referred to in the previous section, as do the executive directors. However, the terms and conditions that apply (the malus, clawback and non-disposal of stock options clauses, amongst others) vary in the case of senior management, as discussed above.

The average remuneration of the MAC members in 2022 (excluding executive directors) was €479,355 (compared to €569,646 in 2021). This reduction is a consequence of the decrease in the degree of achievement of the financial objectives that determine the annual variable compensation of the MAC. Thus, whilst in 2021 the degree of attainment of the targets ranged from between 160% and 180%, in 2022 this proportion dropped by as much as 15–50%. As was the case last year, this information is not

broken down by gender for confidentiality reasons, as the MAC has only one female member.

Moreover, a number of the MAC members held some of the Company's stock options at the year-end. Thus, the Executive Chairman-CEO, and the Co-CEO held 0.20% of the total stock options (0.17% and 0.03%, respectively), whose value accounts for 5.36% of their base salary. In the case of the rest of the MAC members, four of its members held 0.07% of the stock options overall, which accounted for 1.39% of their base compensation in the year.

4.2. Risk and Opportunity Management System



- Internal control procedures designed to reduce the risks of financial reporting and improve its reliability, based on the ICFR (internal control over financial reporting) system.
- Corporate risk map. This is the methodology we use at Fluidra to identify, understand and assess relevant risks. The goal is to offer an overview of the risks in order to design an efficient response system aligned with the business objectives.

Under the framework of the system, in 2021 our Board of Directors approved the **Global Risk Management Policy**, which applies to all Group companies, and which is further developed and supplemented by other specific internal policies and regulations that relate to certain company departments. Updated in March 2022, it sets out the company-wide principles, key risk factors and general lines of action for managing and monitoring risks.

 [Access the Global Risk Management Policy on our corporate website.](#)

We have also updated the **Enterprise Risk Management (ERM)** Framework, adapting it to the guidelines of the new Policy.

GRI 3-3

Aware of how critical the efficient management of potential risks and opportunities is for a company's successful development, achievement of objectives and plans for the future, at Fluidra we have turned this area into the backbone of our operations.

To this end, we have a Risk and Opportunity Management System in place to **identify, evaluate and prioritize business risks and opportunities**, define the mitigation plans we need to minimize and manage the likelihood and impact of adverse events, and fully capitalize on opportunities.

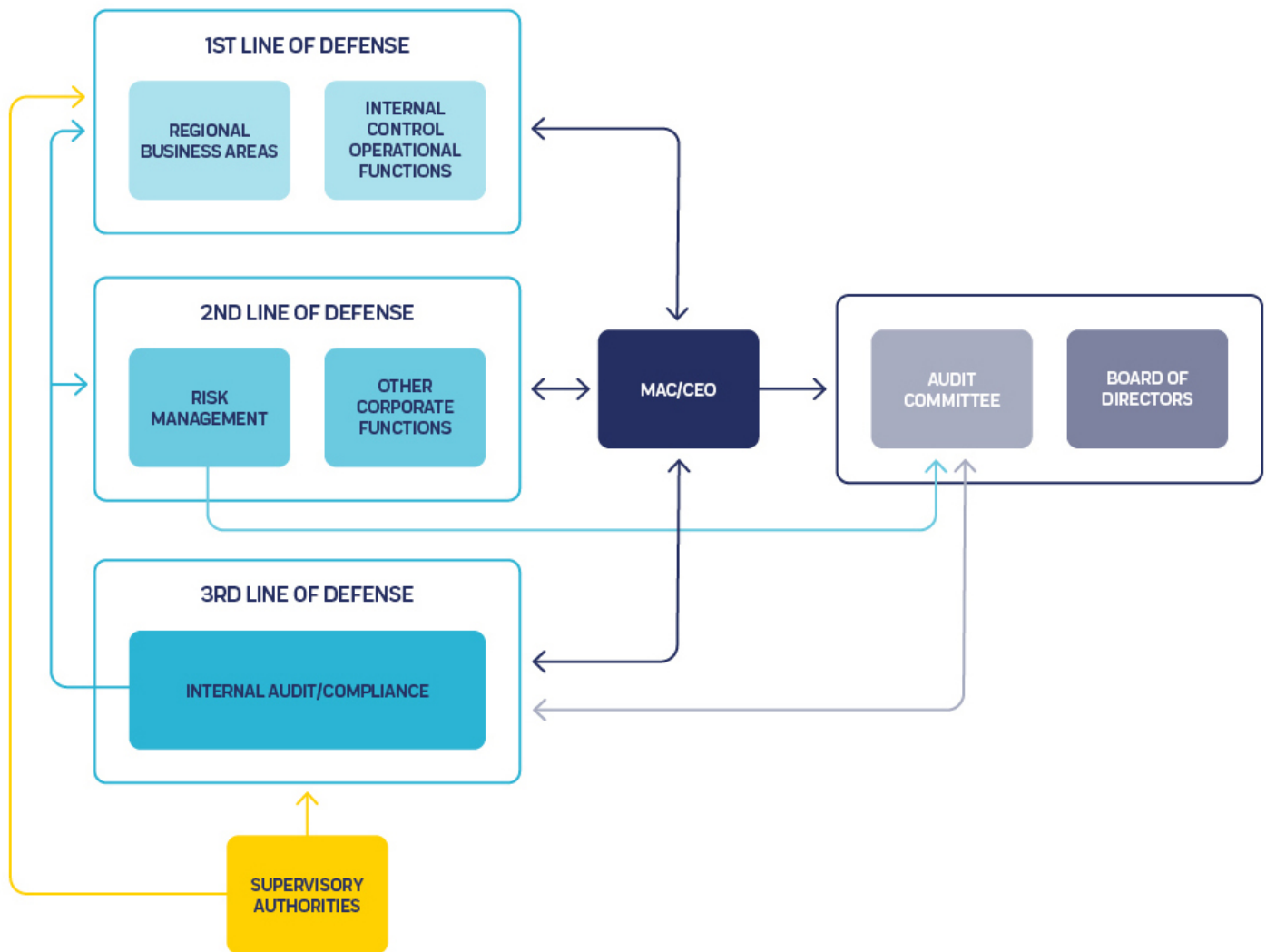
Our Risk and Opportunity Management System works on a comprehensive, on-going basis to ensure the effective management of mitigating risks and controls at every level. It is a global and dynamic system that encompasses the entire organization and its orbit, including all subsidiaries and geographical areas. Everyone in the Group, and particularly those in management and leadership positions, is required to comply with this system. The system is structured around three cornerstones:

- Common management systems specifically designed to mitigate business risks.



The system, based on the ISO 31000:2018 standard, is structured around three lines of defense: the regional businesses and their transactional support functions; the corporate functions of supervision and

control of the group's operations; and internal auditing. This organizational structure was modified in 2021 to incorporate a risk management function separate from the internal audit team.



Risk culture

Our risk culture is characterized by "Tone at the top" leadership, i.e., the commitment and leadership exercised by the Board of Directors and Senior Management in this area.

Among the measures implemented to strengthen the culture of risk and opportunity management within the organization is the publication and communication of the new Global Risk Management Policy to the entire organization.

In terms of training, both the Risk Department, which has benefited from instruction in this subject from specialized companies, and the people who run the various regions and business units have been trained to identify and assess risks, based on Fluidra's updated risk tolerance. Several of them identified risks that had not been considered before.

Also, when it comes to training, each business unit is working on initiatives to extend the risk culture in their fields. Of particular note in this area are the training courses given on ESG risks,

cybersecurity and occupational risk prevention in 2022.

Fluidra's risk culture is increasingly well established through the implementation of new tools, the analysis of ERM mitigation plans and the definition of key risk indicators for all the risks analyzed and monitored.

4.2.1. Corporate Risk Map

We update the Group's **corporate risk map** on an annual basis. In 2022, a total of **30 risks** have been identified and assessed, which have been classified into one of the following categories: strategic, operational, financial, regulatory and compliance, environmental, human resources and reputational.


For this purpose, the ERM department launched a survey to the heads of each region and business unit, as well as to the MAC members to prioritize the universe of risks identified in previous years, by assessing their potential impact and probability of occurrence.

Simultaneously, all participants had the opportunity to complete the analysis by

indicating new risks not considered in the assessment that, in their experience, affect or may affect Fluidra. These risks, after being validated by the MAC, were then considered in the analysis along with the rest.

The results of the evaluation were first shared with the MAC and subsequently with the Audit Committee and the Board of Directors for review and approval.

We also proceeded to review the existing controls to mitigate each of the identified risks (prioritizing those classified in the Top 10), formalized additional action plans (when the existing ones were not sufficient), and assigned those responsible for monitoring and following up on their progress.

 For more information, please refer to section E of the Annual Corporate Governance Report.

On the other hand, we have the assistance of external experts for the analysis and quantification of the impacts of the most relevant risks that make up the Corporate Risk Map. Thus, in 2021, we carried out a sensitivity analysis and stress test in different scenarios: Cybersecurity, Exchange rate fluctuations and Climate Change (in particular, risk of flash floods and water stress).

Looking ahead to 2023, we plan to conduct an internal audit of the risk management process.

Risk universe



STRATEGIC RISKS

They include a wide range of external events and trends (such as global megatrends, changes in government policies, technological developments, etc.), which could impact Fluidra's strategic path and impede the generation of value for shareholders.



RISKS ASSOCIATED WITH HUMAN RESOURCES MANAGEMENT

These refer to risks that stem from potential dependency on key personnel and the difficulty in properly identifying and retaining talent, as well as maintaining an optimal workplace environment at all locations.



ENVIRONMENTAL RISKS

These are related to the impact the company has on the environment and vice versa: effects from a lack of mitigation and/or adaptation to climate change, extreme weather events, waste management and the use of natural resources and energy.



FINANCIAL RISKS

Financial risks include those associated with exchange rate, interest rate and credit risks, among others.



REGULATORY AND COMPLIANCE RISKS

These are the risks arising from regulatory changes introduced by regulators, such as intellectual property, data protection and privacy regulations, as well as changes to regulated activities, mandatory supply conditions, tax codes or regulations of publicly listed companies. They include risks related to political changes that can affect legal protections and the legal framework applicable to the group's businesses in each jurisdiction (nationalization or expropriation of assets, cancellation of operating licenses, among others).



REPUTATIONAL RISKS

These refer to the possible negative effects on the company caused by behavior that does not meet stakeholders' (customers, employees, shareholders, society and suppliers) expectations, including the management of best corporate governance practices.



OPERATIONAL RISKS

These are the risks associated with our normal day-to-day operations, both internal and external, in terms of our interaction with customers, suppliers and other stakeholders. They include the risks associated with the eventuality of extraordinary events beyond our control (fires, natural disasters, strikes by shipping companies or key suppliers, cyberattacks, etc.) that could significantly impact normal operations:



Materialized risks

Fluidra operates on a global level, which means we are exposed to external risks. In 2021, we witnessed an increase in raw material and commodity prices which also affected our Group. There were disruptions in the supply chain of some materials which delayed deliveries, affecting our sales. Consequently, in 2022 we launched mitigating actions to reduce the impact of this risk.

The risk of natural catastrophes also came into play in 2022, with one of our facilities damaged by Hurricane Ian in Florida. To minimize its impact, we implemented preventive measures to protect our staff and limit physical damage to our facilities, ensuring that, together with insurance coverage, the economic impact was minimal.

The risk of exchange rate fluctuations also materialized. We are currently in the process of implementing measures to correct the impact of fluctuations, using financial tools and the insurance market to review proposals.

Finally, in June 2022, the risk of accidents causing serious injuries happened to one of the contractors involved in executing works on one of our projects. Beyond external investigations, we performed a review of safety protocols in project implementation and updated accident mitigation and prevention measures.

Emerging risks

The Risk and Opportunity Management System also involves monitoring emerging risks, defined as any newly identified risk that is expected to have a long-term impact on the business, although on occasions such a risk may already have had an impact on our business.

Taking emerging risks into consideration may result in us incorporating new risk assessments and mitigation plans where required.

Biodiversity loss

According to the Global Risks Report 2023, biodiversity loss and ecosystem collapse is viewed as one of the fastest deteriorating global risks over the next decade. With more than half of the world's GDP estimated to be moderately to highly dependent on nature, ecosystem collapse will have far-reaching economic and social consequences.

Businesses and organizations may face significant ecological risks because of their impacts and dependencies on biodiversity. These risks are mainly operational risks related to resource dependency, scarcity and quality. They may be associated with higher raw material or resource costs (for example, limited natural resources such as timber or fresh water), disrupted supply chains (for example, due to resource scarcity or more variable production of key natural inputs) or interrupted business operations.

4.3. Ethics and Integrity

GRI 2-23, 3-3

Our Code of Ethics and our culture promote the principle of zero tolerance for any unlawful act or breach of the ethical and responsible conduct principles, both in the Company and in our relations with customers, suppliers and any other third parties.

The Board of Directors' Audit Committee is ultimately responsible for supervising how our compliance model works and the degree to which it is observed. The Committee in turn assists our Ethics Committee in conducting any relevant investigations into potential breaches reported.

Furthermore, we have an internal regulatory corpus of policies, standards and procedures that define and specify the conduct that is expected of the Group's employees, as well as of other people and organizations with which we have business relationships.

In line with our commitment to best corporate governance practices and the ongoing improvement of our compliance management systems, this set of rules, promoted by the office of the director of the Group's Internal Audit and Compliance Department, is regularly reviewed and improved.

4.3.1. Promoting an ethical behavior

GRI 2-23

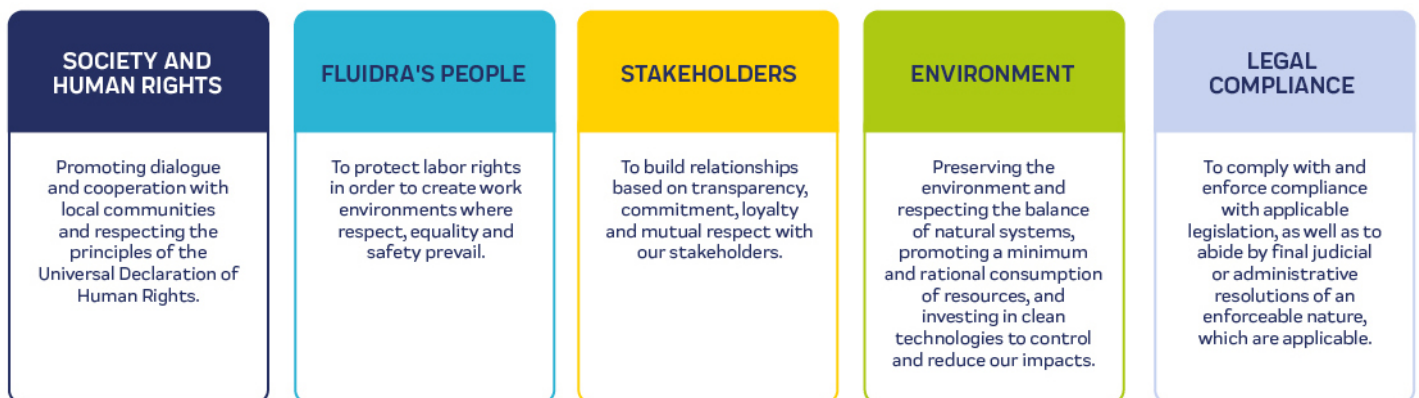
In addition to our mission, vision and values, our corporate culture is characterized by our **commitment to respecting human rights** and the **promotion of responsible business conduct** in all of our activities and business relationships, including with our customers and suppliers.

We believe that it is essential that all of the people who belong to the

Organization, in addition to all third parties with which we have relations, are a true reflection of these commitments. To ensure this, we have set out the principles and guidelines that should be followed in day-to-day conduct and decision-making in our **Code of Ethics** and the **Code of Ethics for Suppliers**.

Both documents are based on the 10 principles of the UN's Global Compact, the International Bill of Human Rights and the Declaration of the International Labour Organization (ILO). Furthermore, they do not replace or override the laws in each country, the internal regulations of individual companies or the collective bargaining agreements that may apply.

Our principles and commitments





88%

employees have taken courses on the Code of Ethics

Code of Ethics

Fluidra's Code of Ethics, passed by the Board of Directors in 2008, aims to encourage ethical, responsible conduct in the Organization. Therefore, it applies to all people in the Group, regardless of their post or function.

Given our geographic spread and diversity of languages, in 2022 we translated the Code into seven new languages, to reach a total of eighteen, in order to ensure that all our staff is aware of and understands the principles contained in it.



For more information, please refer to the "Ethics" section of our corporate website.

When people first join the Fluidra Group, they are given training about the commitments and principles of the Code of Ethics, which they must read and accept. In addition, the Code is made available to all new acquisitions as part of the process of joining the Company.

In 2022, a total of 5,934 people received training on and accepted the Code of Ethics, which accounts for 88% of workforce at the year-end (5,474 people, 78% in 2021).

It has been planned to review and update the Code of Ethics in 2023 in order to add the commitments taken on in the framework of our ESG strategy.

Code of Ethics for Suppliers

Fluidra's Board of Directors drew up the **Code of Ethics for Suppliers** in 2019 in order to put across our values and principles throughout the supply chain, thereby ensuring ethical and responsible conduct, respect for human rights and the protection of the environment by all companies with which we do business.

All suppliers must accept and follow the principles, whether specifically or through the clause that appears on purchase orders, unless they have a similar code aligned with the 10 Principles of the UN's Global Compact.

In the event of non-compliance with the provisions of the Code, **Fluidra reserves the right to put forward a series of corrective measures or, as a last resort, to suspend the contractual relationship.**

In 2022, a total of 4,904 suppliers signed up to our Code or already had a document aligned with our principles (3,058 suppliers in 2021).

In addition, we continued to run a number of courses in order to make the commitments of the Code of Ethics known, as a result of which 187 suppliers have received training since the program began.



For more information, please refer to the "Ethics" section of our website.

COMMUNICATION OF THE CODE OF ETHICS TO SUPPLIERS

	2022		2021	
	Number	% suppliers	Number	% suppliers
Acceptance of the Code	4,902	30.5 %	3,053	22.7 %
Training on the Code	187	1.2 %	73	0.5 %

The confidential channel is available in 16 languages and is managed by an external service provider, thus enabling reports to be submitted anonymously.

Confidential Channel


GRI 2-16, 2-25, 2-26, 207-2, 406-1

We provide all stakeholders with a **confidential channel** through which they may ask questions, request advice or report irregularities in relation to the laws applicable to Fluidra, as well as the principles and values contained in the Code of Ethics, the Code of Ethics for Suppliers and the implementing regulations of the Codes.

In 2022, we adopted the way the channel is set up and works in line with the requirements of Directive 2019/1937 of the European Union, in order to reinforce the protection and trust of people who submit reports and thus increase the number of complaints received.


As a result, since last October the confidential channel has been **managed by an external service provider** to replace the email address that was previously available, so that people who submit reports can now do so **anonymously**.

This change also entailed a review and update of the **Rules on How the Channel Works**. During this process, principle number 31 of the United Nations Guiding Principles on Business and Human Rights on the effectiveness of grievance mechanisms was taken into consideration.

 For more information, please refer to section "6.1.3. Grievance mechanisms".

In addition to giving a response to our stakeholders' concerns, the confidential channel serves as an **early warning system** for any risks to the Organization. Therefore, it is essential that all staff are aware of it and use it in order to ensure that we are able to flag up and deal with any incident quickly and efficiently.

To do so, in 2022 we launched a number of courses to raise awareness about the relevance of the channel. They will be added to the onboarding training program in 2023.

 Access the confidential channel on our corporate website.

Confidential channel operation





Through this channel, reports may be submitted about any of the following issues:

- Conflicts of interest
- Discrimination and harassment
- Disclosure of confidential information
- Breaches of tax rules
- Breaches of health and safety rules
- Accounting and financial irregularities
- Reprisals
- Bribery and corruption
- Insider trading
- Inappropriate use of intellectual property
- Unauthorized or fraudulent use of the Company's facilities and equipment
- Other unethical conduct

The **Ethics Committee** is responsible for handling any complaints received, with the assistance of the departments in charge of each matter. The Committee, whose members are the Director of Internal Audit and

Compliance, the Director of Human Resources and ESG, and the Group's Director of the Legal Department, meet regularly to deal with the cases reported through the confidential channel. In 2022 it has met a total of five times (six in 2021).

In 2022, a total of twenty communications were received through the channel (compared to eight in 2021), seventeen of which were subject to investigation as they were found to refer to issues described in the code.

At the end of the year, only three of the complaints received had been proven, although several of the cases were still under investigation. As a result, Fluidra has reprimanded, either verbally or by letter, the persons involved. In another case, the person reported was finally dismissed, not as a result of the facts initially reported in the channel (a situation of sexual harassment that was not proven), but due to inappropriate behavior of the reported person, not in accordance with the culture and values of the Company, which occurred subsequently.

Additionally, even in cases where the reported conduct could not be proven, we have carried out work climate evaluations and training to teams on issues of labor and sexual harassment.

No reprisals

Fluidra does not tolerate any form of threat or reprisal against anyone who reports a potential breach in good faith. Any disclosure, concern or accusation made in bad faith (a false accusation, lying or interfering during an investigation, for example) may give rise to disciplinary measures.

Confidentiality and anonymity

Any report submitted through the confidential channel will be processed in the strictest confidence, in order to protect the reputation of the parties involved. This means that any information provided will be disclosed to a limited number of people directly involved in an investigation following its approval by the Ethics Committee.

The reporting process ensures that people who submit reports may express their concerns anonymously. Should it be necessary to break confidentiality (by law, for instance), the persons involved will be duly informed in advance.

Presumption of innocence

We ensure that privacy is properly protected, the right to reputation of the accused safeguarded, their presumption

of innocence and the right to counsel upheld, especially in the case of reports that are unfounded, false or made in bad faith, against which the appropriate measures will be taken.

This includes a fair hearing. In the event that an internal investigation is conducted, Fluidra will inform any people involved that a concern has been voiced about them.

Privacy

We undertake to protect the privacy of all the people involved in a report of misconduct and to safeguard the unauthorized access and processing of personal data.



4.3.2. Criminal Risk Prevention and Control Model

Fluidra has had a Global Crime Prevention and Control Model in place since 2016 to detect, prevent and mitigate the risk of criminal offenses in the Organization, and to assign a person responsible for these matters in each of the companies belonging to the Group.

In 2022, we reviewed the model with the help of an independent expert to tailor it to the best practices on this subject matter, and thus ensure its efficiency and that reasonable controls were in place.

In the framework of this model, we have a Global Crime Prevention and Control Policy that defines the resources available to the Organization to prevent violations of the laws in force, especially acts that could be classified as crimes under the Spanish Penal Code or the applicable laws in the countries in which we operate.

Below is a description of Fluidra's commitments and the actions it takes to prevent and mitigate criminal risks.

Anti-corruption

GRI 205-1, 205-2, 205-3, 415-1

As stated in the Code of Ethics, our relationships are based on the principles of transparency and equal opportunities, and the Company rejects actions aimed at gaining an advantage over competitors in the market or in public or private contracts by illegal means.

In order to uphold this commitment, the Board of Directors approved an Anti-Corruption Policy in 2016, which prohibits any type of action or activity that could be interpreted as corruption or money laundering.

This policy is binding on all companies that make up the Fluidra Group and must therefore be observed by all members of the Organization. Whenever possible, the policy will also apply to suppliers, distributors and customers.

In addition, the annual compliance training plan includes a training pill on this subject. In 2022, we trained a total of 2,767 people on corruption and bribery.

Fluidra is not bound by the European regulations on the prevention of money laundering and the financing of terrorism. Despite this, the policy prohibits any Fluidra employee from directly or indirectly taking part or being involved in activities that could lead to a crime of this kind being committed. Moreover, employees must be on the alert and report any customer or supplier who tries to use Fluidra's corporate structure for a money laundering operation.

In line with this commitment, we limit the use of cash in payments and collections to the extent possible. Should it be necessary to use cash, we keep detailed records, in which the amount, item, date of payment or collection, the payee or customer paid are specified. Under no circumstances are payments made to or from individuals or enterprises other than the ones that appear on the corresponding invoice.

Finally, Fluidra's employees assume the commitment to only contribute to or work with political parties and/or public institutions, organizations or entities on a personal level and independently from the Organization. Contributions on behalf of Fluidra or that could be associated with it are prohibited.

No incidents involving corruption, bribery or money laundering were identified or reported in 2022 or 2021. Fluidra made no contributions to political parties or their representatives.

Trade sanctions policy

In recent years, the United Nations, the European Union and the United States, among other countries and bodies, have approved a number of economic sanctions and trade embargoes on certain countries, territories, institutions and individuals, and these measures have both a direct and indirect impact on our business.

Therefore, in 2020 the MAC and the Company's compliance officer approved the **Global Sanctions Policy**, which is intended to prevent violations of the regulations on sanctions and trade embargoes, as well as to ensure a rapid and effective response by the Organization to any investigation into its conduct.

Under this policy, Fluidra and its member companies are prohibited from doing business with any distributor, customer or supplier that directly or indirectly involves or benefits any sanctioned or embargoed territory, country, institution or person.

In 2022, no incidents were encountered in the monitoring procedures carried out by the office of the Compliance Officer.

Market competition rules

GRI 206-1

As reflected in our Code of Ethics, our conduct in the market is guided by the principles of free competition and equal opportunities. We reject any action aimed at obtaining an unfair or illegitimate benefit or advantage over customers, suppliers, competitors and/or other market players. At Fluidra, we are respectful of competition and will prosecute any action that is detrimental to the rules of free competition.

Our Company has a **Competition Policy** whose aim is to provide a basic knowledge and a better understanding of this issue, and the regulations to which we are subject. Furthermore, the Legal Department has drafted a number of supporting documents to provide employees with a better understanding of prohibited conduct, best practices and a practical guide on how to proceed in the event of a dawn raid by the Competition Regulators.

In 2022, we continued to promote the understanding of this filed by running training sessions, especially for the management and marketing teams, and for the Group's sales network, at which emphasis was not only placed on the importance of prohibited conduct, but also tools and practical advice were provided to avoid committing a potential breach.

To enforce compliance with antitrust regulations, the Legal Department has assigned a member of the team who works closely with the Marketing Department and the sales team, thus ensuring the correct implementation of our policy.

In turn, the Legal Department Legal reports to the Compliance Coordination Committee on all initiatives undertaken, controls implemented, ongoing competition proceedings and potential fines or sanctions in this area. **In 2022, no sanctions were imposed on Fluidra by the Competition Regulators.**

Furthermore, with regard to the control of mergers by the Competition Regulators and given the activity of our Mergers & Acquisitions Department in 2022, it should be highlighted that our Company is involved in various processes of reporting merger operations to a number of European regulators.

Finally, at Fluidra we have a rigorous **Internal Code of Conduct in Markets**, which is binding on all Persons Subject to it that includes a group encompassing a broad spectrum of people in the Organization (directors, managers, employees who work in departments related to the stock market, etc.). They must all conduct themselves with the utmost diligence and transparency in all their work in order to minimize the risk of conflicts of interest and, in short, to ensure that adequate and timely information is provided to investors to safeguard the integrity of the market.

With regard to this matter, in 2022 one of our employees was sanctioned by the Spanish Securities Commission (CNMV) for a very serious offense as dealt with in article 282.6 of the Securities Market Act, following the personal acquisition of Fluidra shares due to being party to insider information.

The investigation process launched by the CNMV did not flag up any breach by Fluidra, which took all the measures required to keep the insider information about the project in question confidential, including serving notifications on all members on the list of insiders at the time this project was being carried out.

4.4. Responsible Supply Chain Management



GRI 3-3

When it comes to our product suppliers and service providers, closeness and communication are two constant values. These are two aspects that we see as fundamental for developing solid, long-lasting relationships that are rooted in transparency and honesty, helping us to create value and mutual benefit.

4.4.1. A challenging year in the supply chain

GRI 204-1

The supply chain is vital to Fluidra's results, given the impact which the cost of raw materials can have on the cost of our products, whether they are manufactured or purchased.

2022 was an extremely challenging year for this department, with **widespread inflation** across most products through mid-year and a drop in commodity prices in the second half of the year. There was **tremendous variability** in demand, which complicated not only supply chain management but inventory levels (both

our own and those of our suppliers) as well. In this regard, the Sourcing, Product and Process departments continue working on projects that enhance value for the company and mitigate the effects of inflation on our P&L statement.

Beyond the ever-present pursuit of cost savings in our day-to-day activities, one of the top concerns of the Sourcing Department is ensuring that **the products and services required by the organization are available** in the right quantities at the right time, while also ensuring responsible business conduct throughout our supply chain.

The **Sourcing Department** is responsible for managing the supply chain and reports to the global Operations Department. It has a matrix organizational structure, with several functions that are centralized, such as strategic decisions and purchases of intersectional or strategic categories for the Group, and others that are decentralized, such as local purchases or the management of non-strategic categories.

To do this, we leverage **geographically diverse suppliers**, a combination of local suppliers and alternative suppliers in other regions of the world, to optimize costs and ensure product availability while minimizing the risk of stock-outs. As a result, in 2022 we **increased sourcing from local suppliers** from 64.9% to 69.7%⁵.

We have a **Global Sourcing Policy** that sets out basic guidelines and procedures for the procurement of raw materials, components, services, fixed assets and externally manufactured goods to ensure that we can efficiently procure goods and services that have a major impact on the success of our business operations.

4.4.2. The supply chain's contribution to value

GRI 2-6

Complex and varied, Fluidra's supply chain handles everything from the **sourcing of raw materials** for our factories to the **purchasing of components, semi-finished products, finished products and a full range of business services**.

Global third-party sourcing between product suppliers and service providers reached €1.75 billion in 2022, a year-on-year increase of 19%. Likewise, active product supplier and service provider accounts reached 16,300, up 21% compared to 2021.

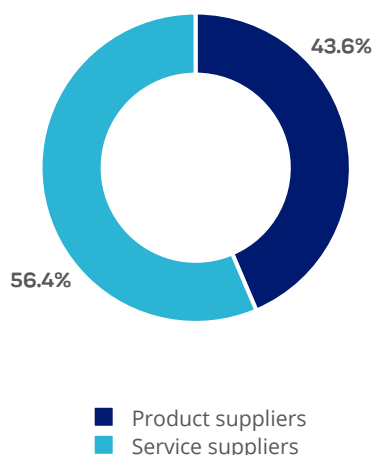
⁵ We define local sourcing as sourcing from a country of origin that is the same as the country of destination.

This increase was driven by higher prices globally, as well as by the addition of suppliers and procurement spending from the other companies acquired in 2021 (Custom Molded Products Shanghai, SRS Australia and Taylor Water Technologies)⁶.

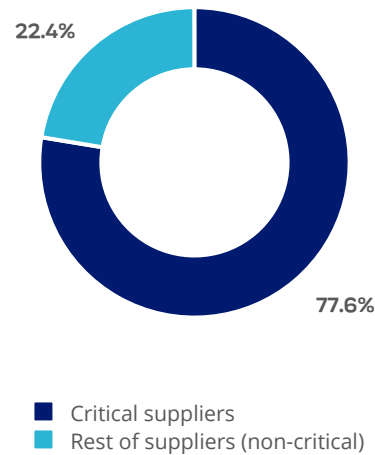
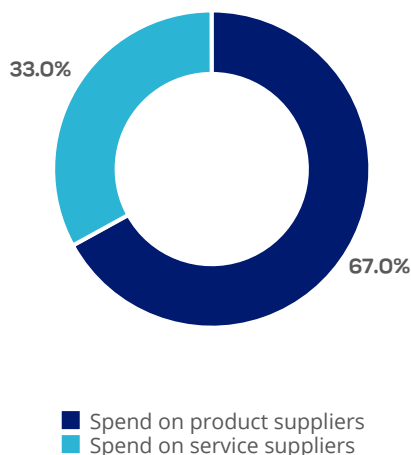
There are no significant changes in the shareholding or location of our suppliers that affect our supply chain, beyond the acquisitions and divestments made in recent years, when they stopped being suppliers and became part of the Group or vice versa.

In 2022, 43.6% of the Group's suppliers were product and raw material suppliers, accounting for 67% of the volume of purchases for the year (compared to 36.7% of suppliers and 71.4% of expenditure the year before). On the other hand, service providers accounted for 56.4% of the total, with an expenditure of 33% (compared to 63.3% of suppliers, and 28.6% of expenditure last year).

Sourcing by type of supplier



Sourcing from critical suppliers



The main way in which Fluidra segments its suppliers is based on their level of criticality, with critical suppliers defined as those with a sourcing expenditure of more than €500,000, as well as those that require specific consideration because of their business activities.

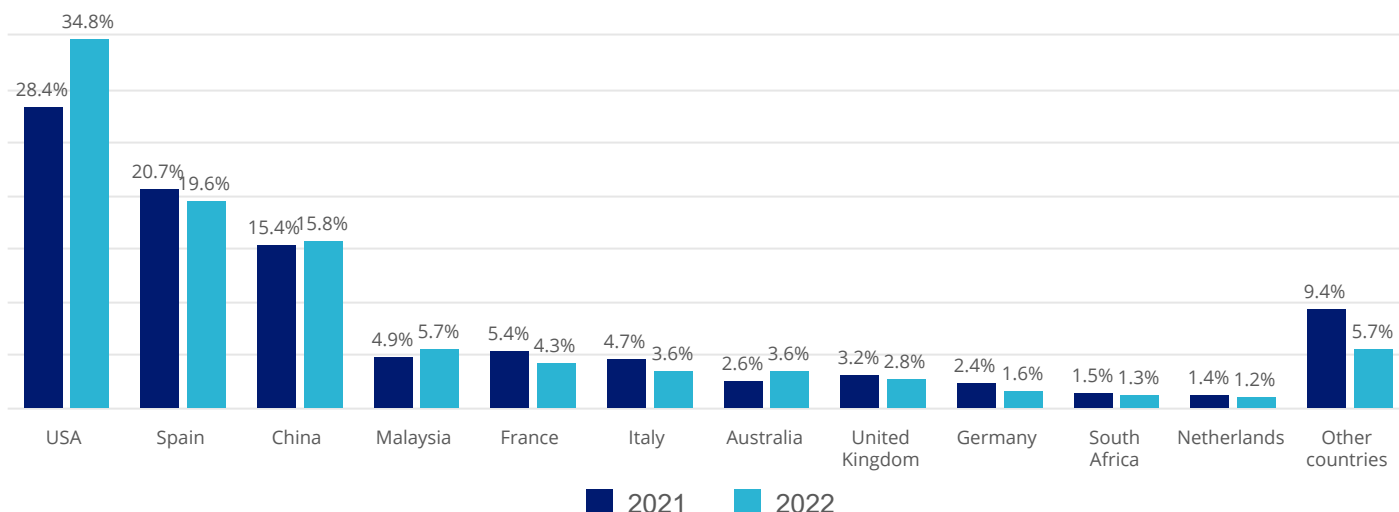
By the end of 2022, Fluidra had 501 suppliers classified as critical (compared to 440 in 2021 which accounts for 3.1% of the total suppliers and 77.6% of total purchase volume (compared to 3.3% and 76.5% respectively in 2021).

In terms of the distribution of spending by country, the USA, Spain and China are the regions with the highest sourcing. The two currencies that are used most frequently for economic transactions are the euro and the dollar.

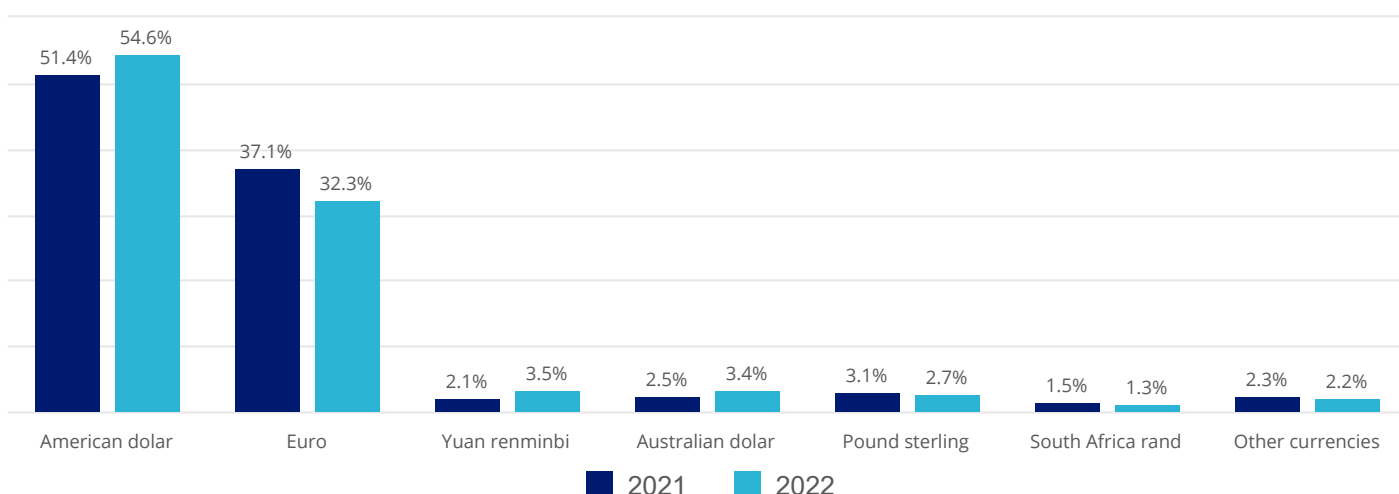
Finally, the average days it took to pay suppliers in 2022 was 50.02 days (compared to 65.92 days in 2021). Fluidra reports this information on a timely and regular basis in compliance with Article 539.2 of the Capital Companies Act.

⁶ The figures on the structure and composition of the supply chain covers 98% of the Fluidra Group in terms of sales for the 2022 financial year. The following countries of operation are excluded: Bosnia and Herzegovina, Croatia, Slovenia, Montenegro, Czech Republic, Russia and Serbia, in addition to new acquisitions that have not yet been entered into the sourcing reporting system such as Sunbather Pty Ltd. and Swim & Fun Scandinavia Aps.

PURCHASES BY COUNTRY 2021-2022



PURCHASES BY CURRENCY 2021-2022



4.4.3. Our progress in shared values

GRI 308-1, 308-2, 414-1, 414-2

We are committed to transferring and promoting responsible and sustainable practices throughout our supply chain. Beyond the Sourcing Policy, updated with ESG criteria, in 2022 we published the **Supplier Qualification and Approval**

Procedure to define the minimum criteria (environmental, social, corporate governance, regulatory compliance, information security and financial) that suppliers must meet before working on a long-term basis with any of the companies in the Fluidra Group.

This new procedure applies to all suppliers (new or existing) with the potential to be considered critical, who

produce or supply products that are considered complex, strategic or subject to strict legal and regulatory requirements, or who are considered risky by the Sourcing, ESG, Human Resources, Quality or Compliance departments. In these cases, the approval process will consist of the following phases:



Acceptance of the Code of Ethics

One of the cornerstones and guidelines for transmitting our values and principles throughout the supply chain is our Code of Ethics for Suppliers.



For further information about the Code of Ethics for Suppliers, please refer to section "4.3. Ethics and Integrity".

Beyond requesting that our suppliers accept and commit in writing to the principles set out in the Code, we have developed a series of additional initiatives to ensure proper understanding of and compliance with these principles.

To that end, in 2021 we launched a **training program** that focused on the Code of Ethics and our human rights commitments for the Group's major suppliers in Europe, the United States, Asia and Australia. We have continued to roll out this training program to new suppliers in 2022, and have also launched a new training program on climate change.

Since the start of the program, we have trained 187 suppliers representing 52.6% of our sourcing in 2022.

Suppliers can report any suspected breaches of the Code of Ethics for Suppliers through Fluidra's whistleblower channel or by contacting Fluidra's local sourcing teams. No breaches were detected in 2022 or the year before, nor were any complaints or warnings received in this regard. There have been no reports of child labor or forced labor violations or in relation to the freedom of association or collective bargaining rights.

Assessments and audits

Following the procedure described above, every year we establish an assessment and audit program to further check compliance with our environmental,

social, corporate governance and financial standards.

Fluidra's suppliers are evaluated using the RePro platform developed by Achilles, a company that specializes in supply chain assessment and monitoring. Based on the answers provided by our suppliers in the assessment questionnaire, the platform provides the data we need to calculate the threshold scores for working with Group companies.

This process, which began in 2020, has continued throughout 2021 and 2022. This year we've evaluated 27 new suppliers, bringing the total number of suppliers evaluated over the past three years to 324 (2% of the total, representing 29% of our procurement volume in 2022). By the end of the year, the scores obtained by suppliers ranged from a high of 88% to a low of 60%, with no significant impacts identified in the assessment that would require the definition of an action plan.

2020-2022 assessments

	Number	% suppliers	% procurement volume
Total suppliers evaluated (Tier 1)	324	2 %	29 %
Of which, "Critical Suppliers" ⁷	105	21 %	37 %

Together, each year we implement a series of audits to further verify compliance with Fluidra's environmental, social, corporate governance and financial standards. These are external and independent audits also carried out by Achilles, which allows for the coordinated management of the entire supplier approval and assessment process.

We strengthened our audit program for our critical suppliers in 2022, working in order from the highest to the lowest volume of expenditure. In 2022 we performed 28 new audits (compared to the 13 conducted in 2021), 26 of which have been of suppliers that belong to the first level of our supply chain (Tier 1) and 2 suppliers of the second level (Tier 2).

As a result, we audited a total of 37 critical Tier 1 suppliers over the past three years (through 39 audits), accounting for 78% of the total number of critical suppliers and 28,5% of our procurement volume in 2022.

2020-2022 Audits

	Number of suppliers	Number of audits
Audits of Tier 1 suppliers (Critical)	37	39
Audits of Tier 2 suppliers	4	5
Total	41	44

⁷ Calculated based on the total number and procurement volume of critical suppliers.

Achilles defines and monitors the corrective plans that must be implemented by the suppliers to resolve the incidents detected, within three months at the latest for major incidents and twelve months for minor incidents.

We detected 106 non-conformities in 2022 (17 major and 89 minor), of which 67 correspond to ESG issues (11 major and 56 minor), which require resolution in the coming months by suppliers according to the deadlines mentioned above. Based on the results of the assessment and audits, suppliers are classified into three categories:

Category A (qualified), which corresponds to all those suppliers that score above 50% in terms of the thresholds that Fluidra specified in the assessment procedure, and for whom, in addition, no restricted and exclusionary issues have been detected in terms of compliance, Sourcing, ESG, HR, HSE, quality and/or finance.

Category B (conditional qualification), which corresponds to suppliers that score less than 50% with respect to the thresholds that Fluidra specifies in the assessment procedure, and for whom, in addition, no restricted and exclusionary issues have been detected. In these cases, a follow-up audit and monitoring of

corrective plans for non-conformities is mandatory; once implemented, these suppliers are re-qualified and move into the A category.

In the event that they do not comply with the required measures within the established period, they are re-qualified as category C.

Category C (disqualified). This category covers all those suppliers with restricted and exclusionary compliance, Sourcing, ESG, HR, HSE, quality and/or finance issues, or issues arising from the circumstances described in category B.

These suppliers will have the opportunity to implement a corrective action plan, approved by Fluidra, before a final decision is made on their disqualification from working with Group companies.

Future supply chain challenges

The complexity and depth of our supply chain poses significant management, assessment and monitoring challenges.

There is no doubt that the future European Directive on corporate due diligence in sustainability, which focuses on the global supply chain, will require us to make key management decisions and will shape a more in-depth relationship with suppliers.

A challenge that we will have to approach with a broader perspective, providing the resources necessary to implement the procedures and actions required to comply with the regulations.

We will continue to advance with the program to audit and monitor our critical suppliers, leveraging it as a tool to ensure compliance and alignment with our commitments. The goal for 2023 is to conduct 20 more audits in line with the commitments as defined in the ESG Master Plan.

One of the challenges for 2023 in this regard is to improve the degree of rectification of non-conformities. The data analysis shows that there is a clear path for improvement that we have to tackle as a challenge for the future.

Beyond that, the assessment program based on the RePro questionnaire will continue to advance with the involvement of new suppliers, building collaborative relationships with them that drive us towards a more sustainable and responsible supply chain. The goal is to evaluate 3% more suppliers by the end of 2023.



4.5. A Customer-Centric Model



We make sure our products are available across all the channels where our customers and consumers decide to purchase.

GRI 2-6, 3-3

At Fluidra we are committed to helping our customers grow their business by providing quality products and innovative services. We are also committed to creating the perfect pool and wellness experience for end users for greater enjoyment and well-being.

Our physical and online B2B model is geared mainly towards the pool professional: builders (dedicated to new-build pools or installations), service technicians (tasked with keeping a pool in optimal conditions and undertaking the necessary repair work) and distributors (focused on product sales to pool professionals, whether online or bricks and mortar).

In the commercial pool area, we also have other public and private customers tasked with running and/or operating water, sports, or wellness facilities, among others. For them we have an engineering team responsible for the conception, design, and construction of Olympic pools, sports pools, leisure pools, fountains, spas, and lagoons all over the world.

Although we largely sell through distribution, we also ensure we reach pool consumers and owners directly through the mass market channel and other straight-to-customer platforms. We therefore ensure that our products are also available on the Internet, where consumers research and purchase, and in the local pool stores and superstores they visit to tap sales clerk expertise before buying.

Finally, in some cases Fluidra also acts as an original equipment manufacturer. Our manufacturing facilities accordingly supply parts and components to our customers' manufacturing centers so they can make their products.

We harness these general guidelines to pivot our go-to-market strategy to each specific market to be more efficient and deliver greater customer satisfaction.

In addition, after the two-year hiatus brought about by the pandemic, pool and wellness industry fairs made a strong return in 2022. Fairs are an exceptional occasion to reach out to customers and provide them a first-hand look at the new releases in our product catalog.

Fluidra attended leading fairs at home and abroad, including the Pool & Spa Show (Atlantic City), Everything Under the Sun (Orlando), and Western Pool and Spa (California) in the USA, SPASH! (Queensland) in Australia, Piscine Global (Lyon) in France, and ForumPiscine 2022 (Bologna) in Italy.

2022 was the first time we could present the new incorporations to the Fluidra family from the past two years: CMP, S.R. Smith, Taylor Water Technologies, and Swim & Fun.

Did you know...?

We made September 7 International Pool Pro Day in 2022?

The aim is to celebrate and recognize the work of sector professionals, thanking them for their dedication in offering pool owners the best experience.



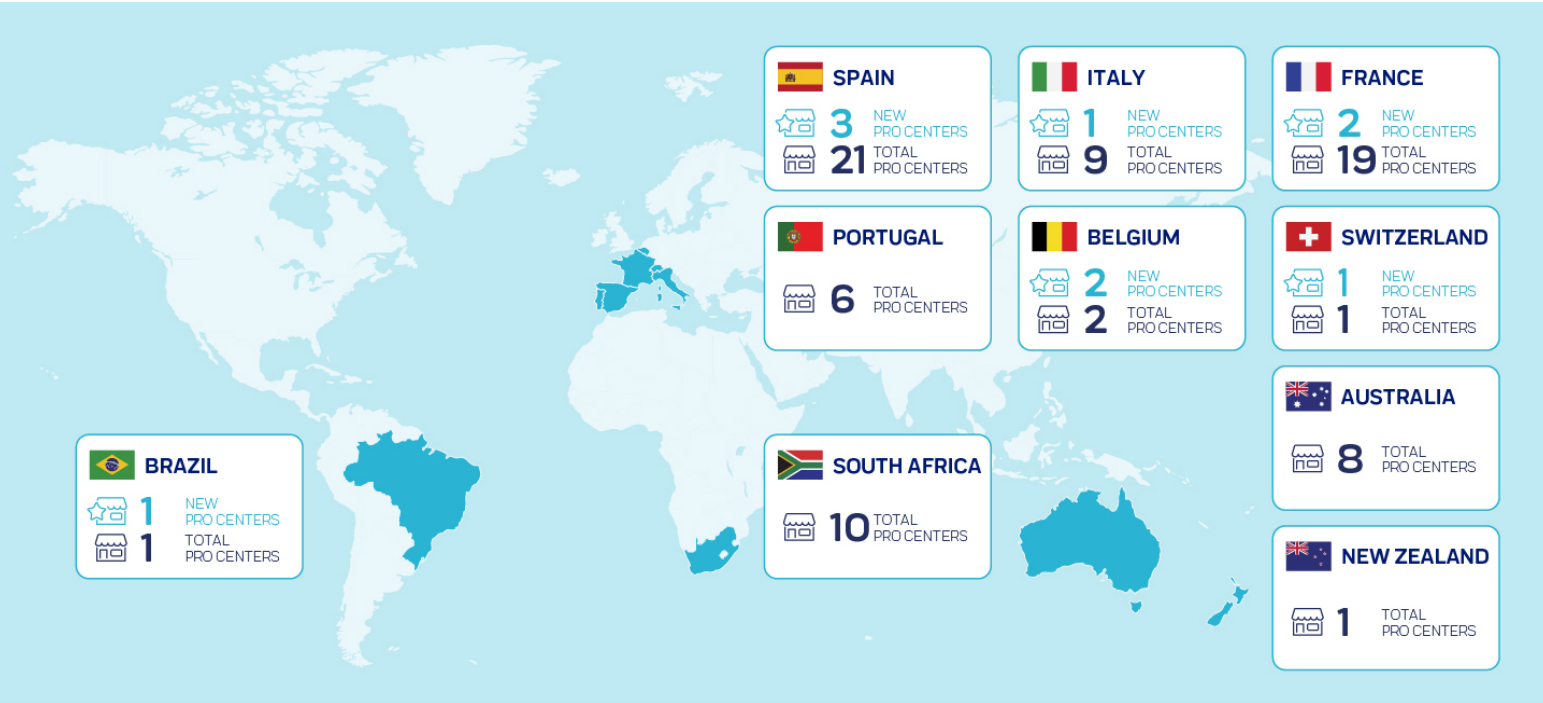
4.5.1. Distribution network

Our customer relations vary slightly between the residential pool and commercial pool business and according

to the region of operation. A large part of the distribution work in EMEA and APAC is developed through our proprietary sales network, while in North America the

predominant model is via outsourced B2B distributors.

PRO Centres: A New Generation of facilities



In recent years, Fluidra has worked hard to transform the traditional stores and self-service centers (known as "Cash & Carry") into meeting points with customers that offer pool professionals a much more comprehensive experience. The upshot of this work are the Fluidra PRO Centres, one of our core business assets.

These brick-and-mortar stores for industry professionals are strategically located in areas with a high customer footprint, allowing us to deliver best-in-class market share opportunities and secure profitable growth.

The model gives customers an extensive range of products to hand, the opportunity to tap our expert personnel for technical advice, and the chance to engage in the training sessions we run year-round to keep them up to date with the latest new releases.



This all generates a very strong bond with customers, from the smallest to the largest accounts, reflected in enhanced performance

across the product pipeline, gross margins, and sales evolution.

For example, 2022 counter sales in France, Spain, Portugal, and Italy produced a margin more than seven percent higher than total sales among the Group's sales companies.

Product storage capacity is another added value. During the pandemic and thanks to the PRO Centre inventory, Fluidra was able to satisfy customer demand and ensure a competitive edge despite the widespread shortage of raw materials and transport issues.

The centers are therefore a strong lever of differentiation and an entry barrier to competitors, since few companies are in a position to offer this type of business mode of right product plus right place at the right time. We currently have 68 PRO Centres (nine more than in 2021) across 10 countries.

Our plans for 2023 include continuing to expand the model to new locations and making existing centers into larger, better located facilities. On top of this are the 45 warehouses we have in the other countries where we operate, for a total of 123 points of sale.

A STORE FOR POOL PROFESSIONALS

FLUIDRA PRO | CENTER

Model combining convenience with services



Faster, more convenient purchase experience

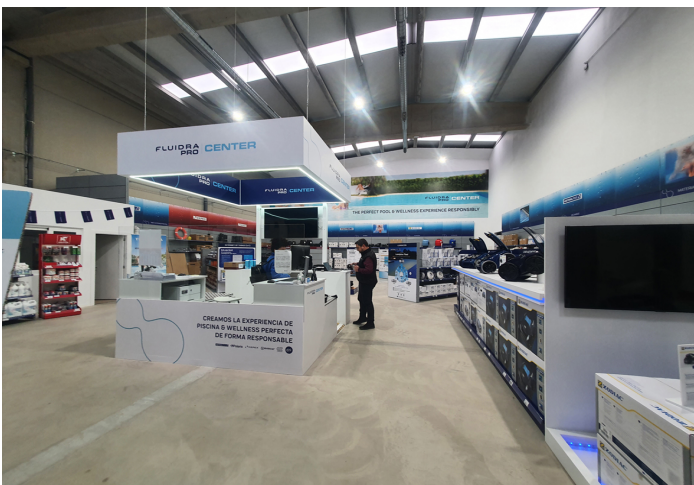
- Convenient locations. Convenient hours.
- Extensive range, always stocked.
- Fast service.

Ease of customer handling

- Qualified, expert personnel.
- Efficient IT system.
- Technical support.
- Third-party solution experts.

Capacity to promote new products and ideas

- Product expo and demonstration.
- Training for professionals and customers.
- Networking potential.
- Industry information hub.



Digital Customer Solutions

Fluidra PRO is our **exclusive online portal for pool professionals, a digital platform** where professional customers

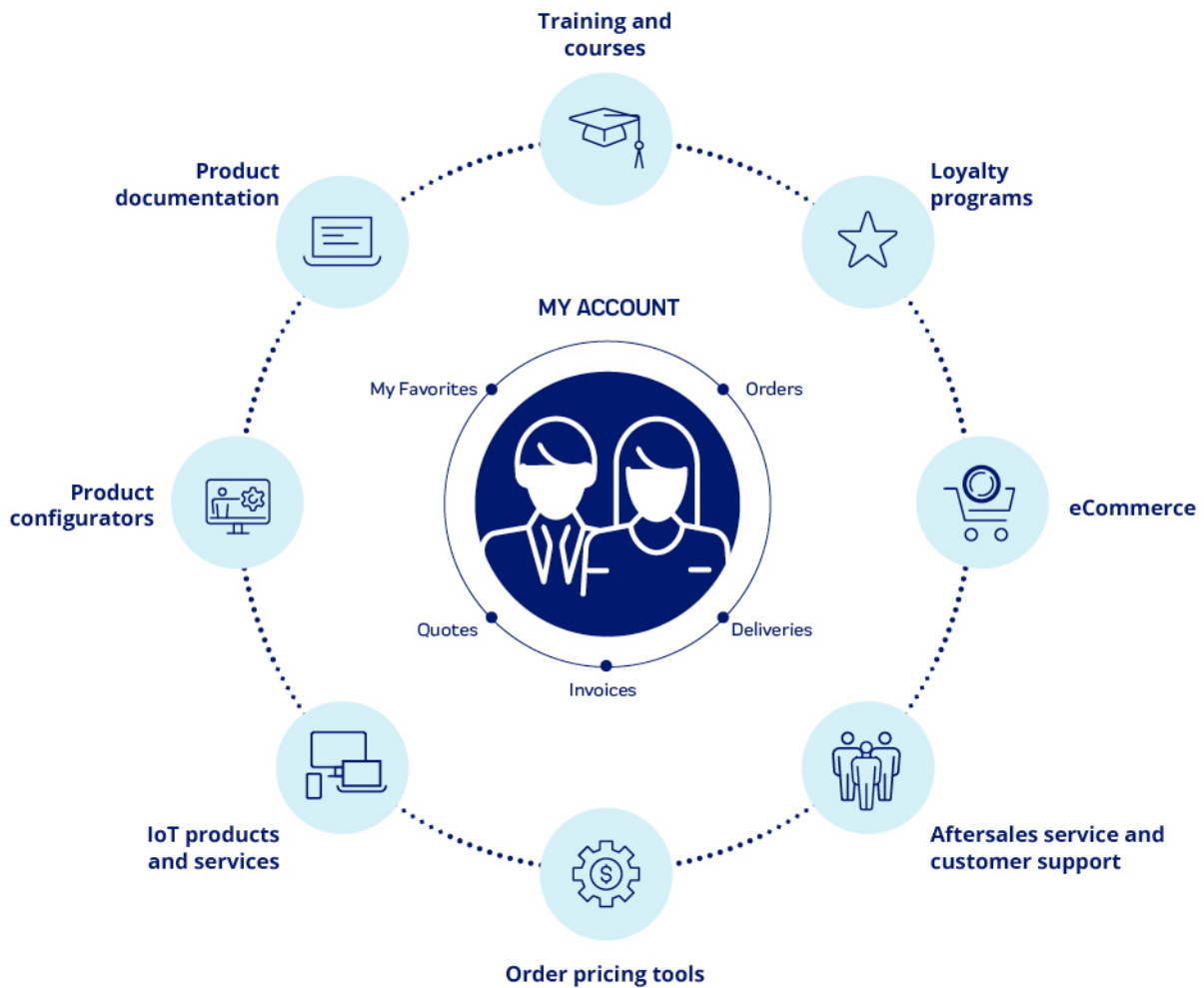
can engage in any touchpoint and find our full suite of services via a single point of contact to make their daily work easier.

The Fluidra PRO umbrella covers different services including product procurement,

sales consulting (orders, deliveries, invoices) for all sales channels, connected product information, configurators to streamline product identification, training

courses, and more, all **centralized in a single space**.

Services Available at Fluidra PRO



The platform is presently implemented for three organizations - Fluidra, Certikin, and GRE - in seven countries: Spain, France, Italy, Portugal, UK, Romania, and Bulgaria, and will be launched on three new markets in the coming months, i.e., Germany, Sweden, and Hungary.

Fluidra PROeSales

2022 also saw us working on the Fluidra PROeSales e-commerce platform, one of the Fluidra PRO services aimed at boosting the quality of the website and customer journey:

- More catalogs available online.
- Improved product-info upload times (price points and stocks).
- Improved usability for product searches.
- More services and digitalized customer information.



Around 8,000 professional customers signed up to Fluidra PROeSales in 2022 and 2,500 placed online orders to close the year with €18.47M in online sales (up 52% over 2021).

To focus on the pool professional's needs, we designed an **omnichannel model** whereby customers can manage all their activity with us over a single platform and with the same experience as the other Fluidra channels.

We also optimized the platform in performance, upload times, and other technical aspects throughout the year. We launched new features and digitalized the Early Buy promotions in Spain aimed at driving pre-season sales. Thanks to this we posted the following results:



€18.47M

ONLINE SALES

(+52% YTD)



3%

% ONLINE SALES

(+47% YTD)



2,501

CUSTOMER ORDERS

(+53% YTD)



33,311

ORDERS

(+41% YTD)



97,595

ORDER LINES

(+33% YTD)

In addition to Fluidra PRO, we have other online platforms in Netherlands, Austria, New Zealand, and Australia for customer queries, product procurement, maintenance services, and product information queries. We plan to implement an online platform in South Africa in 2023.

Over 8,000 customers leveraged the company's different digital platforms in 2022, in other words, 23% of the customers in those countries (15% in 2021). Online sales came to €193M, 8% of total Fluidra Group 2022 sales.

Our digital transformation process is part of a **go-to-market strategic plan** to promote our value proposition among internal and external customers and support them throughout the process:

1. New features are validated prior to launch and the internal team (marketing, sales, and customer support) are informed to ensure that all our stakeholders have the information to enable the online channel with customers.
2. We leverage the email marketing channel to communicate improvements, solve incidents, and

promote new digital features and services to professional customers with the aim of sharing the constant platform updating.

3. Regular, real-time customer feedback.

The Fluidra PROeSales go-to-market strategy this year involved sending a total of **47 email marketing campaigns** that impacted **7,730 users** across EMEA. The campaigns delivered satisfactory results: **43.89% open rate** and **5.09% click-through**. Both these metrics are above the industrial sector average for the region.

To continue to develop new features and improve the platform even more, we actively listened to the dynamics generated within e-commerce and used them to introduce crosscutting marketing strategies:

- **Conversion rate optimization:** this is a series of techniques that unpacks user behavior and drives new strategies in the Fluidra PRO platform to step up the actions customers can perform.
- **Go-to-market strategy:** all these improvements require a communication plan capable of reaching the end user clearly and easily, and to this end we prepared a strategic schedule to report to our internal and external stakeholders.
- **Data analysis:** we consider it crucial to have meaningful insights around online user behavior. We leverage the most relevant KPIs to identify features requiring improvements and/or shore up their communication.

- **Customer satisfaction:** for real feedback on strategy implementations, we organize satisfaction surveys and check group dynamics that provide an understanding of the customer journey in this digital ecosystem and what our customers think in this regard.

Product Information Management

In order for an online store to work and be a sales catalyst it must have a permanently updated catalog, enriched and coordinated with the company's other digital assets. And that is exactly what **(Product Information Management)** is, our **product database** that is the sole source of information on products and everything related to an item and/or spare part we sell. We follow a specific process to get the information to all the points of interest in the right way.

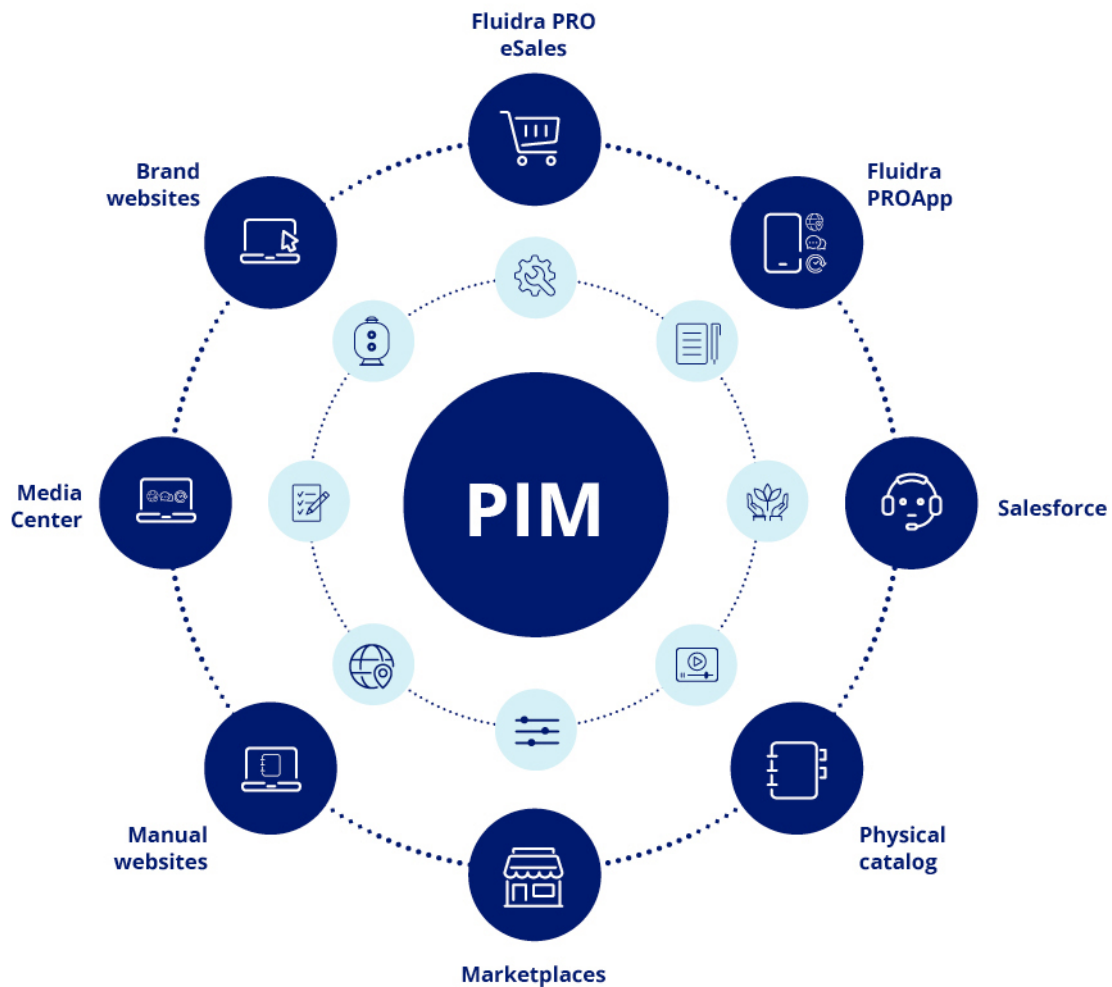
In 2022, this process involved **incorporating 160,000-plus product references and over 40,000 spare parts** (a total increase of 791% over 2021).

Furthermore, to **optimize and streamline product uploading and updating** we implemented the **Contribute** tool to step up stakeholder engagement (product managers, factories, local marketing teams) in content generation.

We are also working on the **Media Center** launch for the first half of 2023, facilitating access and downloads to our customers for all the information available on Fluidra products. The Center will have a simple design and experience focused on the **mass search and download of product information and documentation**.

The information compiled in the PIM is leveraged to update our different digital assets and tools.





Fluidra PRO App

The Fluidra PRO App has been developed under the 'Fluidra in Your Pocket' premise focused on **supporting customers when they need it** and is set for release in 2023. The app aims to offer all the features pool professionals may require in their daily work and be **quick and easy to use**.

In 2022 we started to work on:

1. Establishing a touchpoint with Salesforce to **generate push and in-app notifications**, to be coordinated with the digital marketing department.
2. Defining **user roles and uses** within the app.
3. **Improving** features for **robotic pool cleaner** diagnosis and ways to add new models.

4. Retrieving **robotic pool cleaner registration information** from the cloud and checking the warranty extension to support Aftersales.
5. Implementing the facilities feature to **support professional users in installing connected devices**.
6. Integrating with the pool assistance service layer to allow professional users to access **pool maintenance support and recommendations**.

Fluidra PRO Academy

One example of our commitment to the omnichannel model is the **Fluidra PRO Academy, the specialized training platform** for customers. Industry professionals and the company's sales teams can harness the Academy to access exclusive material at any time.

It provides them **videos, tutorials, online hacks, and latest news** to get the technical know-how, expertise, and tools that can help them market and install our products. In a supplementary fashion, users can also get onsite training sessions at the Fluidra PRO Centres.



Fluidra PRO Club

To support independent pool professionals and reward them for partnering with the company, **each market defines a number of specific incentives for their loyalty program.** This is framed under the concept of the Fluidra PRO Club.

The incentives are based on needs specific to each customer and range from **enhanced business visibility to custom consulting.** We also tap the program to offer discounts and rebates to major distributors and the chance to attend our annual conferences and visit our factories.

Commercial Pool & Wellness Projects

The CP&W division develops highly technical and sustainable pioneering water products and solutions designed to craft unique facilities within the commercial pool, wellness, fountains, and lagoons business.

Our extensive experience in this area, with brands of renowned prestige, is posited on a comprehensive and efficient business model pivoted to the different regions and markets we operate in, making us a water-facility industry leader.

The commercial pool and wellness business model is structured on the following three pillars:

Design

We boast a team of experts from engineering, architecture, and other technical areas with longstanding expertise in the creation and design of water projects, working hand-in-hand with our customers to build a project together from scratch.

We leverage some of the most advanced tools and technologies in the process, including computational fluid dynamics (CFD), live virtual reality, and building information modeling (BIM).



COMPUTATIONAL FLUID DYNAMICS (CFD)

-  Ensures optimal distribution of chemical products.
-  Prevents water stagnation and manages water flow, making it more sustainable.
-  Reduces the use of water maintenance products.
-  Improves user experience.





LIVE VIRTUAL REALITY STREAMING

-  Immersive experience, freedom of movement throughout the facility.
-  Verification of facility accessibility.
-  Enables evaluation of all space possibilities.
-  Prevents building-phase mistakes and budget surprises.



BUILDING INFORMATION MODELING (BIM)

-  Virtual model: early detection of potential problems.
-  Prefabrication: fewer workplace accidents.
-  No data loss: transparency from idea to construction.
-  Collaborative design: High building functionality.

Project Management

This covers the planning, logistics, management, and leadership process of a job and the onsite resources to deliver on shared goals and successfully meet project objectives.


Our team of high-level onsite managers engage from the start of the design phase through to final delivery to ensure the work is executed correctly, on time, and in line with the customer's wishes.

Did you know...?

One of the core projects developed in 2022 involved building two temporary pools for the European Swimming Championships organized by LEN-European Aquatics in Rome.

The project was part of the partnership agreement signed by the two organizations in 2021 recognizing Fluidra as an official partner for temporary pools and equipment.



 Find out more about the project in our YouTube channel



R&D&I for Commercial Pool Projects and Products

With a view to delivering a premium experience in the facilities of public use area, both product developments and projects are based on specific needs. In

the case of commercial pools, wellness, fountains, and lagoons, different R&D centers develop products specifically designed for the needs of the public pool market. Our cornerstones:



Case Study

Integrating ESG Across Our Projects

Aware of the environmental impact involved, the public pool sector is increasingly responsible in this field. In the commercial pool area, the pool itself is part of the building, which is why our customers ask for new-build facilities to be fully ecological and for us to help them certify this.

A more sustainable pool is one that incorporates key equipment and elements to produce a lower environmental impact by slashing resource consumption

(water, energy, consumables) and is also viable in terms of maintenance costs and ROI. Fluidra leverages its sustainable products range to offer an extensive portfolio of solutions that help make a pool more sustainable.

With this growing demand around requirements by customers and industry, we not only develop more sustainable commercial pool products and make their maintenance easier but have added a map with the leading environmentally friendly building certificates to our pipeline.

LEED



BREEAM



LEVEL(S)



External Sales Channels


We supplement our internal distribution network with another, external one through the agreements we reach with third-party pool equipment and product distributors aimed at pool professionals and end customers alike.

We work with distributors at all levels to make our products available on our critical markets and wherever pool professionals prefer to shop.

External Distributors Aimed at Pool Professionals

We can draw on an extensive **network of official distributors of our brands around the world** with a long and distinguished history in the pool industry who we commission to serve the pool professionals that in turn sell to end customers and owners.

We have a sophisticated wholesale distribution system in North America that works with large distributors covering an extensive geographical scope, including PoolCorp and Heritage, and other smaller distributors with an important regional presence. In 2022, for the second year in a row, we were recognized as a great place to work.

 For more information, please refer to section "1.1.3. An award-winning year".

These awards consolidate Fluidra as the most reliable and valued manufacturer in the business

and showcase our excellence across all business areas, from product manufacture and shipment through customer support and sales assistance. We are the best possible partner for our customers.

We also implement different initiatives to promote and help them grow their business. In South Africa, Fluidra supports the **Pool Xpert** initiative, a voluntary network of accredited and trusted pool professionals who work to boost visibility and credibility among end consumers.

The professionals benefit from access to our leading brands and a series of strategic support services that help them in their business, while maintaining their own identity.

Mass market

Mass market consists of the distribution of above-ground pools and other Fluidra brand products via distributors that work with end consumers, such as DIY chains, e-commerce operators (general and specialized pool industry), superstores, and repair and gardening retailers, among others.

Through our mass market brands, we offer above-ground pools in different formats and finishes, a comprehensive range of accessories and maintenance equipment, and a series of chemical

products specifically designed for pool water.



In Europe, Fluidra mainly operates under the **GRE** brand, although we have acquired new brands in recent years to shore up our presence in Belgium (through the 2021 integration of **Splash** and **Zen Spa**) and Scandinavia (through the recent acquisition of **Swim & Fun** Scandinavia).

Baracuda is the brand we use on the DIY mass market in Australia and New Zealand. Here we sell chemical products and basic pool equipment for an extensive variety of nonspecialized retailers.

Finally, in South Africa we have the brand **Blu52**, focused on the sale of chemical products and robotic pool cleaners to the country's leading retailers.

4.5.2. The Customer's Voice

For us it is fundamental to hear customer opinions and experiences to keep their

needs and expectations present in the organization's daily decision-making. That is what our Customer's Voice (VOC) program does.

The platform is now operating with customers in over 50 countries thanks to onboarding ones from 24 business organizations in the EMEA region in 2022. We have also onboarded all the customers we shared with the companies we bought in the USA last year and expect the others to join throughout 2023, making this tool a core part of our daily operations everywhere our products are sold.

The program encompasses all customer communication channels, from Customer Service (daily interactions) and transactional surveys to satisfaction and engagement polls conducted at least once a year.

Aside from this program, all Fluidra companies also provide customers with various channels they can harness to ask technical questions about the industry, product specifications, quality incidents, etc. in relation to the products we make and/or sell.

Customer Support

The Fluidra Customer Support tool provides pool professionals with several channels to submit queries or pose questions across the following areas:



SALES SUPPORT

Queries regarding discounts, available stock, and order processing.



ORDER SITUATION

Queries on order and delivery status.



AFTER-SALES

Incident processing and repair management.



TECHNICAL INFORMATION

Touchpoints with specialist technicians to solve any product-related technical query.

One of the main challenges we faced in 2022 entailed product availability. That is why we made operating efficiency our focus of attention.

In line with our commitment to operating excellence and quality, at Fluidra we pay special attention to all incidents, claims, and unhappiness reported by customers in relation to the products the Group makes and/or sells through different

transactional surveys and by drilling down on comments on other platforms. In 2022 we received a total of 1,942 complaints (2,580 in 2021), absolutely all

of which were analyzed and solved over the year⁸.

Fluidra has **no direct contact with the end consumers or users of our products**; rather, our customers manage any incidents end consumers have.

We are aware of how important confidentiality and data protection are to our customers and take the necessary measures in this regard. In 2022, as per the previous year, there were no complaints about breach of data protection or privacy rights by customers and no administrative fines or sanctions were imposed for failure to comply with laws and regulations regarding the use of our products or services.

Relationship Survey

At least once a year we launch a relationship survey to learn what our customers think of us, analyze their needs and experiences, and take the measures necessary to deliver on the

highest satisfaction standards for product, service, and process quality from the customer's perspective.

In 2022, more than 21,800 customers around the world were invited to complete the questionnaire, 20% of which participated for a total of 4,368, a considerable rise in comparison with previous years thanks to the effort the regions made to reach out to more customers. For example, in EMEA, expanding the **Customer's Voice program to more of the Group's business enterprises and translating the survey** into 15 new languages allowed us to grow the number of surveys sent by 51% and boost the engagement rate by 8% (from 16% to 24%) in the region.

We harvested the answers to the survey questions to calculate the following global and/or regional metrics: customer satisfaction index, customer journey measurement, and brand promise. We

also unpacked the answers using a "close-the-circle" approach where we assigned a team member specializing in the area concerned to track the comments made by our customers and correctly pinpoint their needs and expectations.

We then shared the information with the interdepartmental and multifunctional group comprising members from the Quality, Finances, Customer Experience, Sales, and Marketing departments, among others, tasked with defining and promoting action plans and improvements for each region and business account. Finally, the results were presented to the Management Advisory Committee to check score variations obtained in the surveys.

This was the first time the survey was held in many of the countries. The idea is to implement it at least two years before establishing reference points or baselines to drive change.



Customer Satisfaction Index

We harness this index to measure customer satisfaction in accordance with how likely the customer is to recommend Fluidra to a friend or relative. The question uses a scale of 0 to 10, where 0 is "Very unlikely" and 10 is "Would definitely recommend".

The global customer satisfaction index rose by 0.30 points comparing to 2021, delivering a total score of 7.70 out of 10 (7.40 in 2021), 0.20 points above the target set for 2022.

North America

9.06 (+0.21)

Satisfaction index

EMEA

6.55 (+0.20)

Satisfaction index

APAC

7.31 (+0.51)

Satisfaction index

Customer Journey Measurement

We also harness the survey results to measure customer satisfaction during three phases of the customer journey: product, use, and evaluation. Each country has different routes to measure satisfaction depending on the particular characteristics of the customers and business model in that area.

Brand Promise

Finally, we tap the relationship survey to determine overall customer satisfaction with Fluidra's performance on the six promises the Group has adopted to ensure a responsible perfect pool and wellness experience:

⁸ Complaints received via the relationship survey and other CRM tools were considered in the US; in EMEA we handled complaints via a survey and in APAC we managed them using CRM.



4.6. Tax

GRI 3-3

Upholding our commitments to good governance, transparency and integrity at all times, together with the creation of value for shareholders and investors, is an inherent part of the way we understand and manage our business and business activities.

Compliance with the tax laws in force at all times and in all places is a cornerstone of our Group's corporate responsibility. We contribute to this undertaking by meeting our tax obligations in the 47 countries in which we operate.

4.6.1. Fiscal strategy

GRI 207-1, 207-2

In the 2021 tax year, Fluidra's Board of Directors approved an update of the Group's fiscal strategy in order to take on board some of the points highlighted in the most recent regulations on tax avoidance, as well as certain aspects associated with ESG. This document is posted on Fluidra's website.

All companies that belong to the Group in all countries are subject to our fiscal strategy, which works based on excellence and a commitment to following all good tax practices. Furthermore, it sets the standards

that must govern all decisions and actions adopted on tax matters with a single goal: to ensure compliance with the regulations in force and to seek better coordination with regard to these good practices.

The fiscal strategy applies to all direct taxes on corporate profits, indirect taxes and levies on earned income and all other overall revenues. It likewise covers the reporting obligations in place with the corresponding tax authorities. Given the confidential nature of these issues, setting the tax policy falls exclusively to the Company with no intervention whatsoever by its stakeholders.

The principles that govern Fluidra's fiscal strategy are as follows:



Complying with all applicable tax obligations in the territories where the Group does business.



Promoting a collaborative relationship with the tax authorities.



Forgoing the use of opaque or artificial structures unrelated to the Company's business for the sole purpose of reducing its tax burden.



Refraining from operating in jurisdictions considered by the European Union to be tax havens for purposes other than Fluidra's normal business operations.



Protecting 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.

Fluidra also has a **Corporate Tax Policy** that lays out the general principles of the fiscal strategy. It defines the areas that must be monitored and controlled, and establishes the hierarchical and functional levels of the Group that are duty-bound to report certain controls to the Corporate Tax Department. These controls are explained in the **Tax Risk Control Procedures**.

With regard to transfer pricing, the Company has direct operations in 47 jurisdictions, so many related party transactions are conducted between the 100-plus companies that belong to the

Group. This means that it is important that mechanisms and the types of transactions conducted are regulated, so that from a tax point of view the way companies work enables them to fulfill the general principles established in the Corporate Tax Policy. Thus, a **Transfer Pricing Policy was drafted in 2022** that governs the standards that must be used in such transactions between companies in the Group.

In 2022, we also drew up a **Manual on Tax Procedures** in order to streamline and standardize certain functions and

control mechanisms, as well as to monitor them.

The Corporate Tax Department, which reports directly to the CFTO, is responsible for implementing the fiscal strategy through the Tax Policy, as well as for designing and implementing the internal procedures and control mechanisms needed to ensure compliance with current tax laws. The rest of the Group's divisions, departments, and companies must report to and consult the Tax Department about any actions or transactions that may have tax implications.

In turn, the Audit Committee is responsible for supervising the effectiveness of the tax risk management and control systems implemented by the


Corporate Tax Department, and for regularly reporting to the Board of Directors on the Group's policies for managing and meeting its tax obligations, in addition to dealing with aspects of tax risk management and control.

4.6.2. Tax liabilities

GRI 207-4

In 2022, we allocated over 52.6% of pre-tax profit to the payment of taxes in the different jurisdictions where we do business (compared to 37.4% in 2021).

Furthermore, as was the case in the previous tax year, Fluidra was not imposed any significant tax sanctions (understood to be more than €50,000).

 For more information about our tax contribution, please refer to section "7.3 Data tables".

Tax liabilities (in thousands of euros)	2022	2021
Turnover	2,389,205	2,186,919
Pre-tax profit	225,113	337,489
Pre-tax profit paid*	277,993	384,470
Total tax paid	146,375	143,931
Total tax collected	150,746	181,659
Tax liabilities**	297,122	325,590

*Does not include corporate tax or the Company's social security payments.

**Tax liabilities include the corporate tax paid, the social security paid by the Company, output VAT less input VAT, and income taxes withheld.

Taxes paid (in thousands of euros)	2022	2021
Corporate tax		
Corporate tax	93,495	96,949
Payroll tax		
Social security payable by the company	52,880	46,982

Taxes collected (in thousands of euros)	2022	2021
Tax on products and services		
Value added tax	85,632	128,057
Payroll tax		
Personal income tax withholdings	65,114	53,602

4.6.3. Subsidies received

GRI 201-4

In 2022, Fluidra received a total of €866,000 in government subsidies, as compared to €656,000 in 2021, most of which were earmarked for environmental, R&D and in-house training projects. Spain and China topped the list of countries that provided the largest subsidies to the Group's companies over the last year.

Fluidra has no public entities in its shareholding structure.

Subsidies (in thousands of euros)	2022	2021
Germany	6	13
Austria	18	0
Australia	0	0
Belgium	2	6
Chile	0	12
China	129	100
Croatia	0	0
Cyprus	0	0
France	0	138
Greece	0	1
Italy	2	0
The Netherlands	0	6
Singapore	5	55
Spain	704	325
Total	866	656

4.7. Information Security and Cybersecurity

GRI 3-3, 418-1

Information security and cybersecurity are an integral part of our business, essential for ensuring the confidentiality, integrity, and availability of our systems and data. Aware of the high level of threat, we have had a Chief Information Security Officer (CISO) since 2020, in addition to a Security Committee (ISSC) whose members comprise the CIO, the CISO, and other executives, including two members of the MAC: the CTO and the CFO.

Since late 2021 the CISO has reported directly to the CTO, at the same level as





the CIO, to ensure adequate independence of functions. The CISO also provides regular updates (at least twice a year) to the Group's Audit Committee of the Board of Directors on cybersecurity risk management and the controls adopted by the Organization to protect its business assets and processes, maintaining effective communication with senior management.

4.7.1. 2023-2026 Strategy

Cybersecurity is an essential concern for organizations today due to the growing number of cyberthreats that can

compromise sensitive information and disrupt operations. Having a strategy in place is fundamental to identifying and addressing potential security risks, protecting against attacks, and ensuring the continuity of any company's systems and services.

For all those reasons, Fluidra worked hard in 2022 to define our new **2023-2026 Global Cybersecurity Strategic Plan** which includes four pillars and different programs to step up security capabilities across multiple areas:

 <p>IDENTIFICATION AND ACCESS MANAGEMENT (IAM)</p> <p>Identity-based security programs including:</p> <ul style="list-style-type: none"> • Workforce IAM and Customer IAM (CIAM) • Privileged Access Management (PAM) 	 <p>BUSINESS AND DATA PROTECTION</p> <ul style="list-style-type: none"> • Digital supply chain program • Business continuity management • Vulnerability and threats management • Operational Technology (OT) and Industrial Control Systems (ICS) cybersecurity • Extended and automated security operations • Data loss prevention program 	 <p>IOT (Internet of Things) SAFEGUARDING</p> <ul style="list-style-type: none"> • Security-by-design in IoT pool devices • SAST and SCA technologies • Cloud workloads security • Cybersecurity compliance with upcoming IoT laws and regulations 	 <p>SECURE ENDPOINTS</p> <ul style="list-style-type: none"> • Web and email security • Mobile devices threat protection
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Our plan for the coming years will be highly adaptive in order to ensure protection against increasingly numerous, complex, and sophisticated threats. We will pay more attention to emerging technologies such as artificial intelligence and automatic learning, which we can tap to help detect and prevent cyberthreats, and drill down on partnering and exchanging information with government organizations and bodies to improve cybersecurity efforts.

4.7.2. Security Awareness, Culture, and Behavior



11,200

hours of training

85,000+

Phishing simulations

1,100+

Smishing simulations

Training in security matters remains vital to defend ourselves from cyberthreats and explains why Fluidra supports the acquisition of these skills via different pathways.

One of them is the **Employee Onboarding and Offboarding Management Policy** approved in 2021. The aim is to make employees aware of their responsibilities in this area and to preserve data confidentiality, integrity, and availability throughout their working relationship with the Company and particularly when they join and leave it.

In lockstep with this, every year we update the **Security Awareness Program** that covers training sessions to be held, both at the time of joining the company and throughout the work cycle. It includes social engineering simulation exercises around phishing, smishing, and USB baiting.

In 2022, Fluidra employees invested some 5,400 hours in security training courses to improve their understanding around critical issues such as phishing, cloud security, and password security. Our external and internal software developers were also trained in secure coding and vulnerability correction and prevention.

The training courses were supplemented with regular **phishing simulations**. 2022 saw the launch of weekly campaigns, with over 80,000 phishing emails and 1,000 smishing messages around the world. 2.13% of employees clicked on medium difficulty campaigns and almost half reported the simulation as suspect in the last quarter.

Several USB baiting campaigns were organized in 2022 and only one employee connected a USB to a corporate laptop. When this happens we ask repeat offenders and non-participants to perform corrective actions and apply special controls to minimize the risk.

The cybersecurity team has multiple certifications in this area. Seven members were awarded Certified Information Systems Security Professionals (CISSP) status in 2022 alone. 31% are Certified Ethical Hackers (CEH) and 23% Offensive Security Certified Professionals (OSCP). With regards security governance, the team also has various CISA, CISM, CIPM, and ISO 27x certifications.

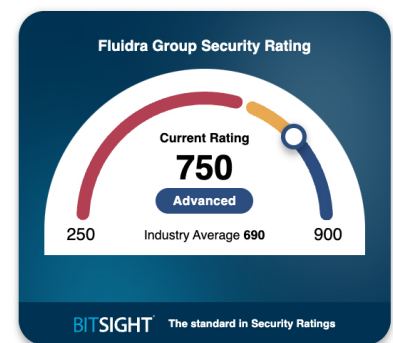
4.7.3. Cyber Resilience

In 2022 we improved our cybersecurity incident management framework with our **Information Security Incidents Management Policy** and the new **Cybersecurity Incidents Global Response Plan**.

We bolstered maturity around security by onboarding CIS Controls V8 and aligning the company to NISFT CSF and the ISO/IEC 27001:2022 standard in our control framework. This will allow us to better understand maturity in this area across the different Fluidra companies and business areas and ensure ongoing improvement and performance management.

In tandem, we stepped up our cybersecurity metrics tracking capability and work on key performance indicators, and streamlined communication of these metrics to the different stakeholders. These indicators give us the means to measure progress in our information security program and insights for adapting our strategy in line with different internal initiatives and external factors around constantly changing and evolving threats.

We also dedicated extensive resources to improving the management of our external area from attack, driving an improvement in our cyber risk score across different platforms including Security Scorecard and BitSight.



Global Cyber Crisis Committee

From the technical perspective we reviewed and perfected the playbooks and procedures to guide in-house teams in the response process. With regards strategy and management, we also set up a **Global Cyber Crisis Committee** with specific documents to take the decisions and actions needed. In particular, our **response plan** includes a cyber crisis communications plan guiding decisions around what to report, when and to whom, with dedicated templates for any communications that could be required. The committee comprises the following individuals:

- Crisis central committee: composed of C level and other executive positions (President, CEO, CFTO, CISO, etc.)
- Regional representation: regional director-generals
- Support members: participation of other experts (IT/data protection/ marketing managers, etc.)

We ran exercises at different levels/roles including technical war games and executive-level simulations to consolidate our knowledge of internal processes and identify lessons learned. We also implemented a training session for the global cyber crisis committee with all MAC members to reinforce the importance of preparedness for cyberattacks and to deliver a harmonized approach to available documentation and Fluidra's incident response processes.

Fluidra Security Operations Center (FSOC)

As part of our ongoing progress effort, we improved the internal processes and technologies of the Fluidra Security Operations (FSOC) for detection, protection, and response to security issues.

We also embarked on a project to **certify our cybersecurity operations to the ISO/IEC 27001:2022 standard** in order to achieve ISO/IEC 27001 certification by the end of 2023. Having an **Information Security Management System (ISMS)** will benefit Fluidra in many ways and in particular will help secure information, improve governance, boost resistance to attacks, and respond to a panorama of evolving and organized security threats.

Our end goal with all this is to have a mature security position with a centralized framework that positively impacts effective management.

Security by design

Information security must be integrated across all company levels. At Fluidra, in our aim for continuous improvement, we strive to develop security from design within the organization and the processes of each business group, starting from a secure architecture design.

To that end, the network team and security architects undertake numerous architecture reviews, computer system and applications security evaluations, and IoT-connected device infrastructure checks. The company also organizes regular external vulnerability and penetration test assessments (including hacking simulations).

We have run over 80 internal and external security assessments on systems, networks, devices, and IoT, digital, and IT mobile apps in the past year.



1,500+.

Investigations launched by the SOC:

26

None with a significant economic or reputational impact.

0

No critical incident in 2022.



5. Contributing to sustainable development



Key figures

Through the environmental pillar (E-Environment) of its ESG strategy, Fluidra works to contribute to sustainable development, implementing actions to reduce the impact on the planet as a result of our products and activity.

Fluidra Group's activity revolves around water for athletic, leisure, and therapeutic use in the world of pools and wellness. The very nature of the company's business makes sustainability and commitment to environmental protection top priorities.

One of the company's objectives is also to be the market leader in environmental matters and as such it strives to act responsibly, building a business that will be sustainable in the long term. To that end, Fluidra is committed to promoting responsible resource management by applying rigorous sustainability and efficiency criteria in developing, manufacturing, marketing, and maintaining its products and services, reaching beyond what is required by law in each of the geographic locations where it is present.

That is why the Responsibility Blueprint defines four major action areas in environmental matters: fight against climate change, reduction of environmental impact, water management, and sustainable products. The first three are covered in this chapter, while the last is developed in section [1.4.5. Toward an increasingly sustainable pool.](#)



-7%

SCOPE 1 EMISSIONS VS. 2021

-44.2%

SCOPE 2 EMISSIONS VS. 2021

83%

RENEWABLE ELECTRICITY CONSUMPTION

-8%

ENERGY CONSUMPTION VS. 2021

-15%

ENERGY INTENSITY (GJ / Sales) VS. 2021

34%

PACKAGING of recycled origin used

28%

NO. OF ISO 14001-CERTIFIED MANUFACTURING SITES

+19%

WATER CONSUMED VS. 2021

70%

WASTE generated recycled or reused

5.1. Environmental Management

GRI 3-3


In our day-to-day operations, we apply rigorous environmental criteria to our manufacturing and marketing processes, promote the use of clean technologies and properly treat and recycle resources, waste, and spills. At the same time, we strive to minimize our carbon footprint and the environmental impact of our activity through the efficient use of raw materials, energy, and water and the reduction of greenhouse gas emissions.

The **Global HSE Department**, under the Global Operations Area, is responsible for defining the global strategy in this area, including the development of the policies, procedures, and standards that make up the Environmental Management System; the definition of short, medium, and long-term objectives; tracking results to identify risks and opportunities for improvement; and promoting a positive HSE culture through training and communication initiatives.

5.1.1. Environmental Management System

The Company has an Environmental Management System developed in accordance with European regulations and the ISO and EMAS standards and applicable to all Group companies.

The **Global HSE Policy**, approved by the board of directors in 2019, is the main frame of reference for our management system. In addition to determining the grounds for the other processes and procedures, it digs into and more specifically addresses the environmental commitments established in the Global ESG Policy, focusing on environmental management across our activities and company facilities.

 Access the Global HSE Policy in the "Responsibility" section of our website.

Although the HSE Policy is coordinated at corporate level, in line with the requirements of ISO 14001 and EMAS standards, the managers or directors of each of the group's companies are responsible for defining the

environmental objectives and these, in turn, delegate this function to the corresponding environmental and safety managers. In this regard, the Global HSE Department advises and assists the company managers in their responsibility of ensuring correct environmental management across Group facilities.

Fluidra also has different standards and procedures we leverage to develop the Global HSE Policy and which jointly address both environmental and occupational health and safety management.

 For more information, please refer to section "6.3.1. Health & Safety Management System".

We currently have a plan to progressively certify the **Environmental Management System** in our production facilities to the ISO 14001 standard, working up to 17 certified companies by 2026. In keeping with our objective, we certified Fluidra Waterlinx (South Africa) in 2022, while the certification audit of Fluidra Brazil was postponed until Q1 2023 due to the construction of a new building in the facility's grounds.

As a result, at year-end 2022, 8 of the Group's 29 production companies (28%) were ISO 14001 certified. Two of these companies were also EMAS-certified:

ISO 14001-certified companies

Company	Certification date	Expiration date
Inquide SAU - Polinyá and Monzón	09-15-2021	09-14-2024
Inquide SAU - Metalast	04-26-2021	07-25-2024
Talleres del Agua S.L.	11-09-2022	11-08-2025
Cepex SAU	06-18-2020	06-17-2023
Manufacturas GRE	02-25-2022	02-25-2025
Trace Logistics S.A.	03-07-2021	03-06-2024
Poltank SAU	05-16-2021	05-15-2024
Sacopa SAU	09-10-2021	09-09-2024
Fluidra Waterlinx Pty Ltd	05-11-2022	05-10-2025

EMAS-certified companies

Company	Certification date	Expiration date
Sacopa SAU	10-06-2021	07-26-2024
Poltank SAU	03-25-2021	03-01-2024

Environmental Management System Targets

Environmental target	Target for 2022	2022 Results	Target for 2023
ISO 14001 certification for the plants that still do not have it.	ISO 14001 certification for the South Africa and Brazil plants.	ISO 14001 certification at Fluidra Waterlinx Pty Ltd. Postponed until 2023 for Fluidra Brasil Industria e Comercio Ltda.	Continue with the ISO certification at Fluidra Commerciale Italia, S.P.A., Agrisilos S.R.L., Fluidra Group Australia, Fluidra Brasil Industria e Comercio, LTDA.
Improve waste segregation at our facilities.	Implement dedicated waste management procedures.	Approval and initiation of implementation of global hazardous waste management procedures.	Implement a global waste management strategy in our facilities.
Reduction in waste percentage sent to landfill.	15% reduction in waste sent to landfill over 2021.		15% reduction in waste sent to landfill over 2022.
Reduction in water consumption at our facilities.	Reduce water used at our sites by 5% per year (liters/€ sales) over 2021.		Reduce water used at our sites by 5% per year (liters/€ sales) over 2022.

Environmental risk identification and assessment

GRI 3-3, 305-7

Environmental risks are integrated into the Group's risk management and as such are treated the same, although a more in-depth analysis is performed by the ESG and HSE departments.

Our activities mainly take place at industrial estates and sales offices in cities. Our production plants have the environmental licenses and permits required to perform their activities and each one works to ensure compliance with these and all other applicable environmental regulations.

Many of our facilities also have an individual environmental risk assessment identifying potential environmental impacts. Plus, following the precautionary principle, we evaluate environmental risks and OHS risks to people before starting any activity. This lets us identify associated potential risks and adopt specific action plans to prevent them.

These evaluations found that the main risks stemming from our activities are related to atmospheric emissions and waste generation. To minimize their impact, the production plants run annual analyses on direct emissions to control and reduce them. See page 199 for more information on our atmospheric emissions.

Waste management, clean-up, and environmental prevention costs came to €1,007,690 in 2022, with €182,412 going on environmental prevention. To this we should add the €459,000 allocated to different tasks implemented at the Inquide Monzón facility: decommissioning of ponds and subsoil characterization according to the Ebro Hydrographic Confederation (CHE) requirement.

Thanks to these measures and in line with previous years, in 2022 there were no environmental accidents or incidents nor any fine for environmental matters in any of our companies.

However, in 2020, a request was received from the CHE for a series of tests and analyses to be conducted on the ground at the Inquide SAU plant at Monzón (Huesca, Spain), after detecting an excess of brine in the soil.

We supplied the Confederation with the related report in February 2021 showing the results obtained after the specifically contracted external company ran tests. In response, in 2022 the CHE asked Inquide SAU to characterize the subsoil and propose how to remove the excess brine. The plan is to submit these new reports in June 2023.

Environmental risk management costs came to €1,466,690 in 2022 (€1,780,385 in 2021). On the one hand, we allocated €1,284,278 (€1,281,644 in 2021) to clean-up measures and, on the other, €182,412 to developing environmental prevention and improvement measures for the Group (€498,741 in 2021).

By contrast, we did not identify any noise or light pollution risk in any of our centers or facilities in 2022, so no measure was required in this regard. We had previously identified a noise pollution risk at the Togama company (Spain) that Fluidra Group divested from during the year.

Training and awareness-raising

Group employees receive regular training on environmental matters, provided at the corporate or local level. At the same time, we run the training courses required for a job position and manage existing risks at the different facilities.

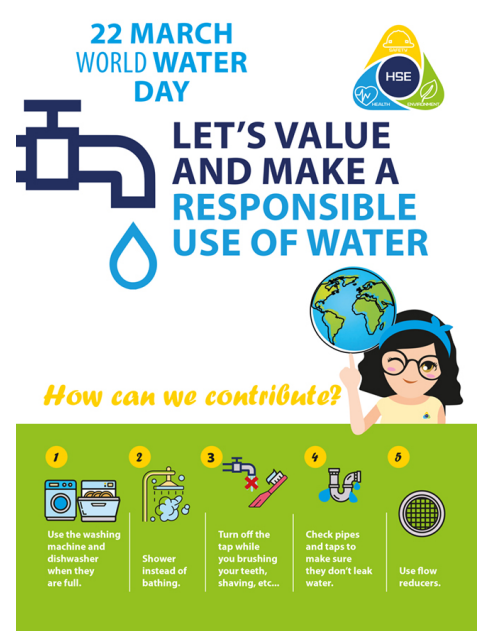
The Global HSE Department also prepares the annual communication plan that provides advice, best practices, and information to raise awareness around health, safety, and environmental issues.

The plan is implemented via monthly messages for all personnel with advice on how to work safely and collaborate in the preservation of the environment. We distribute information globally through

the Living Fluidra newsletter and post information on bulletin boards at different locations. During 2022 we started training on newly approved procedures, reporting processes, and HSE software use, among other matters.

Initiatives in the year included releasing specific communications for World Water Day, Global Recycling Day, World Environment Day, and World Car-Free Day.

Every two months HSE professionals are sent brief and simple presentations with practical advice on HSE to remind them how to preserve the environment and stop it from being impacted by the work developed.



5.1.2 Raw materials and waste management

GRI 3-3, 301-1, 301-2

Raw materials

Our varied and horizontal production structure includes the manufacture of different pool components and products spanning highly diverse industries (plastic, chemical, metal, manufacturing, logistics, and commercial sectors), conferring a certain complexity to the treatment of raw materials and packaging.

Transport and logistics problems, as well as rising commodity prices, have impacted the Group, as can be seen in the figures on the table attached.

In order to reduce raw material consumption and leverage production

discards, Group companies recover material and put it back into the chain, whether at the facilities themselves or by returning it to the supplier. Faulty parts follow the same procedure. We therefore prioritize working with recycled raw materials whenever possible. INSERT RECYCLED RAW MATERIAL FIGURES

The main materials we buy recycled are: plastic (ABS, PP, PE, PS, PA, PVC), metal (steel, aluminum, copper, iron), and chemical products (acetone). Group companies where these practices are solidly implemented include Ningbo Dongchuan (China), Itajai Astral Pool Brasil Participações Lda, Cepex SAU, Sacopa SAU, and Poltank SAU.

For more information, please refer to section "7.3. Data tables".

A number of initiatives have also been taken with regard to packaging, aimed at reducing consumption or using recyclable or recycled products that contribute to protecting the environment.

In Spain, Trace Logistics (Spain) is replacing the film with which we use to fill our product boxes with biodegradable film. Talleres del Agua has reached an agreement with its main supplier to use reusable packaging for shipping raw materials. In addition, Inquide has replaced the synthetic foam of the pump packaging with recyclable cardboard in one of the models, an initiative that is expected to be transferred to the rest of the products produced at the Metalast center.

In South Africa, Fluidra Waterlinx (South Africa) has replaced virgin material with recycled polymer plastic bags.

Waste management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Guaranteeing correct waste management is another priority for Fluidra, with the aim of preventing and minimizing any potential impact that could derive from our activities, particularly hazardous waste generated in our production processes.

In this regard, the Global HSE Policy sets out the Organization's commitment to promoting efficient resource use to reduce waste generation and establish the measures needed to ensure correct waste treatment and disposal.

Policy commitments in this area are developed by the Hazardous Waste Management Standard applicable to all Group companies and which aims to standardize the processes related to waste management, ensuring correct identification, evaluation, documentation, and handling.

In 2022 we developed global operating procedures for hazardous waste management, one referring to waste generated by subcontractors and the other focusing on managing the waste generated as a result of our own activity. These global procedures were implemented across the different facilities throughout the year and will continue in 2023.

We also plan to develop the chemicals standard in 2023, leveraging three procedures: "Chemical Handling", "Chemical Storage", and "Chemical Disposal".

Waste management at the production plants is focused on waste separation. Hazardous waste is first separated from non-hazardous waste and the latter then further separated to facilitate collection and recycling. The majority of both types are delivered to authorized waste managers for disposal.

Waste segregation at locations other than production plants is becoming more common, with more and more locations doing so, despite the difficulties encountered such as the lack of government facilities to dispose of segregated waste in some countries. However, Fluidra has set medium-term objectives to ensure that all locations including production plants and others segregate and dispose of waste through authorized waste managers if this option is available in the region.

In 2022 we continued to roll out different initiatives to improve waste segregation at our facilities, in line with the targets set in the Responsibility Blueprint:

- Staff awareness-raising via chats, posters, and computer graphics.
- Installation of containers to promote waste segregation in non-production facilities.

- Contracting of external managers to ensure correct waste disposal at Zodiac Pool Care Europe (France), Fluidra Singapore (Singapore), Fluidra Maroc (Morocco), and Fluidra Kazakhstan (Kazakhstan).
- At Trace Logistics, the various quality initiatives implemented have also enabled us to reduce the generation of waste associated with the freight transport process.

The total amount of waste generated in 2022 came to 10,049 tons (17,625 tons in 2021), in other words, 43.0% less than the previous year as a consequence of the reduction in activity starting in the second half of the year.

With regard to its management, the target set for 2022 was to reduce the amount of waste taken to landfill by around 15%. At year-end, 27.1% of the generated waste ended up in landfill, compared to 16.6% in 2021. However, we reduced the tons of waste sent to landfill by 6.9%.



For more information, please refer to section "7.3. Data tables".

	Hazardous		Non-hazardous		Total	
	2022	2021	2022	2021	2022	2021
Recycling / Reuse	322	435	6,716	13,981	7,038	14,416
Incineration, with and without energy recovery	45	185	246	104	291	289
Landfill	248	167	2,472	2,753	2,720	2,920
Total (tn)	615	788	9,434	16,839	10,049	17,625



5.1.3. Biodiversity

GRI 3-3, 304-1, 304-2, 304-3

In a context of increasingly conspicuous climate change, it is essential to integrate the conservation of biological diversity into the business strategy.

Although our operations are developed outside of protected zones and areas of special interest, with no or little impact on biodiversity, some of the Group's non-production companies are located in areas close to natural spaces. This is the case of, for example, Zodiac Pool Systems LLC, Fluidra Maroc SRAL, Certikin International Ltd, and Fluidra México. However, because of their activity and reach they do not present a biodiversity risk and no special action is required.

Even so, we consider it necessary to focus on the problem and evaluate in greater depth what specific risks could impact the biological ecosystems where the Company has a presence, not only at the level of production, commercial or business activity, but throughout the entire life cycle of our products. In this way, we will analyze the impacts that may be generated throughout the value chain, later during the period of use, and even at the end of their useful life.

To this end, during 2023 we will conduct a preliminary study to assess in depth the environmental risks related to biodiversity, based on the location of each facility. We will then be able to determine a global action plan and specific action plans for the most vulnerable areas. The company will thus make a specific biodiversity commitment during the first half of the year.

In addition to this study, during 2022 we have started a collaboration with **Tree-Nation (1 & 2)** to participate in various reforestation projects. This is a platform that allows us to plant trees of different species (always native) around the world. Thus, some of the initiatives that the company has carried out during the year have been rewarded with the planting of trees in some of the projects.



Discover the Fluidra forest on the Tree-Nation website.

Among other projects, through this platform we have planted 143 trees in collaboration with **ARBA Sistema Litoral**, a non-profit organization that works for the recovery of the native forest of the Catalan coastal mountain ranges. Its planting procedure limits the natural dispersion of the various species and promotes the regeneration of arid ecosystems in order to combat desertification in the area.

Fluidra has helped to plant almost 2,000 trees as part of the **Wildfire Recovery in California** project, which is working to reforest forests in Los Angeles National Park that were destroyed by fires. These forests also control the watersheds in the area, keeping the watercourses within their boundaries and protecting nearby communities from heavy flooding.

In Australia, we have collaborated in the planting of more than 500 trees in the **Daintree Life Revegetation project (3)**, an initiative that plants native rainforest species in deforested areas of the Daintree forest (the oldest on the planet). The project aims to repopulate an area that also serves as a habitat and food

source for wildlife in the area (kangaroos and cassowaries, for example).

Fluidra also took part in the planting of more than 19,000 trees for the **Eden project** in Indonesia. This is a project to restore a mangrove area on Biak Island, in the province of Papua. This area is located in the Coral Triangle, an area recognized as a world center of marine biodiversity due to the wide range of species it harbors.

Mangrove deforestation has increased the vulnerability of coastal communities to flooding caused by extreme weather events, such as tropical storms. In addition, the mangroves are necessary to sustain fishing activities carried out by the local population. Finally, it should be noted that the project employs some 30 local people, 70% of whom are women. In total, we have planted more than 22,400 trees, the equivalent of offsetting more than 1,480 tCO₂.

Also, as a member of the Fundación Empresa y Clima, we participate in the LIFE Soria ForestAdapt project (Soria, Spain), which aims to increase the resilience of southern European forests to climate change.


5.2. Climate Change

GRI 3-3

Climate change is an issue of global importance and therefore one of our priorities within corporate ESG management.

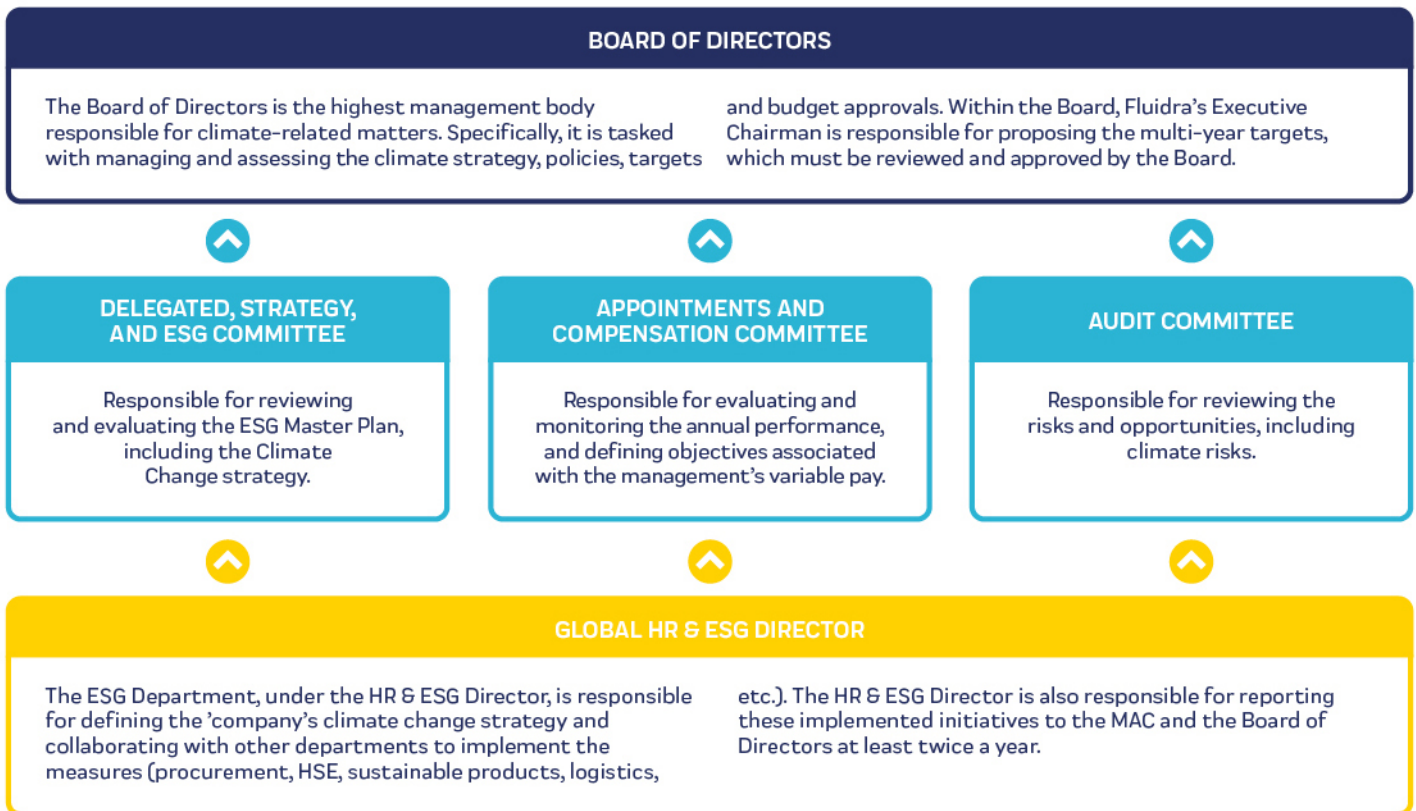
Our management approach is based on mitigation and adaptation to climate change, to which end we work both on analyzing and quantifying potential risks and opportunities arising from this phenomenon and also the direct management of greenhouse gas emissions.

We have been aligning the report on climate change management in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) since 2021.

 [Access the table of contents according to TCFD recommendations here.](#)

5.2.1. Governance

The climate change strategy is one of the priority areas within the Responsibility Blueprint. To mark the creation of the Delegated, Strategy, and ESG Committee, in 2022 we redefined the governance model on climate change matters to bring it into line with the new distribution of responsibilities within the Board.



5.2.2. Climate change strategy

GRI 3-3, 302-1, 305-1, 305-2, 305-3, 305-5

In 2020 we took the first steps to define the Fluidra Climate Change Strategy, calculating our full corporate carbon footprint for the first time, following the GHG Protocol methodology (operational

control) and in accordance with the definition of each of its three scopes.

Calculating our footprint provided insights into which fields make the biggest contribution to global warming and led us to define emission reduction targets across our value chain. We therefore determined the global targets associated with our carbon-neutral goals

for the first time in 2021, **setting 2027 as the target year for scope 1 and 2 emissions and 2050 for scope 3**, although our priority is to redefine them and increase the ambition slightly.

We are similarly tracking the methodology that will define the scope 4 emission methodology, i.e., covering emission reductions produced as a result

of using our products but outside of their life cycle.

Below are the global results of the Group's **carbon footprint** in 2022. During 2022 we worked hard to improve the reporting of environmental performance data, defining new internal control and auditing systems and putting in place processes to ensure the swift integration

of the new companies we acquire into the annual reporting system.

The upshot was the recalculation of the 2021 figures to correct a number of errors detected during the internal audits and the completion of the information with the performance of all the companies bought during the 2021 year from the time of their integration in

Fluidra. This ensured the comparability of the data from the two years and meant we could establish a more realistic baseline adjusted to the Company's present reality.

Fluidra's Carbon Footprint

	2022 (tCO ₂ eq)	%	2021 (tCO ₂ eq)	%
Own operations	15,653	0.2 %	20,981	0.2 %
Scope 1	9,892	63.2 %	10,658	50.8 %
Scope 2 (Market)	5,761	36.8 %	10,322	49.2 %
Scope 3 (Value chain)	7,228,949	99.8 %	9,215,449	99.8 %
TOTAL CARBON FOOTPRINT	7,244,602	100 %	9,236,430	100 %

Emissions reduction across operations


The emissions deriving from our operations include all direct greenhouse gas emissions associated with Company activities (scope 1) and indirect emissions caused by generating the electricity we consume (scope 2).

To deliver on our global targets, in 2021 we defined specific footprint reduction targets and renewable energy use targets, following the best SBTi practices recommended to reach our climate-neutral goals.

We went a step further in 2022 and introduced reduction targets for each company in line with their contribution to the Group's carbon footprint, linking their achievement both to the new syndicated loan agreement signed at the start of the year and the variable pay for the MAC (Management Advisory Committee), the directors who report to it, the management teams at the Group companies, and other leadership positions (area managers).

We wanted this strategy to reduce scope 1 and 2 Group emissions by 10% in 2022. To that end, at the start of the year we defined regional targets (6% reduction in EMEA, 4.3% in AMER, and 1.9% in APAC) on our roadmap to climate net-zero by 2027.

As a result, by 2022 we have achieved a 25% reduction in emissions in our own operations (scopes 1 & 2), having also met the targets we defined at the regional level. This reduction decreases to 11% if energy attribute certificates are not taken into account.

 For more information on carbon footprint by region, please refer to section "7.3. Data tables".

In the framework of the annual budgets, Fluidra works to provide the companies with the funds they need to undertake the investments required to reduce emissions. In 2021 we put close to €500,000 into five projects proposed by our companies, which were implemented in 2022. They included initiatives such as the installation of solar panels in South Africa and the replacement of the vehicle fleet in Australia (see results on the table at the end of the chapter).

At the same time, we also provided the Group's principal emitting companies a significant budget to develop emission reduction projects.

Implemented measures included our commitment to install solar panels in our facilities with two objectives: to contribute to emission reductions in countries where there is no renewable energy contract, and to respond to the need to increase the Company's energy independence to meet potential price hikes produced for reasons unrelated to Fluidra activity.

Besides the development of direct and indirect emission reduction programs, we have a target to cut energy consumption by around 3% per year.

In 2022, energy consumption at our facilities was 411,700 GJ, a reduction of -7.6% compared to 2021. Despite this, energy prices rose by 106% to come in at €16 million, equivalent to 2.23% of operating costs in the year. This was because of energy cost inflation worldwide, heightened in 2022 by geopolitical conflicts impacting energy markets.

For 2023 we plan to run a number of energy efficiency studies in high-impact facilities to define medium-term decarbonization plans.

In addition to the actions each company decides to develop, we also work on other strategies such as LEAN management, the inclusion of an internal carbon price, the incorporation of ESG criteria in investments and acquisitions, and the search for funding to implement new projects (Next Generation funds).

Direct Emissions (Scope 1)

Our direct emissions come from the consumption of natural gas, diesel fuel

(for production and heating, as well as vehicles), petrol, LPG and propane, as well as other GHG emissions.

In 2022, the consumption of these energy sources has been reduced by 1% compared to 2021, as the divestment of the company Togama (Spain) in May, and the reduction of activity during the second half of the year, have offset the increase resulting from the full

integration in the report of the companies acquired in 2021 and 2022.

Along the same lines, Scope 1 of the Carbon Footprint has been reduced by 7% compared to 2021.

Fuel consumption

	2022 (GJ)	%	2021 (GJ)	%
Natural gas	88,105	48 %	89,787	49 %
Diesel	73,148	40 %	82,471	45 %
Diesel (Production/Heating)	23,818	13 %	27,360	15 %
Diesel (Vehicles)	49,331	27 %	55,111	30 %
Petrol	17,147	9 %	9,278	5 %
LPG	3,401	2 %	3,171	2 %
Propane	1,806	1 %	414	0 %
TOTAL	183,607	100 %	185,120	100 %

Breakdown of direct emissions (Scope 1)

	2022 (tCO ₂ eq)	%	2021 (tCO ₂ eq)	%
Natural gas	4,452	45 %	5,028	47 %
Diesel	4,318	44 %	4,937	46 %
Diesel (Production/Heating)	1,406	33 %	1,742	35 %
Diesel (Vehicles)	2,912	67 %	3,195	65 %
Petrol	856	9 %	486	5 %
LPG	203	2 %	189	2 %
Propane	64	1 %	15	0 %
HFCs	0.2	0 %	3.5	0 %
TOTAL	9,892	100 %	10,658	100 %

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 proprietary factories.

The calculation was performed by an independent expert organization using the following formula: liters or total kWh of fuel consumed (by type) multiplied by corresponding emission factor. With this purpose, emission and conversion factors published by DEFRA in its latest document version were considered.

The Global Warming Potentials (GWPs) published in the IPCC fourth assessment report (Regulation EU 517/2014) are used to calculate emissions from GHGs other than CO₂, as indicated in the document issued by DEFRA for the corresponding year.

Indirect Emissions from Electricity (Scope 2)

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

In 2022, the total electricity consumed by Fluidra Group companies came to 228,092 GJ, some 12.4% less than in 2021, including consumption across all offices, points of sale, warehouses, and proprietary factories.

This drop derived from the reduction in activity as of H2, the energy-efficiency measures implemented, and the divestment from Togama (Spain) at the start of the year.

Electricity consumption

	2022 (GJ)	%	2021 (GJ)	%
Renewable source	189,317	83.00 %	185,556	71.29 %
GO supply network	128,311	56.25 %	150,878	57.96 %
Self-generation (solar panels)	4,010	1.76 %	0	— %
Energy Attribute Certificates (EACs)	56,996	24.99 %	34,677	13.32 %
Non-renewable source	38,776	17.00 %	74,744	28.71 %
TOTAL	228,092	100.00 %	260,299	100.00 %

Of this total, 189,317 GJ (83%) was from renewable sources, some 16% more than in 2021 (71%). We therefore overshoot the target we had set of boosting renewable electricity energy consumption by 3%.

This increase is the result of the installation of photovoltaic panels in several of the group's facilities, the modification of electricity supply contracts, as well as the increased purchase of Energy Attribute Certificates (EACs) in several countries, as detailed below.

Our strategy in this field is structured around two major action areas: implementing energy-efficiency measures to reduce electricity consumption and boosting the percentage of electricity consumed from renewable sources in order to reach 100% by 2027, in line with the defined carbon-neutral strategy.

Energy Efficiency

Fluidra is implementing several initiatives with the aim of reducing electrical energy consumption.

On the one hand we have been centralizing different work centers into a single facility in recent years. Following the inauguration of the new corporate headquarters in 2021, in 2022 we centralized the R&D area at our Polinyà facility. The staff from Fabtronics (a company we bought in 2020) were transferred to the Fluidra Group Australia facilities at Keysborough, which has had

the 6 Star Energy Rating since 2018, ensuring that both the construction and management of the facilities are environmentally friendly. Finally, the two Fluidra Balkans offices were unified at the end of 2022.

Then there were the different initiatives the Group companies implemented to cut their energy use. These included value improvement projects at production centers (swapping out lights, replacing forklifts with an electric model, among others), renewing industrial equipment with other, more energy-efficient models, and initiatives to fully power down equipment outside of work hours.

Finally, of note were the measures the Group companies in Europe implemented to meet local indoor temperature regulations, which helped bring down energy consumption in our facilities.

Electricity from Renewable Sources

Fluidra has been committed to renewable energy for several years now. Since 2016, all the electricity consumed in Spain and Portugal comes from renewable sources with Guarantees of Origin by the trader that settles in the National Competition Market as the system regulator.

In line with the commitments acquired in the Responsibility Blueprint, since 2020 we have been working to extend the consumption of renewable energy to the rest of the countries where we operate through the change to suppliers that offer

this type of energy, the installation of solar panels, and the purchase of EACs.

In 2021, we extended renewable energy grid supply to several of our facilities in the United Kingdom and Belgium. In addition, we have amended contracts in 2022 for several facilities in France, Italy, Austria, Brazil, and Australia. We also installed nearly 6,000 solar photovoltaic panels at six of our facilities in 2022.

Finally, we have continued to acquire energy attribute certificates (EACs) in South Africa, the United States, Brazil, China, and the United Kingdom, as an accompanying measure in their transition to full renewable energy electricity consumption.

At year-end, renewable electricity consumption by country was as follows: Australia (11%), Austria (22%), Belgium (34%), Brazil (100%), Canada (100%), China (61%), France (88%), Italy (62%), Portugal (100%), South Africa (87%), Spain (100%), United Kingdom (100%) and the United States of America (79%).

At the start of 2023 our Netherlands facility changed the source of its mains-supplied electrical energy to a 100% renewable one, a measure we hope to roll out in other countries over the rest of the year to meet our annual targets.



GRID SUPPLY

100% of electricity from renewable sources in Spain, Portugal, France and Austria. In the case of the United Kingdom, Belgium, Italy, Brazil and Australia, these contracts cover only part of our facilities.

In 2023, we plan to extend these contracts to the Netherlands, Chile and Colombia, as well as to the rest of our facilities in the United Kingdom to cover 100%.



SOLAR PANELS

Installation of solar panels for self-consumption at selected sites in South Africa, Australia, the United States, China and Spain during 2022. In 2023, we will continue to extend this measure to other sites in these countries.



ENERGY ATTRIBUTE CERTIFICATES (EACS)

Purchase of certificates as an accompanying measure for those countries that have already begun their transition to renewable electricity consumption (either through grid supply or the installation of solar panels).

In 2022, we purchased certificates in South Africa, Brazil, the United States of America, the United Kingdom and China.

In terms of Scope 2 carbon emissions, the reduction of activity during the second half of the year, and the divestment of Togama in May, allowed us to reduce our location-based emissions by 19%.

With regard to market-based emissions, the purchase of energy attribute

certificates in certain countries, which accounted for 25% of our electricity consumption, must be added to the above-mentioned events.

Excluding these certificates, market-based emissions are reduced by 13% compared to 2021.

Indirect emissions (Scope 2)

	2022 (tCO ₂ eq)	2021 (tCO ₂ eq)	Var. (%)
Market-based emissions	5,761	10,322	-44%
Location-based emissions	19,048	23,638	-19%

The indirect GHG emissions we produce are based on the electricity purchased from third parties across the Group. The calculation was developed by an independent expert organization, multiplying the electricity consumption in kWh by the corresponding emission factor in each case.

The calculation is performed on both a location and market basis, following the recommended best practices and using the electricity mix coefficients for each country based on the data published by the regulators via the coefficients supplied by the marketers; 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.

Reducing emissions across our value chain (Scope 3)

Scope 3 emissions are indirect emissions originating in the Company's value chain and not under Fluidra's control.

These emissions are the biggest challenges Fluidra must address within carbon management since they make up the majority of our emissions, 99.8% in 2022. It is therefore essential to work

together with our suppliers and customers to extend and ensure the achievement of our climate change commitments across the value chain.

Based on the 15 categories defined in the GHG Protocol Corporate Value Chain (Scope 3) standard, we assessed the relevance and applicability of each of them for Fluidra, and the following categories were found to be important:

Other indirect emissions (Scope 3)

Source	2022 (tCO ₂ eq)	%	2021 (tCO ₂ eq)	%
Cat 1: OPEX	578,031	8 %	1,125,471	12 %
Cat 2: CAPEX	47,814	1 %	35,924	0 %
Cat 3: Energy production	4,317	0 %	5,759	0 %
Cat 4: Transport and distribution upstream	291,769	4 %	89,962	1 %
Cat 5: Waste	2,637	0 %	3,080	0 %
Cat 6: Business trips	2,187	0 %	929	0 %
Cat 7: Accidents in transit	3,652	0 %	7,238	0 %
Cat 9: Transport and distribution downstream	25,919	0 %	331,932	4 %
Cat 11: Use of products	6,266,563	87 %	7,609,181	83 %
Cat 12: Product waste	6,059	0 %	5,973	0 %
TOTAL	7,228,949	100 %	9,215,449	100 %

Total Scope 3 emissions have been reduced by 22% and emissions intensity relative to revenue has also been reduced by 28%, even though the company's revenue has increased in 2022. The factors contributing to these variations are detailed below.


In 2022, we have continued to work on improving the methodology used and the quality of the data for the calculation of scope 3 emissions. As a result, there have been significant variations in several of the categories derived from the increase or decrease in the corresponding activity (as is the case of categories 2 and 6), the increase in the scope of the information (which also affects category 6), or the integration of methodological adjustments in their calculation (categories 4, 7 and 9).

Likewise, the 2022 data is affected by the general decrease in Fluidra's activity during the second half of 2022. This is reflected in categories 1, 3, 5 and 11. In the particular case of category 5, the reduction in emissions associated with waste from our operations has also occurred as a result of the efforts made to improve the segregation and management of waste at source.


As far as our Company is concerned, there are three main sources of carbon emissions in our value chain (in order of relevance): emissions associated with the use of our products throughout their useful life (category 11), the supply chain (category 1) and upstream logistics activities (category 4).

For emissions related to the impact of the use of products sold (category 11), we are first working to increase the efficiency of our products, and then to promote the sale of those classified as sustainable products.


In this area, and leveraging **Climate Action Week**, we planted a tree for each variable speed pump sold around the world during the week. We also continued to develop more energy-efficient, lower-impact products. Finally, for 2023 we will seek to raise end-customer awareness so they make optimal use of the products.

 For more information on the initiatives implemented, please refer to "Sustainable products" section.

We also continued working with our main suppliers on activating collaboration mechanisms to reduce scope 3 emissions. A new development in 2022 was that we included climate change management in the training courses held with suppliers, asked them for the results of their current carbon footprint and, finally, are implementing an external audit plan to assess their present situation. We will continue shoring up supplier engagement in environmental issues in 2023.

 Please refer to section "4.4. Responsible Supply Chain Management", for more on initiatives across our supply chain.

In terms of logistics and distribution (scope 3 categories 4 and 9), we worked on optimizing routes, limiting the use of the most polluting means of transport and minimizing the packaging material used in their activities (category 5). We will push forward with these initiatives in 2023 and also assess service providers to find the most sustainable vendors.

 For more information and results, please refer to section "Sustainability in the product life cycle".

Another point to mention is fleet management. As part of our Group policy, we are committed to renewing vehicles constantly so they are as efficient as possible with one objective: to reduce the pollution associated with the movement of Fluidra employees.

At the end of 2021, the MAC approved the update of the Group's vehicle fleet policy in Spain, incorporating hybrid and electric vehicles with a 0 label across all levels of the allocation matrix and making their use mandatory for senior management once current leasing contracts come to an end.

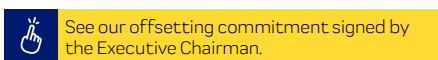
Similarly, we continued to push the envelope in the installation of electric chargers. Once the international vehicle charging network is optimized, we will replace our entire fleet for the most sustainable options offered by the market. In 2022, Fluidra's vehicle fleet consisted of 501 vehicles (vs. 560 in 2021), of which 6 were electric (same in 2021), 13 hybrid (vs. 2 in 2021), 309 diesel (353 in 2021) and 173 petrol (199 in 2021).

Our emissions offsetting commitment

Fluidra is aware of the huge challenge climate change entails both for the environment and for people and business. The growing number of extreme climate events such as torrential rain, droughts, and temperature rises, as well as the greater severity of cyclones and tropical storms, make taking action to mitigate emissions essential and we must also start to adapt to what is ahead.

Since last year's publication of our commitment to reach climate neutrality, we have worked on defining action plans to reduce the emissions associated with our activities, along with our products and solutions. However, we are aware that zero emissions is still a utopia given our activity and the fact that the climate emergency requires urgent management.

That is why, in addition to the previously mentioned measures, since 2022 and until we deliver on our goals, **we are committed to offsetting part of the emissions that proved impossible to reduce through CO₂ capture projects** as an urgent measure to start to bring down CO₂ levels in the atmosphere.



For the selection of offset projects, the Oxford offset principles have been followed to maximize their impact. The social impact and contribution to the Sustainable Development Goals has also been a determining factor when selecting projects, seeking a benefit beyond the carbon reduction impact inherent in each one.

Thus, in 2022 we have opted for renewable energy projects to avoid emissions (48% of the total credits), reforestation for short-term carbon elimination (48%) and a small part (4%) in investment in the development of long-term carbon elimination projects, all of them developed in countries where Fluidra operates.

Thanks to all these projects, we have offset a total of 2,069 tCO₂, to which must be added the offset of 1,480 tCO₂ in the form of reforestation projects (more information in chapter 5.1.3. Biodiversity). It should be noted that the **credits acquired have not been considered to reduce our carbon footprint**, but have been complementary actions to our reduction efforts.

Investment in renewable energy projects

Fluidra has acquired certified credits (equivalent to 990 tCO₂) to support a solar energy project in India, which has been endorsed by Verra's Verified Carbon Standard, and verified by LGAI Technological Center, S.A.

As a result, solar panels will be installed in three Indian states (Karnataka, Uttar

Pradesh and Maharashtra) as part of an overall project with a total capacity of 225 megawatt-hours.

Reforestation

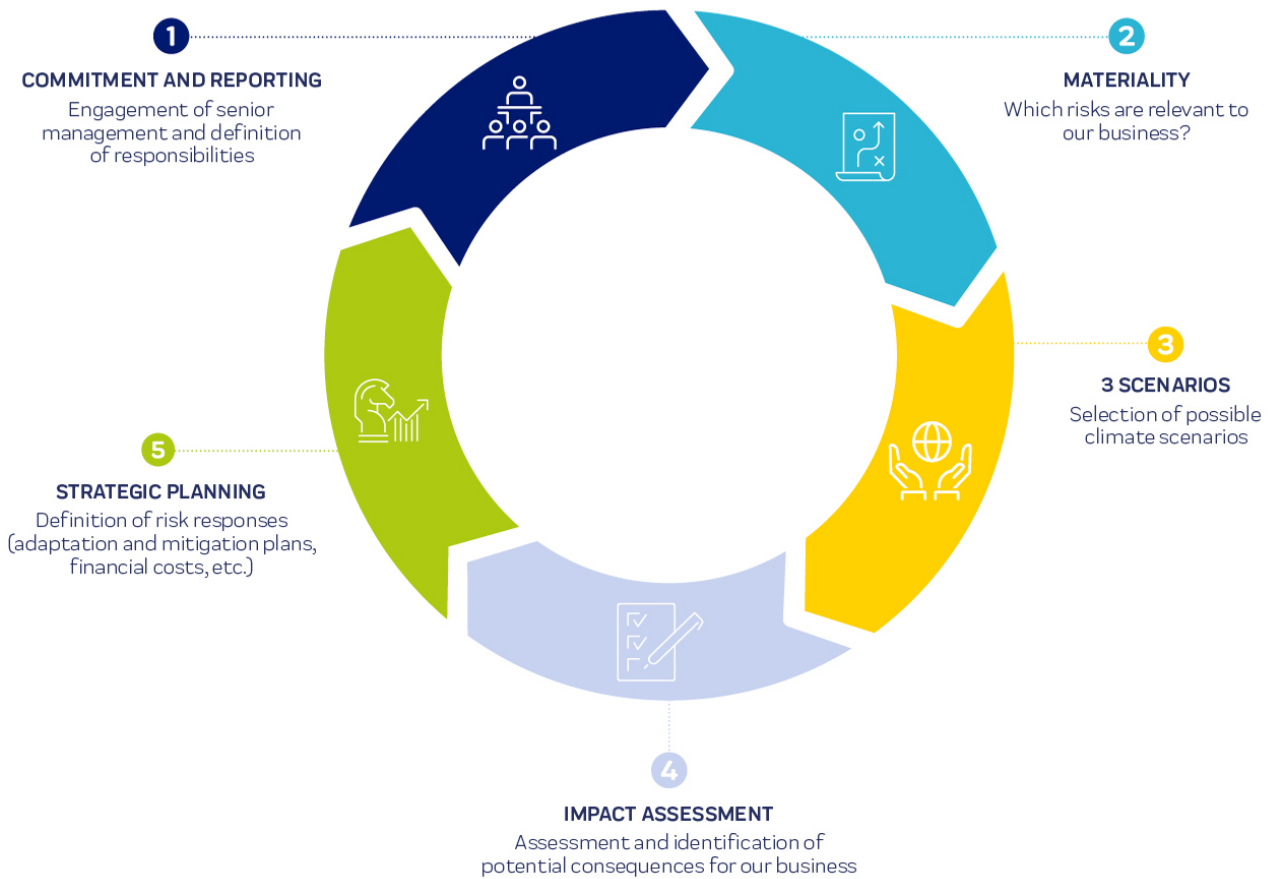
Also through Verra in India, credits equivalent to an offset of 990 tCO₂ have been acquired to support a reforestation project of degraded soil. This project is being carried out in the states of Odisha, Andhra Pradesh and Chhattisgarh, covering a total area of 2,939 ha. It is also Verified Carbon Standard accredited and validated by Tüv Süd South Asia Private Limited.

Long-term carbon removal projects

Finally, 89 tCO₂ have been offset in a biochar production project in Douglas County (USA). Biochar is produced from the remains of wood product manufacturing, and is used for soil fertilization, water treatment, and emissions management at local landfills. These credits have been issued by the Puro.earth organization.

5.2.3. Climate Risk Management GRI 201-2

As already mentioned in chapter [4.2. Risk and Opportunity Management System](#), ESG risk analysis is fully integrated in risk management processes across the company and most of its executives participate. Even still, the ESG department performs an in-depth analysis of climate change risks, among others, the general areas of which are shown below:



Our strategy pursues the following objectives:

- Identify potential hazards that could impact our activity.
- Detect the countries, locations, and regions exposed to each hazard.
- Analyze upstream risks (supply chain) in our own operations and downstream risks (customers and users).
- Analyze the Company's vulnerability to the different risks.
- Quantify the financial impacts associated with these events both for managing mitigation and adaptation.
- Define action plans to minimize the impacts on people, environment, and business.

1. Commitment and Reporting

We are committed to analyzing climate change risks at least once a year and reporting the takeaways to the Audit Committee and other Company executives.

2. Materiality

In keeping with the ESG risk strategy, we have identified several hazards that could impact our business and value chain, such as increasing temperatures, drought frequency, rising sea levels, water stress, and extreme rainfall events.

3. Scenarios

Of the different climate scenarios defined by the IPCC we have selected the following:

- Current situation: present risk of each hazard.

- Water stress in 2040 based on representative concentration pathway (RCP) 4.5.
- Flood danger in 2050 based on representative concentration pathway (RCP) 4.5.

The use of other scenarios and time frames to predict different situations is planned, depending on how global emission-reduction targets are consigned.

4. Impact Assessment

Physical Risks

During the year we developed an exhaustive qualitative analysis of some of the climate hazards that can affect our business activity in the short and long terms and initiated an evaluation of their quantification using the Verisk Maplecroft platform. In this way we seek to monitor, among other matters, the evolution of the probability of occurrence of climate change-associated risks at our locations.

Based on our activity and potential vulnerability to business interruption, we selected the following risks to analyze in accordance with TCFD recommendations.

1. Risk of sudden **extreme rainfall** produced by a change in rainfall patterns causing material damage and interruption to production and/or supply chain (acute risk). Neither our production plants, PRO Centres, or distribution plants are located in an extreme rainfall risk area either presently or under the 2050 scenario with RCP 4.5.
2. Risk of **water stress** caused by a change in rainfall patterns producing restrictions on water use and a reduced demand for Fluidra products (chronic risk). According to our evaluation across the 47 countries where we operate, only two are presently in areas of extreme water risk: United Arab Emirates and Singapore, and they account for just 1.5% of our sales. In the 2040 forecast with RCP 4.5 they are joined by Morocco, Tunisia, Belgium, and Turkey for a total representation of 3% of our sales being exposed to this risk.

However, we did a more exhaustive analysis in the facilities where, in accordance with the Verisk Maplecroft tool, there is a greater likelihood of these types of adverse weather events happening, regardless of their potential impact on Group operations.

The analysis confirmed a series of different levels of exposure according to the country, location, and region we focus on.

Transition Risks

In addition to physical risks, every year Fluidra analyzes climate change transition risks and defines action plans to respond to them. The most important are as follows:

- **Current regulations:** The current regulations that a company like ours faces are extensive, particularly regarding reporting, which is why we have for some years had specialists on staff who manage all the applicable requirements in order to respond to them all.
- The **new regulations** expected around reporting are also demanding, but with the team planned to cover these needs the risk is understood to be low.
- **Technology.** The pool industry is evolving slowly in terms of technological innovation and development, which is why exposure to this risk is low. However, there could be a loss of competitiveness because of new market players with disruptive models impacting our business or we could fail to pivot to new technologies/digitalization. By contrast, we see an opportunity to lead in this field and have therefore made it a core part of our Organization.
- **Market:** Our users' expectations around the sustainability of our products is growing, particularly because of high energy prices and recent drought events. That explains why water and energy efficiency are among the key sustainable pool objectives we are working on.
- **Reputation:** Sector stigmatization due to water use in areas of water stress is a topic of particular concern to us, which is why the development of innovative and sustainable solutions is one of the areas we are working hardest on to deliver a zero-impact pool and even one with a positive impact.

5. Strategic planning

We will leverage these results to build our resilience to future climate change impacts by creating mitigation plans focused on:

- Preparing flood-prevention plans that onboard measures to implement in the facilities to prevent or reduce flood damage, including safe evacuation procedures for the personnel who work in them.
- Preparation of business continuity plans that include flood scenarios.
- Integration of the climate change risk analysis into M&A processes and the opening of new operating centers in already existing companies.

Following the same methodology as in the previous risk, Fluidra, in partnership with external experts, developed a stress test for assessing and quantifying water stress and water restriction-related impacts in one of the Group's leading sales regions, California (USA).

The chief takeaway from the analysis was that we identified sales growth opportunities for existing and innovative products centered on energy efficiency and reduction in water use (products for covered pools, robotic cleaners, electric heaters, etc). We are also currently tracking the mitigation plans in place in the Organization to reduce the impacts deriving from this risk.

5.3. Water

GRI 3-3, 303-1, 303-2, 303-4, 303-5

The effects of climate change can increasingly be seen in the rising number of drought events around the world. Our business is closely related to water use and although our internal processes and operations do not require a high consumption of water (just 19% of our consumption goes to production processes) we endeavor to improve efficiency in our facilities and reduce the consumption associated with our products.

As mentioned in the risks section, Fluidra operates in countries where there is a high risk of water stress, including United Arab Emirates and Singapore. In this regard we comply with local regulations restricting water supply during droughts.

We are currently working on quantifying our water footprint with the aim of defining a strategy that enables us to maximize our impact on this resource. Plus, since 2021 we have aimed to reduce water consumption with respect to our sales volume.

Water consumption came to 167,361 liters in 2022, 19% more than in 2021. The rise was largely a result of the additional water consumption we made as part of

the fill tests for the pool we made for the European Aquatics Championships and which accounted for 9% of our water consumption in 2022. Similarly, the water consumption by sales ratio (l/€) rose from 0.064 in 2021 to 0.070 in 2022.

Despite this, some of our companies have been implementing improvements to reduce water consumption at their facilities. One example is Poltank (Spain), which has installed a compensation tank to prevent unnecessary water spills due to overflow in the system that performs the manufactured product pressure and safety tests. Also in Spain, Inquide implemented a pilot test toward the end of the year to recirculate water from the purifying plant it uses in production processes.

Talleres del Agua (Spain) changed the steam-generation system in the laboratory at the initiative of an employee. The modification meant the water could be sprayed in the dose required, reducing not only the consumption of water but also the consumption of power associated with steam production.


The production companies also implemented regular piping maintenance tasks and inspections to prevent leaks.

In terms of water withdrawal, 92% of the water consumed comes from municipal water providers or other public or private supplies (third-party water). And 6% of the water is recycled and/or reused.

Water discharge in 2022 amounted to 147,340 m³, compared to 140,783 m³ in 2021. As per 2021, there were no spills that could affect the environment, nor any discharges of runoff water affecting habitats. Also, there was no record of catchments significantly impacting water sources.

However, as mentioned previously, Fluidra has been partnering with the Ebro Hydrographic Confederation since 2020 for the presence of brine in the soil at the Inquide SAU facilities (Huesca, Spain).

Finally, it is worth noting that the internal control and auditing processes at Fluidra throughout the year saw us review and correct the data reported last year in order to ensure comparability.

 For more information on our water consumption, please refer to section "7.3. Data tables".

Water consumption

	2022 (m ³)	%	2021 (m ³)	%
Production processes	32,093	19.2 %	38,023	27.0 %
Sanitary uses	135,269	80.8 %	102,939	73.0 %
Total consumption	167,361	100 %	140,962	100 %

Consumption in water stress areas

	2022 (m ³)	%	2021 (m ³)	%
Water stress areas ⁹	429	0.3 %	431	0.3 %
Other areas	166,932	99.7 %	140,531	99.7 %
Total consumption	167,361	100 %	140,962	100 %

⁹ Water withdrawal in water stress areas comes from third-party suppliers.

6. We improve people's well-being



Key figures

Through the Social pillar, at Fluidra we aim to ensure the well-being of people, both inside and outside the organization.

The well-being, satisfaction and commitment of our team is one of the cornerstones of everything we do. That is why we are committed to generating quality employment, and promoting fair, safe and healthy working conditions around the world. Thanks to this commitment, we have once again increased our employee engagement rate to 90%. We also continued to implement our human rights management model by implementing due diligence procedures in both our own operations and our supply chain.

This 2022, we have also approved and implemented our Diversity, Equity and Inclusion strategy, with the objective of ensuring work environments where all people are included, respected and have equal employment opportunities. In this area, we continue to work to reduce the (adjusted) gender pay gap, in order to achieve a net pay gap by 2024.

At year-end, the gap stood at 5.4% (compared to 6% in 2021), and we aim to reduce it to 3% in 2023.

Finally, we play an active role in the communities in which we operate, participating in initiatives that seek to increase their economic and social development. Our investment in the community has reached €1,007,665, benefiting a total of 12,116 people around the world thanks to the initiatives carried out by both the Fluidra Foundation and the various companies in the Group.



6,771
EMPLOYEES
(6,995 in 2021)

97.87%
with PERMANENT
CONTRACT
(96.44% in 2021)

34.93%
WOMEN in the workforce
(34.68% in 2021)

14.8
TRAINING hours
per employee
(+66% comparing to 2021)

5.4%
Adjusted
WAGE GAP
(6% in 2021)

73
Different
NATIONALITIES
(77 in 2021)

1.01
ACCIDENT Rate (TRIR)
(0.77 in 2021)

12,116
people BENEFITED
in the community
(3,385 in 2021)

€1,007,665
SOCIAL ACTION
investment
(€699,101 in 2021)

6.1. We stand up for human rights

GRI 3-3

As a member of the UN Global Compact, Fluidra is committed to **supporting and respecting internationally recognized human rights** and ensuring the company is not complicit in breaching any of them.

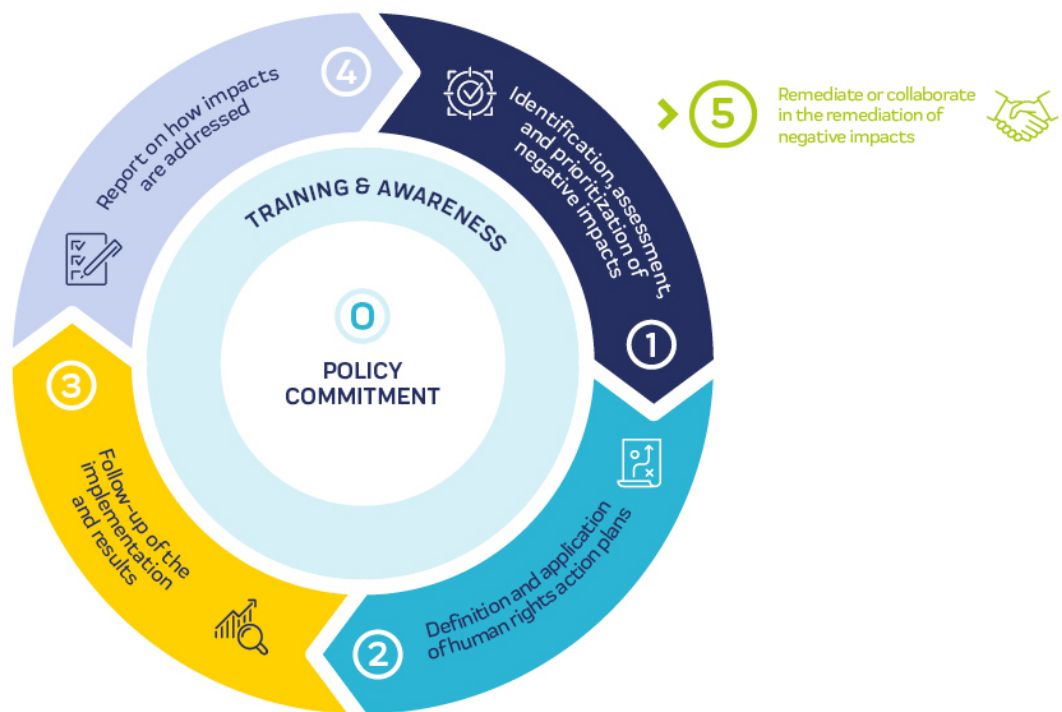
We are aware that the activities we carry out at Fluidra, the complexity of our supply chain, and the context of the countries in which we operate present a potential human rights risk that must be

prevented, addressed, and remedied in the event of an impact.

Therefore, in 2021 we defined our **Human Rights Management Model** in line with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises in order to address and integrate the protection of and respect for these rights across all areas of the Organization.

Through this model we also respond to the **specific requirements outlined in the legal systems of our countries of operation**. This is the case, for example, with the Modern Slavery Act requirements in force in Australia and the UK, due diligence regulations in France and Germany, and the Uyghur Forced Labor Prevention Act in the USA.

Human rights management model



6.1.1. Our Commitment to Human Rights


GRI 2-23

In 2020, the Group's Board of Directors formalized the **Global ESG Policy**, the first pillar of our Human Rights Management Model, which set forth and specified our commitment and action principles in the field of human rights:

- **Respect the internationally recognized human rights** of all stakeholders.
- Exercise **due diligence in human rights** to prevent and mitigate the negative impacts our operations and/or our business relationships may cause.
- Have **effective remedial mechanisms** in place to repair or contribute to repairing negative human rights impacts when they occur.
- Ensure **respect for human rights in the countries of operation, even when the states do not comply with their own obligation to guarantee their protection**. If local laws are contrary to international frameworks, Fluidra will seek ways to respect human rights, to the greatest extent possible without violating national laws.

This framework is developed by the **Code of Ethics** and **Code of Ethics for**

Suppliers, as well as other Group policies that address the specific protection of the rights recognized in the International Bill of Human Rights and the International Labor Organization's (ILO) fundamental conventions, such as the Global Diversity, Equity, and Inclusion Policy, the Global Health, Safety, and Environment Policy, and the Information Security Policy.

 Access the Global ESG Policy in our corporate website.

6.1.2. Ensuring due diligence

GRI 2-24; 408-1; 409-1

The second pillar consists of establishing due diligence processes to identify, prevent, mitigate, and respond to negative human rights impacts. To this end we have integrated the OECD Due Diligence Guidance for Responsible Business Conduct.

In 2021 we identified the **potential human rights impacts** our Organization could cause or contribute to cause as a result of its activities, products, services, and business relations **across the different phases of our value chain**.

We also leveraged a tool that allows us to monitor human rights risks by country. At the end of 2022 Fluidra was present in the following **high- or extreme-risk countries**: China, Turkey, Brazil, Mexico, Russia, Kazakhstan, United Arab Emirates, Colombia, Egypt, Romania, India, Thailand, Indonesia, Tunisia, Morocco, and Vietnam.

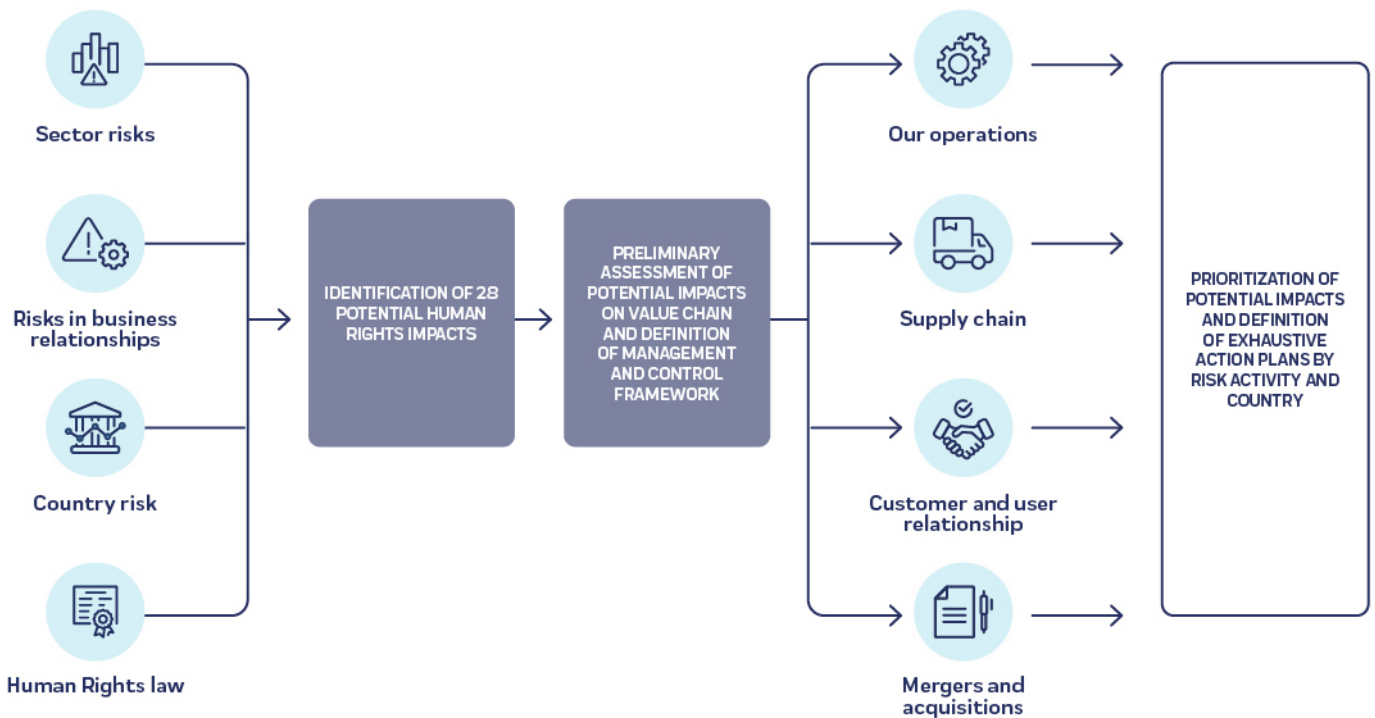
Given the complexity of our operations and the various countries in which we operate, a team of human rights experts from the ESG department, in partnership with the responsible areas, is developing a **preliminary assessment** of each of these potential impacts across the value chain.

We will harness the result to formalize our position on each matter and define the controls and mechanisms for prevention and early detection, the areas responsible for their management, and the necessary action plans for their implementation into the Organization.

The goal is to ensure that all identified potential impacts, regardless of severity and probability of occurrence, have a **management and control structure aligned with the international human rights framework**.

In addition, if the results of the assessment indicate that any of the potential impacts have materialized in any Group company, specific action plans will be defined to **mitigate and remedy** them immediately.

Identifying, assessing, and prioritizing potential human rights impacts



After this exercise is complete, we will **prioritize** our efforts on the impacts with the greatest severity and highest probability of occurrence (also known as salient human rights issues).

These impacts will be provided **more exhaustive action plans** pivoted to the peculiarities of the activities and contexts of greatest risk, whose efficacy and correct operation will be monitored and assessed annually by the ESG department with supervision from the Internal Audit department. Fluidra will report annually on the measures adopted for each of these impacts in the Integrated Annual Report.

Own Operations

Consists of assessing the potential impacts that could occur in the Group's facilities around the world, potentially affecting the human rights of our workforce and other stakeholders.

In 2021 we start exploring the impacts related to labor rights where there was a higher risk associated with socioeconomic context and/or absence of guarantees in the countries where we operate.

Thus, of the five potential impacts evaluated, it was detected that in three of them it was necessary to reinforce the existing management and control mechanisms to respond to the requirements of the local legislation applicable to us. These actions will begin to be implemented as of 2023:

- **Fight against child labor:**
 - Reinforce the commitment established in the Code of Ethics defining the minimum age to work at Fluidra (over 16 years).
 - Standardize the age verification procedures and task assignments for minors across the Group in accordance with international conventions.
- **Eradication of forced labor and other forms of modern slavery:** extend the training conducted in Australia on potential signs of forced labor situations to the entire organization.
- **Respect for the working day and rest periods:** formalize our commitment in the Code of Ethics and launch time-registration systems across all

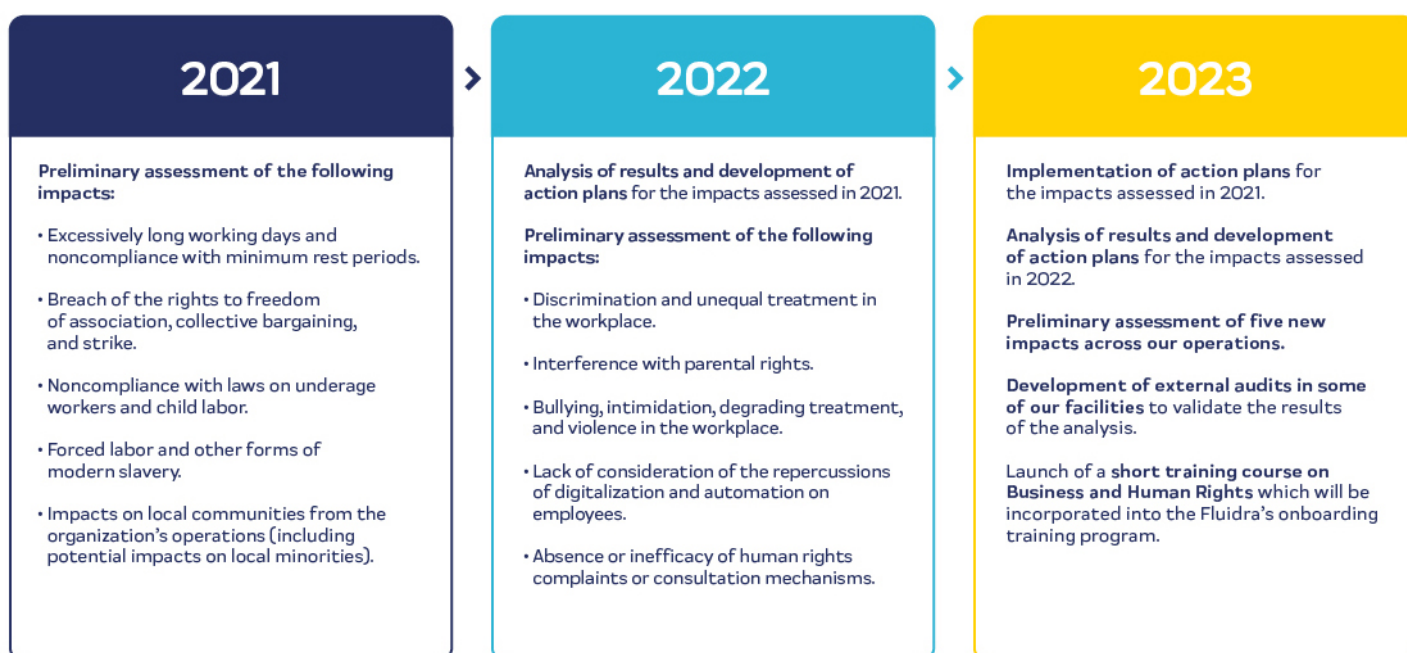
production and logistics facilities around the world.

In 2022 we continued with the assessment of five other potential impacts in our operations, focusing on those linked to the Diversity, Equity, and Inclusion Strategy and new work methods.

Overall, we have assessed 32 companies (12 new with respect to 2021), representing 68% of the workforce (compared to 53% in 2021).

In 2023, we plan to conduct **external onsite audits in some of our facilities**. We will also continue with the human-rights-based **workforce training and awareness-raising** work we began last year with a short training course to refresh the prior training on the commitments covered in the Code of Ethics.


In 2022, we provided 60 hours of dedicated human rights training through the course on the fight against modern slavery, which was launched by our companies in Australia.



Supply Chain

The assessment of potential human rights impacts that could occur in our supply chain is integrated in the supplier selection, approval, and evaluation systems and processes.

In line with the work done in the prior year, we continued training our main suppliers on the human rights commitments set forth in the Code of Ethics for Suppliers and Fluidra due diligence mechanisms.

 For more information, please refer to section "4.4.3. Our progress in shared values".

Relations with customer and end-users

We have started assessing the potential impacts that could occur in relation to our customers and suppliers.

In 2023 we plan to analyze the potential risk that inadequate, misleading, dishonest, or irresponsible communication around products and services could cause from the perspectives of diversity, equity, and inclusion, as well as human rights.

Mergers and Acquisitions

In partnership with the Mergers and Acquisitions department, in 2022 we defined the due diligence process prior to operations involving the integration and acquisition of new companies.

The goal was to analyze the potential impacts associated with the type of activity and geographical location of the facilities of the company to be acquired, and seek the necessary documentation on managing the potential human rights impacts in line with the existing level of risk.

6.1.3. Grievance mechanisms


GRI 2-25

Within the third and final pillar of our Human Rights Management Model, we have provided the Confidential Channel as a mechanism for our stakeholders to confidentially and anonymously report complaints or ask questions in relation to the principles of our Code of Ethics.

At the same time, we monitor the conduct and operations of different group companies through internal audits, regular visits, and management controls, with a special emphasis on the geographical areas most susceptible to fraud, corruption, bribery, and exploitative working conditions.

In addition, as part of the preliminary assessment process of potential human rights impacts, in 2022 we analyzed the effectiveness of the confidential channel, in line with Guiding Principle 31 of the UN Guiding Principles on Business and Human Rights.

No vulnerabilities were detected in 2022 or the year before insofar as noncompliance with child labor or forced labor laws, or any other human rights violations or negative consequences in Fluidra's operations or in its Supply Chain.

 For more information, please refer to section "4.3.1. Promoting an ethical behavior".

RESULTS OF THE CONFIDENTIAL CHANNEL EFFICACY ASSESSMENT

Previous situation	Measures adopted
Lack of confidence (only eight communications received in 2021) because of its internal nature and the inability to file anonymous reports.	Implementation of a new channel managed by an external supplier and enabling the possibility of filing anonymous complaints.
Lack of knowledge about its existence and operation.	Launch of various training courses on the Confidential Channel throughout the year. Placing posters around the facilities with a QR code to access the channel directly.
Insufficient transparency around its operation and efficacy.	Approval of the channel's new procedure and more detailed information on cases received and their management provided in the Integrated Annual Report.
The reports received did not always entail a breach of the Code of Ethics.	Guided questionnaire tailored by subject matter to send queries and report complaints.
Insufficient communication with whistleblowers regarding case status and results of investigations.	Information and tracking of case status within the Confidential Channel, with an access code for those who prefer to file a complaint anonymously.
Difficulties in reporting cases due to the language diversity across the Group.	The channel is currently available in 16 languages.

6.2. Keeping the best team



GRI 3-3

Fluidra's success would not be possible without our excellent professionals and their ability to work in a safe and stable environment, with adequate professional and personal development in the Company under the guarantee of equal treatment and opportunities.

To deliver on this goal, we have a set of people-centric policies, training programs, and measurement tools in place to guide and channel their actions and behaviors.

In this regard, Human Resources management is the responsibility of the

Global HR & ESG Department. The Management Advisory Committee (MAC) is then tasked with reviewing and monitoring the area's key indicators throughout the Organization and establishing corrective measures or implementing new initiatives as deemed appropriate.

6.2.1. Working for and with people

The priorities of our Human Resources policies are defined by our business strategy, the global market, social

challenges, and trends in people management, always with one purpose: to achieve a high level of internal satisfaction and improve the life cycle and experience of our team.

The Global HR & ESG department roadmap for the 2021-2025 period is structured around four major areas, with action plans, projects, and objectives directly connected to each of the Company's strategic areas, making it easier to deliver on them.

HR & ESG STRATEGY 2021-2025

Generate a team of employees that can drive the strategy, deliver our growth plan, and help Fluidra become a benchmark of a great place to work in today's agile world.



6.2.2. Generating quality employment

GRI 2-7

Fluidra's team

The company pivoted well to market requirements and the shifting macro situation in 2022.

Following the 28% growth in the workforce we experienced in 2021, this trend continued during the first half of 2022 when we grew our workforce by 6% over the previous end of year to 7,390 people by the close of June.

However, we implemented a workforce adjustment starting in the second half as part of the initiatives to rationalize and simplify our organization in order to

address the complex short-term environment. This action was framed within a series of measures carried out to ensure solid growth going forward, once the sector returns to normal.

The upshot of this was that we had 6,771 people on staff at at year-end, around 3% down on 2021.

Headcount by Region	2022	2021	% Change
Corporate (HQ)	308	229	34%
EMEA	3,809	3,888	-2%
AMER	1,648	1,748	-6%
APAC	1,006	1,130	-11%
Fluidra Total	6,771	6,995	-3%

All the regions reduced their workforce except for the corporate head office in Sant Cugat del Vallès, where we continued to shore up our teams to better serve the business.

In the case of EMEA, the divestment of Togama and the closure of Industrias Mecanicas Lago during the first half of the year are noteworthy. Looking ahead to 2023, we plan to continue with the merger of companies in the region.

After growing its workforce by 191% in 2021 as a result of the acquisition of Built Right, Custom Molded Products, SR Smith, and Taylor Water Technologies, in 2022 the North America region worked on restructuring and reorganizing its structure.

We have focused on streamlining and optimizing the functions where there was duplication, thus aligning our workforce with the key business priorities and

objectives necessary to meet our strategic plan.

Finally, APAC was the area that reduced its workforce most. In the Australia and New Zealand area, Fabtronics company's activities and personnel (the business was bought in 2020) were integrated into the Fluidra Group Australia facilities at Keysborough.

Meanwhile, in South Africa, we implemented a voluntary restructuring to keep the workforce in line with tougher market conditions, and the companies in Asia held steady with no major workforce changes.

Despite the present situation, Fluidra is also committed to creating stable, high-quality employment.

In 2022, 97.87% of the workforce had permanent contracts, compared to 96.44% the year before. Moreover, 97.50% of the contracts at year-end were full-time, compared to 97.48% in 2021.

Please refer to section ["7.3. Data tables"](#) for more information on the workforce distribution.

Headcount by type of contract	2022		2021	
Indefinite Contracts	6,627	97.87 %	6,746	96.44 %
Full time	6,476	97.72 %	6,594	97.75 %
Part time	151	2.28 %	152	2.25 %
Temporary Contracts	144	2.13 %	249	3.56 %
Full time	126	87.50 %	225	90.36 %
Part time	18	12.50 %	24	9.64 %
Fluidra Total	6,771	100.00 %	6,995	100.00 %



Now It's Your Turn!: satisfaction and engagement

Measuring and analyzing the level of workforce satisfaction and engagement is vital. We want to drill down on the aspects our teams value most about our Company to shore them up even further and pinpoint what they need so we can

implement actions that will drive ongoing, sustainable improvement.

That explains why we have been holding the Now It's your Turn! satisfaction and engagement survey regularly since 2019. A new feature in 2022 was the release of an abridged format (Pulse Survey) to identify the real impact of the action

plans started the year before and measure important metrics such as leadership and our managers' commitment and motivation.

Now it's your turn!: What have we done to date?



PARTICIPATION RATE



4,637

RESPONSES RECEIVED 2022

One of our values is honesty and trust, which explains why, to ensure the confidential nature of the team's responses, the survey was handled by an external organization.

The overall engagement rate for 2022 came in north of 80%, an exceptional result that not only maintained the previous year's figure but grew and consolidated it, demonstrating the cohesiveness and commitment of our teams across each of our regions and business areas.

The global engagement rate represents the percentage of actively engaged employees. It is calculated as the percentage of people who, on a scale of 0 (strongly disagree) to 10 (strongly agree), score the following questions between 7 and 10:

- I like working at Fluidra.
- I am proud to work at Fluidra.
- I feel a strong personal commitment to Fluidra's mission, vision, and strategic goals.
- I would recommend Fluidra as a good place to work.
- I give my best at work every day

The participation rate fell slightly (74% in 2022 vs 80% in 2021), although the number of responses grew (from 4,500 in 2021 to 4,637 in 2022) as a result of the uptick in the workforce due to the acquisition of new companies in 2021.

Furthermore, the Employee Net Promoter Score (E-NPS) came in at 35 points, a very similar result to the one obtained in 2021 (36 points). All these results show the

staff's good opinion and commitment to the Organization and provide a solid basis on which to continue our growth and development.

We understand that, following on from the trust shown by our teams, who mostly posted feedback, we need to step up to the plate and share the results and have developed an extensive communication campaign to that end.

Also, each region and team put time last quarter into reviewing the action plans defined following the 2021 global survey in order to adjust them to the needs detected in the Pulse Survey wherever it was necessary.

We will hold the third Global Engagement Survey in 2023 with the aim of continuing to learn and adapt to what our team needs on an ongoing basis. Our aim is to reach a participation rate of over 80% and keep the engagement level above 80%.

ENGAGEMENT RATE





48%

of the total workforce is covered by collective agreements

	Spain	100 %
	France	100 %
	Brazil	100 %
	Italy	100 %
	Netherlands	100 %
	Austria	100 %
	Belgium	100 %
	Sweden	100 %
	Romania	100 %
	South Africa	38 %
	Vietnam	87 %

Freedom of association and collective bargaining

GRI 2-30, 3-3, 402-1, 407-1

Fluidra recognizes freedom of association and collective bargaining for all our personnel, regardless of the country where they work.

Because of our geographic diversity, each business must adapt to the local laws in force for their type of activity and size of their workforce. Generally speaking, Fluidra Group companies adhere to the collective bargaining agreements or similar in force in each operating context.

In 2022 there were 3,232 employees covered by collective bargaining agreements, representing 48% of the workforce at year-end (47% in 2021).

However, we are aware that we operate in countries with an extreme risk of breaching human rights, such as Turkey, China, Vietnam, and United Arab Emirates. Except for Vietnam, where the company has its own collective agreement, in countries where these

types of regulatory instruments are not recognized, Fluidra complies with the local labor laws and is able to improve the working conditions under internal agreements. We also strive to ensure respect for these rights across our supply chain and include this aspect in supplier assessments and audits.

Fluidra Group provides employees with dialog mechanisms to address and resolve the needs, concerns, and conflicts that may exist in each company. 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.

In 2022, there were 17 works committees (one fewer than in 2021 following the sale of Togama) with 76 employee representatives and 21 company representatives, who met periodically (usually quarterly) to address these issues.



6.2.3. Diversity, Equity and Inclusion

GRI 2-23, 3-3, 405-1


With 6,771 people employed in 47 countries, diversity is a feature of Fluidra. Each of the people in our Company have characteristics, qualities, skills, abilities, and values different to other people's and that make them unique. This provides a variety of insights and experiences we can harness to improve decision-making and foster creativity and innovation.

Regardless of these differences, everyone is entitled to be treated with dignity and to enjoy the same rights and freedoms. That is why, in keeping with our human rights commitments, Fluidra strives to promote an inclusive culture with room for all and where everyone can be themselves, without fear about what others will say and without it harming their professional growth or development.

We foster work relations posited on the principles of mutual respect and equality and

ban any type of discrimination against anybody, whatever their personal condition.

In line with this vision, in early 2022 we shored up our commitments in this area with the approval by the board of directors of the **Global Diversity, Equity, and Inclusion (DEI) Policy** and the presentation of the **Embracing Diversity strategy**.

 [Access the Global DEI Policy on our corporate website.](#)



In a company with the size and geographic diversity of Fluidra, we face a large variety of realities and local requirements we must meet, without losing our global vision.

That is why 2022 saw us convene our HR teams in the different countries to listen to the core challenges they face in their daily work in order to determine the common aspects that could be approached globally and the ones that require local management. The result was a global action plan focused on ensuring that all diversity perspectives are considered in concert across the Company's main processes and activities.

As a first step, at the end of 2022 we launched an assessment of the global selection, hiring and onboarding process to ensure alignment with our DEI commitments.

Also, within the framework of the Conscious Leader program, we worked on skills development to guarantee inclusive leaders. We will continue working on other phases of the employee life cycle in 2023, along with assessing the DEI in the corporate and product communication processes.

We also launched a **DEI Ambassadors Program** that currently comprises 29 people from 10 different countries set to act as a staff contact point in this area, help us understand the challenges and concerns in each region, and implement our strategy. The ambassadors were given the knowledge and tools in the first months of the year to foster DEI across the length and breadth of the Organization.

Finally, we continued to host diverse global events to celebrate international days of relevance and teach our workforce about these areas. We launched an online training tool for the entire workforce on unconscious bias and supplemented it with other training sessions for particular groups within the Company, delivering a total of 1,102 DEI-related training hours in 2022.



Together with the global plan, each of the Group's regions began to work on local DEI action plans, with initiatives adapted to their needs and context. This work also involved the equality plans some of our companies have in place to meet local legal requirements.

Gender

The pool & wellness industry is not unfamiliar with challenges around gender equality. Women make up 34.9% of our workforce today, a very similar although slightly higher figure than in 2021 (34.7%), showing that it continues to be a very male-dominated sector. That is why, as mentioned previously, Fluidra engaged in the Target Gender Equality accelerator program promoted by the UN Global

Compact that seeks to foster corporate contributions to SDG 5 through facilitated performance analysis, capacity building workshops, peer-to-peer learning, and multi-stakeholder dialog at country level.

During the year, more women were taken on across almost all categories except technical and production levels, where their participation dipped slightly.

Of note was the **rise in the number of women in executive positions** (from 11% to 18%) **and in management** (from 21% to 23%), although they continue to be the categories with the lowest presence of women within the Organization. By activity type, at year-end women held 15% of management positions in revenue-generating

functions, these being referred to as roles that have P&L responsibility.

To address this, last year we set the goal of increasing the percentage of women identified in the MAC and their direct reports' (MAC-1) succession plans. By 2022, the goal was to achieve 32%, a percentage that we have exceeded, reaching 36%.

This will allow us to continue to increase the representation of women in positions of responsibility in the coming years. For more information in this regard, please refer to section "[6.2.4 Talent and Development](#)".

GENDER REPRESENTATION BY CATEGORY

	2022		2021	
	Men	Women	Men	Women
Executives	82.46 %	17.54 %	89.39 %	10.61 %
Management	76.70 %	23.30 %	79.44 %	20.56 %
Professionals	72.19 %	27.81 %	71.92 %	28.08 %
Technicians	67.13 %	32.87 %	67.61 %	32.39 %
Administration & Support	39.78 %	60.22 %	40.22 %	59.78 %
Manufacturing workers	68.63 %	31.37 %	67.83 %	32.17 %
Total Workforce	65.07 %	34.93 %	65.32 %	34.68 %



In gender matters, we also set the target of reaching an **adjusted net pay gap** in 2024, achieving a 5.4% gap by year-end (vs. 6% in 2021). For more information, please refer to section "[6.2.5. Compensation & Benefits](#)".

Fluidra is also striving to **increase women's presence in STEM** (science, technology, engineering, and math) positions through partnerships with organizations such as the Society of Women Engineers in the US.

We signed up five female employees in STEM positions to the Society's tutoring program and engaged with them in a career development event at San Diego State University (SDSU) to promote the presence of women in technical careers. At the close of 2022, 15% of STEM positions at Fluidra were held by women.

We also once again took part in the UN **International Women's Day** campaign, this year themed Break the Bias. Executive chairman Eloy Planes and CEO Bruce Brooks were the first to sign up, encouraging the rest of the staff to take part in this celebration.

Work-life balance

3-3, 401-3

Another field we will work on in Fluidra from a gender perspective is achieving a work-life balance as a measure to foster joint parental responsibility and/or facilitate the care of family members with special-needs.

Meeting the laws in force in each country, Fluidra is increasingly committed to

promoting flexible working options for positions where its implementation is feasible. Following the COVID-19 pandemic, many of the Group's companies have formalized a policy permitting 1-2 days of working from home each week, while others enable it on request.

However, we are aware of the negative impacts these measures can have if not properly regulated. The group's teleworking policies therefore regulate the right to digital disconnection, urging teams to limit communications, emails, and use of other corporate tools after the end of the working day.

Most of the companies offer also flexible working hours possibilities, with clock-on and clock-off times able to be adjusted within a preset schedule. In addition to these measures, others are recognized in the collective agreements applicable to us, such as time off or shortened working days to care for family members.

New parents can freely decide how to enjoy maternity and paternity leave, in compliance with the laws in force in each country. However, some Group companies have voluntarily defined leave in this regard, either to make up for a lack of regulation or to improve it.

In 2022, 146 leaves were taken up (compared to 157 in 2021) and the retention rate after leave ended fell slightly to 89.4%.

PARENTAL LEAVES

	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	72	74	146	88	69	157
Still on leave	13	20	33	12	26	38
Returned	59	54	113	76	43	119
Returned and still with the company	56	45	101	68	41	109
			2022			2021
Return rate			77.4 %			75.8 %
Retention rate of people who return			89.4 %			91.6 %

Prevention of discrimination, intimidation, and harassment

GRI 406-1

At Fluidra we are committed to sustaining a work environment free of any type of discrimination, intimidation, or harassment and ensuring the dignity and privacy of all. Behavior such as sexual harassment, mobbing, or bullying are not permitted or tolerated and, if they occur, we will investigate and take the measures needed to sanction them, protecting whistleblowers from any type of retaliation.

Together with the commitments set out in our Code of Ethics, different Group companies have adopted dedicated protocols to regulate this area and align themselves with local legal requirements. This is the case of Spain, the US, and Australia, among others. In addition to promoting these commitments, a total of 332 people received training in this area in 2022.

Any person who has suffered or knows of situations of discrimination, intimidation, or harassment should immediately report it via the confidential channel so that it can be investigated fairly, speedily, and with full confidentiality with both parties, as set out in the whistleblower management procedure.

We received four complaints in this regard in 2022. In all the cases, the Ethics Committee alerted the local HR department so it could run the appropriate investigations and drew on the assistance of external experts when necessary.

In two of the cases, situations initially reported as discrimination or harassment were not proven as such following in-person interviews with the parties concerned and an analysis of the evidence supplied. However, one case of inappropriate behavior by reported persons was found to run contrary to the Company's culture and values and led to the dismissal of one of the people and a training plan being defined for the teams involved.

With regard to the other two people, the investigation ended without proving the reported facts.

For 2023 we plan to define a global protocol in this area. In this way, we seek to ensure that all Group companies have clear regulations on preventing and acting in situations of discrimination, bullying, or harassment, regardless of whether there are local laws in this area.

Culture, race, and ethnicity

In relation to cultural diversity, we seek to promote the variety of beliefs, values, norms, and behaviors that exist in the countries where we operate in order to show what each of them can bring to the Organization and thereby foster a culture of respect and tolerance toward the differences of others.

As part of World Day for Cultural Diversity for Dialog and Development we invited the entire workforce to share characteristic aspects of their local culture, such as language, meals, festivities, or costumes, to learn a little more about the countries where we operate.

In this regard, Fluidra boasts a huge diversity of cultures, with 73 nationalities on board (77 in 2021). Despite the fall in the number of nationalities, there was a rise in the percentage of minority nationalities, from 29% to 30.6%. Plus, 5.7% of the workforce has a nationality different to that of the country they work in (5.6% in 2021).

At a consolidated level, Fluidra does not compile information on the race or ethnicity of the workforce, pursuant to article 9 of the EU's General Data Protection Regulation.

However, this information is compiled locally in countries where there is a requirement to report this information.



PERCENTAGE OF WORKFORCE BY NATIONALITY

	2022	2021
Spanish	28 %	28 %
American	19 %	19 %
Chinese	9 %	10 %
South African	7 %	7 %
Australian	6 %	7 %
Other	31 %	29 %

Generations

Talent knows no age. That is why we promote development opportunities for everyone and are committed to fostering collaboration between people of different

generations to enrich the organizational culture.

The average age of the workforce in 2022 was 41.84 years (41.62 years in 2021), with more than half the staff in the 30-

to-50 year age range. The levels of representation of the different age groups varied little with respect to the previous year.

WORKFORCE BY AGE RANGE

	2022		2021	
Under 30	970	14.3 %	1,040	14.9 %
Between 30 and 50	4,292	63.4 %	4,416	63.1 %
Older than 50	1,509	22.3 %	1,539	22.0 %
Total Workforce	6,771	100.0 %	6,995	100.0 %

Did you know...?

Because of our activity, we are aware that as a company we can have a positive impact on the work environment and via the pool.

That is why, as part of **International Day of Persons with Disabilities**, we invited Adecco Foundation ambassador Raquel Domínguez to visit our facilities and share her personal experience.



Access the interview in our YouTube channel.

Disability

At Fluidra we believe that no one's capacity is more valuable than any other and that nobody has fewer capabilities than any other, just different ones. With this conviction, we strive to make room for them all and for each person to be considered equal, guaranteeing access to the resources necessary so that, considering their circumstances, everyone can enjoy the same opportunities and showcase their full potential. We also work to remove physical and architectural barriers from Group facilities.

In 2022, 0.75% of our workforce had a recognized disability, compared to 0.84% the year before. It should be noted that these figures may be skewed because in some of the countries where we operate we are not allowed to request information about which workers have a disability.

Despite these figures, we partner with several centers and associations dedicated to promoting the employment opportunities and labor integration of people with a disability. For example, companies in the Fluidra Group have had partnership agreements in place with

the Adecco, AFIM, and APADIS foundations for several years.

2022 also saw us work with the Portolà Foundation that fosters the social and labor integration of people with an intellectual disability and/or mental disorder for the preparation of the roses handed out in Catalonia on St George's Day.

Fundació Fluidra also has collaboration agreements in place with health centers to foster research into the properties and benefits of pool-based sport for people with a disability.



For more information on our commitments to foster the inclusion of people with different capabilities through the pool, see pages 41 and 177.

PEOPLE WITH A DISABILITY CERTIFICATE BY COUNTRY

	2022			2021		
	Men	Women	Total	Men	Women	Total
Germany	1	0	1	1	1	2
Australia	2	0	2	2	0	2
Chinese	3	1	4	3	2	5
Spain	22	8	30	24	9	33
France	7	1	8	9	2	11
Italy	4	1	5	4	1	5
South Africa	1	0	1	1	0	1
Fluidra	40	11	51	44	15	59

LGBTI

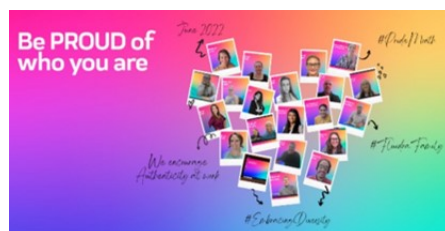
Fluidra is committed to fostering an inclusive culture where everyone can express themselves freely without being judged for their sexual orientation or any other aspect of their private life.

At present, the level of acceptance of LGBTI people and respect for their rights has increased globally compared to the past, although it is true that the level of acceptance is not the same across all countries. In places where we operate such as Morocco, Tunisia, Egypt, and Malaysia, homosexuality is illegal and can even result in prison sentences.

Our aim is to raise awareness around the importance of defending equality, understanding, and respect for differences by eliminating prejudice and

promoting an inclusive culture where people can openly express their sexual orientation without fear of discrimination.

That is why we took advantage of Pride month to launch the campaign **Be proud of who you are**, sharing a screensaver with our workforce so they could join in this celebration.



In 2023 we will continue developing other awareness initiatives as part of our Embracing Diversity strategy.

6.2.4. Talent and Development

GRI 3-3, 404-1, 404-2, 404-3

Having the best talent is essential to delivering on our strategic objectives to grow the business. We want to be recognized as a benchmark good place to work and to that end have started working on improving our employer branding and the outreach of our value proposition for employees.

Once we have the best professionals onboard, we will work to ensure that each one gives the best of themselves, striving to promote their personal and professional development across the employee life cycle, from their onboarding and welcoming to the Company, until their offboarding at the end of it.

Employee life cycle



Improving the experience of the Fluidra staff is the best way to work on our employer branding. We want our workforce to recognize us and recommend us as a great place to work.



Attracting the best talent

We manage recruitment at a local or regional level, since the Group companies in each zone have a better knowledge of the most appropriate channels for finding and selecting candidates, as well as for advertising job openings. We also boast collaboration agreements with different universities to create study scholarships or work experience opportunities in our companies and facilitate the access of future professionals both at the levels of higher education and afterward in the job market.

In some regions there are referral programs where employees recommend professionals to join the Organization. Our experience and third-party research show that new hires who come to a company by way of referrals from staff members are excellent employees who stay with the company longer and are more profitable hires.

Experience has also taught us that when it comes to attracting talent there is a global factor common to all countries: employer branding. As part of the process of building the Organization's image, we are putting the focus on delivering a message that not only

inspires and attracts new people in the short term, but engages existing people in the long term.

Within the framework of our diversity, equity, and inclusion strategy, in 2022 we developed an evaluation of the alignment of the selection, recruitment, and onboarding processes with our principles and commitments in this area in order to ensure equal opportunities across this process. We will harness the results to review and define policies, procedures, and additional resources required for all Group companies in 2023.

With the aid of the Esade business school in Barcelona we have created the Fluidra Scholarships for two students of great academic talent but a diverse socioeconomic reality who would be unable to access this type of university course without help.

We cover 90% of the cost of each school year over four years and help them with academic practices or specific projects in Group companies while they study. Our corporate HR director Henar Marrón presented the scholarships for the second year to the students Natàlia Sans and Nicanor Mercerat in November 2022.

Talent development

Onboarding and integration

Reception is key in the employee life cycle of the people who start to work with us. Because it is the employee's first contact with the Organization, it must be carefully planned to ensure a good first impression of Fluidra.

To this end, the Group companies facilitate an Onboarding Program during which new hires are introduced to the Company and its values and provided with the awareness, training, and education necessary for them to be able to perform their core functions in the new work environment, which has been improved at a global level.

After signing the contract, new hires have to undergo several training courses in the first few days around our corporate values, the principles of our Code of Ethics, data protection, occupational health and safety, an introduction to cybersecurity, and, since 2022, an introduction to ESG. Each business area is free to offer the specific training it deems necessary.

Subsequent learning and on-the-job training is the direct responsibility of each specific area manager, who must also ensure correct integration and adaptation of the new hire after the onboarding program. After a period of time, individual follow-up meetings are also held with new hires to assess the most positive aspects of their experience and identify places where there is room for improvement in the Organization's onboarding process.

New hires also have the opportunity to participate in an informal conversation with the CEO or the Executive Chairman, who welcomes them and provides them with some key facts and figures about Fluidra. In 2022 we implemented five sessions for 171 employees. The format chosen this year was more dynamic than on previous occasions and also boosted attendee interaction. For 2023 we will work on expanding these types of events with other MAC members to have the opportunity to hear first-hand and directly inquire about the concerns that can occur regarding Fluidra today and going forward.

Training and development plans

Once an employee has joined the Organization and depending on the specific needs of their current and future role, an annual training plan is created to keep their skills and knowledge up to date.

The training can focus on skills development, leadership, technical or product training, or mandatory training to comply with the regulations enforced in each division.



To that end we have the **MyCampus** platform within the corporate intranet where our teams have all the training resources created by the Company, as well as those contracted on external platforms such as **LinkedIn Learning** or the **Cornerstone Content Anytime** content that we integrated into our catalog in 2022.

All the training material is associated with one or several of our values so that the teams can quickly and easily find the resources that best match their development requirements. In 2023 we will look at improving the use ratios, promoting access over the cell phone especially for profiles with more limited access to computer equipment such as the people who work in our factories and logistics.

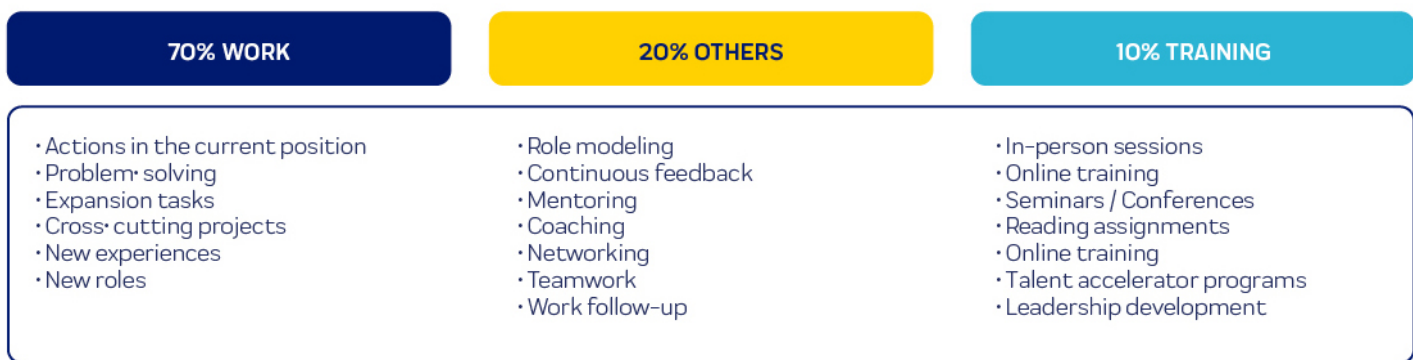
Globally, we regularly run courses on compliance, cybersecurity, occupational health and safety, and ESG that supplement the initial onboarding program and contribute to the upskilling of the people in the organization.

Each person can also design their **individual development plan (called MyPlan)** with their line manager and with the help and support of Human Resources, based on the needs detected throughout the talent cycle. Additionally there are the development actions identified for the people assessed in the Talent Review, representing 26% of the workforce.

Instead of being carved in stone, our training plan is open and dynamic at all times and people can propose courses not initially planned if they think they would be good for their development.

Our goal for 2023 is to consolidate this change of mindset in which each employee is responsible for crafting their own development plan via the Conscious Me initiative and the tools required to implement it.

Our approach to career development at Fluidra is not limited to training as a means of development. In keeping with the **70:20:10 learning model**, most of the development actions in the plan must focus on work-related experiences that enable the professional to achieve their proposed development goals.



Regionally, this has been supported via training plans on issues of specific interest. In the case of APAC, we improved the summer training offering in South Africa (high season in the sector) and focused on customer loyalty training sessions for call center teams in the region.

In North America, we will run workshops in 2023 on matters related to health and wellness, stress management and resilience, and time management and productivity. These tools will help the teams be more agile and efficient both in their daily work and from the point of view of personal self-awareness, which will help them more easily find a work-life balance.

Even though in 2022 we continued applying the COVID-19 protocol and provided scheduled training online when the regulations made it advisable, we slowly began to return to in-person sessions. However, with the change of context we tried to make access to training more flexible than in-person only, so that each person could use the training resources they wanted with regard to content when they wished, including over the mobile app offered by our learning management platform.

The aggregate training figures for 2022 were as follows. For more information on the breakdown of the training data please refer to section ["7.3. Data Tables"](#).

Training hours	2022	2021	Change
Total hours¹⁰	108,596	51,427	111 %
Average hours per employee ¹¹	14.8	8.9	66 %
Investment (€)	1,496,000	541,085	176 %



Despite the limitations still in place across several regions as a result of the pandemic, we aimed to increase in-person staff training in 2022. Considering the training hours and need to formalize the learning time required to be operative as a new hire or when a person takes up a new role within the company, together with the rise in digital consumption, we improved the average hours per employee by 66%.

Other development programs

FLUIDRA GO


Fluidra Go is our talent accelerator program for people flagged as high potential in the MAC-developed Talent Review and was launched in 2021. The first year of the program ended recently and involved 17 participants from around the world being sponsored by a MAC member.

Throughout the program, each participant was supported by an external coach to work on areas such as self-awareness and self-leadership in order to detect their core strengths and areas for development. They also had a project management advice session as support for the individual project that each

member was working on throughout the year.

Additionally, there was a monthly internal networking meeting to better learn the role and project they worked on, encouraging greater connection and knowledge between functions and people. Several meetings were also facilitated so they could present themselves personally and professionally to senior management (Executive Chairman, CEO and MAC).

Furthermore, in June 2022 we held the in-person Talent Boost Week event in Barcelona where all the participants attended different sessions with strategic content on leadership, change management, innovation, and presentation improvement, among other topics. Given the success of the initiative, we are already working on identifying new participants for a second event in 2023.

 Find out more about this initiative in our YouTube channel.

CONSCIOUS LEADER

In 2021 we defined the Fluidra Global Leadership Program, called Conscious

Leader, aimed at all leadership positions in the Organization with the goal of implementing a model aligned with our corporate values, strategy, and future challenges.

The initiative let us unleash the leadership potential of management, helping them understand their role and impact within their teams and the business, boosting collaboration and a common leadership culture.

¹⁰ The training data does not include the training hours of the company CMP Shanghai, as it is not included in the system.

¹¹ Average hours per employee was calculated from the average workforce in the year, excluding employees from new acquisitions during the year.



The program consists of two training modules where participants learn about the traits that all Fluidra leaders must have and are provided the tools and strategies necessary to develop them. All the people who took part in the program also engaged in a comprehensive feedback process which gave them the chance to evaluate themselves and at the same time receive the evaluation of other people close to them in the Organization, such as their line manager, colleagues, subordinates, etc.

After these sessions, Fluidra leaders can continue developing and deepening their skills through the online training content the company provides. In fact, in 2023 we will enable content to specifically bolster each of the six dimensions of this leadership model.

In 2022 we started with the senior profiles (MAC, MAC-1, company directors,

and other key positions in each of the regions with teams who answer to them), covering a total of 157 people, with a satisfaction ratio of more than nine out of ten. The goal for coming years is to continue the cascade down to the other groups.

The global program is supplemented by local programs currently under way in the different regions which seek to reinforce the day-to-day work of the leaders in the Organization, focusing on daily operations and management with their teams.

For example, the Leadership Development Program launched in North America in 2020 is aimed at managerial and director positions in the region. Seventy-eight people took part in 2022, added to the 115 who did the program in previous years. Thanks to it, we boosted engagement levels and improved team loyalty in the region.

2022 was also the year we implemented a similar initiative in the APAC region to strengthen the leadership skills of a total of 24 people across Australia and New Zealand. We will extend these programs for the corporate teams and the EMEA region in 2023.

Our Talent Cycle

The main objective of Fluidra Talent is to provide continuous feedback to the group's employees as part of our commitment to their personal and professional development, integrating performance management with talent management. We currently run different training sessions for managers and their teams to guide them in this process.

It is divided into four phases:



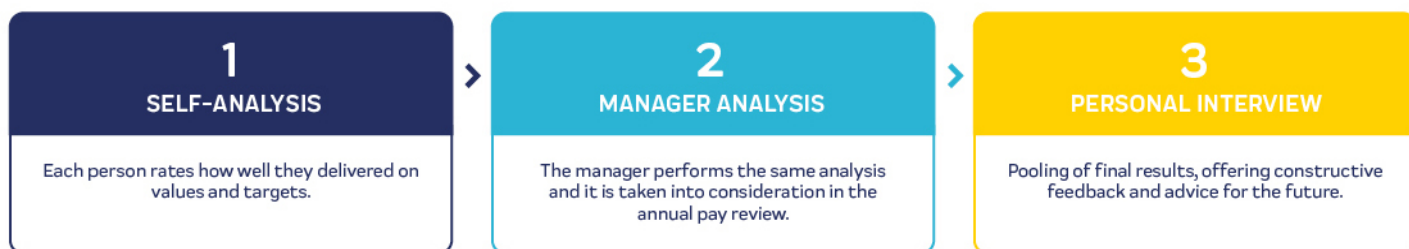
1. One2One

Every year, from January to March, employees undergo individual performance reviews for the previous year (known as One2One). The review

examines whether the previous year's goals were achieved but, above all, how they were achieved.

The One2One review program is available to employees with permanent contracts

(excluding those on long-term leave) who were hired before July 1 the previous fiscal year.



The overall score is comprised 50% by the assessment of the goals and the other 50% by the score obtained in relation to the implementation of our values in their daily work. For people without individual objectives, 100% of the score is based on values.

Additionally, and as a new feature with respect to 2021, we included the development conversation in the One2One, focusing it not only on the values and objectives achieved the previous year but also the future and growth expectations. To that end we designed the Conscious Me model so that

employees could reflect prior to the meeting and gave them specific questions on their short and medium-term career aspirations, topics of interest, geographic availability, and other relevant aspects to consider when it comes to thinking about development opportunities inside Fluidra.

	2022	2021
Total workforce ¹²	5,785	5,436
One2One eligible workforce	5,066	4,908
% of workforce eligible with respect to total workforce	88 %	90 %

¹² Total workforce refers to the number of people employed by Fluidra Group at the end of the fiscal year when the review takes place, excluding the staff in companies acquired during the year. In 2022, the performance of the people employed in 2021 was reviewed, excluding the staff of Custom Molded Products, Custom Molded Products Shanghai, SR Smith, SR Smith Australia, Sunbather, Taylor Water Technologies, and Splash & Zen.

Reviews completed

	Men	%	Women	%	Total	% vs. eligible workforce
2022	2,130	67%	1,042	33%	3,172	63%
2021	1,767	67%	853	33%	2,620	53%

2. Target Setting

Target setting is a key process to ensure that each employee's individual performance contributes to meeting our Organization's strategic objectives. To that end, we established a series of individual and financial targets with

achievement linked to the following year's bonus.

Fluidra harnesses the SMART methodology to guide the establishment of milestones and targets. The intention is

to ensure that targets are specific (S) enough to objectively assess the achievement of milestones, plus measurable (M), achievable (A), relevant (R), and timely (T) to assess their correct degree of compliance.



In 2022, 40% of the total workforce at year-end (78% of the eligible workforce) had set individual targets, the achievement of which will be assessed in One2One at the start of 2023. People who fall outside the scope of individual target setting are those in specific manufacturing and administration roles, among others, depending on their professional category.

A new feature in 2022 was that in addition to the financial and individual targets we also promoted the creation of individual development plans (MyPlan), setting development targets in accordance with the career conversation that took place at the One2One.

3. Talent Review

Talent Review is the most strategic process in talent management. It entails asking managers to assess the growth potential of each person who has been on their team for at least six months, based on their aspirations, agility in learning, and commitment to Fluidra.

In addition to assessing talent, Talent Review includes the succession plan. This is aimed at ensuring the sustainability of the Organization, making sure that the

talent required to deliver on present and future challenges is in place, considering its constant growth and evolution.

Each manager nominates between one and three successors for each member of their team and for themselves. For each nominated successor, the necessary preparation time is established and, on the basis of this time, the key aspects to be developed in the framework of their individual development plan (MyPlan). This process applies to all Fluidra N-2 level managers, where N is understood as a Manager of the Organization, although there are divisions in which the entire team is mapped to obtain a more global insight.

308 managers assessed their teams in 2022, covering a total of 1,705 people (25% of the workforce). As a result, **770 unique internal successors were identified**, for whom Individual Development Plans will be developed.

In 2021, Fluidra set the goal of increasing the percentage of **women identified as successors** in the MAC and its direct reports (MAC-1) from 28% that year to 36% by 2026. Our aim with this initiative is to ensure they have the development

plans in place they will need to hold positions of responsibility in the Company. At the close of 2022, women represented 36% of the succession plans of these categories, coming in above the target set for the year (32%) and meeting the figure we had set for 2026.

4. Follow-up

Together with the One2One process, we are increasingly promoting the implementation of ongoing conversations with line managers to obtain regular feedback on performance and professional evolution over the year.

We also performed different types of assessments to promote self-knowledge, such as the ones mentioned in the **comprehensive reviews** included in global talent accelerator programs such as Fluidra GO and Conscious Leader. There are other instances where these types of initiatives may be part of an individual action as a starting point for development, based on the results of the Talent Review and subsequent Individual Development Plan.

In all, there were 149 reviews of this kind in 2022 (covering 2.2% of the workforce at year-end). In some cases we drew on

the collaboration of coaches who supported individual development processes either in-person or online.

International mobility

The international mobility of employees between workplaces allows us to make better use of our human resources and provide effective support for our business activity. It also provides executives and professionals with a pathway to gain international experience by broadening their promotion options.

The Group has an International Mobility Policy defining the terms and conditions for employees to move from one region to another, depending on the length of time: short term, long term, or permanent transfer.

6.2.5. Compensation and benefits

GRI 401-2, 405-2

The COVID-19 pandemic showed that equity goes way beyond simple payments and that a focus on diversity, equity, and inclusion encompasses all the elements of a compensation and benefits strategy. Such an approach enables better

performance, fosters well-being, and drives engagement, productivity, and Company results.

Compensation

Compensation at Fluidra is focused on attracting, motivating, and retaining the best human talent while also endeavoring to be a faithful reflection of the social commitment in the Responsibility Blueprint.

Fluidra respects the minimum wages established in each of the countries of operation, as well as any other regulations in force in this area. In addition, we have a process to ensure internal equity, as well as external comparators in order to ensure that remuneration is competitive and in line with the market.

Salary remuneration and salary increases are managed internally through collective bargaining with employee representatives, without the participation of other stakeholders for reasons of confidentiality and data protection.

In this process we take into account different indicators, such as the standard

of living in each country, union and employer recommendations, salary increases foreseen for public employees, among others.

With this information base we determine the increase of the different groups and always having as a premise to favor those groups that have a lower salary.

An example of this is the salary increases that we have carried out in some regions, above the market average, in the current context of inflation. Thus, in some of our centers in the province of Girona (Spain), we have applied wage increases of 7.5%, when the general increase in this area ranged between 4-5%.

In the United States of America, we have implemented wage increases of between 4-5%, to which we added a one-time payment of an additional 500 dollars for the team of operators in our production centers.

In 2022, the **average pay**¹³ of Fluidra employees **came to €40,556, a rise of 14.9%** over 2021 (€35,303).

Average pay by gender and professional category (€)	2022			2021 ¹⁴		
	Men	Women	Total	Men	Women	Total
Executives	334,574	248,141	320,634	281,793	251,692	278,926
Management	125,205	102,514	119,889	107,560	97,399	105,433
Professionals	66,538	62,497	65,404	58,896	54,863	57,798
Technicians	35,100	30,767	33,686	31,830	28,868	30,872
Administration & Support	26,801	26,423	26,573	21,512	21,916	21,789
Manufacturing workers	22,284	21,233	21,957	17,716	16,719	17,396
Total Workforce	43,998	34,118	40,556	38,509	29,222	35,303

Average pay by age groups (€)	2022	2021
Under 30	29,101	23,278
Between 30 and 50	37,411	33,482
Older than 50	53,501	48,068
Total Workforce	40,556	35,303

As part of our commitment to human rights, Fluidra works to guarantee the effective equality of everyone who is a part of the Organization, including

protecting their right to receive equal pay for work of equal value. At the start of 2021 we said that our aim was to reach an adjusted net pay gap¹⁵ for the year

2024. Since then, we have been working on the development of a qualitative and quantitative analysis of the pay gap and

¹³ Calculation of global average pay involved consolidating the data reported by each group company from their local currency into the euro by applying an annual average exchange rate.

¹⁴ The figures for the 2021 year represent 97.4% of the workforce since they do not cover Sunbather PTY, Taylor Water Technologies, or SR Smith Australia, all of which were acquired during the year.

¹⁵ The statistically adjusted gender pay gap measures the difference between men's and women's wages considering the structure of the workforce by group analyzed by category. It provides a better measurement of the pay difference by comparable workers.

on the definition of the action plans needed to achieve this goal.

To do so we analyzed the pay differences seeking comparable groups but also considering other factors such as role and

responsibilities, correcting disparities where there was no explanation.

To ensure equality, we are also putting in place corrective measures to modify the

current HR policies and processes, focusing principally on talent selection, recruitment, promotion, and development.

Pay gap	2022 ¹⁶	2021	Change
Adjusted pay gap ¹⁷	5.4 %	6 %	-0.6
Unadjusted pay gap ¹⁸	20.1 %	24 %	-3.9



The adjusted pay gap by category in 2022 was 5.4% (vs 6.0% in 2021), a result in line with the target we had set for the year (5.5%). The unadjusted pay gap also shrank significantly, from 24% to 20.1%.

These figures are the result of the work done during the year to improve data quality and define the tools needed for analysis in order to better understand the reasons for the gap.

The regional teams are analyzing the 2022 results and in Q1 2023 will present the action plans needed to ensure we meet our target of a net pay gap by the end of 2024.

Benefits

At Fluidra we have developed an enhanced awareness of the role that benefits play in team well-being and have accordingly made them more important in the total compensation package.

However, our experience is that generating engagement and recognition must be sufficiently customized and respond to the real and present needs of each country. Our benefits package is therefore managed locally and can change from one country to another.

The most common benefits include medical and life insurance and flexible pay schemes (including training, child care, transport, meals, among others) although, as a general rule, benefits are only available to employees with permanent contracts.

A new feature is that Fluidra S.A. (the Group's parent) has implemented a €20 monthly subsidy for all employees who take public transport into work with the aim of promoting sustainability mobility among staff.

¹⁶ The 2021 pay gap calculation covered 97.4% of the staff. Excluded were the 184 employees of the companies SR Smith Australia, Sunbather PTY, and Taylor LLC, since they had only been acquired toward the end of the year.

¹⁷ The pay gap was calculated in each country as follows: (standardized average salary of men - standardized average salary of women) / standardized average salary of men. The contribution of each country was later measured to obtain the end result at group level. To obtain global figures we measured the contribution of each country in the end result.

¹⁸ Percentage difference between gross salary per hour worked by women and men. The professionals' salaries were standardized to eliminate the effect of the different working day duration.

6.3. Health, Safety and Well-being

GRI 3-3, 403-8

Providing a safe and healthy working environment where our employees can do their jobs without causing any harm or damage to their health and physical integrity is one of our top priorities.

The global HSE (Health, Safety and Environment) Department is responsible for managing occupational health and safety and reports to the Head of Global Operations, who is a member of the MAC. It also reports regularly to the HSE Steering Committee, formed by a number of senior managers and chaired by the Head of Global Operations. The committee members analyze HSE results, review the annual action plan and its progress and compliance, and act as HSE ambassadors within the organization.

The department's responsibilities include defining the global HSE strategy; developing policies, procedures and standards while setting short-, medium- and long-term objectives; tracking results to identify risks and opportunities for improvement; and promoting a positive HSE culture through training and communication initiatives.

The global HSE team also has a representative in each region in which we operate, tasked with coordinating and supervising the efforts of the HSE managers in each Group company.


developed in line with European regulations as well as OHSAS and ISO standards, which applies to our entire workforce. While not all Fluidra companies are externally certified, this system is regularly assessed through internal audits that are conducted by the corporate HSE team at all of the Group's companies.

Approved in 2019 by the Board of Directors, the **Global HSE Policy** is the main framework of reference in the field of health and safety, serving as the foundation for all other processes and procedures.

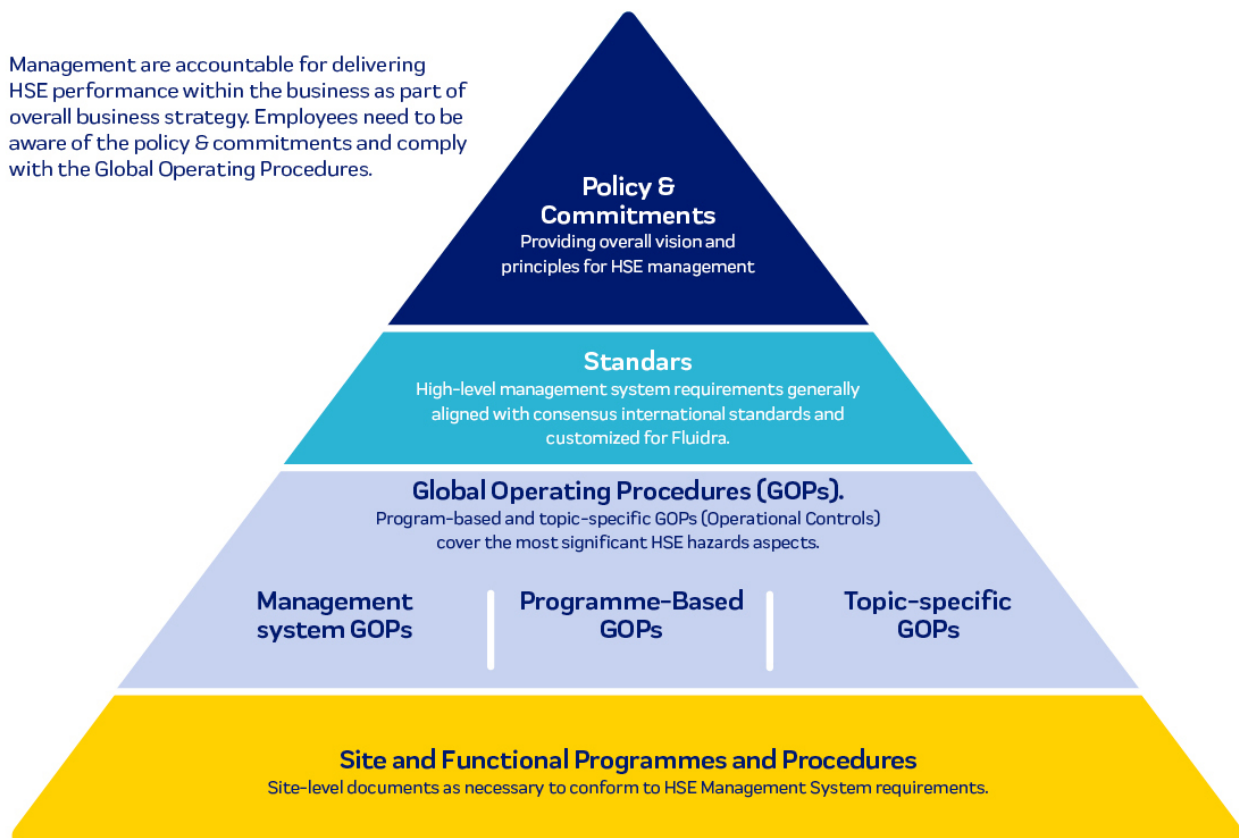
6.3.1. Health and Safety Management System

GRI 403-1

We have an **Occupational Health and Safety Management System**¹⁹,

 Access the Global HSE Policy in the "Responsibility" section of our website.

Management are accountable for delivering HSE performance within the business as part of overall business strategy. Employees need to be aware of the policy & commitments and comply with the Global Operating Procedures.



¹⁹ The KPIs included in this section cover 100% of the Fluidra Group's workforce.

We have a total of 12 standards to date, spanning environmental as well as occupational health and safety issues:

- HSE Management (roles and responsibilities).
- Emergency Management (incident and impact management)
- Development and Production Safety (minimizing impacts, preventing accidents)
- Chemical Products (chemical agent risk management)
- Occupational Health (healthy work environment, health campaigns)
- Warehouses (warehouse risk management)

- Hazardous Waste Management (minimize waste generation and its correct disposal)
- Supplier HSE (third party management)
- Accident Investigation and Reporting (communicating and investigating accidents)
- Energy Resources (footprint management)
- Transportation (correct classification of materials and emergency response)
- Business Continuity Management (BCM) ensuring key availabilities.

We have continued to expand on the standards during 2022 through several global operating procedures that provide practical tools that help facilities to

reduce risks. To this end, we have developed standards for Supplier HSE, Hazardous Waste Management and Accident Investigation and Reporting.

We plan to tackle the procedures associated with another two areas in 2023: Chemical Products and Occupational Health.

At Fluidra we do the following as part of our Occupational Health and Safety Management System:

- Risk Identification and Assessment
- Employee Participation
- Training and Awareness-Raising
- Accident Rates and Absenteeism



Fluidra Waterlinx achieves ISO 45001 certification

Fluidra Waterlinx (South Africa) achieved simultaneous certification to the three main Management System standards in 2022: ISO 9001 (Quality), ISO 14001 (Environment) and ISO 45001 (Health and Safety) in 2022.

This is also the first time that one of our companies achieves certification to ISO 45001, a milestone that illustrates our commitment to health and safety.

Our Executive Chairman, Eloy Planes, attended the presentation of the certifications during his visit to our Johannesburg facility mid-year.²⁰

6.3.2. Risk Identification and Assessment

GRI 403-2, 403-3

To guarantee safe working conditions, we require all locations to evaluate and assess the risks associated with processes and workplaces before launching any new activity, particularly those that are potentially hazardous.

Local management is responsible for facilitating risk assessments and developing protective measures, in cooperation with employees, who must be apprised of local safety requirements as well as respect and abide by them.

Likewise, we also implement prevention plans, which are generally structured through an external prevention service,

with compliance supervised by each company's prevention coordinators, prevention delegates and health and safety committees.

On the other hand, HSE corporate management organizes visits to Group facilities around the world to monitor improvements and procedure implementation, helping to correct or

²⁰ Fluidra Waterlinx's ISO 45001 certification runs from 05/11/2022 to 05/10/2025.

plan those areas that require improvement. In 2022, we conducted visits to all facilities in the USA, Croatia, Bosnia Herzegovina, the United Kingdom, Serbia, Montenegro, Greece, among others.

Along these same lines, three years ago we began to roll out a self-assessment system called MaSys (HSE Management System), which the Group's different organizations can use to self-assess and prepare an action plan to correct gaps and move forward in the process of improving all aspects of HSE. Over the period of the pandemic and the related travel restrictions, these self-assessments provided a snapshot of how organizations are implementing HSE issues.

In 2022, 20 manufacturing companies have completed their self-assessment, covering 71% of the total. The objective for 2023 is to achieve that 100% of the manufacturing companies and 50% of the non-manufacturing ones (commercial delegations, warehouses, pro-centers...) have carried out their self-assessment.

6.3.3. Workforce Engagement

GRI 403-4

The health and safety management system is built on the belief that all of the Group's employees and, in particular, those in positions of responsibility, must contribute through their daily actions to managing and achieving the objectives of the HSE programs in their areas of responsibility.

Fluidra currently has several mechanisms in place to involve and inform teams about Health and Safety Management. The primary one is the health and safety committees, 27 in total (7 more than in 2021, following the creation of committees in the United States of America), representing 72% of the workforce (compared to 39.9% in 2021). Meeting quarterly, their purpose is to review and investigate accidents and near misses, as well as to support HSE audits or inspections, among other tasks.

We also continued to implement the BBS (Behavior Based Safety) system in our manufacturing plants. With this system, we engage our staff in the task of preventing workplace accidents and hazards, informing and warning the rest of the team of any unsafe behavior.

Accordingly, every week, alongside the health and safety managers, someone from the plant observes the rest of the team as they work in order to identify and/or correct risks or bad practices that could lead to accidents. We also involve plant management in this same process once a month. We anticipate implementing the initiative across all the Group's manufacturing facilities by 2023.

6.3.4. Training and Awareness-Raising

GRI 403-5, 403-6

Our workforce receives regular health and safety training, both at the corporate and local level. Consequently, we conduct the training that employees need to perform their jobs as well as manage the existing risks at the different facilities.

The corporate HSE Department prepares the annual Communication Plan, which provides tips, best practices and information to help raise awareness about health, safety and the environment.

The main way that we communicate these issues is the *Living Fluidra* monthly newsletter, addressed to all staff around the world, and the workplace bulletin boards. Thus, over the course of the year we conducted training on issues including the new approved procedures, reporting processes and the use of HSE software.

Additionally, the global HSE Department sends simple and brief information "pills" to local sites every two months with practical advice on how to protect people from hazards in their workplaces.

Another tool, targeted at HSE professionals, is the HSE Alert. An HSE Alert is a brief description of an accident, incident, administration of first aid or near miss that has occurred at a facility and the actions taken to prevent its recurrence. If possible, a photograph of the event is attached. When an HSE Alert is received, the HSE representative at the facility shares it with the employees to raise awareness and prevent similar events from happening elsewhere.



3,661

hours of Health and Safety training

We round out our efforts to keep our workforce informed about health and well-being by promoting a number of initiatives, like our smoke-free workplace program, around the world. We also resumed the Fluidra Health program in 2022 (which was temporarily put on hold due to the pandemic), developing campaigns on healthy food, for example.

This year we also launched the Safety Day pilot project at the main production and logistics plants in Spain. The initiative involved four workshops offered in different areas of the facilities, which were attended by everyone who works at the plant.

Two of these, the healthy habits workshop (using virtual reality) and the ergonomics workshop (stretching), were conducted by the accident insurance company, and the other two, a generic presentation on HSE and the "Find the Risk" workshop, were run by HSE representatives from the workplaces or members of middle management. In light of its success, we plan to extend Safety Day to all of the Fluidra Group's production centers by 2023.

Did you know...?

Physical activity is also part of our approach to promoting employee health and well-being.

To this end, we strive to promote exercise through several initiatives during the workday, including yoga sessions at our offices in Carlsbad (United States of America) and sports sessions at our facilities in Perpignan (France).



6.3.5. Accident Rates and Absenteeism

GRI 403-7, 403-9, 403-10

Despite all the efforts described above, there may be occasions when accidents and occupational illnesses occur. In these cases, a thorough investigation of the causes is vital as a way to identify and implement preventive and corrective actions that will prevent a recurrence.

The HSE Department has a reporting program (SAI 360) which details the guidelines for investigating accidents and taking the pertinent actions. All Group companies assign someone to this mission; companies can also refer to a health and safety guide that contains details and examples for reporting accidents and incidents, both for our own staff and for third parties.

In addition, there are corporate agreements with mutual accident insurance companies in Spain or equivalent private organizations in other countries to ensure that any occupational accidents and illnesses that may occur are properly managed and monitored. Fluidra signed an agreement with Axiom that took effect on January 1, 2023, authorizing Axiom to manage the accident rate at its US sites.

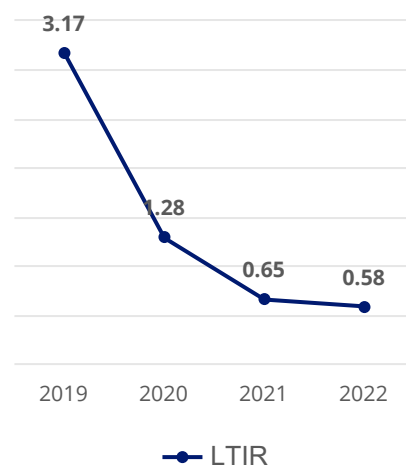
We are also working on near misses to further reduce workplace accidents. To this end, we identify, report and share any actions with the entire Group that, although they may not have caused an accident, might have affected the health or safety of the workforce and/or the environment. This gives us the opportunity to adopt the right corrective and preventive measures to ensure that near misses never become accidents.

Occupational Accidents

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 have recorded a clear decrease in the company's accident rate following the approval of the Global Health, Safety and Environment Policy in 2018 and the subsequent development and implementation of HSE global operating procedures (GOPs).

LTIR Evolution (2019 - 2022)



Thus, in 2022, we have reduced the number of lost-time accidents among our workforce by -2.5% compared to 2021, which, together with the increase in the number of hours worked, has led to a decrease of -11% in the LTIR.

However, the total number of accidents has risen by 13% due to the full incorporation in the report of the accident rate data of the companies acquired during 2021 in the United States of America (companies with productive activity), with the final ratio of total accidents being 1.01 (TRIR), 31% more than in 2021.

Number of accidents (own workforce)

	2022			2021		
	Men	Women	Total	Men	Women	Total
Fatalities	0	0	0	0	0	0
Workplace or work-related travel accidents	38	15	53	34	13	47
With medical leave ²¹	26	13	39	28	12	40
Without medical leave	12	2	14	6	1	7
In-itinere (to/from work)	12	3	15	7	1	8
With medical leave	7	1	8	5	0	5
Without medical leave	5	2	7	2	1	3

Accident rates (own workforce)

	2022			2021		
	Men	Women	Total	Men	Women	Total
Lost Time Injury Rate (LTIR) <i>(No. of lost-time injuries) / total hours worked in the year) x 200,000</i>	0.60	0.55	0.58	0.70	0.56	0.65
Total Recordable Incident Rate (TRIR) <i>(No. of accidents in the workplace or work-related travel accidents / total hours worked in the year) x 200,000</i>	1.15	0.76	1.01	0.85	0.61	0.77
Severity rate <i>(No. of days lost x 1,000) / total hours worked in the year</i>	0.04	0.03	0.03	0.07	0.07	0.07

HSE managers investigate incidents together with the injured party, if possible, and his or her direct supervisor. This allows us to reconstruct the course of events to determine what caused the accident and implement corrective actions to keep it from happening again.

If for some reason the root cause cannot be eliminated (either because it requires an investment or the system cannot be changed for production reasons), measures are taken to protect the employee and to prevent the accident from recurring.

Our health and safety commitments also extend to the entire **supply chain**,

particularly to third parties who work at our facilities.

We established a **Third-Party Health and Safety Standard** for this purpose, which defines and standardizes the requirements that third parties need to meet to ensure that potential health and safety risks posed by this group are correctly identified, assessed, documented and managed. We developed and began to implement the GOP (Global Operating Procedures) in 2022, which further builds on our commitments in this area.

As a result of these measures, the number of occupational accidents

involving third parties with lost-time has been reduced by -58%, although the total number of accidents has remained the same as in 2021.

The reduction in lost-time accidents also led to a drastic reduction in the severity rate to -57%.

Despite this, the reduction in the number of hours worked by contractors and outsourced workers in 2022 led to an increase in the LTIR of 55%.

Number of accidents involving third parties (third-party contractor employee and outsourced workers)

	2022			2021		
	Men	Women	Total	Men	Women	Total
Fatalities	0	0	0	0	0	0
Workplace or work-related travel accidents	7	4	11	11	1	12
With medical leave ²²	3	2	5	11	1	12
Without medical leave	4	2	6	0	0	0
En route (to/from work)	1	0	1	1	1	2
With medical leave	0	0	0	1	1	2
Without medical leave	1	0	1	0	0	0

²¹ By accident with medical leave we mean any work-related injury that results in the employee not being able to return to work the next scheduled work day/shift.

²² By accident with medical leave we mean any work-related injury that results in the third-party contractor employee not being able to return to work the next scheduled work day/shift (lost-time injury).

Accident rates of third parties (contractors and outsourced workers)

	2022			2021		
	Men	Women	Total	Men	Women	Total
Lost Time Injury Rate (LTIR) <i>(No. of lost-time injuries) / total hours worked in the year) x 200,000</i>	1.00	1.01	1.01	0.70	0.56	0.65
Total Recordable Incident Rate (TRIR) <i>(No. of accidents in the workplace or on work-related travel / total hours worked in the year) x 200,000</i>	2.68	2.02	2.41	0.85	0.61	0.77
Severity rate <i>(No. of days lost x 1,000) / total hours worked in the year</i>	0.04	0.01	0.03	0.07	0.07	0.07

Occupational Illnesses

At Fluidra, we have defined a procedure to monitor and follow up on possible occupational illnesses stemming from the employee's job or activity such as respiratory diseases, skin conditions, limb disorders, neck and back problems, poisoning, infectious diseases, cancer and malignancies.

There were no occupational diseases in either 2022 or 2021.

Absenteeism

With regard to absenteeism, although the number of hours lost increased by 12% compared to 2021, the overall absenteeism rate increased by only 2% as a result of the increase in hours worked compared to the previous year.



Hours lost	2022	%	2021 ²³	%
Accidents and illnesses (ordinary and occupational)	343,879	2.56 %	302,746	2.47 %
Parental absenteeism	79,778	0.59 %	75,036	0.61 %
Leaves of absence	403,760	3.01 %	362,125	2.95 %
Total absenteeism hours	827,417	6.16 %	739,907	6.04 %
Total hours worked²⁴	13,431,902	N/A	12,255,768	N/A

²³ This indicator covers 98.58% of the Fluidra Group's employees at the end of 2021. The companies Sunbather PTY and SR Smith Australia, acquired at the end of the 2021 financial year, which have 99 employees (1.42% of the workforce), are outside the scope of this indicator.

²⁴ Hours worked are calculated using the group companies' time sheets or, alternatively, the working hours according to the collective bargaining agreement or the labor laws in the country in question.

6.4. Committed to the Community

GRI 2-27, 203-1, 413-1

All corporate business activities have direct and indirect impacts on the societies and communities they interact with. As an organization, Fluidra is aware of the impact our operations can have on the communities where we are present, which is why we try to have a positive impact on the lives of all members of those communities.

We work every day to improve our relationships and dialogs with stakeholders so that we can contribute to sustainable development and the well-being of society as a whole. During 2022, as per the previous year, there were no significant fines or penalties for legal, regulatory, corporate, or economic noncompliance.

Our business is highly internationalized and very diverse, generating positive economic impacts in local communities by procuring products and services, creating jobs, and satisfying the needs of the people directly or indirectly related to our Group's companies.

Furthermore, as part of our activity in the pool and wellness sector, we engage in social initiatives to promote values and community development through direct action (social projects, contributions, donations, and sponsorships of local and not-for-profit organizations), or through Fundació Fluidra projects.

In 2022, we have invested €1,007,665 in community actions, compared to €699,101 in 2021.

Type of contribution

Cash contributions	€990,525
In kind giving	€4,800
Employee volunteering	€6,077
Management overheads	€6,263
Total	€1,007,665

Type of activity

Charitable donations	14 %
Community investments	80 %
Commercial initiatives	6 %



6.4.1. Social action at Fluidra

Social action at Fluidra is carried out jointly at the corporate level (in charge of global initiatives) and at the individual company level (focused on responding to local needs).

Aquatic literacy: teaching swimming to prevent drowning

Due to our activity, one of our core concerns is that all people can enjoy a safe and perfect pool and wellness experience. Figures from the WHO estimate that over 230,000 people around

the world drown each year and it is one of the leading causes of death for children aged 1 to 14 years.

For that reason, Fluidra partners with different organizations the world over to fund swim classes for kids, especially those in a situation of vulnerability, in order to prevent drowning.

In Australia, Fluidra sponsors the **SAFER water Warrior** (1) program of the Australian Swim Schools Association (ASSA) to share vital messages around water safety. We also collaborate in the **Swim to Survive** initiative, a fun and

dynamic swimming and water safety program for First Nation children with a low socioeconomic level or who live in remote areas.

In the US, Fluidra has given over \$100,000 to fund the **Step into Swim** (2) initiative of the Pool & Hot Tub Foundation (PHTF), a national program dedicated to providing safe swimming education. This donation enables the foundation to grant subsidies to facilities across the country to fund swim classes for children.



In addition to these actions promoted by Group companies there is the work of Fundació Fluidra, which each year funds swim classes and other initiatives to reduce the risk of drowning.

Volunteering Programs

One of the key goals of our social strategy is to foster staff engagement in initiatives that help and respond to existing challenges in the local communities where we operate, volunteering in programs that have a positive impact on the environment and on people during their working day.

A new development in 2022 was the approval of a leave policy for Australia and New Zealand regulating a **one-day paid volunteering leave** (3) to engage in activities promoted by local organizations or not-for-profits.

In the US we continued with the work of the **P.A.T.H.** (Providing Alternative Tomorrows with Hope) **Foundation**, a volunteering organization spearheaded by our teams in the region. Its mission is to help the community through staff actions and donations, providing a future and alternatives with hope to the most needy. On top of this are the volunteering activities several of the companies we acquired in the US throughout the year had already been running.

Once again the fight against cancer was a key action area. Our teams again took part in the **More than pink walk** (4) run by the Susan G. Komen organization, raising \$US18,452 to help fight breast cancer from multiple fronts, as well as research, community health, global outreach, and public policy initiatives.

We also promoted two new initiatives with the aim of supporting cancer patients and their families. On the one hand we started a collaboration with the **Yana Cancer Comfort** organization to send gift packs to people undergoing chemotherapy. Our teams hand-knit 300 blankets that were donated to different oncology centers across the country.

On the other hand, SR Smith has collaborated with the **Ronald McDonald House Charities** (5), an organization that provides a home, resources and support to families who travel far from home to receive the medical attention their child needs. Thus, 6 of our employees worked as volunteers in the dining room of one of their centers.

Finally, a team from Trace Logistics (Spain) engaged once more in the annual **Oncotrail** race to raise funds to improve the quality of life of cancer patients.

Outside of this area, we again rolled out two blood donation campaigns at our facilities, which drew the participation of 49 employees that will contribute to saving the lives of 147 people.

Reaching past social initiatives, Group companies also developed actions to promote caring for the planet and our environment.

The Fluidra team in Australia took part in **Clean Up Australia Day** (6), organizing groups of employees around the country to head down to their local park and pick up trash to clean Australia.

Solidarity Campaigns

One more year, the Fluidra family got involved in the several solidarity campaigns we have put in place to help the people who need it most in an emergency.

Following the outbreak of the war against Ukraine, we launched a fundraising campaign in conjunction with the UN refugee agency **UNHCR**. We raised a total of €60,000 (€30,000 from Fundació Fluidra and staff donations plus a further €30,000 from the Company) thanks to which UNHCR was able to repair and supply shelter material for two homes damaged in Ukraine, give cash aid for the protection of 120 people in Ukraine and Poland, and supply blankets, sleeping bags, and hygiene kits to 315 people.

We also ran **basic goods collection campaigns** in our corporate offices and EMEA countries (7) and distributed them to affected areas via our logistics firm Trace Logistics (Spain).



We rushed to aid our colleagues from Built Right (Florida, USA) who were affected by **Hurricane Ian** (8) last September.

Our teams in the USA got together to organize the first food and water deliveries to meet the most immediate needs. The P.A.T.H. Foundation launched a fundraising campaign to help our staff in the area. \$US12,040 were raised by the staff and Fluidra matched it with a further \$US12,000 to bring the total amount raised to \$US24,040.

Other Initiatives

In addition to the above mentioned actions, Group companies partnered on other initiatives to support local organizations.

Suicide is the leading cause of death among young Australians. **Laps for Life** (9) is an initiative by the Reach Out organization that helps young people recognize the signs and symptoms of mental health problems, understand mental health concepts, and get guidance on seeking help or developing skills to address their problems and hold on.

For another year, a team from Fluidra Australia took to the pool to raise a total of \$AUS6,569 for the initiative based on building up miles swimming.

The Company also joined the **R U OK? A conversation could change a life** suicide prevention initiative that encourages people to reach out and hold conversations that could help others during tough periods in life. We organized different breakfast events to bring the team together and promote conversation.

Finally, we donated different material to help families with few resources, such as backpacks with school material, eight boxes of Fluidra-branded clothes, and toys for children without a gift at Christmas as part of the AngelTree initiative.

6.4.2. Fundació Fluidra

As a show of our commitment to the environment, we created Fundació Fluidra in 2016 with one core goal: to better focus our corporate social responsibility initiatives and have a greater impact on society.

Our mission is to ensure that everyone has access to pools, to swimming, and to the therapeutic benefits they provide; to facilitate access to water for the development of disadvantaged regions;

and to promote culture as the backbone of society.

To do all this and broaden our scope ever further, including beyond our operating contexts, each year the Company ringfences part of its budget to funding the Fundació. In 2022 we set aside €750,000 (€250,000 more than in 2021).

Main action areas

1. Social and solidarity pool



The actions and activities within this line are developed via:

- a) Direct action
- b) Fluidra Day
- c) Put a pool in their life

a) Direct action

In addition to continuing to develop different projects started in previous years, in 2022 we successfully finalized the construction of a facility for a semi-Olympic training pool (10) in a school of 2,000 students in Thiaroye, a town on the outskirts of Dakar (Senegal).

Fundació Fluidra president Joan Planes i Vila attended the opening of this project in early 2023, along with Eloy Planes (executive president and CEO), Bruce Brooks (Co-CEO) and a small number of the foundation's trustees.

Apart from the pool itself, the facility includes locker rooms, spectator stands, a technical room, enclosures, river water tanks, etc. A new development in 2022 was that we reached out to the local community to make the facility available to more potential beneficiaries. We also floated the idea of building a multisport space around the pool to improve returns

on this asset and attract more children and young people.

Other prominent projects in this area included: the start of a pool rehabilitation project for the CRAM Foundation; the overhaul of water spaces at the Miró Foundation, and the continuation of the collaboration with the Sant Joan de Déu hospital's charity arm studying water therapy for mental diseases, among others.

Of note was that some of these projects caught the eye of vendors and other Fluidra stakeholders, who came onboard

by making financial or other donations to the Fundació in order to join Fluidra's social action.


b) Fluidra Day

Every year we celebrate Fluidra Day as part of World Water Day (March 22). We run a competition which sees Group employees around the world enter initiatives to power social action through the pool and wellness in order to create the perfect pool experience for all and especially the most needy.


MARCH 22
FLUIDRA DAY

A PERFECT POOL EXPERIENCE FOR EVERYONE!


Fundació FLUIDRA
Llegat Joan Planes




372.000 lives are lost each year to **drowning**.
The WHO recommends swim lessons for children as one of the best forms of protection.



An estimated **2.3 million** people suffer from **multiple sclerosis**.
Swimming has a positive impact on diseases like MS.



49% of people with disabilities feel **excluded**.
Water sports promote the inclusion and normalization of people with disabilities.



By 2050, **1 in 6** people in the world will be **over the age of 65**.
Swimming is an activity that has a low impact on our articulations and reduces the possibility of suffering some type of dementia.

Fundació Fluidra is tasked with selecting the projects and subsequently donating an established amount to the winners of the different competition areas:

- **Training:** we provide training on pool and water-related issues (health and hygiene, access, drowning, swimming, etc.) that can improve people's quality of life and minimize certain risks such as drowning.

- **Health:** we provide access to pool, wellness, and water-related treatments and therapies for people with health problems, and/or materials and products to improve sanitation in at-risk communities.
- **Leisure:** we provide access to pools and water enjoyment while promoting community development.

Finally, €98,340 went to the winning projects in the US (3), Australia (1), South Africa (1), Mexico (1), and Spain (4), grouped into training (3), social integration (3), and water therapy (4), and which are expected to benefit 5,592 people per year.

The winners are!

INCLUSIVE POOL CONTEST

FLUIDRA DAY 2022
A PERFECT POOL EXPERIENCE FOR EVERYONE!

Fundació FLUIDRA
Llegat Joan Planes

LEARNING TO SWIM - SURVIVAL

SOCIAL INTEGRATION

AQUATIC THERAPY

<p>the Y FOR YOUTH DEVELOPMENT[®] FOR HEALTHY LIVING FOR SOCIAL RESPONSIBILITY</p> <p>Swimming lessons for those who cannot afford them.</p> <p>Jason Anderson Fluidra North America</p> <p>100+ people/year € 5,000 partial funding</p>	<p>PREVENT DROWNING FOUNDATION OF SAN DIEGO</p> <p>Swimming lessons in aquatic and ocean safety for children.</p> <p>Chris Brake Fluidra North America</p> <p>2,000 people/year € 2,500 total funding</p>	<p>SWIM AND SURVIVE ROYAL LIFE SAVING AUSTRALIA</p> <p>Fun, dynamic swimming and water safety program.</p> <p>Courtney Lowe Fluidra Australia</p> <p>120 people/year € 13,000 total funding</p>	<p>NATIONAL SEA RESCUE INSTITUTE</p> <p>Swimming lessons on water and ocean safety for kids.</p> <p>Simone Van der Merwe Fluidra Waterfinx South Africa</p> <p>740 people/year € 27,000 partial funding</p>
<p>GAVINA FUNDAÇÃO</p> <p>Activities to become familiar with the aquatic environment and enjoy the swimming pool.</p> <p>Marta Boladeras Fluidra SA</p> <p>275 people/year € 6,000 total funding</p>	<p>ATENEU SANT ROC FOUNDATION</p> <p>To promote swimming pool activities in different collectives.</p> <p>Assumpció Roca Fluidra SA</p> <p>460 people/year € 5,000 total funding</p>	<p>CIRIAC Centre de Recreació i Rehabilitació per persones amb paràlisi cerebral</p> <p>Hydrotherapy for children with cerebral palsy.</p> <p>Viridiana Rentería Hernández Fluidra Mexico</p> <p>100 people/year € 3,000 partial funding</p>	
<p>SAFE SPLASH SWIM SCHOOL</p> <p>Swimming classes to people with special needs.</p> <p>Jason Anderson Fluidra North America</p> <p>50 people/year € 7,500 partial funding</p>	<p>AUTISMO SEVILLA</p> <p>Swimming schools for persons with ASD. (Autism Spectrum Disorder)</p> <p>María Jose Ariza Fluidra Commercial Spain</p> <p>150 people/year € 10,000 partial funding</p>	<p>AQUATIC THERAPY BASED ON THE HALLIWICK CONCEPT</p> <p>Boscana Foundation. Hydraulic lift for the swimming pool.</p> <p>Esteban Romera Fluidra Commercial Spain</p> <p>500 people/year € 4,700 total funding</p>	

Put a pool in their life

This program was set up as a Fluidra Day initiative and was so popular we have now decided to make it an annual event. It involves donating above-ground pools to organizations that manage underprivileged groups, quickly and efficiently.

In the first year of testing and implementation, we donated pools worth €45,000, two in Colombia and five in Spain, that reached around 1,900 beneficiaries. Given the good experience with this program in the social inclusion field we decided to make it a cornerstone of Fundació Fluidra's international expansion going forward.

2. Water



We also continued working on the KAG-25 project in Senegal, together with the farm school managed by the Pías schools in the depressed region of Karang, with the goal of turning a 25-hectare farmstead into a profitable operation, introducing concepts such as production optimization and planning, the use of solar irrigation by taking water from wells, and the distribution of the products produced in efficient channels.

3. Culture and Music



The Fundació also continued with its core cultural project, i.e., the consolidation of Fundació Opera a Catalunya as an inclusive local project. This organization includes the opera circuit of the former Associació d'Amics de l'Òpera de Sabadell and the Orquestra Simfònica de Sabadell. In addition to donating money, corporate profitability concepts are being introduced and entities are being consolidated in the artistic and cultural space.

This project is also noteworthy as an example of a public-private partnership on cultural initiatives.

Finally, the Fundació is also a protector of the Palau de la Música, the GIO Simfònica, and Fundació Catalunya Cultura as a promoter and driver of a range of cultural initiatives.

7. About this report



7.1. Report structure and contents

GRI 2-1, 2-2, 2-3, 2-4, 2-5, 3-3

This document is the **Consolidated Management Report of Fluidra S.A. and its subsidiary undertakings** (listed in [Appendix I of the Consolidated Financial Statements](#)) for business year 2022, which covers the period between 1 January 2022 and 31 December 2022.

The non-financial indicators included in the report cover all of the companies in the Fluidra Group that have employees. However, as specified throughout the report, there are certain environmental and social indicators with a more limited scope, but that in no case are of material significance.

It includes all information that fulfills the provisions of article 262 of the Capital Companies Act, which stipulates the content of the management report that is drafted alongside the Company's financial statements, as well as all of the information required to comply with the **requirements of Act 11/2018**. This report constitutes, therefore, the Non-Financial Information Statement required by current legislation, and it also reflects our disclosures on the progress made in the application of the principles of the **United Nations Global Compact**.



See section "7.5. Table of contents of Law 11/2018".

The structure of this Consolidated Management Report is in line with the framework established by the **International Integrated Reporting Council (IIRC)**, as the most widely used international standard for drafting integrated reports; the 2021 version of the **Global Reporting Initiative (GRI) Standards**; and SASB's 2018 standards for the **electrical and electronic equipment industry**.

See section "7.4. Table of contents according to sustainability reporting standards".

This report has at all times sought to keep to both the key concepts (impact, material topics, due diligence and stakeholders) and the **principles for drafting sustainability reports** (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability), as described in GRI 1: Foundation standard.

Following the guidelines established in the guides, in the process of setting the content of this report we based ourselves on the **materiality analysis** conducted in 2021, through which we flagged up the most relevant issues for our stakeholders, as well as those that had the greatest impact on our Organization (also called material topics).

See section "7.2. Materiality analysis".

For the principles of completeness, accuracy, balance, clarity, comparability, reliability and timeliness, the Company endeavored to provide relevant information in this document on their significant impacts in 2022 and in the coming years. With this aim in mind, measurable and comparable figures are given that cover both favorable and unfavorable results, as well as presenting the information in a way that is easy to understand.

It should be noted that we have restated the environmental information related to fiscal year 2021, in order to ensure the comparison of our performance between fiscal years 2021 and 2022. On the one hand, we have incorporated all those consumptions that could not be collected in the new companies acquired during the last fiscal year as a result of the absence of reporting mechanisms in them. On the other hand, we have proceeded to the correction of all data relating to 2021, based on the findings found in the internal audit processes carried out by Fluidra.

Furthermore, in order to ensure the credibility of the information and secure the trust of our stakeholders, the contents of sections 7.4. Table of contents according to sustainability reporting standards (only GRI standards) and 7.5. Table of contents of Act 11/2018 of this report **were reviewed by an independent third party**.

See section "7.10. External assurance report".

The Board of Directors and the Management Advisory Committee (MAC) are involved in requesting an external review, which in 2021 was entrusted to Ernst & Young, a highly reputable company, external to Fluidra, which is the same one that did this work the year before. It uses professional standards that follow systematic processes with an empirical basis in its review.

The relationship between the Organization and this report's external review service provider is regulated in article 8 of the Audit Committee Regulations and is also explained in point C.1.30 of the Organization's Annual Corporate Governance Report.

The Audit Committee recommends the selection of an external auditor to the Board, based on predetermined criteria of experience, resources, quality and efficiency. It is also the task of this committee to supervise and facilitate its work, ensure its independence and guarantee a smooth relationship with the Organization.

Every year, the Audit Committee issues a **Report on the Independence of the External Auditor**, available on the corporate website, which describes the actions taken by Fluidra to guarantee the auditor's independence, in addition to reporting on any services other than auditing provided during the business year. In 2022, the auditing firm performed additional work totaling €64,320, which accounts for 4.06% of the total paid for the auditing work (5.57% in 2020).

7.2. Materiality assessment

A materiality analysis allows Fluidra to identify, evaluate and prioritize environmental, social and good governance (ESG) issues that can have the greatest impact on both the Company and our stakeholders (i.e. those known as "material topics"). This process is part of Fluidra's commitment to involve all stakeholders in the definition of ESG strategies and lines of action, in order to recognize and respond to their needs and expectations at all times.

Because of the constant changes and events that have taken place in this area in recent years, this process must be dynamic and ongoing in order to identify, analyze and adapt to new trends and needs that arise in the market and among our stakeholders. That said, Fluidra

conducts this analysis every two years, which allows us to periodically review our strategy and action plans to align them with expectations and define ESG priorities for the next two years.

Fluidra carried out a materiality analysis in 2019, which served as the basis for the preparation of the 2020–2026 Responsibility Blueprint. In 2021, Fluidra conducted a new materiality analysis to validate the actions defined in the framework of the ESG Strategic Plan.

In 2023, it had been planned to carry out a third materiality analysis, for which the material topics to be examined will be based on potential and real impacts, in line with the requirements of standard GRI 3: Material Topics (2021).

7.2.1. Methodology

GRI 3-1

The methodology defined by Fluidra for this process takes the "Reporting Principles for Defining Report Content" as a reference, as found in the 2016 version of the Global Reporting Initiative (GRI). It also covers the concept of dual materiality by considering both the impact of Fluidra's business on ESG issues and how these issues impact on the company, both from a financial and non-financial point of view. There are four phases to the process:



1. Analysis of the organization and its context

Fluidra has analyzed the changes that have taken place over the last two years in its business, commercial relations and the market in general. The analysis also covered the prevailing trends and developments in the field of ESG, including new regulations and international initiatives.

2. Identification of material topics

In this phase, the material issues identified in 2019 were taken as the basis for review and update. The terminology used in the description of each material topic was reviewed to supplement it as appropriate, and to avoid any overlap between the different issues that could lead to confusion among stakeholders. As a result, a total of 73 issues were identified and grouped into 28 material

topics for further assessment and prioritization.

Although the number of material topics identified in 2021 was the same as in 2019, there have been some changes in the names and scope of the topics, resulting in the identification of new topics and the addition of others to existing ones for ease of understanding. Thus, for example, the issues of Customer Health and Safety, Customer Privacy and Product Life Cycle Assessment have been included in the material topic of Sustainable, Safe and Quality Products. In addition, the names of other topics have been changed (e.g., Environmental Compliance has been changed to Legal Compliance). Finally, the following four material topics not specifically covered in 2019 were defined: Climate Change, Information Security, Intellectual Property, and Shareholder and Investor Relations.

3. Assessment and prioritization of material topics

As a new feature, the assessment and prioritization of material topics is divided into two parts: assessment of relevance for stakeholders and assessment of impact on the Organization. The assessment was previously based on the relevance of material topics to internal and external stakeholders separately. This time, the views of all stakeholders have been brought together, and the assessment of the impact of these issues on the Company, from both a financial and non-financial point of view, has been introduced.

Relevance

For this first phase of the evaluation, Fluidra involved representatives of all of its stakeholders to find out how relevant the issues identified are to them, and how relevant they believe they should be for

Fluidra, based on their activities and business relationships.

In selecting them, they prioritized geographical criteria in order to obtain the views stakeholders had of ESG in the three regions where Fluidra operates. In all, 252 people from 17 countries participated (compared to 129 in 2019). By stakeholder group, there were 157 internal stakeholders (employees, Global ESG Committee, MAC members) compared to 73 in 2019; and 95 external stakeholders (investors, customers, users, suppliers and society), compared to 56 in 2019.

The evaluation was carried out through consultations and questionnaires sent

out to the participants. For employees, suppliers, customers and investors, 14 working sessions were held in advance of the evaluation, attended by 205 people, to present the analysis and the issues to be assessed. In all cases, explanatory guides were provided to the participants, with an introduction to the material topics to be assessed, along with a channel through which to raise any concerns or questions that might arise during the process.

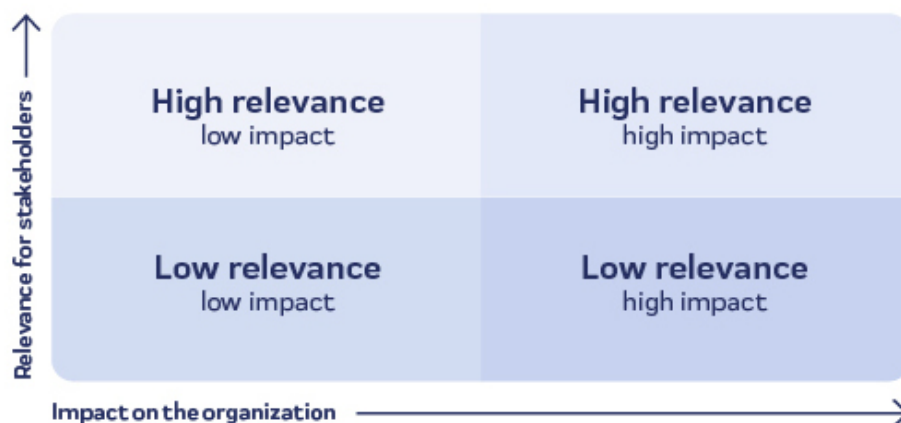
Impact

Fluidra has added the impact assessment to the materiality analysis, in keeping with the Group's methodology for assessing corporate risks and opportunities. In so

doing, we evaluated the repercussions of each impact from a financial, operational, strategic, reputational, legal and reporting point of view.

Prioritization

Previous results were transferred to a materiality matrix, which shows the relevance of the issues for stakeholders on one axis and their impact on the Organization on the other. Based on their position on the matrix, the issues have been classified into the following four categories:



4. Integration of results into the Organization

In addition to the assessment of material topics, stakeholders had the opportunity to evaluate Fluidra's ESG performance. They highlighted the need for better communications and training on these matters, as well as greater involvement in implementing initiatives and projects.

As a result, in early 2022 Fluidra launched an ESG training course for the entire workforce. An ESG Communications and Training Plan was also drawn up for all stakeholders, and the ESG teams in the North American (AMER) and EMEA regions were reinforced in order to continue implementing the strategy at a local level.

The contents of this Report are likewise in line with the material topics identified, with the aim of ensuring that Fluidra reports on its commitments and performance in each of these areas, thus responding to the needs and expectations of all our stakeholders.

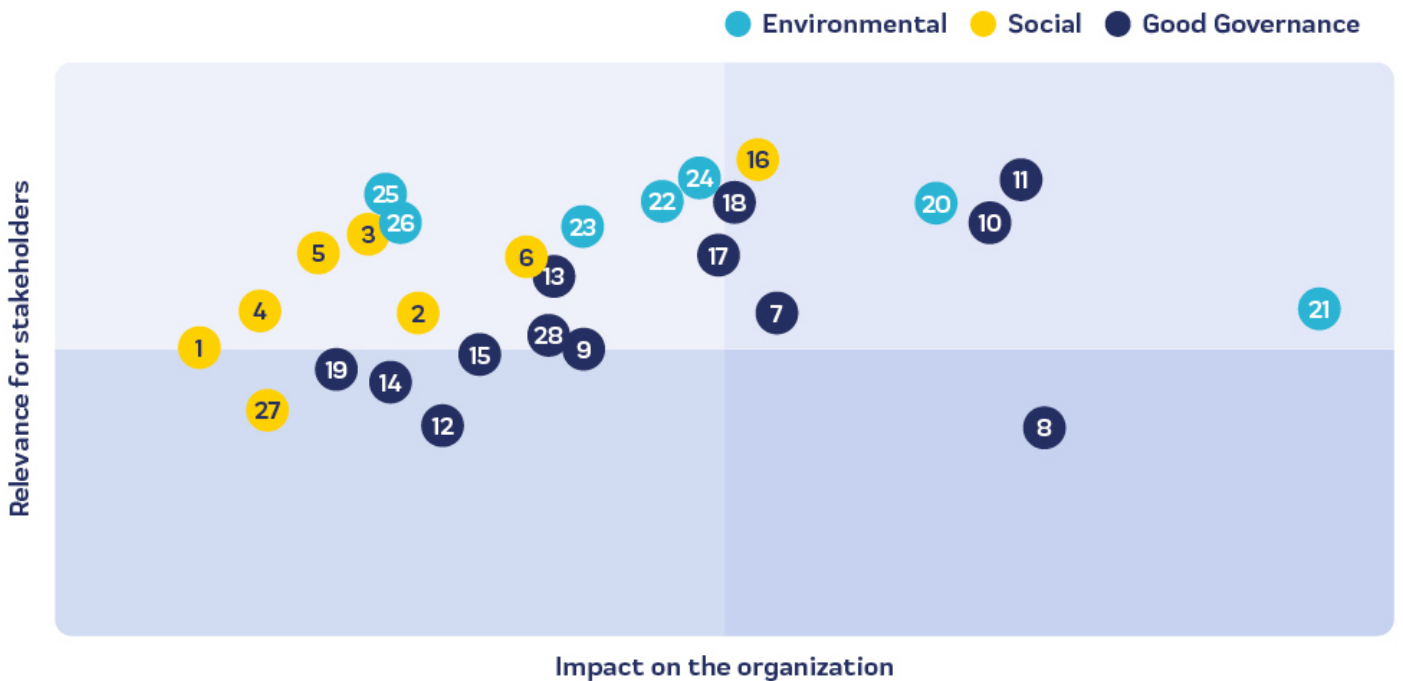
7.2.2. Materiality matrix

GRI 3-2

Based on the results of the analysis, the material topics of Climate Change (Environmental), Human Rights (Social) and Information Security (Governance) are the highest priority topics on both ESG axes. While Human Rights was


already among the most relevant topics in the last edition, the level of importance of the other two topics has increased significantly compared to 2019.

Other priority topics in 2019, such as Sustainable, Safe and Quality Products, Ethics and Integrity and Legal Compliance remain relevant to the Organization, although the names have changed slightly from the previous materiality analysis for a broader scope. Corporate Governance and Employee Compensation are no longer a high priority.



- 1 Work-life balance
- 2 Employee-employer relations
- 3 Employee Attraction & Retention
- 4 Human Capital Development
- 5 Diversity, Equity and Inclusion
- 6 Occupational Health & Safety
- 7 Ethics & Integrity
- 8 Risk & Opportunities Management
- 9 Transparency
- 10 Legal Compliance
- 11 Information Security
- 12 Shareholders & Investors
- 13 Intellectual Property
- 14 ESG Strategy
- 15 Corporate Governance
- 16 Human Rights
- 17 Sustainable, Safe and Quality Products
- 18 Customer Management
- 19 R&D+i
- 20 Environmental Management (own operations)
- 21 Climate Change
- 22 Responsible water management (own operations)
- 23 Energy management (own operations)
- 24 Circular Economy
- 25 Pollution
- 26 Biodiversity
- 27 Committed Engagement
- 28 Responsible Supply Chain

For each material topic, we have picked out the most relevant contents of the GRI and SASB's standards, in order to provide sufficient information about our impacts so that users of the information are able to assess and take informed decisions about the Organization.

 See section "7.4. Table of contents according to sustainability reporting standards".

7.3. Data tables

Economic indicators

Economic value generated and distributed
GRI 201-1

(thousand €)	2022	2021	2020
Economic value generated	2,449.3	2,233.7	1,525.7
Total income (sales+other income)	2,449.3	2,233.7	1,525.7
Economic value distributed	2,279.6	1,929.3	1,348.1
Employees (personnel expenses)	414.5	363.7	272.4
Suppliers (stock variation + other operating expenses)	1,565.2	1,363.9	950.8
Shareholders (Dividend) ²⁵	159.9	75.9	40.7
Company-Public Administrations (Taxes) ²⁶	60.7	81.5	39.1
Capital suppliers (Financial Expenses)	79.3	44.2	45.1
Retained economic value	169.7	304.4	177.6

Profits earned and profit taxes paid on a country-by-country basis
GRI 207-4

	Benefit country by country (in thousands of euros)		Corporate income tax paid (in thousands of euros)	
	2022	2021	2022	2021
Germany	2,087	6,578	1,146	-51
Australia	17,561	15,094	6,453	1,873
Austria	6,280	7,421	1,804	1,558
Belgium	798	3,137	497	790
Bosnia Herzegovina	301	100	16	4
Brazil	3,586	1,470	10	186
Bulgaria	2,536	2,011	230	220
Canada	1,023	1,034	793	7

²⁵ Result attributable to equity holders of the parent company.

²⁶ Corresponds to income tax expense.

	Benefit country by country (in thousands of euros)		Corporate income tax paid (in thousands of euros)	
	2022	2021	2022	2021
Chile	228	393	13	10
China	2,704	3,288	275	596
Cyprus	1,034	834	114	78
Colombia	219	214	55	49
Croatia	625	856	191	66
Denmark	-1,134	377	177	0
Egypt	4,729	2,315	416	241
United Arab Emirates	6,716	4,668	0	0
Slovenia	68	44	8	0
Spain	-4,499	50,903	-828	16,287
United States of America	78,964	149,864	59,848	55,870
France	46,555	37,369	6,528	8,130
Greece	4,002	1,581	532	224
Netherlands	8,248	13,725	3,272	3,179
Hong Kong	-5	-24	59	6
Hungary	420	943	97	78
India	1,240	857	331	204
Indonesia	714	1,024	-9	22
Ireland	0	0	0	0
Italy	9,316	8,332	3,577	1,776
Jordan	0	0	0	0
Kazakhstan	1,283	132	2	458
Malaysia	-91	-31	14	-71
Morocco	2,801	1,846	1,310	123
Mexico	1,432	1,090	697	310
Montenegro	223	3	3	1
New Zealand	241	561	261	99
Poland	649	456	116	174
Portugal	2,438	2,807	1,042	531
United Kingdom	8,061	5,323	1,324	550
Czech Republic	2,104	2,431	475	341
Romania	665	684	112	95
Russia	1,727	1,163	288	304

	Benefit country by country (in thousands of euros)		Corporate income tax paid (in thousands of euros)	
	2022	2021	2022	2021
Serbia	691	425	37	53
Singapore	162	81	10	21
South Africa	3,901	2,595	994	1,973
Sweden	1,074	1,305	561	201
Switzerland	221	150	1	2
Thailand	507	146	-7	-39
Tunisia	13	11	0	0
Turkey	2,003	1,384	526	412
Vietnam	694	519	123	8
Total	225,113	337,489	93,495	96,949

Social indicators

Workforce by country

GRI 2-1, 2-7, 405-1

	2022						2021					
	Male	%	Female	%	Total	%	Male	%	Female	%	Total	%
Fluidra	4,406	65.07 %	2,365	34.93 %	6,771	100 %	4,569	65.32 %	2,426	34.68 %	6,995	100 %
Germany	58	62.37 %	35	37.63 %	93	1.37 %	64	64.00 %	36	36.00 %	100	1.43 %
Australia	264	61.83 %	163	38.17 %	427	6.31 %	299	61.40 %	188	38.60 %	487	6.96 %
Austria	32	64.00 %	18	36.00 %	50	0.74 %	36	66.67 %	18	33.33 %	54	0.77 %
Belgium	16	80.00 %	4	20.00 %	20	0.30 %	16	76.19 %	5	23.81 %	21	0.30 %
Bosnia Herzegovina	2	50.00 %	2	50.00 %	4	0.06 %	2	50.00 %	2	50.00 %	4	0.06 %
Brazil	114	77.55 %	33	22.45 %	147	2.17 %	122	77.71 %	35	22.29 %	157	2.24 %
Bulgaria	43	68.25 %	20	31.75 %	63	0.93 %	47	74.60 %	16	25.40 %	63	0.90 %
Canada	12	70.59 %	5	29.41 %	17	0.25 %	12	70.59 %	5	29.41 %	17	0.24 %
Chile	10	83.33 %	2	16.67 %	12	0.18 %	8	88.89 %	1	11.11 %	9	0.13 %
China	324	53.64 %	280	46.36 %	604	8.92 %	363	53.78 %	312	46.22 %	675	9.65 %
Cyprus	7	70.00 %	3	30.00 %	10	0.15 %	8	72.73 %	3	27.27 %	11	0.16 %
Colombia	4	57.14 %	3	42.86 %	7	0.10 %	3	42.86 %	4	57.14 %	7	0.10 %
Croatia	11	73.33 %	4	26.67 %	15	0.22 %	9	75.00 %	3	25.00 %	12	0.17 %
Denmark	12	54.55 %	10	45.45 %	22	0.32 %	0	— %	2	100.00 %	2	0.03 %

	2022						2021					
	Male	%	Female	%	Total	%	Male	%	Female	%	Total	%
Egypt	12	70.59 %	5	29.41 %	17	0.25 %	12	75.00 %	4	25.00 %	16	0.23 %
United Arab Emirates	33	84.62 %	6	15.38 %	39	0.58 %	34	82.93 %	7	17.07 %	41	0.59 %
Slovenia	4	100.00 %	0	— %	4	0.06 %	3	100.00 %	0	— %	3	0.04 %
Spain	1,372	63.58 %	786	36.42 %	2,158	31.87 %	1,390	63.10 %	813	36.90 %	2,203	31.49 %
United States of America	872	67.08 %	428	32.92 %	1,300	19.20 %	905	69.03 %	406	30.97 %	1,311	18.74 %
France	293	65.84 %	152	34.16 %	445	6.57 %	281	66.12 %	144	33.88 %	425	6.08 %
Greece	10	58.82 %	7	41.18 %	17	0.25 %	9	56.25 %	7	43.75 %	16	0.23 %
Hungary	21	70.00 %	9	30.00 %	30	0.44 %	24	77.42 %	7	22.58 %	31	0.44 %
India	30	76.92 %	9	23.08 %	39	0.58 %	32	78.05 %	9	21.95 %	41	0.59 %
Indonesia	21	63.64 %	12	36.36 %	33	0.49 %	33	67.35 %	16	32.65 %	49	0.70 %
Italy	98	75.97 %	31	24.03 %	129	1.91 %	90	74.38 %	31	25.62 %	121	1.73 %
Kazakhstan	10	58.82 %	7	41.18 %	17	0.25 %	9	60.00 %	6	40.00 %	15	0.21 %
Malaysia	15	68.18 %	7	31.82 %	22	0.32 %	11	55.00 %	9	45.00 %	20	0.29 %
Morocco	14	60.87 %	9	39.13 %	23	0.34 %	15	60.00 %	10	40.00 %	25	0.36 %
Mexico	23	53.49 %	20	46.51 %	43	0.64 %	12	42.86 %	16	57.14 %	28	0.40 %
Montenegro	2	100.00 %	0	— %	2	0.03 %	2	100.00 %	0	— %	2	0.03 %
New Zealand	4	57.14 %	3	42.86 %	7	0.10 %	6	66.67 %	3	33.33 %	9	0.13 %
Netherlands	57	69.51 %	25	30.49 %	82	1.21 %	62	68.89 %	28	31.11 %	90	1.29 %
Poland	10	55.56 %	8	44.44 %	18	0.27 %	12	60.00 %	8	40.00 %	20	0.29 %
Portugal	50	68.49 %	23	31.51 %	73	1.08 %	49	70.00 %	21	30.00 %	70	1.00 %
United Kingdom	88	60.69 %	57	39.31 %	145	2.14 %	90	58.06 %	65	41.94 %	155	2.22 %
Czech Republic	7	77.78 %	2	22.22 %	9	0.13 %	7	77.78 %	2	22.22 %	9	0.13 %
Romania	8	80.00 %	2	20.00 %	10	0.15 %	7	87.50 %	1	12.50 %	8	0.11 %
Russia	29	58.00 %	21	42.00 %	50	0.74 %	28	57.14 %	21	42.86 %	49	0.70 %
Serbia	8	66.67 %	4	33.33 %	12	0.18 %	8	72.73 %	3	27.27 %	11	0.16 %
Singapore	8	72.73 %	3	27.27 %	11	0.16 %	8	72.73 %	3	27.27 %	11	0.16 %
South Africa	343	76.22 %	107	23.78 %	450	6.65 %	380	76.46 %	117	23.54 %	497	7.11 %
Sweden	5	62.50 %	3	37.50 %	8	0.12 %	8	80.00 %	2	20.00 %	10	0.14 %
Switzerland	5	100.00 %	0	— %	5	0.07 %	6	100.00 %	0	— %	6	0.09 %
Thailand	16	51.61 %	15	48.39 %	31	0.46 %	17	53.13 %	15	46.88 %	32	0.46 %
Tunisia	1	20.00 %	4	80.00 %	5	0.07 %	1	20.00 %	4	80.00 %	5	0.07 %
Turkey	22	70.97 %	9	29.03 %	31	0.46 %	22	70.97 %	9	29.03 %	31	0.44 %
Vietnam	6	40.00 %	9	60.00 %	15	0.22 %	7	43.75 %	9	56.25 %	16	0.23 %

Headcount by category / gender

	2022						2021					
	Male	%	Female	%	Total	%	Male	%	Female	%	Total	%
Executives	47	82 %	10	18 %	57	1 %	59	89 %	7	11 %	66	1 %
Management	260	77 %	79	23 %	339	5 %	286	79 %	74	21 %	360	5 %
Professionals	771	72 %	297	28 %	1,068	16 %	794	72 %	310	28 %	1,104	16 %
Technicians	1,362	67 %	667	33 %	2,029	30 %	1,403	68 %	672	32 %	2,075	30 %
Administration & Support	391	40 %	592	60 %	983	15 %	397	40 %	590	60 %	987	14 %
Manufacturing workers	1,575	69 %	720	31 %	2,295	34 %	1,630	68 %	773	32 %	2,403	34 %
Total Fluidra	4,406	65 %	2,365	35 %	6,771	100 %	4,569	65 %	2,426	35 %	6,995	100 %

Leadership positions by gender

	2022					
	Male	%	Female	%	Total	%
Top management	49	79 %	13	21 %	62	18 %
Middle management	87	81 %	20	19 %	107	32 %
Junior management	124	73 %	46	27 %	170	50 %
Total Management	260	77 %	79	23 %	339	100 %

Workforce by age/gender

	2022						2021					
	Male	%	Female	%	Total	%	Male	%	Female	%	Total	%
Under 30 years old	599	62 %	371	38 %	970	14 %	651	63 %	389	37 %	1,040	15 %
Between 30 and 50 years old	2,753	64 %	1,539	36 %	4,292	63 %	2,842	64 %	1,574	36 %	4,416	63 %
Over 50 years old	1,054	70 %	455	30 %	1,509	22 %	1,076	70 %	463	30 %	1,539	22 %
Total Fluidra	4,406	65 %	2,365	35 %	6,771	100 %	4,569	65 %	2,426	35 %	6,995	100 %

Headcount by type of employment contract

	2022				2021			
	Permanent		Temporary		Permanent		Temporary	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Total Fluidra	6,476	151	126	18	6,594	152	225	24

Average workforce by type of contract / gender

	2022				2021			
	Permanent		Temporary		Permanent		Temporary	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Male	4,603	39	127	15	4,023	47	136	14
Female	2,342	117	75	8	1,981	128	87	8
Fluidra average	6,945	156	202	23	6,004	175	223	22

Average headcount by type of contract / category

	2022				2021			
	Permanent		Temporary		Permanent		Temporary	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Executives	65	0	0	0	60	0	0	0
Management	355	0	2	1	325	2	2	0
Professionals	1,089	9	3	2	987	12	4	2
Technicians	2,027	49	24	2	1,858	63	36	1
Administration & Support	970	58	67	8	707	45	61	6
Manufacturing workers	2,439	39	106	10	2,068	53	121	14
Fluidra average	6,945	156	202	23	6,004	175	223	22

Average workforce by type of contract / age

	2022				2021			
	Permanent		Temporary		Permanent		Temporary	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Under 30 years old	970	10	75	6	758	13	81	5
Between 30 and 50 years old	4,382	104	89	8	3,892	124	114	5
Over 50 years old	1,593	42	39	10	1,355	37	28	13
Fluidra average	6,945	156	202	23	6,004	175	223	22

Average contract type by gender (FTE)

	2022							
	Permanent				Temporary			
	Full time	%	Part time	%	Full time	%	Part time	%
Male	4,533	96.67 %	25	0.53 %	123	2.62 %	8	0.18 %
Female	2,306	93.66 %	78	3.17 %	73	2.94 %	5	0.22 %
Fluidra average	6,839	95.63 %	103	1.44 %	196	2.73 %	14	0.19 %

Average contract type by category (FTE)

	2022							
	Permanent				Temporary			
	Full time	%	Part time	%	Full time	%	Part time	%
Executives	64	100.00 %	0	— %	0	— %	0	— %
Management	352	99.08 %	0	0.06 %	2	0.66 %	1	0.20 %
Professionals	1,079	98.99 %	6	0.58 %	3	0.29 %	1	0.14 %
Technicians	2,008	97.21 %	33	1.61 %	23	1.12 %	1	0.06 %
Administration & Support	951	89.82 %	38	3.64 %	64	6.02 %	6	0.52 %
Manufacturing workers	2,386	94.74 %	24	0.97 %	103	4.09 %	5	0.19 %
Fluidra average	6,839	95.63 %	103	1.44 %	196	2.73 %	14	0.19 %

Average type of contract by age groups (FTE)

	2022							
	Permanent				Temporary			
	Full time	%	Part time	%	Full time	%	Part time	%
Under 30 years old	937	91.95 %	7	0.64 %	72	7.05 %	4	0.36 %
Between 30 and 50 years old	4,325	96.36 %	72	1.60 %	86	1.92 %	5	0.12 %
Over 50 years old	1,577	95.93 %	25	1.49 %	38	2.28 %	5	0.29 %
Fluidra average	6,839	95.63 %	103	1.44 %	196	2.73 %	14	0.19 %

New hires and staff turnover
GRI 401-1

	Male			Female			Total
	Under 30 years old	Between 30 - 50 years old	Over 50 years old	Under 30 years old	Between 30 - 50 years old	Over 50 years old	
New hires 2022							
EMEA	226	308	42	83	207	25	891
New hires rate	64 %	18 %	6 %	46 %	22 %	9 %	22 %
AMER	147	183	45	66	105	18	564
New hires rate	72 %	26 %	15 %	54 %	26 %	17 %	31 %
APAC	25	58	14	21	28	6	152
New hires rate	24 %	13 %	7 %	34 %	14 %	7 %	14 %
HQ	9	17	4	7	16	1	54
New hires rate	49 %	15 %	10 %	35 %	16 %	4 %	17 %
Total Fluidra	407	566	105	177	356	50	1,661

	Male			Female			Total
	Under 30 years old	Between 30 - 50 years old	Over 50 years old	Under 30 years old	Between 30 - 50 years old	Over 50 years old	
New hires 2021							
EMEA	34	62	14	20	19	7	156
New hires rate	32 %	14 %	8 %	35 %	10 %	9 %	47 %
AMER	141	251	44	88	180	25	729
New hires rate	50 %	16 %	7 %	55 %	20 %	10 %	56 %
APAC	5	13	2	4	10	1	35
New hires rate	50 %	20 %	8 %	24 %	12 %	6 %	30 %
HQ	133	134	29	63	82	18	459
New hires rate	101 %	25 %	15 %	85 %	28 %	26 %	105 %
Total Fluidra	313	460	89	175	291	51	1,379

New hires by type of contract / gender

	2022				2021			
	Male	Female	Total	%	Male	Female	Total	%
Permanent contract hires	989	531	1,520	92 %	731	403	1,134	82 %
Temporary contract hires	89	52	141	8 %	131	114	245	18 %
Total Fluidra	1,078	583	1,661	100 %	862	517	1,379	100 %

Departures by type and gender

	2022			2021		
	Voluntary	Involuntary	Total	Voluntary	Involuntary	Total
Male	581	458	1,039	310	170	480
Female	314	166	480	140	56	196
Total Fluidra	895	624	1,519	450	226	676

Departures by type and region

	2022			2021		
	Voluntary	Involuntary	Total	Voluntary	Involuntary	Total
EMEA	241	380	621	162	95	257
AMER	469	205	674	175	82	257
APAC	167	33	200	100	43	143
HQ	18	6	24	13	6	19
Total Fluidra	895	624	1,519	450	226	676

Departures by type and age groups

	2022			2021		
	Voluntary	Involuntary	Total	Voluntary	Involuntary	Total
Under 30 years old	260	154	414	125	57	182
Between 30 and 50 years old	493	322	815	243	130	373
Over 50 years old	142	148	290	82	39	121
Total Fluidra	895	624	1,519	450	226	676

Layoffs by category and gender

	2022			2021		
	Male	Female	Total	Male	Female	Total
Executives	6	1	7	0	1	1
Management	20	5	25	1	1	2
Professionals	30	9	39	12	4	16
Technicians	56	27	83	40	15	55
Administration & Support	51	35	86	18	10	28
Manufacturing workers	289	87	376	99	25	124
Total Fluidra	452	164	616	170	56	226

Layoffs by region and age group

	2022			2021		
	Under 30 years old	Between 30 - 50 years old	Over 50 years old	Under 30 years old	Between 30 - 50 years old	Over 50 years old
EMEA	6	20	6	20	55	20
AMER	86	200	93	26	45	11
APAC	1	1	4	11	25	7
HQ	59	97	43	0	5	1
Total Fluidra	152	318	146	57	130	39

Turnover by gender GRI 401-1

	2022			2021		
	Male	Female	Total	Male	Female	Total
Total turnover	22 %	20 %	21 %	12 %	9 %	11 %
Voluntary turnover	13 %	13 %	13 %	8 %	7 %	7 %

Turnover by age groups

	2022			2021		
	Under 30 years old	Between 30 - 50 years old	Over 50 years old	Under 30 years old	Between 30 - 50 years old	Over 50 years old
Total turnover	42 %	18 %	18 %	24 %	9 %	9 %
Voluntary turnover	27 %	11 %	9 %	16 %	6 %	6 %

Training hours by gender and category²⁷

	2022			2021		
	Male	Female	Total	Male	Female	Total
Executives	1,610	582	2,192	439	39	478
Management	5,963	2,432	8,395	3,047	834	3,881
Professionals	14,101	7,412	21,514	8,018	3,343	11,361
Technicians	22,916	12,612	35,528	12,755	6,669	19,424
Administration & Support	4,084	9,584	13,668	2,308	4,898	7,206
Manufacturing workers	20,809	6,490	27,299	7,010	2,067	9,077
Total	69,484	39,112	108,596	33,577	17,850	51,427

²⁷ The training data for fiscal year 2022 does not include the training hours of CMP Shanghai, as they are not yet integrated into our training platform.

Environmental indicators²⁸

Water withdrawal by source GRI 303-3

	2022		2021		Variation
	m ³	%	m ³	%	
Third-party water (public or private network)	154,082	92 %	125,153	89 %	23 %
Surface water (river, lake, etc.)	0	— %	0	— %	— %
Groundwater (well)	2,740	2 %	3,388	2 %	-19 %
Recycling / reuse	10,539	6 %	12,422	9 %	-15 %
Total	167,361	100 %	140,962	100 %	19 %

Water discharges by destination GRI 303-4

	2022		2021		Variation
	m ³	%	m ³	%	
Third-party water (public or private network)	145,646	99 %	140,783	100 %	3 %
Surface water (river, lake, etc.)	1,694	1 %	0	— %	— %
Other areas	0	— %	0	— %	— %
Total	147,340	100 %	140,783	100 %	5 %

Manufacturing materials by source and type GRI 301-1, 301-2

	2022			2021		
	Reused/recycled materials (tn)	Non-recycled (tn)	Total (tn)	Reused/recycled materials (tn)	Non-recycled (tn)	Total (tn)
Metals	633	231,495	232,128	537	238,747	239,284
Plastics	2,162	23,216	25,378	2,364	20,753	23,117
Chemicals	65	31,472	31,537	67	32,899	32,967
Glass	4,128	1,410	5,537	14,089	1,543	15,632
Electronic components	2	1,452	1,454	0	180	180
Total	6,989	289,045	296,034	17,058	294,122	311,180

²⁸ All environmental data for fiscal year 2021 has been reviewed and corrected in order to incorporate all data from the companies acquired during said fiscal year, as well as to correct errors detected within the framework of the control and internal audit processes.

Packaging by source and type

	2022			2021		
	Reused/recycled materials (tn)	Non-recycled (tn)	Total (tn)	Reused/recycled materials (tn)	Non-recycled (tn)	Total (tn)
Films & Plastics	206	1,923	2,130	176	2,249	2,425
Wood	2,353	6,087	8,440	2,399	6,798	9,196
Cardboard	3,230	3,231	6,461	3,405	2,624	6,029
Compostable bags	0	0	0	0	1	1
Other	0	71	72	0	129	129
Total	5,790	11,313	17,102	5,980	11,799	17,779

Waste by type
GRI 306-3

	2022		2021	
	Tn	%	Tn	%
Hazardous waste	615	6.1 %	788	4.5 %
Cells, batteries and electrical or electronic waste	18	2.9 %	20	2.5 %
Contaminated plastics or containers	112	18.1 %	127	16.1 %
Chemicals, oils and lubricants	436	70.8 %	554	70.4 %
Non-recyclable or mixed	50	8.1 %	87	11.1 %
Non-Hazardous waste	9,434	93.9 %	16,839	95.5 %
Plastics	2,561	27.1 %	2,117	12.6 %
Wood	841	8.9 %	814	4.8 %
Metal	1,087	11.5 %	5,079	30.2 %
Non-recyclable or mixed	3,722	39.5 %	7,576	45.0 %
Paper and cardboard	1,223	13.0 %	1,254	7.4 %
Total	10,049	100 %	17,626	100 %

Waste by disposal method
GRI 306-4, 306-5

	2022			
	External management	%	Internal management	%
Hazardous waste	571	92.8 %	44	7.2 %
Recycling / reuse	277	48.6 %	44	100.0 %
Incineration	45	7.9 %	0	— %
Landfill	248	43.5 %	0	— %
Non-Hazardous waste	8,080	85.7 %	1,353	14.3 %
Recycling / reuse	5,362	66.4 %	1,353	100.0 %
Incineration	246	3.0 %	0	— %
Landfill	2,472	30.6 %	0	— %
Total	8,651	86 %	1,398	14 %

Energy intensity
GRI 302-3

	Unit	2022		2021		Variation
		Intensity	Denominator	Intensity	Denominator	
Raw material used	GJ/tn	1.30	315,981	1.35	329,181	-4%
Per employee	GJ/per	60.80	6,771	63.68	6,995	-5%
Per EBITDA	GJ/EBITDA	0.0008	511,727,000	0.0008	548,822,826	-1%
Per sales	GJ/€	0.0002	2,389,205,000	0.0002	2,186,919,000	-15%

Emissions from own operation (scopes 1 & 2) by region²⁹
GRI 305-1, 305-2

	2022		2021	
	tCO ₂	%	tCO ₂	%
HQ+EMEA	6,003	38 %	9,293	44 %
Scope 1	5,074	85 %	6,369	69 %
Scope 2	929	15 %	2,924	31 %
AMER	6,036	39 %	7,868	38 %
Scope 1	3,538	59 %	2,891	37 %
Scope 2	2,498	41 %	4,977	63 %
APAC	3,615	23 %	3,820	18 %
Scope 1	1,281	35 %	1,399	37 %
Scope 2	2,334	65 %	2,422	63 %
FLUIDRA	15,653	100 %	20,981	100 %
Scope 1	9,892	63 %	10,658	51 %
Scope 2	5,761	37 %	10,322	49 %

²⁹ Scope 2 emissions on a market basis.

Significant air emissions
GRI 305-7

In tons	2022	2021
Volatile Organic Compounds (VOCs)	204.65	299.17
Hydrochloric Acid (HCl)	1.06	1.00
Chlorine (Cl)	250.24	250.18
CO	0.00	0.00
SO ₂	0.68	0.67
SOx	0.00	0.00
NOx	0.93	2.86
Airborne particles (PM)	0.39	0.96
HCFCs	0.00	0.00
HFC	0.09	0.10
Persistent organic pollutants (POPs)	0.00	0.30
Hazardous air pollutants (HAP)	5.46	4.60

7.4. Table of contents according to sustainability reporting standards

Fluidra S.A. has prepared the Integrated Annual Report using as a reference the the GRI and SASB Standards for the period from January 1,2022 to December 31, 2022.

This index structures the requirements of the standards according to the material topics for the Company.

The external verification of this section has been limited only to the contents linked to the GRI standards, excluding the contents associated with the SASB standard listed below.

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable
SASB Standard used	Electrical & Electronic Equipment (2018)

Standard	Content	Location	Omission		Comments
			Requirement(s) omitted	Reason Explanation	
GENERAL CONTENTS					
GRI 2: General Disclosures (2021)	2-1 Organizational details.	181, 187			Fluidra, S.A. Av. Alcalde Barnils, 69, 08174 Sant Cugat del Vallés, Barcelona, Spain
	2-2 Entities included in the organization's sustainability reporting.	181			List of included entities available in Appendix I of the Consolidated Financial Statements.
	2-3 Reporting period, frequency and contact point.	181			For any questions about this report contact: ESG Department: rsc@fluidra.com Investor Relations Department: investor_relations@fluidra.com For general inquiries: info@fluidra.com
	2-4 Restatements of information.	135, 181, 195			
	2-5 External assurance.	181, 232			
	2-6 Activities, value chain and other business relationships.	17-21, 23-25, 103-105			
	2-7 Employees.	151-152, 187-189			
	2-8 Workers who are not employees.	N/A	All	Information unavailable / incomplete	Our current systems do not collect this information.
	2-9 Governance structure and composition.	65, 80-83			

Standard	Content	Location	Omission		Comments
			Requirement(s) omitted	Reason	
	2-10 Nomination and selection of the highest governance body.	83			
	2-11 Chair of the highest governance body.	82, 84			
	2-12 Role of the highest governance body in overseeing the management of impacts.	65			
	2-13 Delegation of responsibility for managing impacts.	65			
	2-14 Role of the highest governance body in sustainability reporting.	65			
	2-15 Conflicts of interest.	84			
	2-16 Communication of critical concerns.	99-100			
	2-17 Collective knowledge of the highest governance body.	82			
	2-18 Evaluation of the performance of the highest governance body.	83			
	2-19 Remuneration policies.	89-92			
	2-20 Process to determine remuneration.	89			
	2-21 Annual total compensation ratio.	N/A	All	Confidentiality constraints	
	2-22 Statement on sustainable development strategy.	64-65			
	2-23 Policy commitments.	32, 64, 83, 89, 93, 97-98, 101-103, 122, 124, 129, 146, 150, 155, 169			
	2-24 Embedding policy commitments.	32, 64-65, 69-72, 83, 89-94, 98, 101-107, 122-126, 129-131, 134-140, 147-149, 155-160, 169-172			
	2-25 Processes to remediate negative impacts.	99-100, 149			
	2-26 Mechanisms for seeking advice and raising concerns.	99-100, 149			
	2-27 Compliance with laws and regulations.				
	2-28 Membership associations.	77			

Standard	Content	Location	Omission			Comments
			Requirement(s) omitted	Reason	Explanation	
	2-29 Approach to stakeholder engagement.	73-75				
	2-30 Collective bargaining agreements.	154				
SASB: Activity Metrics (2018)	Number of units produced by product category.	N/A	All	Confidentiality constraints		
	Number of employees	151				
MATERIAL TOPICS						
GRI 3: Material Topics (2021)	3-1 Process to determine material topics.	182-183				
	3-2 List of material topics.	183-184				
21. Climate change (Environmental)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	134-142				
GRI 201: Economic Performance (2016)	201-2 Financial implications and other risks and opportunities due to climate change.	140-142	Paragraphs a.iii and a.v.	Information not available or incomplete	Financial implications and costs of actions taken to manage risks and opportunities are not disclosed.	
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions.	136, 229				
	305-2 Energy indirect (Scope 2) GHG emissions.	136-138, 228				
	305-3 Other indirect (Scope 3) GHG emissions.	138-139				
	305-5 Reduction of GHG emissions.	134-139				
11. Information security (Good governance)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	124-126				
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	124-126				
10. Legal compliance (Good governance)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	175				
20. Environmental management in own operation (Environmental)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	129-131				
16. Human Rights (Social)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	146-149				

Standard	Content	Location	Omission			Comments
			Requirement(s) omitted	Reason	Explanation	
GRI 408: Child Labor (2016)	408-1 Operations and suppliers at significant risk for incidents of child labor.	147				According to the Verisk Maplecroft Human Rights Index, Fluidra does not operate in countries with extreme risk of child labor.
GRI 409: Forced or Compulsory Labor (2016)	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor.	147				According to the Verisk Maplecroft Human Rights Index, Fluidra operates in the following countries with extreme risk of forced labor: Brazil, Turkey, China, India, Indonesia and Vietnam.
7. Ethics and integrity (Good governance)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	97-102				
GRI 205: Anticorruption (2016)	205-1 Operations assessed for risks related to corruption.	101-102	Paragraph b.	Confidentiality constraints.		
	205-2 Communication and training about anti-corruption policies and procedures.	101	Paragraphs c, d and e	Information not available or incomplete	No information is available on the number of business partners, nor is there a breakdown of the number of people trained by professional category and region.	
	205-3 Confirmed incidents of corruption and actions taken.	102				
GRI 206: Anti-competitive Behavior (2016)	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	102				
GRI 415: Public Policy (2016)	415-1 Political contributions.	102				
SASB: Business Ethics (2018)	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	101-102				
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	102				
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	102				
18. Customer management (Good governance)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	108-121				

Standard	Content	Location	Omission		Comments
			Requirement(s) omitted	Reason	
GRI 417: Marketing and Labeling (2021)	417-1 Requirements for product and service information and labeling.	33			
	417-2 Incidents of non-compliance concerning product and service information and labeling.	33			
	417-3 Incidents of non-compliance concerning marketing communications.				There has been no non-compliance in this area.
17. Sustainable, Safe and Quality Products (Good governance)					
GRI 3: Material Topics (2021)	3-3 Management of material topics.	32-46			
GRI 302: Energy (2016)	302-5 Reductions in energy requirements of products and services.	37-40			
GRI 416: Customer Health and Safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories.	33-35			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services.	33-35			
SASB: Product Safety (2018)	Number of recalls issued, total units recalled.	33			
	Total amount of monetary losses as a result of legal proceedings associated with product safety.				No losses have been incurred as a result of legal proceedings.
SASB: Product Lifecycle Management (2018)	Percentage of products by revenue that contain IEC 62474 declarable substances		All	Information not available or incomplete	The company does not have this information at the consolidated level.
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	41			ENERGY STAR® certified products represent 3.76% of our sales.
	Revenue from renewable energy-related and energy efficiency-related products	39-40			
24. Circular economy (Environmental)					
GRI 3: Material Topics (2021)	3-3 Management of material topics.	40-41, 131-132			
GRI 301: Materials (2016)	301-1 Materials used by weight or volume.	196			
	301-2 Recycled input materials used.	196			
GRI 306: Waste (2020)	306-1 Waste generation and significant waste-related impacts.	132			
	306-2 Management of significant waste-related impacts.	132			
	306-3 Waste generated.	197			
	306-4 Waste diverted from disposal.	197			
	306-5 Waste directed to disposal.	197			

Standard	Content	Location	Omission			Comments
			Requirement(s) omitted	Reason	Explanation	
SASB: Hazardous Waste Management (2018)	Amount of hazardous waste generated, percentage recycled.	197				
	Number and aggregate quantity of reportable spills, quantity recovered.	197				
SASB: Materials Sourcing (2018)	Description of the management of risks associated with the use of critical materials.	131-132				
22. Responsible water management in own operations (Environmental)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	143				
GRI 303: Water and Effluents (2018)	303-1 Interactions with water as a shared resource.	143				
	303-2 Management of water discharge-related impacts.	143	Paragraphs i. to iv.	Information not available or incomplete	The minimum standards established for the quality of effluent discharges and the manner in which they are determined are not described.	
	303-3 Water withdrawal	143, 195	Paragraph c	Information not available or incomplete	The breakdown according to freshwater and others is not made.	
	303-4 Water discharge	195	Paragraph c	Information not available or incomplete	There is no breakdown according to fresh water and others for both total discharge and areas with water stress. Nor is there any indication of the priority risk substances in which the discharges are treated.	
	303-5 Water consumption	143				
23. Energy management in own operations (Environmental)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	135-138				
GRI 302: Energy (2016)	302-1 Energy consumption within the organization.	135-137				
	302-3 Energy intensity.	198				
SASB: Energy Management (2018)	Total energy consumed	135				
	Percentage grid electricity	137				
	Percentage renewable	137				
13. Intellectual property (Good governance)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	31				
6. Occupational Health & Safety (Social)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	169-174				

Standard	Content	Location	Omission			Comments
			Requirement(s) omitted	Reason	Explanation	
GRI 403: Occupational Health and Safety (2018)	403-1 Occupational health and safety management system.	169-170				
	403-2 Hazard identification, risk assessment, and incident investigation.	170-171				
	403-3 Occupational health services.	171				
	403-4 Worker participation, consultation, and communication on occupational health and safety.	171				
	403-5 Worker training on occupational health and safety.	171				
	403-6 Promotion of worker health.	171-172	Paragraph a	Information not available or incomplete	No information is available at the consolidated level.	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	173-174				
	403-8 Workers covered by an occupational health and safety management system.	169				
	403-9 Work-related injuries.	172-174				
	403-10 Work-related ill health.	174				
2. Employee-employer relations (Social)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	154				
GRI 402: Labor Management Relations (2016)	402-1 Minimum notice periods regarding operational changes.	154	Paragraph a	Information not available or incomplete	Weeks of notice are not indicated.	The organization complies with the minimum notice periods established in the collective bargaining agreements and local regulations applicable to each company.
GRI 407: Freedom of Association and Collective Bargaining (2016)	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	154				
3. Employee Attraction & Retention (Social)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	160-161				
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover.	192-194	Paragraph b	Information not available or incomplete	Rotation by region is not offered	
5. Diversity, equity and inclusion (Social)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	155-160				
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees.	82, 156-160				
	405-2 Ratio of basic salary and remuneration of women to men.	167-168				
GRI 406: Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken.	100, 158				

Standard	Content	Location	Omission			Comments
			Requirement(s) omitted	Reason	Explanation	
4. Human Capital Development (Social)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	160-167				
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee.	163-195	All	Information not available or incomplete	Average hours by gender and labor category are not reported, only total hours.	
	404-2 Programs for upgrading employee skills and transition assistance programs.	162-164				Fluidra does not have transition assistance programs.
	404-3 Percentage of employees receiving regular performance and career development reviews.	165				
25. Pollution (Environmental)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	130				
GRI 305: Emissions (2016)	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.	199				
26. Biodiversity (Environmental)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	133				
GRI 304: Biodiversity (2016)	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	133				All of the company's production centers are located in industrial parks outside protected areas and areas of special interest with little or no impact on biodiversity.
	304-2 Significant impacts of activities, products and services on biodiversity.	133	All	Information not available or incomplete	During 2023, we will conduct a preliminary study to assess in depth the environmental risks related to biodiversity, based on the location of each facility.	
	304-3 Habitats protected or restored.	133	Paragraph a	Information not available or incomplete	This information is not available	
28. Responsible Supply Chain (Good governance)						
GRI 3: Material Topics (2021)	3-3 Management of material topics.	103-107				
GRI 204: Procurement Practices (2016)	204-1 Proportion of spending on local suppliers.	103				

Standard	Content	Location	Omission		Comments
			Requirement(s) omitted	Reason Explanation	
GRI 308: Supplier Environmental Assessment (2016)	308-1 New suppliers that were screened using environmental criteria.	105			
	308-2 Negative environmental impacts in the supply chain and actions taken.	105-107			
GRI 414: Supplier Social Assessment (2016)	414-1 New suppliers that were screened using social criteria.	105-107			
	414-2 Negative social impacts in the supply chain and actions taken.	105-107			
8. Risk & Opportunities Management (Good governance)					
GRI 3: Material Topics (2021)	3-3 Management of material topics.	93-96			
1. Work-life balance (Social)					
GRI 3: Material Topics (2021)	3-3 Management of material topics.	157			
GRI 401: Employment (2016)	401-3 Parental leave.	157			
9. Transparency (Good governance)					
GRI 3: Material Topics (2021)	3-3 Management of material topics.	181			
15. Corporate Governance (Good governance)					
GRI 3: Material Topics (2021)	3-3 Management of material topics.	80-92			
12. Shareholders & Investors (Good governance)					
GRI 3: Material Topics (2021)	3-3 Management of material topics.	62			
14. ESG Strategy (Good governance)					
GRI 3: Material Topics (2021)	3-3 Management of material topics.	64-72			
19. Research, development and innovation (Good governance)					
GRI 3: Material Topics (2021)	3-3 Management of material topics.	26-31			
27. Commitment to community (Social)					
GRI 3: Material Topics (2021)	3-3 Management of material topics.	175-179			
GRI 203: Indirect Economic Impacts (2016)	203-1 Infrastructure investments and services supported.	175-179			
GRI 413: Local Communities (2016)	413-1 Operations with local community engagement, impact assessments, and development programs.	175-179			
	413-2 Operations with significant actual and potential negative impacts on local communities.				No operations with significant negative impacts on local communities have been identified.

Standard	Content	Location	Omission			Comments
			Requirement(s) omitted	Reason	Explanation	
OTHER RELEVANT INDICATORS						
GRI 201: Economic Performance (2016)	201-1 Direct economic value generated and distributed.	185	Paragraph b	Information not available or incomplete	Information by country or region is not available.	
	201-3 Defined benefit plan obligations and other retirement plans.	90, 314, 322				
	201-4 Financial assistance received from government.	123				
GRI 202: Market Presence (2016)	202-1 Ratios of standard entry level wage by gender compared to local minimum wage.		Paragraphs b and c.	Information not available or incomplete	We do not have information on wages paid to workers (excluding employees).	Compensation at Fluidra is always at or above the Minimum Wage in each country of operation.
	202-2 Proportion of senior management hired from the local community.					The percentage of senior executives hired from the local community is 88%. from the local community is 88%. It is understood local, when the person performs his or her the same country of his or her nationality.
GRI 207: Tax (2019)	207-1 Approach to tax.	122-123				
	207-2 Tax governance, control, and risk management.	122-123				
	207-4 Country-by-country reporting.	123, 185-187	Paragraph b	Information not available or incomplete	Not all information required by GRI for each tax jurisdiction is presented.	For further information, please refer to Fluidra's consolidated annual accounts for the 2022 financial year.
GRI 401: Employment (2016)	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees.	168				

7.5. Table of contents of Act 11/2018

INFORMATION REQUESTED BY Act 11/2018	LINKAGE WITH GRI INDICATORS	REASON FOR OMISSION	PAGE
Document framework			
Brief description of the business model			
Brief description of the group's business model (business environment and organization)	2-6 Activities, value chain and other business relationships.		11, 17-19, 23
Geographic presence	2-1 Organizational details. 2-6 Activities, value chain and other business relationships.		22
Objectives and strategies of the organization	2-23 Policy commitments.		20-21
Main factors and trends that may affect its future evolution	3-3 Management of material topics.		95-96
Reporting framework used	1 Fundamentals		181, 200
Materiality assessment	3-1 Process to determine material topics 3-2 List of material topics		182-184
Environmental Issues			
General Information			
A description of the policies applied by the group with respect to such matters, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including what measures have been adopted.	2-23 Policy commitments. 2-24 Embedding policy commitments. 2-25 Processes to remediate negative impacts.		129
The results of these policies should include key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor comparability between companies and sectors, in accordance with the national, European or international frameworks of reference used for each subject. .	3-3 Management of material topics.		129-131
The main risks related to these issues related to the group's activities, including, when relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	3-3 Management of material topics. 201-2 Financial implications and other risks and opportunities due to climate change.		95-96, 130, 140-142
Detailed Information			
On current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	3-3 Management of material topics.		95-96, 130
About the environmental evaluation or certification procedures	3-3 Management of material topics.		129-130
On the resources dedicated to the prevention of environmental risks	201-2 Financial implications and other risks and opportunities due to climate change.		130
On the application of the precautionary principle	3-3 Management of material topics.		130
On the amount of provisions and guarantees for environmental risks	3-3 Management of material topics.		130
Pollution			
Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	3-3 Management of material topics. 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.		134-140, 198-199

INFORMATION REQUESTED BY Act 11/2018	LINKAGE WITH GRI INDICATORS	REASON FOR OMISSION	PAGE
Circular economy and waste prevention and management			
Measures of prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste	306-1 Waste generation and significant waste-related impacts. 306-2 Management of significant waste-related impacts. 306-3 Waste generated. 306-4 Waste diverted from disposal. 306-5 Waste directed to disposal.	Food waste is not a material issue for the Company.	132, 197
Sustainable use of resources			
Water consumption and water supply according to local limitations	303-1 Interactions with water as a shared resource. 303-4 Water discharge. 303-5 Water consumption.		143, 195
Consumption of raw materials and measures adopted to improve the efficiency of their use	301-1 Materials used by weight or volume. 301-2 Recycled input materials used.		131-132, 196
Direct and indirect energy consumption	302-1 Energy consumption within the organization.		135-137
Measures taken to improve energy efficiency	302-3 Energy intensity.		137, 198
Use of renewable energies	302-1 Energy consumption within the organization.		137-138
Climate Change			
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	305-1 Direct (Scope 1) GHG emissions. 305-2 Energy indirect (Scope 2) GHG emissions. 305-3 Other indirect (Scope 3) GHG emissions.		135-139, 228
Measures taken to adapt to the consequences of climate change	201-2 Financial implications and other risks and opportunities due to climate change.		135-142
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose	305-5 Reduction of GHG emissions.		134
Biodiversity Protection			
Measures taken to preserve or restore biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	All of the company's production centers are located in industrial parks outside protected areas and areas of special interest with little or no impact on biodiversity.	133
Impacts caused by activities or operations in protected areas	304-2 Significant impacts of activities, products and services on biodiversity. 304-3 Habitats protected or restored.		133
Social and personnel issues			
General Information			
A description of the policies applied by the group with respect to such matters, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including what measures have been adopted.	2-23 Policy commitments. 2-24 Embedding policy commitments. 2-25 Processes to remediate negative impacts.		150-151, 155

INFORMATION REQUESTED BY Act 11/2018	LINKAGE WITH GRI INDICATORS	REASON FOR OMISSION	PAGE
The results of these policies should include key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor comparability between companies and sectors, in accordance with the national, European or international.	3-3 Management of material topics.		150-174
The main risks related to these issues related to the group's activities, including, when relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	3-3 Management of material topics.		95, 154, 155, 161, 167
Detailed Information			
Employment			
Total number and distribution of employees according to criteria representative of diversity (sex, age, country, etc.)	2-7 Employees. 405-1 Diversity of governance bodies and employees.		156, 159, 187-189
Total number and distribution of types of employment contract, annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification	2-7 Employees.		152, 189-191
Number of dismissals by sex, age and professional classification	401-1 New employee hires and employee turnover.		193-194
Average wages and their evolution disaggregated by sex, age and professional classification or equal value	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees. 405-2 Ratio of basic salary and remuneration of women to men.		167
Wage gap, compensation for equal or average jobs in the society	N/A		167-168
The average remuneration of directors and executives, including variable remuneration, allowances, payment to long-term savings pension systems and any other perception disaggregated by sex	2-19 Remuneration policies. 2-20 Process to determine remuneration.	The company does not provide information on payments to long-term savings pension systems and any other perception disaggregated by gender.	89-92
Implementation of labor disconnection policies	N/A		157
Employees with disabilities	405-1 Diversity of governance bodies and employees.		159-160
Organization of working time			
Organization of working time	N/A	The organization of working time is defined in each of the collective bargaining agreements or local laws that apply to Fluidra's companies.	
Number of hours of absenteeism	403-9 Work-related injuries.		174

INFORMATION REQUESTED BY Act 11/2018	LINKAGE WITH GRI INDICATORS	REASON FOR OMISSION	PAGE
Measures aimed at facilitating the enjoyment of the conciliation and promoting the joint responsibility of these by both parents	401-3 Parental leaves.		157
Health and Safety			
Health and safety conditions at work	403-1 Occupational health and safety management system. 403-2 Hazard identification, risk assessment, and incident investigation. 403-3 Occupational health services. 403-4 Worker participation, consultation, and communication on occupational health and safety. 403-5 Worker training on occupational health and safety. 403-6 Promotion of worker health. 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships. 403-8 Workers covered by an occupational health and safety management system.		169-174
Work accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by sex.	403-9 Work-related injuries. 403-10 Work-related ill health.		172-174
Social relationships			
Organization of social dialogue, including procedures for informing, consulting and negotiating with staff	3-3 Management of material topics.		154
Percentage of employees covered by collective agreement by country	2-30 Collective bargaining agreements.		154
The balance of collective agreements, particularly in the field of health and safety at work	403-4 Worker participation, consultation, and communication on occupational health and safety.	There is currently no specific collective bargaining agreement in the field of health and safety.	
Mechanisms and procedures the company has in place to promote employee involvement in the management of the company, in terms of information, consultation and participation.	2-29 Approach to stakeholder engagement.		153
Training			
Policies implemented in the field of training	404-2 Programs for upgrading employee skills and transition assistance programs.		160-166
The total number of training hours by professional category	404-1 Average hours of training per year per employee.		195
Universal accessibility for people with disabilities			
Universal accessibility for people with disabilities	405-1 Diversity of governance bodies and employees.		159-160
Equality			
Measures taken to promote equal treatment and opportunities between women and men	401-3 Parental leaves. 405-1 Diversity of governance bodies and employees.		155-158
Equality plans (Chapter III of Organic Act 3/2007, of March 22, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities	405-1 Diversity of governance bodies and employees.		155-158

INFORMATION REQUESTED BY Act 11/2018	LINKAGE WITH GRI INDICATORS	REASON FOR OMISSION	PAGE
The policy against all types of discrimination and, where appropriate, diversity management	406-1 Incidents of discrimination and corrective actions taken.		155, 158
Human rights			
General information			
A description of the policies applied by the group with respect to such matters, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including what measures have been taken.	2-23 Policy commitments. 2-24 Embedding policy commitments. 2-25 Processes to remediate negative impacts.		146
The results of these policies should include key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor comparability between companies and sectors, in accordance with the national, European or international benchmarks used for each subject.	3-3 Management of material topics.		146-149
The main risks related to these issues related to the group's activities, including, when relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	3-3 Management of material topics.		95, 146-149
Detailed Information			
Application of due diligence procedures in the field of human rights; prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed	2-23 Policy commitments. 2-25 Processes to remediate negative impacts.		146-149
Complaints for cases of human rights violations	2-26 Mechanisms for seeking advice and raising concerns.		149
Promotion and compliance with the provisions of the fundamental conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor.	406-1 Incidents of discrimination and corrective actions taken. 408-1 Operations and suppliers at significant risk for incidents of child labor. 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor.		146-148
Anti-bribery and anti-corruption			
General information			
A description of the policies applied by the group with respect to such matters, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including what measures have been taken.	2-23 Policy commitments. 2-24 Embedding policy commitments. 2-25 Processes to remediate negative impacts.		101-102

INFORMATION REQUESTED BY Act 11/2018	LINKAGE WITH GRI INDICATORS	REASON FOR OMISSION	PAGE
The results of these policies, should include key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor comparability between companies and sectors, in accordance with the national, European or international benchmarks used for each subject.	3-3 Management of material topics.		101-102
The main risks related to these issues related to the group's activities, including, when relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	3-3 Management of material topics.	Significant risks related to corruption are still to be detailed; it expects to have the complete information in the next fiscal year.	95, 101-102
Detailed Information			
Measures taken to prevent corruption and bribery	205-1 Operations assessed for risks related to corruption. 205-2 Communication and training about anti-corruption policies and procedures. 205-3 Confirmed incidents of corruption and actions taken. 415-1 Political contributions.		101-102
Measures to combat money laundering	3-3 Management of material topics.		101-102
Contributions to foundations and non-profit entities	201-1 Direct economic value generated and distributed.		175
Society information			
General Information			
A description of the policies applied by the group with respect to such matters, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts and for verification and control, including what measures have been taken.	2-23 Policy commitments. 2-24 Embedding policy commitments. 2-25 Processes to remediate negative impacts. 207-1 Approach to tax. 207-2 Tax governance, control, and risk management.		103, 122
The results of these policies should include key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor comparability between companies and sectors, in accordance with the national, European or international benchmarks used for each subject.	3-3 Management of material topics.		103-122
The main risks related to these issues related to the group's activities, including, when relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	3-3 Management of material topics. 207-2 Tax governance, control, and risk management.		95, 103, 105-107, 122
Detailed Information			
Company commitments to sustainable development			
The impact of the company's activity on employment and local development	203-1 Infrastructure investments and services supported.		175-179
The impact of the company's activity on local populations and in the territory	203-1 Infrastructure investments and services supported. 413-1 Operations with local community engagement, impact assessments, and development programs.		175-179

INFORMATION REQUESTED BY Act 11/2018	LINKAGE WITH GRI INDICATORS	REASON FOR OMISSION	PAGE
The relationships maintained with the actors of the local communities and the modalities of dialogue with them	203-1 Infrastructure investments and services supported.		175-179
Association or sponsorship actions	2-28 Membership associations.		77, 175-179
Subcontracting and suppliers			
Inclusion in purchasing policy of social, gender equality and environmental issues	2-6 Activities, value chain and other business relationships. 204-1 Proportion of spending on local suppliers. 308-1 New suppliers that were screened using environmental criteria. 414-1 New suppliers that were screened using social criteria.		103-105
Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility	308-1 New suppliers that were screened using environmental criteria. 414-1 New suppliers that were screened using social criteria.		105-107
Supervision and audit systems and their results	308-2 Negative environmental impacts in the supply chain and actions taken. 414-2 Negative social impacts in the supply chain and actions taken.		105-107
Consumers			
Measures for the health and safety of consumers	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services.		33
Claims systems, complaints received and their resolution	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services.		120
Tax information			
The benefits obtained country by country	207-4 Country-by-country reporting.		123, 185-187
Taxes on benefits paid	207-4 Country-by-country reporting.		123, 185-187
Public subsidies received	201-4 Financial assistance received from government.		123
EU Taxonomy			
Sales, OpEx and CapEx corresponding to eligible products	N/A		320-328

7.6. Table of contents according to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

Fluidra follows the recommendations of the TCFD regarding the publication of information related to its climate change management in the following sections of this report:

Section	Requirement	Pages
Governance	Describe the board's oversight of climate-related risks and opportunities. Describe management's role in assessing and managing climate-related risks and opportunities.	134
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	134-140
Risk management	Describe the organization's processes for identifying and assessing climate-related risks. Describe the organization's processes for managing climate-related risks. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	95-96, 140-142
Metrics and targets	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	134-140

7.7. Table of contents according to the Sustainable Development Goals

SDGs and associated goals	Commitments	Pages
SDG 8. Decent work and economic growth		
8.5.	Contribute to the creation of employment in the countries where we operate and promote decent work for all people, ensuring equal pay for equal work.	148, 150-151, 167-168
8.7.	Prohibition of child labor and forced labor along the value chain.	97-98, 148
8.8.	Promote healthy and safe working environments.	169-174
SDG 5. Gender equality		
5.1.	End gender-based discrimination.	155-158
5.5.	Advance towards equal leadership opportunities for women at all levels of the organization.	156, 166
SDG 10. Reduce inequalities		
10.2.	Promote the social inclusion of all people.	41, 159-160, 175-179
10.3.	Promote equal opportunities and reduce inequalities.	155-160
SDG 12. Sustainable consumption and production		
12.2.	Promote the sustainable management and efficient use of natural resources.	40-41, 131-133, 143
12.4.	Ensure the rational management of chemicals.	40, 131-132
12.5.	Reduce the amount of waste generated through prevention, reduction, recycling and reuse.	40-41, 132, 197
SDG 6. Water and sanitation		
6.4.	Encourage the efficient use of water resources in production processes and during the use phase of products.	39, 143
SDG 7. Affordable and clean energy		
7.2.	Increase the proportion of renewable energy consumed by the company.	137-138
7.3.	Encourage energy efficiency in production processes and during the use phase of products.	39-40, 137-138
SDG 9. Industry, Innovation and Infrastructure		
9.4.	Promote sustainable innovation.	27
SDG 13. Climate action		
13.1.	Adapt to climate risks.	140-142
13.2.	Integrate climate change measures.	134-142
13.3.	Training and awareness-raising on climate change.	69-72, 106
SDG 17. Partnerships to achieve the goals		
17.17.	Foster and promote the formation of partnerships.	77

7.8. EU Taxonomy

7.8.1. Introduction

The European Union's Sustainable Finance Taxonomy consists of a unified classification system for sustainable activities, which aims to redirect capital flows and investments towards more sustainable activities.

On June 18, 2020, the European Parliament and the Council of the European Union approved Regulation (EU) 2020/852 (also known as the "Taxonomy Regulation"), which defines the criteria for considering an economic activity as environmentally sustainable.

On June 4, 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which develops the technical selection criteria for determining when an economic activity makes a substantial contribution to the first two environmental objectives of the European Union, i.e. climate change mitigation or adaptation. Similarly, the Delegated Regulation addresses the requirements for determining whether that economic activity does not cause significant harm to any of the other environmental objectives.

Finally, on July 6, 2021, the European Commission published Delegated Regulation (EU) 2021/2178 specifying the content and presentation of the information that companies must disclose in relation to the EU Taxonomy in their Non-Financial Reporting Statements.

Thus, as of January 1, 2022, all companies subject to the Non-Financial Reporting Directive (NFRD), including Fluidra, have to disclose the proportion of economic activities that are eligible under the aforementioned regulation and provide the following financial indicators:

- The proportion of net turnover derived from products or services, including intangibles, associated with economic activities that conform to the taxonomy.

- The proportion of its total fixed assets (CAPEX) and the proportion of its operating expenses (OpEx) related to assets or processes associated with economic activities that are considered environmentally sustainable under the Taxonomy regulation.

In addition, as of January 1, 2023, companies subject to the regulation must additionally report the proportion of eligible economic activities that are aligned to the regulation based on sales or turnover, Capex and Opex.

An activity is considered eligible when it has the potential to contribute substantially to climate change mitigation or adaptation, while an activity is considered aligned when it meets the criteria of substantial contribution, the principles of no significant harm to other objectives (DNSH) and minimum social safeguards defined in the taxonomy regulation, guaranteeing that the activity is carried out in compliance with characteristics that ensure the contribution to the environmental objectives set by the European Union.

It should be remembered that the current regulatory framework is under development, which implies a continuous review of the criteria and methodologies established by the company to meet the established requirements. In this sense, the European Commission has published different communications on the interpretation of the legal provisions (FAQs) included in the delegated regulations, which have contributed to the interpretation of the applicable legislation.

7.8.2. Identification and evaluation of eligible economic activities

In order to respond to the regulatory requirements, Fluidra has proceeded to analyze its activities and products in accordance with the EU Taxonomy, with the aim of calculating and communicating what percentage of its sales, CapEx and

OPEX is eligible and/or aligned with the aforementioned regulations.

Taking as a reference the analysis carried out last year, we proceeded to identify and categorize all those activities, products and solutions of the Fluidra Group that meet the requirements defined in the Delegated Regulation (EU) 2021/2139 to be considered eligible under the EU Taxonomy.

Eligible products and solutions

Firstly, all those products and solutions manufactured and marketed by any of the companies that make up the Fluidra Group that meet the technical selection criteria defined by the European Union are considered.

We have excluded all those finished products marketed by Fluidra that have been previously purchased from third parties, as well as all those products designed and/or marketed by Fluidra, but whose manufacture has been carried out by a third party.

Eligible products and solutions identified by Fluidra, which have the potential to contribute to the climate change objective, are listed below.

Activity 3.1. Manufacture of renewable energy technologies:

- Solar showers and solar thermal panels: These are products that have a solar collection system, with the aim of harnessing solar energy to heat a water accumulator, allowing customers to have hot water throughout the day.
- Solar covers: These are automatic pool covers with a completely autonomous photovoltaic solar power supply for deployment and retraction.

Activity 3.5 Manufacture of energy efficiency equipment for buildings:

- Pool covers: these are large plastic sheets that resemble bubble wrap and are placed on top of the pool. They minimize evaporative heat loss as well

as reduce pool heating costs by up to 70%.

- LED lighting: The use of this technology, as opposed to incandescent bulbs, allows a reduction of 85% in electricity consumption for lighting inside the pool.
- Heat pumps: This is a thermal machine that takes heat from a cold space and transfers it to a warmer one thanks to a work provided from the outside (energy). It is used for heating and cooling systems, since it can achieve the desired temperature in both winter and summer.
- Aqualink: consists of an automation application that allows Fluidra's customers to monitor and adjust connected equipment such as pools and spas from anywhere in the world. For example, the system can activate filtration, water treatment and pool cleaning with only an internet connection. This minimizes water and energy consumption, reduces the use of chemicals and facilitates pool maintenance.
- Connected lights: refers to those devices or control systems that allow the pool lights to be managed remotely. Thus, it is possible to program the time to activate or deactivate the lights associated with the pool environment, improving the energy efficiency of the pool by reducing energy consumption at those times when it is not being used.

Activity 5.1. Construction, extension and operation of water collection, treatment and supply systems:

- Residential and commercial pumps, and dosing pumps: includes the pumps used for the proper functioning of the pool. Thus, there are 1) filtration pumps, which are responsible for removing dirt from the water; 2) standard suction and variable speed pumps, which are responsible for suctioning and propelling the water, the latter being more efficient and less consuming; and 3) centrifugal pumps that allow recirculation and filtration of water in small pools and dosing pumps, which suck the water and introduce the chemicals in a precise and uniform

manner, increasing efficiency and improving water quality.

Eligible secondary activities

On the other hand, a number of secondary activities were identified, which are not related to the Company's main activity, but which meet the requirements to be considered eligible under the regulations.

The secondary activities identified contribute substantially to climate change mitigation, with the exception of activity 10.1, which contributes to climate change adaptation.

Activity 6.4. Operation of personal mobility devices, cycle logistics:

- Electric forklifts: several Fluidra Group companies have incorporated electric forklifts or reach trucks during the year.

Activity 6.5. Transport by motorbikes, passenger cars and light commercial vehicles:

- Electric and plug-in hybrid vehicles: several companies in the Fluidra Group have acquired a number of electric and plug-in hybrid vehicles under leasing contracts.

Activity 7.3. Installation, maintenance and repair of energy efficiency equipment:

- Energy efficiency equipment: installation of LED lighting, improved building insulation and the installation of efficient refrigeration equipment in some of our facilities.

Activity 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings):

- Charging stations: installation of charging stations for electric vehicles in buildings and parking spaces adjacent to our facilities.

Activity 7.6. Installation, maintenance and repair of renewable energy technologies:

- Installation of photovoltaic solar panels in some of our facilities.

Activity 9.2. Research, development and innovation for direct air capture of CO₂:

- Biochar production: Fluidra has contributed to projects for the production of biochar, which is a by-product of steam production and is sent to nearby farmers, who use it as a soil amendment. The process consists of a biomass-fired cogeneration boiler that operates 24 hours a day, 7 days a week and produces steam for use in the manufacture of wood-based products and the generation of electricity.

7.8.3. Evaluation of the alignment of eligible economic activities

To assess alignment, we have analyzed whether the activities identified as eligible meet the substantial contribution criteria defined in the Delegated Regulation (EU) 2021/2139: technical selection criteria, do not cause significant harm to any of the other environmental objectives and, in addition, comply with the minimum social safeguards established.

In order to assess compliance with the requirements defined by the Taxonomy, Fluidra has carried out a process of analysis of its existing policies, procedures and processes at corporate and company level, as well as detailed documentation at product level.

Due to the large number of product references considered within the framework of eligible activities, as well as the number of Group companies involved in their manufacture, Fluidra is not in a position to demonstrate the alignment of eligible economic activities to the degree of detail required by the regulations.

Finally, the taxonomy regulation requires the company to carry out its activities in compliance with Minimum Social Guarantees regarding Human Rights, prevention of corruption, proper tax management and respect for fair competition.

In this regard, this report describes the different mechanisms that the company has in place to ensure compliance with these requirements (for more

information, see sections "[6.1. We stand up for Human Rights](#)", "[4.3.2. Criminal risk prevention and control model](#)", and "[4.6. Tax](#)".

7.8.4. Calculation of key performance indicators

The identification of the key performance indicators corresponding to the projects associated with the taxonomic activities has been carried out after the closure of the annual accounting consolidation. The main eligible activities have been identified by product reference, thus eliminating the potential risk of double counting.

Based on the organization's existing formal accounting and consolidation procedures, the various economic indicators detailed in the Taxonomy Regulation were calculated and prepared taking into account the following considerations.

Denominator

- Sales: Includes sales of merchandise and finished products (see "[Note 24. Sales of goods and finished products](#)").
- Investments in fixed assets (CapEx): investments in property, plant and equipment (see "[Note 6. Property, plant and equipment](#)") and intangible assets (see "[Note 7. Investment property](#)" and "[Note 8. Goodwill and other intangible assets](#)") of the Fluidra Group discounting the effect of the IFRS16 accounting standard (see "[Note 9. Rights-of-use assets](#)"), excluding non-current assets held for sale.
- Operating expenses (OpEx): personnel expenses (see "[Note 26. Personnel expenses](#)") and other operating expenses (see "[Note 27. Other operating expenses](#)") have been taken into consideration.

Numerator

In accordance with the results of the evaluation of the alignment of eligible economic activities, the following information refers only to eligible, non-aligned activities.

In the case of eligible activities, the following methodology has been used for the determination of the numerator:

- Sales: revenues from sales of merchandise and finished goods associated with products and solutions that are considered eligible under the taxonomy.
- Investments in fixed assets (CapEx): this indicator was estimated because it was impossible to discern the exact investment made by each company in relation to the eligible products and solutions it manufactures. As a result, the percentage of eligible CapEx was obtained by applying to the total CapEx of each production company involved, the percentage of representativeness of the volume of eligible sales with respect to the total sales of each of them.
- Operating expenses (OpEx): the same methodology used in the previous case was followed, with the particularity that the calculation was based on the total Industrial OPEX (specifically, on the Manufacturing Labor and Indirect Labor lines of the profit and loss account) so that the calculation would consider the OPEX associated with production and not with other activities in the company's value chain.

In the case of eligible secondary activities, the cost of investments made by the company has been taken into consideration.

Proportion of turnover from products or services associated with economic activities that conform to the taxonomy-disclosure for the year 2022

Economic activities	Code(s)	Absolute turnover K€	Proportion of turnover %	Substantial contribution criteria					DNSH Criteria ("Does Not Significantly Harm")					Proportion of business volume that conforms to taxonomy 2022 %	Proportion of business volume that conforms to taxonomy 2021 %	Enabling activity E	Transition activity T	
				Climate Change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate Change mitigation Yes / No	Climate change adaptation Yes / No	Water and marine resources Yes / No	Circular economy Yes / No					Pollution Yes / No
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0	0	0	0.0%	N/A	
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of renewable energy technologies	3.1.	45,982	2.0%															E
Manufacture of energy efficiency equipment for buildings	3.5.	60,189	2.4%															E
Construction, extension and operation of water collection, treatment and supply systems	5.1.	44,344	1.9%															
Operation of personal mobility devices, cycle logistics	6.4.	0	0.0%															
Transport by motorbikes, passenger cars and light commercial vehicles	6.5.	0	0.0%															T
Installation, maintenance and repair of energy efficiency equipment	7.3.	0	0.0%															E
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4.	0	0.0%															E

Economic activities	Code(s)	Absolute turnover K€	Proportion of turnover %	Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")							Proportion of business volume that conforms to taxonomy 2022 %	Proportion of business volume that conforms to taxonomy 2021 %	Enabling activity E	Transition activity T
				Climate Change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate Change mitigation Yes / No	Climate change adaptation Yes / No	Water and marine resources Yes / No	Circular economy Yes / No	Pollution Yes / No	Biodiversity and ecosystems Yes / No	Minimum safeguards Yes / No					
Installation, maintenance and repair of renewable energy technologies	7.6.	0	0.0%																E		
Research, development and innovation for direct air capture of CO ₂	9.2.	0	0.0%																E		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		150,514	6.3%																		
Total (A.1 + A.2)		150,514	6.3%														0.0%	N/A			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities (B)		2,238,692	93.7%																		
Total (A + B)		2,389,205	100.0%																		

2021 Results

To the extent that the information regarding eligible activities in fiscal year 2021 was not required at the same level of detail as in fiscal year 2022, the disaggregated information regarding eligibility is not strictly comparable either.

Economic activities (Codes)	3.1	3.5	5.1.	6.5.	7.4.	Turnover of Taxonomy-eligible activities	Turnover of Taxonomy-non-eligible activities	Total Fluidra
Turnover	1,337	52,928	54,131	—	—	108,396	2,078,523	2,186,919
%	0.06 %	2.42 %	2.48 %	0.00 %	0.00 %	4.96 %	95.04 %	100.00 %

Proportion of OpEx from products or services associated with economic activities that conform to the taxonomy-disclosure for the year 2022.

Economic activities	Code(s)	Absolute OpEx K€	Proportion of OpEx %	Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")							Proportion of business volume that conforms to Taxonomy 2022 %	Proportion of business volume that conforms to Taxonomy 2021 %	Enabling activity E	Transition activity T
				Climate Change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate Change mitigation Yes / No	Climate change adaptation Yes / No	Water and marine resources Yes / No	Circular economy Yes / No	Pollution Yes / No	Biodiversity and ecosystems Yes / No	Minimum safeguards Yes / No					
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0	0	0	0.0%	N/A			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Manufacture of renewable energy technologies		3.1.	6,617	1.0%															E		
Manufacture of energy efficiency equipment for buildings		3.5.	5,081	0.7%															E		
Construction, extension and operation of water collection, treatment and supply systems		5.1.	5,746	0.8%																	
Operation of personal mobility devices, cycle logistics		6.4.	132	0.0%																	
Transport by motorbikes, passenger cars and light commercial vehicles		6.5.	46	0.0%															T		
Installation, maintenance and repair of energy efficiency equipment		7.3.	806	0.1%															E		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		7.4.	2	0.0%															E		

Economic activities	Code(s)	Absolute OpEx K€	Proportion of OpEx %	Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")							Proportion of business volume that conforms to taxonomy 2022 %	Proportion of business volume that conforms to taxonomy 2021 %	Enabling activity E	Transition activity T
				Climate Change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate Change mitigation Yes / No	Climate change adaptation Yes / No	Water and marine resources Yes / No	Circular economy Yes / No	Pollution Yes / No	Biodiversity and ecosystems Yes / No	Minimum safeguards Yes / No					
Installation, maintenance and repair of renewable energy technologies	7.6.	868	0.1%																E		
Research, development and innovation for direct air capture of CO ₂	9.2.	13	0.0%																E		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		19,311	2.7%																		
Total (A.1 + A.2)		19,311	2.7%														0.0%	N/A			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
OpEx of Taxonomy-non-eligible activities (B)		697,454	97.3%																		
Total (A + B)		716,765	100.0%																		

2021 Results

To the extent that the information regarding eligible activities in fiscal year 2021 was not required at the same level of detail as in fiscal year 2022, the disaggregated information regarding eligibility is not strictly comparable either.

Economic activities (Codes)	3.1	3.5	5.1.	6.5.	7.4.	OpEx of Taxonomy-eligible activities	OpEx of Taxonomy-non-eligible activities	Total Fluidra
OpEx	179	5,147	5,454	5.23	29.09	10,814	602,429	613,243
%	0.03 %	0.84 %	0.89 %	0.00 %	0.00 %	1.76 %	98.24 %	100.00 %

Proportion of CapEx from products or services associated with economic activities that conform to the taxonomy-disclosure for the year 2022.

Economic activities	Code(s)	Absolute CapEx K€	Proportion of CapEx %	Substantial contribution criteria				DNSH Criteria ("Does Not Significantly Harm")							Proportion of business volume that conforms to taxonomy 2022 %	Proportion of business volume that conforms to taxonomy 2021 %	Enabling activity E	Transition activity T
				Climate Change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate Change mitigation Yes / No	Climate change adaptation Yes / No	Water and marine resources Yes / No	Circular economy Yes / No	Pollution Yes / No				
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0	0	0	0.0%	N/A	
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of renewable energy technologies		3.1.	800	1.1%														E
Manufacture of energy efficiency equipment for buildings		3.5.	1,138	1.4%														E
Construction, extension and operation of water collection, treatment and supply systems		5.1.	1,377	1.7%														
Operation of personal mobility devices, cycle logistics		6.4.	0	0.0%														
Transport by motorbikes, passenger cars and light commercial vehicles		6.5.	0	0.0%														T
Installation, maintenance and repair of energy efficiency equipment		7.3.	0	0.0%														E
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		7.4.	0	0.0%														E

Substantial contribution criteria

DNSH Criteria ("Does Not Significantly Harm")

Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria										Minimum safeguards	Proportion of business volume that conforms to taxonomy 2022	Proportion of business volume that conforms to taxonomy 2021	Enabling activity	Transition activity
				Climate Change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate Change mitigation	Climate change adaptation	Water and marine resources	Circular economy					
Installation, maintenance and repair of renewable energy technologies	7.6.	0	0.0%															E
Research, development and innovation for direct air capture of CO ₂	9.2.	0	0.0%															E
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,315	4.2%															
Total (A.1 + A.2)		3,315	4.2%												0.0%	N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
CapEx of Taxonomy-non-eligible activities (B)	75,703	95.8%																
Total (A + B)	79,018	100.0%																

2021 Results

To the extent that the information regarding eligible activities in fiscal year 2021 was not required at the same level of detail as in fiscal year 2022, the disaggregated information regarding eligibility is not strictly comparable either.

Economic activities (Codes)	3.1	3.5	5.1.	6.5.	7.4.	CapEx of Taxonomy-eligible activities	CapEx of Taxonomy-non-eligible activities	Total Fluidra
CapEx	33	1,429	1,135	—	—	2,597	66,163	68,760
%	0.05 %	2.08 %	1.65 %	0.00 %	0.00 %	3.78 %	96.22 %	100.00 %

7.9. Compliance with corporate loan objectives

For further information, see "[Note 19. Financial liabilities from bank borrowings and other marketable securities](#)", of the Consolidated Financial Statements. These indicators are included in section "[7.5. Index of contents of Act 11/2018](#)", which has been subject to independent verification.

Indicator	Description	Baseline year (2021) ³⁰	2022 Target	2022 Performance	2023 Target	2026 Target
KPI 1	Carbon footprint reduction (scopes 1 and 2) vs. baseline	19,959tnCO ₂	-10%	-22%	-25%	100% reduction (vs.baseline)
KPI 2	Increase consumption of electricity from renewable sources.	71%	75%	83%	80%	100%

The perimeter of the loan only takes into consideration the companies that were part of the Fluidra Group on 31 December 2021. However, the base year will be adjusted with the sale and/or dissolution of any of the companies that make up this perimeter, in order to ensure the comparability of the information.

In 2022, the following companies in perimeter have ceased to form part of Fluidra:

- Togama, S.A.U (sold).
- Riot Lab NV/SA (liquidated).
- Fluidra Assistance, SAS (liquidated)

Fluidra Group companies excluded from the perimeter:

- Swim & Fun Scandinavia (acquired in 2022): 13 tnCO₂, 0% electricity from renewable sources.

³⁰ The base year reported last year was 20,108 tnCO₂ in KPI 1 and 81% in KPI 2. The data for 2021 has been recalculated and verified in order to correct errors detected in the internal audit processes, as well as to exclude from the perimeter those companies that have ceased to form part of the Fluidra Group during the 2022 financial year (in proportion to the time they have been in the Group), in order to ensure the comparability of the data.

7.10. External assurance report

GRI 2-5

Independent limited assurance report on the Consolidated Statement of Non-Financial Information for the year ended December 31, 2022

FLUIDRA, S.A. AND SUBSIDIARIES



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

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

To the shareholders of Fluidra, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Statement of Non-Financial Information (hereinafter NFIS) for the year ended December 31, 2022, of Fluidra, S.A. and subsidiaries (hereinafter, the Group), which is part of the Consolidated Management Report of the Group.

The content of the NFIS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in sections 7.5. "Table of contents of Act 11/2018" and 7.4. "Table of contents according to sustainability reporting standards" included in the accompanying NFIS.

Directors' Responsibility

The Directors of the Group are responsible for the approval and content of the NFIS included in the Consolidated Management Report of Fluidra, S.A. The NFIS has been prepared in accordance with the contents established in prevailing mercantile regulations and with reference to the *Sustainability Reporting Standards* of the *Global Reporting Initiative* (GRI standards), as well as other criteria described in accordance with that indicated for each subject in sections 7.5. "Table of contents of Act 11/2018" and 7.4. "Table of contents according to sustainability reporting standards", included in the accompanying NFIS.

This responsibility also includes the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFIS that is free from material misstatement, whether due to fraud or error.

The directors of Fluidra, S.A. are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our independence and quality control

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our work has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Guidelines on assurance engagements on the Non-Financial Statement issued by the Spanish Institute of Chartered Accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are less extent in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFIS, reviewing the process for gathering and validating the information included in the NFIS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with Group personnel to gain understanding of the business model, policies and management approaches applied, and of the main risks related to these matters, and obtaining the necessary information for our external review.
- ▶ Analysing the scope, relevance and integrity of the content included in the 2022 NFIS based on the materiality assessment made by the Group and described in section 7.2. "Materiality assessment" of the NFIS, considering the content required by prevailing mercantile regulations.
- ▶ Analysing the processes for gathering and validating the data included in the 2022 NFIS.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2022 NFIS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2022 NFIS and its correct compilation from the data sources.
- ▶ Obtaining a representation letter from the Directors and Management.

Emphasis of matter paragraph

Regulation (EU) 2020/852 of the European Parliament and the Council, June 18 2020, on the establishment of a framework to facilitate sustainable investments settles the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered aligned in relation to climate change mitigation and adaptation objectives for the first time for the financial year 2022, additionally to the information related to eligible activities required in financial year 2021. Consequently, comparative information about alignment has not been included in the accompanying Consolidated Management Report. Moreover, while information about eligible activities in the financial year 2021 was not required with the same level of detail than in 2022, the accompanying NFIS does not include information strictly comparable about eligibility. Additionally, information has been included, for which the Board of Directors of Fluidra, have chosen to apply the criteria that, in their opinion, best enable compliance with the new obligation and which are defined within the section 7.8 "EU Taxonomy" of the accompanying NFS. Our conclusion has not been modified in relation to this matter.

Conclusion

Based on the procedures performed in our verification and the evidences obtained, no matter has come to our attention that would lead us to believe that the NFIS of the Group for the year ended December 31, 2022 has not been prepared, in all material respects, in accordance with the contents established in prevailing mercantile regulations and with reference to the GRI standards, as well as other criteria described in accordance with that indicated for each subject in sections 7.5. "Table of contents of Act 11/2018" and 7.4. "Table of contents according to sustainability reporting standards", included in the NFIS.

Use and distribution

This report has been prepared to comply with prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

Este informe se
corresponde con el
sello distintivo
nº **20/23/01903**
emitido por el
Col·legi de Censors
Jurats de Comptes
de Catalunya

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Antonio Capella Elizalde

March 30, 2023

8. Other documents



8.1. Annual Corporate Governance Report

Issuer identification particulars

Year-end date:

31/12/2022

Tax Identification Code:

A-17728593

Registered name:

FLUIDRA, S.A.

Registered office:

AVENIDA ALCALDE BARNILS, 69 08174 (SANT CUGAT DEL VALLÉS) BARCELONA

A. Ownership structure

A.1. Complete the following table regarding the share capital and attached voting rights, including any rights corresponding to loyalty shares, at the year-end:

Indicate whether the company's Articles of Association provide for double votes for loyalty:

Yes

No

Date of last change	Share capital (€)	Number of shares	Number of voting rights
14/12/2022	192,129,070.00	192,129,070	192,129,070

The share capital of Fluidra S.A. (hereinafter "Fluidra") was decreased by € 3,500,000 on 14th December 2022, through the redemption of 3,500,000 shares with a par value of €1 each. The new share capital is € 192,129,070 divided into 192,129,070 shares with a par value of €1 each.

The corresponding capital decrease deed was granted on 15th December 2022 before the Notary Public of Barcelona Mr Ramón García-Torrent Carballo, under number 7440 of his protocol, and was filed with the Mercantile Registry on that same date, and was registered in the Mercantile Registry of Barcelona on 10th January 2023, with effects on the date of the filing entry, i.e. 15th December 2022.

Indicate whether there are different classes of shares with different rights attaching thereto:

Yes

No

A.2. List the direct and indirect holders of significant shareholdings in the company at the end of the year, including members of the board of directors who have a significant shareholding:

Name of shareholder	% voting rights attached to shares		% voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
RHÔNE CAPITAL LLC	0.00	11.67	0.00	0.00	11.67
Mr JUAN PLANES VILA	0.03	7.33	0.00	0.00	7.36
Mr ROBERT GARRIGOS RUIZ	0.00	6.23	0.00	0.00	6.23
EDREM, S.L.	0.31	6.62	0.00	0.00	6.93
BOYSER, S.L.	1.17	6.63	0.00	0.00	7.80
CONCERTED ACTION	0.00	25.45	0.00	0.00	25.45
Mr MANUEL PUIG ROCHA	0.00	5.09	0.00	0.00	5.09

Name of shareholder	% voting rights attached to shares		% voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
G3T, S.L.	5.09	0.00	0.00	0.00	5.09
DON JORDI RUBIRALTA GIRALT	0.00	5.14	0.00	0.00	5.14
BLACKROCK EUROPEAN MASTER HEDGE FUND LIMITED	0.00	0.00	0.00	1.03	1.03
BLACKROCK INC.	0.00	0.75	0.00	3.07	3.82
FIDELITY INTERNATIONAL LIMITED	0.00	1.00	0.00	0.14	1.14
T. ROWE PRICE ASSOCIATES, INC	0.00	5.16	0.00	1.57	6.73
PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L.	11.67	0.00	0.00	0.00	11.67
DISPUR, S.L.	0.73	6.60	0.00	0.00	7.33
PIUMOC INVERSIONS, S.L.U.	5.60	0.00	0.00	0.00	5.60
ANIOL, S.L.	0.63	5.60	0.00	0.00	6.23
T. ROWE PRICE INTERNATIONAL FUNDS, INC.	3.75	0.00	0.00	0.00	3.75

All the percentage shareholdings mentioned above have been recalculated on the basis of the new share capital figure at 31st December 2022: € 192,129,070. The percentages indicated on the website of the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores – CNMV) have been calculated on the basis of the previous share capital of €195,629,070.

Breakdown of the indirect shareholdings:

Name of indirect shareholder	Name of direct shareholder	% voting rights attached to shares	% voting rights through financial instruments	% of total voting rights
RHÔNE CAPITAL LLC	PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L.	11.67	0.00	11.67
Mr JUAN PLANES VILA	DISPUR, S.L.	0.73	0.00	0.73
Mr JUAN PLANES VILA	DISPUR POOL, S.L.	6.60	0.00	6.60
Mr ROBERT GARRIGOS RUIZ	ANIOL, S.L.	0.63	0.00	0.63
Mr ROBERT GARRIGOS RUIZ	PIUMOC INVERSIONS, S.L.U.	5.60	0.00	5.60
EDREM, S.L.	EDREM CARTERA, S.L.U.	6.62	0.00	6.62

Name of indirect shareholder	Name of direct shareholder	% voting rights attached to shares	% voting rights through financial instruments	% of total voting rights
BOYSER, S.L.	BOYSER CORPORATE PORTFOLIO, S.L.	6.63	0.00	6.63
CONCERTED ACTION	DISPUR POOL, S.L.	6.60	0.00	6.60
CONCERTED ACTION	PIUMOC INVERSIONS, S.L.U.	5.60	0.00	5.60
CONCERTED ACTION	EDREM CARTERA, S.L.U.	6.62	0.00	6.62
CONCERTED ACTION	BOYSER CORPORATE PORTFOLIO, S.L.	6.63	0.00	6.63
Mr MANUEL PUIG ROCHA	SCHWARZSEE 2018, S.L.	5.09	0.00	5.09
Mr JORDI RUBIRALTA GIRALT	YUKON CAPITAL, S.L.U.	5.14	0.00	5.14

State the most significant movements in the shareholding structure that have occurred during the year:

Most significant movements

After several movements during 2022 and previous years, on 7th December 2022, BLACKROCK EUROPEAN MASTER HEDGE FUND LIMITED exceeded the threshold of 1% of the Company's capital, specifically with a shareholding of 1.03%, and BLACKROCK INC. exceeded the threshold of 3% of the Company's capital, specifically with a shareholding of 3.82%.

On 21st December 2022, FIDELITY INTERNATIONAL LIMITED exceeded the threshold of 1% of the Company's capital, specifically with a shareholding of 1.14%.

On 23rd September 2022, YUKON CAPITAL, S.L.U., controlled by Mr Jordi Rubiralta Giral, reported to the CNMV the acquisition of a significant shareholding in the Company's capital which exceeded the threshold of 3%, which was increased to 5.14% on 13th October 2022 according to a notification submitted by YUKON CAPITAL, S.L.U. to the CNMV on 17th October 2022.

After several movements in 2022, on 17th November 2022, T. ROWE PRICE ASSOCIATES, INC exceeded the threshold of 5% of the Company's capital, specifically with a shareholding of 6.73%.

* All the percentage shareholdings mentioned above have been recalculated on the basis of the new share capital figure at 31st December 2022: € 192,129,070 (after the capital decrease of 3.5 million euros). The percentages indicated on the website of the CNMV have been calculated on the basis of the previous share capital of €195,629,070.

A.3. Disclose the shareholding, irrespective of the percentage, at the end of the year held by members of the board of directors who hold voting rights attached to shares in the company or through financial instruments, excluding directors identified in section A.2 above:

Name of director	% voting rights attached to shares (including loyalty votes)		% voting rights through financial instruments		% of total voting rights	% voting rights attributed to shares, indicating where applicable the % of additional votes attributed to loyalty shares		
	Direct	Indirect	Direct	Indirect		Direct	Indirect	
Mr GABRIEL LÓPEZ ESCOBAR	0.01	0.00	0.00	0.00	0.01	0.00	0.00	
Mr JOSÉ MANUEL VARGAS GÓMEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Ms ESTHER BERROZPE GALINDO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Mr ELOY PLANES CORTS	0.17	0.00	0.00	0.00	0.17	0.00	0.00	
Mr BRUCE WALKER BROOKS	0.03	0.00	0.00	0.00	0.03	0.00	0.00	
Mr MICHAEL STEVEN LANGMAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Mr BRIAN MCDONALD	0.03	0.00	0.00	0.00	0.03	0.00	0.00	
Ms BARBARA BORRA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Mr BERNARDO CORBERA SERRA	0.11	0.15	0.00	0.00	0.26	0.00	0.00	
Mr OSCAR SERRA DUFFO	0.03	0.00	0.00	0.00	0.03	0.00	0.00	
Mr BERNAT GARRIGOS CASTRO	0.06	0.00	0.00	0.00	0.06	0.00	0.00	
% of total voting rights held by members of the board of directors							0.59	

Breakdown of the indirect shareholding:

Name of director	Name of direct shareholder	% voting rights attached to shares (including loyalty votes)	% voting rights through financial instruments	% of total voting rights	% voting rights attributed to shares, indicating where applicable the % of additional votes attributed to loyalty shares
Mr BERNARDO CORBERA SERRA	BERAN CARTERA, S.L.U.	0.15	0.00	0.15	0.00

Breakdown of the total percentage of voting rights represented on the board:

Total % voting rights represented on the board of directors	40.55
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- The shareholder Piscine Luxembourg Holdings 1, S.A.R.L., a wholly owned subsidiary of Rhône Capital LLC, which has a shareholding of 11.67% in the Company's share capital, is represented on the Board of Directors of the Company through the

proprietary directors Mr José Manuel Vargas Gómez and Mr Michael Steven Langman and the executive director Mr Bruce Walker Brooks.

- The shareholder Boyser, S.L., which has a total shareholding, direct and indirect, of 7.80% in the Company's share capital, is represented on the Board of Directors of the Company through the proprietary director Mr Óscar Serra Duffo.
- The shareholder Edrem, S.L., which has a total shareholding, direct and indirect, of 6.93% in the Company's share capital, is represented on the Board of Directors of the Company through the proprietary director Mr Bernardo Corbera Serra.
- The shareholder Dispur, S.L., which has a total shareholding, direct and indirect, of 7.33% in the Company's share capital, is represented on the Board of Directors of the Company through the proprietary director Mr Eloy Planes Corts.
- The shareholder Aniol, S.L., which has a total shareholding, direct and indirect, of 6.23% in the Company's share capital, was represented on the Board of Directors of the Company through the proprietary director Piumoc Inversions, S.L., in turn represented by Mr Bernat Garrigós Castro, until the resignation on 5th May 2022 of Piumoc Inversiones, S.L. as a proprietary director and the appointment of Mr Bernat Garrigós Castro, in his own name, as a proprietary director on the Board of Directors of the Company, and it is therefore Mr Bernat Garrigós Castro who currently represents the shareholder Aniol, S.L. on the Board of Directors.

A.4. State any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as they are known to the company, except where they are immaterial or derive from ordinary commercial transactions, except those reported in section A.6:

Name of related parties	Type of relationship	Brief description
No data		

A.5. State any commercial, contractual or corporate relationships between owners of significant shareholdings and the company and/or the group, except where they are immaterial or derive from ordinary commercial transactions of the company:

Name of related parties	Type of relationship	Brief description
No data		

A.6. Describe any relationships, unless insignificant for both parties, between significant shareholders or shareholders represented on the board and directors, or their representatives in the case of board members that are legal persons.

Explain, as the case may be, how significant shareholders are represented. Specifically, state those directors who have been appointed to represent significant shareholders, those whose appointments were proposed by significant shareholders, or are related to significant shareholders and/or companies in their group, specifying the nature of such ties. In particular, mention the existence, identity and post of members of the board, or representatives of directors, of the listed company who are in turn members of the board or their representatives in companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name of related director or representative	Name of related significant shareholder	Name of the group company of the significant shareholder	Description of relationship/post
Mr JOSÉ MANUEL VARGAS GÓMEZ	PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L.	RHÔNE CAPITAL LLC	José Manuel Vargas Gómez is Senior Advisor of Rhône Group
Mr BERNARDO CORBERA SERRA	EDREM, S.L.	EDREM, S.L.	Bernardo Corbera Serra is CEO of Edrem, S.L.
Mr OSCAR SERRA DUFFO	BOYSER, S.L.	BOYSER, S.L.	Óscar Serra Duffo is chairman of the Board of Directors of Boyser, S.L.
Mr ELOY PLANES CORTS	DISPUR, S.L.	DISPUR, S.L.	Eloy Planes Corts is a director of Dispur, S.L.
Mr BERNAT GARRIGOS CASTRO	PIUMOC INVERSIONS, S.L.U.	ANIOL, S.L.	Bernat Garrigós Castro is CEO of Aniol, S.L.
Mr BRUCE WALKER BROOKS	PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L.	RHÔNE CAPITAL LLC	The appointment of Bruce Walker Brooks as a director was proposed by Rhône Group
Mr MICHAEL STEVEN LANGMAN	PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L.	RHÔNE CAPITAL LLC	Michael Steven Langman is General Director of Rhône Group

A.7. State whether the company has been notified of any shareholders' agreements affecting the company pursuant to the provisions of articles 530 and 531 of the Companies Act (Ley de Sociedades de Capital). If so, briefly describe these agreements and list the shareholders bound by them:

Yes

No

Parties to the shareholders' agreement	% share capital affected	Brief description of the agreement	Date of expiration of the agreement, if any
PISCINE LUXEMBOURG HOLDINGS 1, S.A.R.L., PIUMOC INVERSIONS, S.L.U., ANIOL, S.L., EDREM, S.L., DISPUR, S.L., BOYSER, S.L., EDREM CARTERA, S.L.U., DISPUR POOL, S.L., BOYSER CORPORATE PORTFOLIO, S.L.	39.96	On 03/11/2017 a shareholders' agreement was formalized by the same shareholders of Fluidra who are parties to the shareholders' agreement initially formalized on 05/09/2007 and Piscine Luxembourg Holdings 1, S.à.r.l. (controlled by Rhône Capital LLC), reported through Relevant Event no. 258222. This shareholders' agreement came into effect on 02/07/2018, which is the date of effects of the cross-border merger by absorption by Fluidra, S.A. (transferee) of Piscine Luxembourg Holdings 2 S.à.r.l. (transferor) reported by the Company through Relevant Event no. 258221.	Regulated in Clause 20 of the Agreement, available on www.fluidra.com , Shareholders and Investors, Corporate Governance, Shareholders' Agreements
PIUMOC INVERSIONS, S.L.U., ANIOL, S.L., EDREM, S.L., DISPUR, S.L., BOYSER, S.L., EDREM CARTERA, S.L.U., DISPUR POOL, S.L., BOYSER CORPORATE PORTFOLIO, S.L.	28.29	On 05/09/2007 a shareholders' agreement was formalized by certain shareholders in Fluidra, S.A. which was reported as a Relevant Event to the CNMV on 2/01/2008 with no. 87808. The agreement has been modified on 6 occasions (First novation: 10/10/2007; Second novation: 01/12/2010, Relevant Event no. 134239; Third novation: 30/07/2015, Relevant Event no. 227028; including supplementary agreement of 30/09/2015, Relevant Event no. 229114; Fourth novation: 27/07/2017 Relevant Event no. 255114; Fifth novation 03/11/2017, Relevant Event no. 258223, modified on 25/04/2018, Relevant Event no. 264650, subrogations on 23/05/2018 Relevant Event no. 266060, and supplementary agreement to the Fifth Novation on 27/07/2018, Relevant Event no. 268610; Sixth novation 22/12/2020, Notice of Other Relevant Information no. 6355).	Regulated in Clause One and Clause Seven of the Agreement, available on www.fluidra.com , Shareholders and Investors, Corporate Governance, Shareholders' Agreements

State whether the company is aware of the existence of concerted actions among its shareholders. If so, briefly describe them:

Yes

No

Parties to the concerted action	% share capital affected	Brief description of the concerted action	Date of expiration, if any
PIUMOC INVERSIONS, S.L.U., EDREM CARTERA, S.L.U., DISPUR POOL, S.L., BOYSER CORPORATE PORTFOLIO, S.L.	25.45	The Syndication Agreement establishes that the parties bound by it, in relation to the shares referred to in it, undertake to exercise their voting rights at General Meetings of Fluidra as indicated in the Syndication Agreement.	Regulated in Clause One and Clause Seven of the Agreement, available on www.fluidra.com , Shareholders and Investors, Corporate Governance, Shareholders' Agreements

Expressly state whether any of such agreements, arrangements or concerted actions have been modified or terminated during the financial year:

A.8. State whether there is any individual or company that exercises or could exercise control over the company in accordance with article 5 of the Securities Market Act (Ley del Mercado de Valores). If so, identify the party in question:

Yes

No

A.9. Complete the following tables regarding the company's own shares:

At year end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
5,792,658		3.01

(*) Through:

Name of direct shareholder	Number of direct shares
No data	

Explain any significant variations occurring during the year:

Explain significant variations

The Company acquired 3,500,000 own shares (representing approximately 1.79% of the share capital) through a repurchase programme approved by the Board of Directors on 27th July 2022 and published through a Privileged Information Communication dated 29th July 2022 under registration number 1567. The repurchase programme started on 1st August and ended on 22nd September 2022. The repurchase programme was executed for the purpose of reducing the share capital of Fluidra through the redemption of own shares. At the same time, the purpose of this capital reduction was to contribute to the remuneration of Fluidra's shareholders by increasing the benefit per share.

A.10. Describe the terms and conditions and the duration of the powers currently in force given by the shareholders to the board of directors in order to issue, repurchase or transfer own shares of the company:

At the Ordinary General Shareholders' Meeting held on 5th May 2022, it was resolved to (i) authorize the Company to proceed with the derivative acquisition of own shares, directly or through group companies, and with the express power to reduce the share capital to redeem own shares, delegating to the Board of Directors the necessary powers to execute the resolutions passed by the General Meeting in this regard, rendering the previous authorization without effect, and (ii) authorize it to apply the portfolio of own shares, as the case may be, to the execution or coverage of remuneration systems. The authorization granted is valid for a term of five (5) years as of the date the resolution is passed, i.e. until 5th May 2027.

At the Board meeting of 4th May 2022, it was resolved, in the context of this authorization granted to the Board of Directors, to authorize the Chairman/CEO and the Co-CEO, jointly and severally and indistinctly, to proceed with the derivative acquisition and disposal of own shares up to a maximum number of shares not exceeding five (5%) per cent of the Company's share capital. This authorization was approved to be valid until 31st December 2022.

Subsequently, at the Board meeting held on 14th December 2022, it was resolved, in the context of this authorization granted to the Board of Directors, to authorize the Executive Chairman and the Co-CEO, jointly and severally and indistinctly, to proceed with the derivative acquisition and disposal of own shares up to a maximum number of shares not exceeding five (5%) per cent of the Company's share capital. This authorization is valid until 31st December 2023.

A.11. Estimated free float:

	%
Estimated free float	28.37

A.12. State whether there are any restrictions (under the Articles of Association, legislative or of any other nature) on the transfer of securities and/or any restrictions on voting rights. In particular, disclose the existence of any restrictions that might hinder a takeover of the company through the acquisition of its shares on the market, and any prior authorization or communication arrangements in respect of acquisitions or transfers of the company's financial instruments that are applicable to it by virtue of sector-specific regulation. Yes No

Description of the restrictions

The redrafted text of the vote and share syndication agreement formalized on 22nd December 2020 establishes that none of the Syndicated Shareholders (as defined in the agreement) may sell, transfer, assign, convey or otherwise dispose of or encumber the

Syndicated Shares (25.45% of share capital) and/or ownership of the inherent voting or economic rights associated to the shares throughout the term of the syndication, i.e. the period running from the date on which the Fluidra shares are admitted for trading (i.e. 31st October 2007) and the first of the following dates: (i) 30th June 2024, (ii) the date on which the obligation may arise to submit a takeover bid for all the securities of Fluidra, in accordance with the provisions of Royal Decree 1066/2007, of 27th July, on the regime of takeover bids. As an exception to the above, with effect from 1st January 2022 and during the remainder of the Syndication Term, the Syndicated Shareholders may transfer certain Syndicated Shares up to a maximum, among all such Shareholders, equal to three (3) per cent of the share capital of Fluidra (the "Transferable Syndicated Shares"), based on the distribution set out for each Syndicated Shareholder in Appendix I to the vote and share syndication agreement, in accordance with certain rules and procedures.

The Agreement also establishes the mechanism for syndicating the votes associated to the Syndicated Shares.

In turn, the Shareholders' Agreement formalized on 3rd November 2017 between certain shareholders in Fluidra, S.A. (the "Current Shareholders") and Piscine Luxembourg Holdings 1, S.à.r.l. (a company controlled by Rhône Capital LLC) (the "SHA") establishes a series of rules and commitments, including a pre-emption right, for transfers by Piscine Luxembourg Holdings 1, S.à.r.l. after the aforesaid term of 24 months, provided that a series of circumstances and shareholding thresholds are met. In relation to the above, on 26th June 2019 Piscine Luxembourg Holdings 1, S.à.r.l. carried out a private placement, having received prior authorization from the Current Shareholders, through the accelerated placement addressed exclusively to eligible investors of 7,850,000 shares representing approximately 4% of the Company's share capital. Subsequently, on 18th November 2020, Piscine Luxembourg Holdings 1, S.à.r.l. completed a second private placement, through an accelerated placement aimed exclusively at qualifying investors, of 12,121,212 shares representing approximately 6.2% of the Company's share capital. In 2021, Piscine Luxembourg Holdings 1, S.à.r.l. carried out three private placements, through accelerated placements aimed exclusively at qualifying investors, for a total of 40,600,000 shares representing approximately 20.71% of the Company's share capital.

Following these accelerated placements, Piscine Luxembourg Holdings 1, S.à.r.l. held 22,428,788 shares in the Company, representing approximately 11.47% of the capital, which after the capital decrease carried out by the Company on 14th December 2022 by redeeming 3,500,000 own shares, now represents 11.67% of the Company's share capital.

A.13. State whether the general shareholders' meeting has approved the adoption of anti-takeover measures pursuant to the provisions of Act 6/2007.

Yes

No

If so, describe the measures approved and the terms on which the restrictions will become ineffective:

A.14. State whether the company has issued securities that are not traded on a regulated market in the European Union.

Yes

No

If applicable, specify the different classes of shares and the rights and obligations attaching to each class of shares:

B. General shareholders' meeting

B.1. State and, if applicable, describe whether there are differences with respect to the minimum requirements set out in the Companies Act in connection with the quorum needed to hold a valid general shareholders' meeting:

Yes

No

B.2. State and, if applicable, describe any differences from the rules set out in the Companies Act for the adoption of corporate resolutions:

Yes

No

B.3. State the rules applicable to the amendment of the company's Articles of Association. In particular, disclose the majorities provided for amending the Articles of Association, and any rules provided for the protection of shareholders' rights in the amendment of the Articles of Association.

The procedure for amending the Articles of Association must conform to the provisions of article 285 and following of the Companies Act, which require approval by the General Shareholders' Meeting, with the quorum and majorities established in articles 194 and 201 of the aforesaid Act, as well as the requirement to draw up and make available to the shareholders a mandatory report by the directors justifying the amendment. Article 27 of the Articles of Association and article 15 of the General Meeting Regulations set out the principle contained in article 194 of the Companies Act and establish that in order for an ordinary or extraordinary General Meeting to resolve validly on any amendment of the Articles of Association, the attendance, in person or through a representative, of shareholders holding at least fifty per cent of the share capital with voting rights is required on the first call.

On the second call, twenty-five per cent of the aforesaid capital will be sufficient. Article 24 of the General Meeting Regulations regulates the procedure for voting on proposed resolutions of the General Shareholders' Meeting, establishing, in the case of amendments to the Articles of Association, that each article or group of articles of sufficient entity is to be voted on separately.

B.4. State data on attendance at general shareholders' meetings held during the year this report refers to and for the two previous years:

Date of general meeting	Attendance data					Total
	% shareholders present in person	% represented	% remote voting/ Electronic voting	Other		
19/05/2020	0.88	86.45	0.00	0.00		87.33
Of which floating capital	0.00	15.04	0.00	0.00		15.04
06/05/2021	3.33	78.12	0.00	0.00		81.45
Of which floating capital	0.00	24.97	0.00	0.00		24.97
05/05/2022	3.32	83.28	0.00	0.41		87.01
Of which floating capital	0.07	33.84	0.00	0.41		34.32

B.5. State whether any item on the agenda of the general shareholders' meetings held during the year has not been approved by the shareholders for any reason:

Yes

No

B.6. State whether there are any restrictions in the Articles of Association requiring a minimum number of shares in order to attend the general meeting, or to vote remotely:

Yes

No

B.7. State whether it has been established that certain decisions, other than those established by law, involving an acquisition, disposal, or contribution to another company of essential assets or similar corporate operations must be submitted for approval to the general shareholders' meeting:

Yes

No

B.8. State the address and method for accessing the company's website to access information on corporate governance and other information on general shareholders' meetings that must be made available to shareholders through the company's website:

www.fluidra.com/es

Following the route to SHAREHOLDERS AND INVESTORS (<https://www.fluidra.com/es/accionistas>), among other options the following will appear:

STOCK EXCHANGE INFORMATION

REPORTING CENTER

RELEVANT EVENTS

CORPORATE GOVERNANCE

CONTACT

C. Company management structure

C.1. Board of Directors

C.1.1. Maximum and minimum number of directors established in the Articles of Association and the number set by the general shareholders' meeting:

Maximum number of directors	12
Minimum number of directors	12
Number of directors established by the General Meeting	12

There are no observations in this regard.

C.1.2. Complete the following table on members of the board:

Name of director	Representative	Type of director	Position on the board	Date of first appointment	Date of last appointment	Selection procedure
Mr GABRIEL LÓPEZ ESCOBAR		Independent	DIRECTOR	30/10/2014	08/05/2019	GENERAL MEETING RESOLUTION
Mr JOSÉ MANUEL VARGAS GÓMEZ		Proprietary	DIRECTOR	02/07/2018	05/05/2022	GENERAL MEETING RESOLUTION
Ms ESTHER BERROZPE GALINDO		Independent	DIRECTOR	06/09/2019	19/05/2020	GENERAL MEETING RESOLUTION
Mr BERNARDO CORBERA SERRA		Proprietary	DIRECTOR	05/09/2007	06/05/2021	GENERAL MEETING RESOLUTION
Mr OSCAR SERRA DUFFO		Proprietary	VICE-CHAIRMAN	05/09/2007	06/05/2021	GENERAL MEETING RESOLUTION
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ		Independent	LEAD INDEPENDENT DIRECTOR	05/05/2015	08/05/2019	GENERAL MEETING RESOLUTION
Mr ELOY PLANES CORTS		Executive	CHAIRMAN - CEO	31/10/2006	06/05/2021	GENERAL MEETING RESOLUTION
Mr BRUCE WALKER BROOKS		Executive	CO-CEO	02/07/2018	05/05/2022	GENERAL MEETING RESOLUTION
Mr MICHAEL STEVEN LANGMAN		Proprietary	DIRECTOR	02/07/2018	05/05/2022	GENERAL MEETING RESOLUTION
Mr BRIAN MC DONALD		Independent	DIRECTOR	06/09/2019	19/05/2020	GENERAL MEETING RESOLUTION
Ms BARBARA BORRA		Independent	DIRECTOR	30/12/2021	05/05/2022	GENERAL MEETING RESOLUTION
Mr BERNAT GARRIGOS CASTRO		Proprietary	DIRECTOR	05/05/2022	05/05/2022	GENERAL MEETING RESOLUTION
Total number of directors						12

State any directors that have left the board, either through resignation or by a resolution of the General Meeting, during the reporting period:

Name of director	Type of director at time of leaving	Date of last appointment	Date director left	Specialized committees on which director served	State whether director left before end of term
PIUMOC INVERSIONES, S.L.U.	Proprietary	27/06/2018	05/05/2022	Appointments and Remuneration Committee	Yes

Reason for leaving, when it occurs before the end of the term of the post and other observations; information on whether the director has sent a letter to the other Board members and, in the case of removal of non-executive directors, the explanation or opinion of the director who has been removed by the General Meeting

In a letter dated 29th March 2022, with effects from 5th May 2022, Piumoc Inversiones, S.L.U., represented by Mr Bernat Garrigós Castro, resigned from its post as a member of the Board of Directors with the category of proprietary director and also from its posts as member and secretary of the Appointments and Remuneration Committee. This resignation took place as a result of the amendment introduced by Act 5/2021, of 12th April, amending the Companies Act (Consolidated Act), approved by Royal Legislative Decree 1/2010 of 2nd July, and other financial regulations, with regard to the promotion of the long-term involvement of shareholders in listed companies, by virtue of which listed companies must be managed by a Board of Directors composed exclusively of natural persons.

To replace Piumoc Inversiones, S.L.U, Mr Bernat Garrigós Castro was appointed as a new member of the Board of Directors with the category of proprietary director. Mr Bernat Garrigós Castrol was also appointed as a member of the Audit Committee, and, finally, Mr Bernardo Corbera Serra was appointed as a member of the Appointments and Remuneration Committee, all the above with effect from 5th May 2022.

C.1.3. Complete the following tables concerning board members and their categories:

Executive directors

Name of director	Position within the company's structure	Profile
Mr ELOY PLANES CORTS	Executive Chairman - CEO	Eloy Planes Cortes was born in Barcelona in 1969. Holder of a Degree in Industrial Engineering from the Polytechnic University of Catalonia (UPC) and a Master's Degree in Business Management from EADA. A member of the second generation of one of the founding families, Eloy joined Fluidra (then "Astral") as R&D Manager in 1994 and in 1998 was appointed as Logistics Manager and then as General Manager of AstralPool España, leading the mergers of different commercial companies in Spain and gaining in-depth knowledge of the business. In 2000, Eloy took on the General Management of AstralPool, continuing with the expansion of the business in international markets. In 2002, the family group took a decisive step: under the leadership of Eloy as General Manager, the Fluidra group was created (under the name of "Aquadria"), bringing together the pool production and distribution companies. Banco Sabadell acquired 20% of the share capital and joined the four owner families. Eloy led the change in logistical model. In 2006, Fluidra reached its current size with the incorporation of four previously independent partners. In the same year, Eloy was appointed CEO of the Fluidra group, leading the company to significant milestones: its flotation in 2007, its restructuring in 2008/09, accompanied by an acceleration of the internationalization process in the commercial aspect and the application of lean management in the industrial part of the group. In 2016, Eloy took on the role of Executive Chairman of Fluidra. In that same year he created the Fluidra Foundation. In 2017 a major transformational corporate operation led by Eloy was announced: the merger with US company Zodiac, which was completed in July 2018. In 2021, Fluidra was included in the IBEX-35 index and closed the year with historic turnover of more than 2 billion euros. Eloy is Executive Chairman of the Board of Directors of Fluidra. He is also the President of the Barcelona International Pool Trade Show and of the Catalunya Cultura Foundation and a director of Dispur, S.L., and the natural person who acts as the representative of Dispur, S.L. as Chairman and Director of Fixe Climbing, S.L.
Mr BRUCE WALKER BROOKS	Co-CEO	Bruce W. Brooks holds a Degree in Marketing from the University of Virginia. Bruce brings significant experience in international management to Fluidra, after more than 20 years at Black & Decker Corporation. In 1986, shortly after obtaining his degree, he started his career at that company, where he held a number of different posts over the years, including group vice-president, president of the consumer product group, president of construction tools and vice-president of mechanical tools. In 2011, he joined Zodiac Pool Solutions where he held the post of CEO. During his time at Zodiac, Bruce led the company to an approach focused on the residential pool market, thus leading the company's financial resurgence after 2011. In 2016, Bruce oversaw the successful transition of ownership from the Carlyle Group to Rhône Group and in 2018 he played a decisive role in the plan to integrate with Fluidra. Throughout his career, Bruce has shown great skill in the management and development of existing companies as well as in their expansion into new markets, at both domestic and international level and is highly valued for his strategic reasoning and his capacity to develop and execute systems and processes with the successful attainment of short and long-term goals. Bruce holds the post of co-CEO and is also a member of the Board of Directors of Fluidra.
Total number of executive directors		2
% of total board		16.67

There are no observations.

External proprietary directors

Name of director	Name of significant shareholder represented by the director or that proposed the director's appointment	Profile
Mr JOSÉ MANUEL VARGAS GÓMEZ	RHÔNE CAPITAL LLC	José Manuel Vargas has been a senior advisor at Rhône since 2006 and became a partner and managing director in 2017. However, Mr Vargas has temporarily stepped aside from the post of managing director of Rhône to dedicate his efforts to Maxam, a company in Rhône's investment portfolio, while retaining his other posts in the firm. In May 2020, Mr Vargas took on the post of Executive Chairman and CEO of Maxam. Previously he had been Chairman and CEO of Aena SME, SA, and led the restructuring process and partial privatization of the company and its IPO in 2015. He has also held the posts of CEO and Financial Director of Vocento and as a managing director of ABC. Prior to that, he had been financial director and general secretary of JOTSA (of the Philipp Holzmann group). José Manuel has served on a number of boards, such as those of the COPE radio station, Net TV and the newspaper El Correo. In 2015 he won the prize for Best Executive of the Year awarded by the Spanish Executives Association (Asociación Española de Directivos - AED) and was named Person of the Year in the economic and financial field by Spanish economic newspaper El Economista. He graduated from the Complutense University of Madrid and holds a Law Degree from UNED. He is also a chartered accountant. José Manuel is currently also a member of the Board of Directors of Fluidra, a company belonging to Rhône's investment portfolio.
Mr BERNARDO CORBERA SERRA	EDREM, S.L.	Born in Barcelona in 1965, he holds a Degree in Business Science from E.S.E.I. and has completed the IESE Senior Executive Programme. In the past he has held several posts in the Fluidra Group. In particular, he started his career at Astral Export, S.A. where he was responsible for expansion in Africa, the Middle East and Central America. In 1993, he moved to the USA where he took on the market study and subsequent implementation of Astral Products and Polytank in that country. In 1999, he joined Astral Grup with responsibility for North America and Mexico and was appointed as a member of the Executive Committee. In 2000 he was appointed to the Board of Directors of Fluidra, and CEO of Edrem, S.L., a family investment company. In addition, he manages and is a member of the board of the following companies in which he is also a significant investor: Beran Cartera, S.L. and Inmobiliaria Tralsa, S.A.
Mr OSCAR SERRA DUFFO	BOYSER, S.L.	Born in Barcelona in 1962. He obtained a Degree in Business Administration from Management School in 1981. He started his career in the marketing area of several family businesses, notably La Casera and Schweppes. In 1989 he joined the Commercial department of Plasteral, taking responsibility for the Spas division. Throughout his career he has worked in the areas of marketing and communication. At present, he does not provide services for the Fluidra Group, focusing his professional activity on the management of several family companies. He is a director of Boyser Corporate Portfolio, S.L.U and of Pentamar, S.A. He is also the chairman of the Board of Directors of Boyser, S.L.
Mr MICHAEL STEVEN LANGMAN	RHÔNE CAPITAL LLC	Michael Steven Langman co-founded Rhône in 1996 and has been responsible for the day-to-day management of the company since its inception. Rhône is an alternative asset management company specializing in private equity. He is a Member and Managing Director of Rhône. Before founding Rhône, Mr. Langman was a Managing Director at Lazard Frères, where he specialized in mergers and acquisitions. Before joining Lazard Frères, he worked in the mergers and acquisitions department of Goldman Sachs. He has over thirty years of experience in finance, analysis and investments in public and private companies. In addition to Fluidra, S.A., Mr. Langman currently serves on the Boards of Directors of several companies in Rhône's investment portfolio, including Baker & Baker Group Ltd., Hudson's Bay Company, Lummus Technology L.L.C., Vista Global Holdings and Wellbore Integrity Solutions LLC. He graduated with honours from the University of North Carolina at Chapel Hill and holds a master's degree from the London School of Economics.
Mr BERNAT GARRIGOS CASTRO	ANIOL, S.L.	Born in Barcelona in 1967. He obtained a Degree in Biology from the University of Barcelona in 1991, and later, in 1994, studied for a Master's Degree in Environmental Management at Duke University and an Executive Development Programme organized by IESE Business School. Since 2004, Bernat has managed Aniol, S.L. He is currently involved in several projects involving new technologies. His career in the Fluidra Group has included posts in several companies. From 1995 to 1998 he was Product Manager at Astral Grup and subsequently, until 2002, held the post of Production Manager at Servaqua, S.A. He is CEO of Aniol, S.L. and of Piumoc Inversions, S.L.U. He is also president of the Alive Foundation and sole director of Constralsa, S.R.L.
Total number of proprietary directors		5
% of total board		41.67

There are no observations.

External independent directors

Name of director	Profile
Mr GABRIEL LÓPEZ ESCOBAR	Born in Madrid in 1956, he holds a Degree in Business Science, a Master's Degree in Economic Sciences and a Postgraduate Diploma in Economic Science Studies and European Studies from the University of Nancy (France). He joined PwC in 1984 and was a partner of the firm until 2014. He has extensive experience in all kinds of auditing, financial advising and financial investigation services. He has been responsible for auditing major Spanish groups as well as the subsidiaries of international groups, providing his services to companies such as Abengoa (IBEX 35, Nasdaq), Deutsche Bahn, Kraft Foods, Marsans, Nacex, Randstad, RIU, Quirón, Securitas, Telvent (Nasdaq), ThyssenKrupp, TUI, Volkswagen/SEAT. During his final years at the firm he was also Chairman of the Supervision Committee of PwC Spain. In 2015 he served as advisor to the Family Board of Grupo Empresarial Fuertes, S.L. He has been an advisor on the Audit Committee of Corporación Químico-Farmacéutica Esteve, S.A. since May 2018. He has been an independent director of BanSabadell Vida, BanSabadell Seguros Generales and BanSabadell Pensiones since July 2020. He has been an independent director of Fluidra since October 2014.
Ms ESTHER BERROZPE GALINDO	Ms Esther Berrozpe has extensive international experience has been working in consumer goods companies for three decades, where she has held posts of responsibility both in Europe and North America. She has considerable experience in the commerce, industry and logistics sectors, in talent and cultural change management, as well as in mergers and acquisitions. Until November 2022, Esther held the post of CEO of Ontex, a leading international group in personal hygiene. Ontex, which in 2021 had 10,000 employees and obtained revenues of two billion euros, designs, manufactures and distribute products for baby care, feminine care and adult care in more than 110 countries to consumers, retailers and institutional and private healthcare service providers all over the world. Ontex is listed on Euronext Brussels and is part of Bel Mid®. Previously, she was executive vice-president and president for Europe, the Middle East and Africa at Whirlpool Corporation, world leader in the household electrical goods sector, which in 2021 had annual sales of 22 billion dollars, with approximately 90,000 employees and 65 production, research and development centres. Ms Berrozpe led the company's integration and transformation process when Whirlpool acquired Indesit Company in 2014. She has also worked for Paglieri, Sara Lee and Wella Group. She was an independent director of Pernod Ricard, Ontex Group and Roca Corporación until December 2020. She holds a degree in Economics and Business Science from Deusto University in San Sebastián, and studied Economics and International Business at the University of Bergamo, Italy.
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	Jorge Constans holds a degree in Economics from the University of Barcelona, the General Management Programme of IESE and Business Management from ESADE. In a career spanning 22 years at Danone, he held several positions in sales, marketing, general management in Spain and was later Chairman and CEO of Danone France. He was then responsible for the Europe region, and responsibility for the USA was later added. During the last two years in the company he was chairman of the dairy product division, with turnover of 12 B€ and present in more than 50 countries. At Louis Vuitton he held the position of Chairman and CEO. He currently serves on the Boards of Puig and Fluidra.
Mr BRIAN MCDONALD	Mr Brian McDonald was CEO of RGIS from 2014 to 2017. RGIS is the world's leading inventory management company, a 680-million-dollar business with 53,000 associates in 30 countries around the world. Before joining RGIS, Brian was executive vice-president and operations director at Tyco International, where he had direct responsibility for its fire and security installation and services division valued at 7.8 billion dollars. Brian worked at Tyco for more than 10 years in different roles, including Sales Director, Vice-President of Field Operations, Vice-President of Southern Operations and Managing Director of ADT United Kingdom/Ireland. Before joining Tyco, Brian held several executive positions with the UTC Power and Otis Elevator units of United Technologies. He is currently an executive of BLM Advisors LLC, having held this post since January 2018. In September 2021, he joined the board of directors of KPI Solutions, a US company that provides integration services in the warehouse automatization sector. He has a Degree in Physics from the US Naval Academy and MBA in Operations management from the University of Virginia Darden Graduate School of Business. On graduating from the Naval Academy, Brian served for 5 years as a lieutenant and division officer aboard a US Navy aircraft carrier, overseeing its nuclear systems. He is a trustee of the US Naval Academy Foundation Athletics and Scholarship Programs.
Ms BARBARA BORRA	Ms Barbara Borra has been President and CEO of the home solutions division of the Franke Group since January 2019. Barbara has extensive international experience, having lived in 9 countries and 11 cities in Europe, the USA and China. Before joining Franke, Barbara worked at Whirlpool for 10 years, holding different senior management posts, most recently as Vice-President of operations in China. Previously, Barbara held a number of international posts in different countries during her time at Rhodia and General Electric. Barbara has a degree in Chemical Engineering from Turin Polytechnic and an MBA from INSEAD. She is currently a member of the Supervisory Board of Randstad, a Dutch listed company that is a leader in HR services.
Total number of independent directors	5
% of total board	41.67

There are no observations.

State whether any director classified as independent receives from the company or its group any amount or benefit for items other than director remuneration, or maintains or has maintained during the last year a business relationship with the company or with any company of its group, whether in the director's own name or as a significant shareholder, director, or senior manager of an entity that maintains or has maintained such a relationship.

If applicable, include a reasoned statement from the board regarding the reasons why it considers that the director in question can carry out his/her duties as an independent director.

Name of director	Description of relationship	Reasoned statement
No data		

Other external directors

Identify the other external directors and describe the reasons why they cannot be considered proprietary or independent directors, as well as their ties whether with the company, its management or its shareholders:

Name of director	Reasons	Company, director or shareholder with which the director has ties	Profile
No data			

Total number of other directors	N.A.
% of total board	N.A.

State the changes, if any, in the category of each director during the period:

Name of director	Date of change	Former category	Current category
No data			

C.1.4. Complete the following table with information regarding the number of female directors for the last 4 years, as well as the category of such directors:

	Number of female directors				% of total directors of each category			
	2022	2021	2020	2019	2022	2021	2020	2019
Executive					0.00	0.00	0.00	0.00

	Number of female directors				% of total directors of each category			
	2022	2021	2020	2019	2022	2021	2020	2019
Proprietary					0.00	0.00	0.00	0.00
Independent	2	2	1	1	40.00	40.00	25.00	25.00
Other External					0.00	0.00	0.00	0.00
Total	2	2	1	1	16.67	16.67	8.33	8.33

C.1.5. State whether the company has diversity policies in relation to the board of directors of the company on such matters as age, gender, disability, or professional training and experience. Small and medium-sized enterprises, as defined in the Auditing Act, must disclose at least the policy they have implemented in relation to gender diversity.

Yes

No

Partial policies

If such diversity policies exist, describe them, their goals, the measures and the way in which they have been applied and the results obtained during the year. Also state the specific measures adopted by the board of directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why it does not do so.

Description of policies, goals, measures and how they have been applied, as well as the results obtained

The Fluidra Board of Directors Regulations establish that the Board of Directors, in exercising its powers of proposal to the General Shareholders' Meeting and co-optation to fill vacancies, shall strive to ensure that, as far as possible, external or non-executive directors represent an ample majority over executive directors, in the composition of the board. Furthermore, the number of independent directors should represent at least one third of the total number of directors.

The Appointments and Remuneration Committee Regulations also establish that the Appointments and Remuneration Committee is responsible for evaluating the necessary skills, knowledge and experience on the Board, defining as a result the functions and

aptitudes required in the candidates to fill vacancies, evaluating the time and dedication required for them to fulfil their duties. For this purpose: (a) it will draw up a matrix of necessary skills of the Board of Directors to help the Appointments and Remuneration Committee to analyse the skills, knowledge and experience of the directors who are members of the Board and to define the functions and aptitudes of the candidates who are to cover any vacancies arising; (b) it will evaluate the time and dedication required for them to fulfil their duties effectively; and (c) it will promote programs to update directors' knowledge, when necessary. The Appointments and Remuneration Committee should also establish representation targets for the least-represented sex on the board, drawing up guidelines on how to reach this target and reporting to the Board on matters of gender diversity and qualifications of directors.

The selection policy for candidates to hold positions on the Board of Fluidra ("Selection Policy") is aimed at favouring an appropriate composition of the Board of Directors. In accordance with the Good Governance Code for Listed Companies, the Selection Policy ensures that the proposed appointments of Company directors are based on a prior analysis of the Company's needs, and favours diversity of knowledge, experience and gender within the Board of Directors, so that they do not suffer from implicit bias that could lead to any kind of discrimination and, in particular, could hinder the selection of female candidates, promoting an increase in their presence in light of best corporate governance practice, subject at all times to the fundamental principle of merit and suitability of the candidate in line with the analysis of the Company's needs carried out by the Board of Directors. Thus, the selection of candidates should strive to achieve a suitable balance in the Board of Directors as a whole that enriches decision making and brings multiple points of view to the debate on the matters on which it is competent.

In the last selection process to cover the vacancy arising in the Board of Directors, the Selection Policy described above was applied, giving prevalence to the female sex if the candidate met the profile in terms of experience, knowledge and skills with the aim of continuing to foster gender diversity. Accordingly, on 30th December 2021, the Board of Directors appointed Ms Barbara Borra as a director, through the procedure of co-optation. This appointment was ratified by the General Shareholders' Meeting on 5th May 2022. One of the goals of the Appointments and Remuneration Committee is precisely to continue increasing female representation on the Board as future vacancies arise.

C.1.6. Explain any measures approved by the Appointments Committee in order for selection procedures to be free of any implicit bias that hinders the selection of female directors, and in order for the company to search deliberately for women who meet the professional profile that is sought and include them among potential candidates and reach a balanced presence of men and women. Also state whether these measures include measures to foster the presence of a significant number of female senior executives:

Explanation of measures

In its Director selection and appointment criteria approved by the Board of Directors, Fluidra establishes that the Company will take gender diversity into consideration in choosing directors, with the object of ensuring equality of opportunity as indicated in the Equality Act, the Code of Commerce, the Companies Act and the Auditing Act, with regard to non-financial and diversity reporting. Similarly, Fluidra will strive to achieve in relation to its Board of Directors, not only gender diversity, but also geographical diversity and diversity of age and professional experience. Accordingly, in the selection process, candidates will be evaluated under criteria of equality and objectivity, avoiding explicit bias that could lead to discrimination and, in particular, hinder the selection of female directors.

In addition to the measures included in the Selection Policy to foster diversity, described in section C.1.5 above, one of the principles of which is to avoid, in the selection of candidates, any kind of bias that could lead to discrimination and, in particular, hinder the selection of persons of either sex, the ESG (Environmental, Social and Corporate Governance) Policy determines that all persons, irrespective of their race, gender, religion or ideology, have the same opportunities of access to the organization and personal treatment, to develop their professional potential, following the group's principles and values. Furthermore, in accordance with the ESG Policy, the Company must foster a business culture based on equality of treatment and opportunities between men and women.

If there are few or no female directors or senior managers despite any measures adopted, describe the reasons for this:

Explanation of reasons

One of the goals of the Appointments and Remuneration Committee in relation to the director and senior management selection policy is to favour diversity in terms of professional background, knowledge, nationality and, especially, gender. The Appointments and Remuneration Committee is aware that currently it does not comply with the Corporate Governance recommendation concerning the percentage of women on the Board. However, evidence that the measures taken are being applied in relation to the selection of female directors is that of the last 3 vacancies, two of them have been covered by women. This fact shows the trend in the Board of Directors to try to incorporate greater female presence in its governing bodies. In this regard, the Appointments and Remuneration Committee continues to work so that future selection processes will continue to favour gender diversity on the Board of Directors and in Senior Management.

C.1.7. Explain the conclusions of the appointments committee regarding verification of compliance with the policy aimed at favouring an appropriate composition of the board of directors.

The Appointments and Remuneration Committee oversees compliance with the director Selection Policy for the purpose of ensuring that selection processes take into consideration gender diversity balanced with other criteria of the profile being sought such as knowledge, nationality, experience and solvency of the candidates. In this regard, the most recent decisions of the Appointments and Remuneration Committee in relation to the appointment of the new members of the Board of Directors reflect effective compliance with the policy aimed at favouring an appropriate composition of the Board of Directors.

C.1.8. Explain, if applicable, the reasons why proprietary directors have been appointed at the proposal of shareholders whose shareholding is less than 3% of share capital:

Name of shareholder	Justification
No data	

State whether there has been no answer to formal petitions for presence on the board received from shareholders whose shareholding is equal to or greater than that of others at whose proposal proprietary directors have been appointed. If applicable, describe the reasons why such petitions have not been answered:

Yes

No

C.1.9. State any powers and faculties delegated by the board of directors, including powers relating to the possibility of issuing or repurchasing shares, to CEOs or committees of the board:

Name of director or committee	Brief description
ELOY PLANES CORTS	The Board of Directors has delegated on a permanent basis all the faculties permitted by law to Mr Eloy Planes, who has been legally appointed as CEO of the Company.
BRUCE WALKER BROOKS	The Board of Directors has delegated on a permanent basis all the faculties permitted by law to Mr Bruce Walker Brooks, who has been legally appointed as Co-CEO of the Company.

C.1.10. Identify any members of the board who are directors, representatives of directors or officers of other companies that form part of the listed company's group:

Name of director	Name of group company	Position	Does he/she have executive duties?
Mr ELOY PLANES CORTS	ASTRAL NIGERIA, LTD	DIRECTOR	NO
Mr ELOY PLANES CORTS	FLUIDRA COMMERCIAL, S.A.U.	JOINT CEO	YES
Mr ELOY PLANES CORTS	INNODRIP, S.L.	DIRECTOR	NO
Mr ELOY PLANES CORTS	FLUIDRA FINCO, S.L.U.	JOINT CEO	YES
Mr BRUCE WALKER BROOKS	FLUIDRA COMMERCIAL, S.A.U.	JOINT CEO	YES
Mr BRUCE WALKER BROOKS	FLUIDRA FINCO, S.L.U.	JOINT CEO	YES

C.1.11. Identify the posts of director or representative of director held in other companies, whether or not they are listed companies, by directors of your company or representatives of directors:

Identification of director or representative	Name of company, listed or not	Position
Mr GABRIEL LOPEZ ESCOBAR	Bansabadell Pensiones, E.G.F.P., S.A.	DIRECTOR
Mr GABRIEL LOPEZ ESCOBAR	Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros	DIRECTOR
Mr GABRIEL LOPEZ ESCOBAR	Bansabadell Vida, S.A. de Seguros y Reaseguros	DIRECTOR
Mr JOSÉ MANUEL VARGAS GÓMEZ	MaxamCorp Holding, S.L. (Rhône portfolio)	CHAIRMAN-CEO
Mr BERNARDO CORBERA SERRA	Beran Cartera, S.L.	SOLE DIRECTOR
Mr BERNARDO CORBERA SERRA	Edrem, S.L.	REPRESENTATIVE OF DIRECTOR
Mr BERNARDO CORBERA SERRA	Edrem Cartera, S.L.U.	CHAIRMAN
Mr BERNARDO CORBERA SERRA	Inmobiliaria Tralsa, S.A.	JOINT DIRECTOR
Mr OSCAR SERRA DUFFO	Boyser Corporate Portfolio, S.L.U.	DIRECTOR
Mr OSCAR SERRA DUFFO	Boyser, S.L.	CHAIRMAN-CEO
Mr OSCAR SERRA DUFFO	Pentamar, S.A.	SOLE DIRECTOR
Mr JORGE VALENTIN CONSTANS FERNANDEZ	PUIG, S.L.	DIRECTOR
Mr ELOY PLANES CORTS	Dispur, S.L.	DIRECTOR
Mr ELOY PLANES CORTS	Salón Internacional de la Piscina de Barcelona	PRESIDENT
Mr ELOY PLANES CORTS	Fundación Catalunya Cultura	PRESIDENT
Mr ELOY PLANES CORTS	Fixe Climbing, S.L.	REPRESENTATIVE OF DIRECTOR
Mr BERNAT GARRIGOS CASTRO	Aniol, S.L.	CEO
Mr BERNAT GARRIGOS CASTRO	Piumoc Inversions, S.L.U.	CEO
Mr BERNAT GARRIGOS CASTRO	Constralsa, S.L.	SOLE DIRECTOR
Mr BERNAT GARRIGOS CASTRO	Fundación Alive	PRESIDENT
Mr MICHAEL STEVEN LANGMAN	Rhône Group LLC and affiliated entities	CEO
Mr MICHAEL STEVEN LANGMAN	Baker & Baker Group Ltd (Rhône portfolio)	DIRECTOR

Identification of director or representative	Name of company, listed or not	Position
Mr MICHAEL STEVEN LANGMAN	Hudson´s Bay Company (Rhône portfolio)	DIRECTOR
Mr MICHAEL STEVEN LANGMAN	Lummus Technology L.L.C. (Rhône portfolio)	DIRECTOR
Mr MICHAEL STEVEN LANGMAN	Vista Global Holding Limited (Rhône portfolio)	DIRECTOR
Mr MICHAEL STEVEN LANGMAN	Wellbore Integrity Solutions LLC (Rhône portfolio)	DIRECTOR
Mr MICHAEL STEVEN LANGMAN	Hospital for Joint Disease Musculoskeletal, NYU Langone Medical Center	DIRECTOR
Mr BRIAN MCDONALD	BLM Advisors, L.L.C.	SOLE DIRECTOR
Mr BRIAN MCDONALD	KPI Integrated Solutions	DIRECTOR
Mr BRIAN MCDONALD	Pueblo Mechanical	DIRECTOR
Ms BARBARA BORRA	Franke Home Solutions	PRESIDENT-CEO
Ms BARBARA BORRA	Randstad	DIRECTOR
Ms BARBARA BORRA	Franke S.p.A.	PRESIDENT
Ms BARBARA BORRA	Franke France SAS	PRESIDENT
Ms BARBARA BORRA	Franke Kitchen Systems Egypt S.A.E.	PRESIDENT
Ms BARBARA BORRA	Franke UK Ltd.	CEO
Ms BARBARA BORRA	Franke (China) Kitchen System Co. Ltd.	PRESIDENT
Ms BARBARA BORRA	Franke Mexico S.A. de C.V.	PRESIDENT
Ms BARBARA BORRA	Franke Mutfak ve Banyo Sistemleri Sanayi ve Tic. A	PRESIDENT
Ms BARBARA BORRA	Franke Faber India Pvt. Ltd.	DIRECTOR
Ms BARBARA BORRA	Industrias Spar San Luis S.A.	DIRECTOR
Ms BARBARA BORRA	Franke Australia Pty Ltd	PRESIDENT
Ms BARBARA BORRA	Franke New Zealand	PRESIDENT

State any other remunerated activities of directors or representatives of directors, irrespective of their nature, other than those indicated above:

Identification of director or representative	Other remunerated activities
Mr GABRIEL LOPEZ ESCOBAR	Advisor of the Audit Committee of Corporación Químico-Farmacéutica Esteve, S.A.
Mr JORGE VALENTIN CONSTANS FERNANDEZ	He has provided business consultancy services for which he has received remuneration.

Identification of director or representative	Other remunerated activities
Mr BRIAN MC DONALD	He has provided consultancy services as an expert in the sector in relation to the acquisition of companies for which he has received remuneration.

Mr Bernat Garrigós Castro receives remuneration for his posts as CEO of Aniol, S.L. and as CEO of Piumoc Inversions, S.L.U.

Mr Oscar Serra Duffo receives remuneration for his post as executive chairman of Boyser, S.L.

Mr Bernardo Corbera Serra receives remuneration for his post as sole director of Beran Cartera, S.L.

Mr Gabriel Lopez Escobar receives remuneration for his posts as member and chairman of the audit committee of the companies Bansabadell Pensiones, E.G.F.P., S.A., Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros, Bansabadell Vida, S.A. de Seguros y Reaseguros.

Mr Jose Manuel Vargas Gomez receives remuneration for his post as Executive Chairman and CEO in MaxamCorp Holding, S.L.

Ms Barbara Borra receives remuneration for her post as President and CEO of Franke Home Solutions.

Mr Jorge Valentín Constans Fernández receives remuneration for his post as director of Puig, S.L.

Mr Michael Steven Langman receives remuneration for his post as managing director of Rhône Group LLC.

Mr Brian McDonald receives remuneration for his post as director of KPI Integrated Solutions and of Pueblo Mechanical.

C.1.12. State and, if applicable, explain whether the company has established rules on the maximum number of boards on which directors may serve, identifying, where appropriate, where this is regulated:

Yes

No

C.1.13. State the following items relating to the total remuneration of the board of directors:

Remuneration of the board of directors accrued in the year (thousand euros)	14,455
Amount of funds accumulated by present directors under long-term saving systems with vested economic rights (thousand euros)	651
Amount of funds accumulated by present directors under long-term saving systems with non-vested economic rights (thousand euros)	
Amount of funds accumulated by former directors under long-term saving systems (thousand euros)	

The remuneration of executive directors includes the long-term incentive accrued from 2018 to 2022. On 17th January 2023, Fluidra has settled the 2018-2022 long-term incentive. The gross value of the shares delivered to executive directors on the vesting date (31/12/2022) is 4,443 thousand euros in the case of Mr Eloy Planes Corts and 7,192 thousand euros in the case of Mr Bruce Brooks. The gross value on the delivery date (17/01/2023) is 5,208 thousand euros in the case of Mr Eloy Planes Corts and 8,431 thousand euros in the case of Mr Bruce Brooks.

Of the amount shown above of vested pension rights for present directors, 27 thousand euros accrued in 2022.

C.1.14. Identify the members of the company's senior management who are not executive directors and state the total remuneration accruing to them during the year:

Name	Position
Mr JOE LINGUADOCA	GLOBAL OPERATIONS MANAGER
Mr STEPHEN MATYSIAK	BUSINESS GENERAL MANAGER - APAC
Mr KEITH MCQUEEN	GLOBAL TECHNOLOGY MANAGER
Mr CARLOS FRANQUESA CASTRILLO	BUSINESS GENERAL MANAGER - EMEA
Mr JAVIER TINTORÉ SEGURA	CFTO
Mr MARTI GIRALT ADROHER	INDUSTRIAL MANAGER - EMEA
Ms AMALIA SANTALLUSIA AGUILAR	GLOBAL HUMAN RESOURCES AND ESG MANAGER
Mr LENNI RHOADES	BUSINESS GENERAL MANAGER - AMERICAS
Mr NICOLÁS MARTÍNEZ FERNÁNDEZ	GLOBAL INTERNAL AUDIT AND COMPLIANCE MANAGER
Number of women in senior management	1
Percentage of total members of senior management	11.11
Total senior management remuneration (in thousand euros)	26,478

The remuneration of senior management includes the long-term incentive accrued from 2018 to 2022. On 17th January 2023, Fluidra has settled the 2018-2022 long-term incentive. The gross value of the shares delivered to senior management on the vesting date (31/12/2022) is 22 million euros. The gross value on the delivery date (17/01/2023) is 26 million euros.

C.1.15. State whether the board regulations have been amended during the year:

Yes

No

Description of amendments

Following a favourable report by the Appointments and Remuneration Committee and the Audit Committee, on 30th January 2022 the Board of Directors resolved to approve a series of amendments to the Board Regulations, mainly for the purpose of adapting them to the new features introduced by Act 5/2021 of 12th April, amending the Companies Act (Consolidated Act), approved by Royal Legislative Decree 1/2010, of 2nd July, and other financial regulations, with regard to the promotion of long-term involvement of shareholders in listed companies; to effect certain adaptations deriving from the shareholder composition and the strategic approach given to the ESG; and, finally, to make technical improvements to the wording.

As a result of this, the Board of Directors resolved, in relation to the Board Regulations:

- To amend articles 3, 5 and 16, with the aim of eliminating the Board Reserved Matters, following the reduction in the percentage shareholding of Rhône Capital in the Company below a certain threshold, in accordance with the provisions of the shareholders' agreement between the founding shareholders of Fluidra and Rhône Capital LLC, which was reported to the market on 3rd November 2017 through the website of the CNMV;
- To amend article 12, to reflect the new name of the Executive Committee as the Executive, Strategy and ESG Committee and extend the functions entrusted to it.
- To amend articles 13 and 14, which regulate the Audit Committee and the Appointments and Remuneration Committee, respectively, to include certain references, which are then further developed in their respective Regulations, in relation to the functioning of both these Committees, particularly the quorum required and the system of majorities; and
- To amend articles 5, 17, 24, 25, 27, 33 and 34 to adapt them to the amendments made by Act 5/2021 to the Companies Act.

C.1.16. State the procedures for the selection, appointment, re-election and removal of directors. Describe the competent bodies, the procedures to be followed and the criteria applied in each procedure.

Article 17.1 of the Board Regulations establishes that directors will be appointed at the proposal of the Appointments and Remuneration Committee, in the case of independent directors, and following a prior report by the Appointments and Remuneration Committee in the case of all other directors, by the General Shareholders' Meeting or by the Board of Directors. The proposal for appointment or re-election must be accompanied by a justificatory report from the Board assessing the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the General Shareholders' Meeting or Board meeting.

In relation to external directors, article 18 of the Board Regulations establishes that the Board of Directors will strive to ensure that the elected candidates are persons of acknowledged solvency, competence and experience, and must exercise particular rigour in relation to those persons who are called upon to fill the positions of independent director established in article 6 of the Board Regulations.

In accordance with the provisions of the Appointments and Remuneration Committee Regulations, the Appointments and Remuneration Committee will evaluate the necessary skills, knowledge and experience in the Board and will define, consequently, the functions and aptitudes necessary in the candidates who are to fill each vacancy and will evaluate the time and dedication required for them to carry out their duties properly. For this purpose, it will, among others: (a) draw up a matrix of necessary skills of the Board of Directors to help the Appointments and Remuneration Committee to analyse the skills, knowledge and experience of the directors who are members of the Board and to define the functions and aptitudes of the candidates who are to cover any vacancies arising and (b) evaluate the time and dedication required for them to fulfil their duties effectively.

Removal of Directors: Article 21.1 of the Board Regulations establishes that directors will be removed from their post when the period for which they were appointed has ended and when the General Meeting so decides making use of the faculties conferred on it by law or the Articles of Association. Reference should therefore be made to the situations established in the Companies Act, specifically in article 223 and following.

The Board may only propose the removal of an independent director before the end of the term established in the Articles of Association when there is due cause, observed by the Board following a report by the Appointments and Remuneration Committee. In particular, due cause will be deemed to exist when the director has failed to comply with the inherent duties of the position or has incurred in the course of the term of office in any of the circumstances of impediment described in the definition of independent director established in the Companies Act.

In accordance with the Selection Policy, the selection of candidates is based on a prior analysis of the needs of the Company, the group and the Board. The Board must ensure that the procedures for selecting its members favour diversity of gender, experience and knowledge, so that they do not suffer from implicit bias that could lead to any kind of discrimination and, in particular, could hinder the selection of female candidates, promoting an increase in their presence in light of best corporate governance practice, subject at all times to the fundamental principle of merit and suitability of the candidate in line with the analysis of the Company's needs carried out by the Board of Directors. When a vacancy arises, the Board of Directors will instruct the Appointments and Remuneration Committee to draw up a report setting out the evaluation of the skills, knowledge and experience, and also the diversity that are necessary in the Board of Directors and define, consequently, the required functions and aptitudes of the candidates to fill each vacancy. Based on this report, the Board of Directors will carry out an analysis of the needs of the Company and the group, which is to serve as the starting point for the selection process. The Company may make use of the services of external advisors for the prior analysis of the Company's needs, the search for or evaluation of candidates to the post of director or the evaluation of their performance.

The candidate selection process must, in any case, avoid any kind of bias that could lead to discrimination and, in particular, could hinder the selection of persons of either sex.

Any director may ask the Appointments and Remuneration Committee to take potential candidates into consideration to cover vacancies on the Board, provided that they meet the requisites established in this Policy, for the Committee to decide whether it considers them suitable.

When the re-election of any director is being considered, the re-election proposal submitted to the General Meeting by the Board must be preceded by a report issued by the Appointments and Remuneration Committee. This report will evaluate, especially, the director's performance during his or her term of office and his or her capacity to continuing performing duties satisfactorily. In particular, in the case of independent directors, particular consideration will be given to the analysis of the Company's needs in order to determine whether the candidate for re-election can perform the functions and has the skills required by the Board.

C.1.17. Explain the extent to which the annual evaluation of the board has given rise to significant changes in its internal organization and to the procedures applicable to its activities:

Description of changes

In accordance with the provisions of the Appointments and Remuneration Committee Regulations, the Appointments and Remuneration Committee will evaluate the necessary skills, knowledge and experience on the Board and will define the necessary duties and aptitudes of the candidates to fill each vacancy accordingly, and will evaluate the time and dedication required in order to discharge the duties well. For this purpose: (a) it will draw up a matrix of necessary skills of the Board of Directors to help the Appointments and Remuneration Committee to analyse the skills, knowledge and experience of the directors who are members of the Board and to define the functions and aptitudes of the candidates who are to cover any vacancies arising; (b) it will evaluate the time and dedication required for them to fulfil their duties effectively; and (c) it will promote programs to update directors' knowledge, when necessary.

The Appointments and Remuneration Committee will also lead and co-ordinate the annual performance evaluation process of the Board of Directors, the Chairman of the Board, its Committees, their members and of executive directors.

In 2022, the evaluation of the Board has been carried out internally without the participation of a third party. The conclusion reached is that the functioning of the Board of Directors is adequate. No significant changes in internal organization have taken place in 2022. However, there have been changes in the procedures applicable to its activities, improving the mechanics of the Board of Directors (improvement in reports and minutes), in its operation and structure (coordination and work teams) and in attainment (better preparation).

Describe the evaluation process and the areas evaluated by the board of directors, assisted, as the case may be, by an external consultant, regarding the operation and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of evaluation process and areas evaluated

The evaluation of the Board of Directors has been carried out without the participation of an external consultant and taking into account not only the recommendations of the Good Governance Code for Listed Companies but also international best practice in corporate governance.

The purpose of the evaluation is to evaluate the Board's performance and provide a framework for self-assessment of its skills and competences by responding to a series of questions and statements. The questionnaire is organized in four parts: the first analyses the mechanics, the organization, the structure and the performance of the Board, the second is a self-assessment of skills which examines the capabilities of each of its members, the third part concerns training needs and the last part asks for suggestions to improve the general functioning of the Board.

The summary setting out the conclusions has confirmed the good health of the Board of Directors of Fluidra and its committees. Suggestions for improvement have also been made which the Board will put into practice in 2023 to continue to make progress in the continuous improvement of Fluidra's governance bodies. The results of the evaluation have been reviewed by the Appointments and Remuneration Committee, and were approved by it.

The action plans defined in this process have also been reviewed with the evaluation carried out with the external consultant Seeliger y Conde.

C.1.18. In years when the evaluation has involved the assistance of an external advisor, detail any business relationship that the consultant or any company of its group have with the company or any of the group companies.

In 2018 and 2021 the evaluation of the Board of Directors was carried out by the external Seeliger y Conde.

C.1.19. State the circumstances in which the resignation of directors is mandatory.

In accordance with article 21.2 of the Board Regulations, directors must offer their resignation to the Board of Directors, formalizing their resignation if the Board so decides, in the following cases:

- a) When they cease to hold the executive position to which their appointment as director was associated.
- b) When they incur in any of the situations of incompatibility or prohibition established by law.
- c) When they are severely reprimanded by the Board of Directors because of breaching their obligations as directors.
- d) When their continued presence on the Board could jeopardize or damage the Company's interests, credit or reputation or when the reasons for which they were appointed no longer exist (for example, when a proprietary director disposes of its shareholding in the Company). In particular, directors will be required to inform the Board of Directors and, as the case may be, resign when situations arise that affect them, whether or not they are related to their performance in the Company, that could damage the Company's credit and reputation, and particularly in relation to any criminal case in which they are named as investigated persons. The Board of Directors will examine the case and decide, following a report from the Appointments and Remuneration Committee, whether or not it should take any measure, such as commencing an internal investigation, requesting the director's resignation or proposing his or her removal.
- e) In the case of independent directors, they may not remain in their position as such for a continued period of more than 12 years, and therefore at the end of that term they must offer their resignation to the Board of Directors.
- f) In the case of proprietary directors (i) when the shareholder they represent sells the shareholding in full and; furthermore (ii) in respect of the corresponding number, when the aforesaid shareholder reduces its shareholding to a level that requires a reduction in the number of proprietary directors.

Article 21.3 also establishes that, in the event that a director ceases to hold his or her position before the end of the term of office, due to resignation or any other reason, the aforesaid director must explain the reasons in a letter which will be sent to all members of the Board.

C.1.20. Are qualified majorities, different from the statutory majorities, required to adopt any type of decision?

Yes

No

If so, describe the differences.

C.1.21. Explain whether there are specific requirements, other than the requirements relating to directors, in order to be appointed chairman of the board of directors:

Yes

No

Description of requirements

In accordance with the provisions of article 8 of the Board Regulations, the Chairman of the Board of directors will be elected out of the Board members with the favourable vote of at least nine (9) Board members, as established in the Company's Articles of Association, following a report from the Appointments and Remuneration Committee. The removal of the Chairman of the Board will require that the corresponding resolution be passed with the favourable vote of at least nine (9) members of the Board of Directors.

C.1.22. State whether the Articles of Association or the Board regulations establish any age limit for directors:

Yes

No

C.1.23. State whether the Articles of Association or the Board regulations establish any limit on the term of office or other stricter requisites in addition to those established by law for independent directors, that is different from the term established by regulatory provisions:

Yes

No

C.1.24. State whether the Articles of Association or the Board regulations establish specific rules for proxy voting at Board meetings through other directors, the manner of doing so and, in particular, the maximum number of delegations that a director may hold, as well as whether any restriction has been established regarding the categories of directors who may be delegated, beyond the restrictions imposed by legislation. If so, briefly describe such rules.

As established in article 16 of the Board Regulations, Directors shall make every effort to attend Board meetings and when it is impossible for them to attend in person, they will grant representation in writing, on a special basis for each meeting, appointing another member of the Board as proxy with the pertinent instructions and notifying the Chairman of the Board of Directors of this. Non-executive directors may only delegate another non-executive director to represent them.

C.1.25. State the number of meetings that the board of directors has held during the year. In addition, specify the number of times the board has met, if any, at which the chairman was not in attendance. Proxies granted with specific instructions shall be counted as attendance.

Number of meetings of the board	8
Number of board meetings at which the Chairman was not in attendance	0

State the number of meetings held by the lead independent director with the other directors, at which no executive director was present or represented:

Number of meetings	0
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State the number of meetings held by the different committees of the board during the year:

Number of meetings of the Audit Committee	6
Number of meetings of the Appointments and Remuneration Committee	7
Number of meetings of the Executive, Strategy and ESG Committee	3

C.1.26. State the number of meetings that the board of directors has held during the year and data on attendance of its members:

Number of meetings at which at least 80% of the directors were present in person	8
% of personal attendance with respect to total votes during the year	100.00
Number of meetings at which all directors were present in person or represented by proxies with specific instructions	8
% of votes cast by directors present in person or represented by proxies with specific instructions compared to total votes during the year	100.00

C.1.27. State whether the individual and consolidated annual accounts that are submitted to the board are previously certified:

Yes

No

Identify, if applicable, the person/persons that has/have certified the individual and consolidated annual accounts of the company for preparation by the board:

C.1.28. Explain the mechanisms, if any, established by the board of directors so that the annual accounts that the board of directors submits to the general shareholders' meeting are drawn up in accordance with accounting legislation.

As established in article 38.3 of the Board Regulations, the Board of Directors will strive to draw up the accounts definitively in such a way that they are prepared in accordance with accounting legislation. In exceptional cases in which there are qualifications, both the Chairman of the Audit Committee and the external auditors will explain clearly to the shareholders at the General Meeting the Audit Committee's opinion on their content and scope. However, when the Board considers that it should uphold its criteria, it will explain

publicly the content and scope of the discrepancy, making a summary of that opinion available to shareholders at the time of publishing the notice of the General Meeting.

C.1.29. Is the secretary of the board a director?

Yes

No

If the secretary is not a director, complete the following table:

Name of secretary	Representative
Mr ALBERT COLLADO ARMENGOL	

C.1.30. State the specific mechanisms established by the company to preserve the independence of the external auditors and the mechanisms, if any, to preserve the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

To preserve the independence of the external auditors:

Article 8 of the Audit Committee Regulations establishes that the committee will exercise the following powers in relation to the external auditor or audit firm:

- Submit to the Board proposals for the selection, appointment, re-election and replacement of the external auditor or audit firm, and their contract conditions, according to the criteria indicated in the same Regulations (resources, experience and geographical coverage of the audit firm; availability of personnel with the necessary skills, technical resources, independence of the audit firm, non-discrimination and quality and effectiveness of the service);
- Meet with the external auditor or audit firm and receive regular information on the progress and results of the audit program, and verify that the management team acts in accordance with their recommendations (meetings that will discuss, among other matters, the suitability of the scope of the consolidation, significant changes in policy or significant weaknesses in internal control).
- Ensure the independence of the auditor or audit firm in carrying out its duties (in this regard, the Audit Committee will issue a report each year, before the audit report on the accounts is issued, in which it will express an opinion on the independence of the auditors);
- Favour that the auditor of the group undertake responsibility for the audits of the companies that make up the group.
- Guarantee fluid and permanent communication with the auditor, requesting information on the audit plan, its effectiveness and any other matter related to the audit process. These communications must be made together with the duties and obligations of each party to assure the external auditor's independence. These communications will be made at annual meetings, most of which will be held without the presence of Company management.

In turn, article 54 of the Company's Articles of Association establishes that the auditors are to be appointed by the General Meeting before the end of the financial year that is to be audited, for an initial term, which may not be less than three years nor more than nine years, as of the date on which the first financial year to be audited commences, notwithstanding the provisions established in the legislation regulating the audit activity with regard to the possibility of an extension.

The General Meeting may appoint one or several natural or legal persons who will act jointly.

When the persons appointed are natural persons, the General Meeting must appoint as many alternates as principal auditors.

The General Meeting may not revoke the auditors' appointment before the end of the term for which they were appointed, unless there is due cause.

The Audit Committee will refrain from proposing to the Board of Directors, and the latter in turn will refrain from submitting to the General Meeting, the appointment as auditor of the Company's accounts of any firm that incurs in a cause of incompatibility under legislation on auditing as well as any firms in which the fees to be paid to them by the Company, for all services, are more than five per cent of its total revenues during the last financial year.

To preserve the independence of financial analysts, investment banks and rating agencies:

The Company maintains relations with financial analysts and investment banks in which it ensures the transparency, non-discrimination, veracity and reliability of the information provided. Corporate Financial General Management, through Investor Relations Management, is responsible for co-ordinating relations with and handling requests for information from institutional or private investors. The mandates to investment banks are granted by Corporate Financial General Management while Analysis and Planning Management handles the work with such banks.

In 2018 the Company obtained credit ratings from Moody's and Standard & Poor's, which are published on the company's website and were originally reported to the market through Relevant Event notices number 261590 and number 268995. These credit ratings from Moody's and Standard & Poor's were updated and confirmed respectively on 15th June and 30th May 2022.

The independence of financial analysts is protected by the existence of Investor Relations Management which is specifically dedicated to dealing with them, guaranteeing objective, equitable and non-discriminatory treatment among investors. To guarantee the principles of transparency and non-discrimination, and complying at all times with the regulations on the Securities Market, the Company has several communication channels:

- Personalized attention to analysts and investors
- Publication of information on quarterly, half-yearly and annual results, communications of privileged information and other relevant information. Publication of press releases.
- E-mail on the website (investor_relations@fluidra.com, accionistas@fluidra.com) . Shareholder information telephone service (34 937243900)
- Presentations, both face-to-face and by telephone. Visits to the Company's premises

All this information is accessible through the Company's website (www.fluidra.com).

C.1.31. State whether the Company has changed the external auditor. If so, identify the incoming and outgoing auditor:

Yes

No

If there has been any disagreement with the outgoing auditor, explain the content of such disagreements:

Yes

No

C.1.32. State whether the audit firm performs other non-audit work for the company and/or its group. If so, state the amount of the fees received for such work and the percentage this amount represents of the fees billed to the company and/or its group for audit work:

Yes

No

	Company	Group companies	Total
Amount of other non-audit work (thousand euros)	51	13	64
Amount of non-audit work /Amount of audit work (%)	29.00	0.96	4.10

C.1.33. State whether the audit report on the annual accounts for the previous year has qualifications. If so, state the reasons given to the shareholders at the General Meeting by the chairman of the audit committee to explain the content and scope of such qualifications.

Yes

No

C.1.34. State the number of years for which the current audit firm has been auditing the company's individual and/or consolidated annual accounts without interruption. Also state the percentage that the number of years audited by the current audit firm represents with respect to the total number of years in which the annual accounts have been audited:

	Individual	Consolidated
Number of years without a break	7	7

	Individual	Consolidated
No. of years audited by current audit firm / No. of years the company or its group has been audited (%)	36.84	33.33

C.1.35. State whether there is a procedure to ensure directors have the necessary information to prepare meetings of management bodies sufficiently in advance and, if so, describe it:

Yes

No

Description of the procedure

Fluidra adopts the necessary measures so that directors receive, whenever possible, sufficiently in advance the necessary information, specifically drawn up and oriented in order to prepare the meetings of the Board and its Committees.

In this regard, in accordance with article 15 of the Board Regulations, notice of the meetings of the Board of Directors is to be issued at least five days in advance and will always include the agenda for the meeting and the information necessary to deliberate on and pass resolutions on the matters to be discussed included in the agenda, unless the meeting of the Board of Directors has been held or convened exceptionally for reasons of urgency. The Chairman, as the person responsible for the efficient operation of the Board, with the Secretary's collaboration, will ensure that directors receive such information adequately. The Chairman of the Board of Directors may convene extraordinary meetings of the Board when in his opinion the circumstances so require, and in such cases the term of advance notice and other requisites indicated above do not apply. However, every effort will be made to ensure that any documentation that is to be provided to the Directors is delivered sufficiently in advance. Furthermore, Board meetings will be deemed valid without the need to have been previously convened if all the members are present or represented and agree unanimously to hold a meeting.

Furthermore, the Board and its Committees have an action plan that details and schedules the activities to be carried out each year, according to the competences and tasks assigned to them.

To provide all the information and clarifications necessary in relation to the matters discussed, the principal senior managers of the Group regularly attend the meetings of the Board and its Committees, to provide information on matters within their area of competence. Furthermore, article 22 of the Board Regulations establishes as follows:

1. Any director may request information on any matter that falls under the competence of the Board and, in this regard, examine its books, records, documents and other documentation. The right to information extends to companies in which a stake is held, whenever possible.
2. The request for information should be addressed to the Secretary of the Board of Directors, who will convey it to the Chairman of the Board of Directors and the appropriate person in the Company.
3. The Secretary will inform the director of the confidential nature of the information he or she requests and receives and of the duty of confidentiality in accordance with the Board Regulations.

C.1.36. State whether the company has established any rules requiring directors to inform the company and, as the case may be, resign, when situations affecting them occur, whether or not they are related to their actions in the company, that could be damaging to the company's credit and reputation, and, if so, provide a detailed description:

Yes

No

Explain the rules

Article 32.2 of the Board Regulations establishes the obligation for directors to inform the Company in any cases that might damage the company's credit or reputation and, in particular, to inform the Board of any criminal investigations in which they are involved as

investigated persons, as well as the subsequent procedural phases, any disqualification procedures initiated against them, any near-insolvency economic situations of any trading companies in which they hold stakes or which they represent or, as the case may be, the commencement of insolvency proceedings against such companies.

This same article also establishes that in the event that a director is prosecuted or a court order is issued against a director for the commencement of a trial for any of the criminal offences listed in article 213 of the Companies Act, the Board will examine the case as soon as possible and, in light of its specific circumstances, will decide whether or not the director is to remain in office.

C.1.37. State whether the board has been informed or is otherwise aware of any situation affecting a member of the board, whether or not it is related to that member's actions in the company, that could be damaging to the company's credit or reputation, unless there are special circumstances that have been duly noted in the minutes:

Yes

No

C.1.38. Describe the significant agreements entered into by the company that come into effect, are amended, or terminate in the event of a change in control at the company as a result of a takeover bid, and the effects thereof.

Not applicable.

C.1.39. Identify individually, when directors are involved, and on an aggregate basis in all other cases, and provide a detailed description of the agreements between the company and its management level and decision-making positions or employees that provide for indemnities, guarantee or "golden parachute" clauses upon resignation or unfair dismissal, or if the contractual relationship is terminated as a result of a takeover bid or other type of transaction.

Number of beneficiaries	9
Type of beneficiary	Description of the agreement
Executive Chairman /Co-CEO / Senior Managers	<p>The Executive Chairman's contract establishes compensation in the event of termination of his contract by Fluidra for any reason, except in the event of serious and culpable or negligent breach of his obligations as an executive director, for an amount equal to two years' salary, based on the gross fixed annual salary received in the year termination occurs and the gross variable annual salary for the preceding year. He will also be entitled to receive this compensation if he decides to end the contract by choice, provided that this is for any of the following causes: serious breach by the Company of the obligations acquired relating to his post. Reduction and substantial limitation of his duties or powers. Substantial modification of the conditions agreed in the contract. Change of ownership of the share capital of Fluidra, whether or not there is any variation in the Company's governing bodies. The contract includes a post-contractual non-compete clause for a term of two years after the end of provision of services. The economic compensation established for the obligation undertaken by virtue of the non-compete clause is two years' fixed gross annual salary at the time of termination of the contract. The amount of this compensation includes the legal compensation he would be entitled to receive for termination of his previous employment relationship, of sixteen years and seven months, which was suspended by his appointment as a director. The Co-CEO's contract establishes compensation in the event of termination of his contract by Fluidra for any reason, except in the event of serious and culpable or negligent breach of his obligations as an executive director, for an amount equal to one year's salary, based on the gross fixed annual salary received in the year termination occurs and the gross target variable annual salary. He will also be entitled to receive this compensation if he decides to end the contract by choice, provided that this is for any of the following causes: serious breach by the Company of the obligations acquired relating to his post. Reduction and substantial limitation of his duties or powers. Substantial modification of the conditions agreed in the contract. Change of ownership of the share capital of Fluidra, whether or not there is any variation in the Company's governing bodies. The contract includes a post-contractual non-compete clause for a term of two years after the end of provision of services. The economic compensation deriving from the non-compete clause is included in the amount of the remuneration established for the director. Senior Managers: Two Senior Managers have a post contractual non-compete clause for a term of 18 months and two others have such a clause for a term of 12 months after the end of provision of services. 15% of their fixed remuneration remunerates the obligation undertaken by virtue of the post-contractual non-compete clause. Another Senior Manager has a post-contractual non-compete and non-solicitation and restriction on the provision of services clause for a term of 12 months in a specific geographical area which does not provide for any additional compensation other than his annual remuneration. One Senior Manager is entitled to receive compensation in the event of termination of his contract by Fluidra for any reason, except in the event of fair dismissal, the amount of which is equal to one year's fixed gross annual salary at the time of termination. Three Senior Managers are entitled to receive compensation in the event of termination of their contract by the Group within 12 months following the date on which a change in control takes place, or at the manager's choice if such a change in control occurs, the amount of which is equal to one year's fixed gross annual salary as well as payment of medical insurance for a term of not more than 12 months and payment of an outplacement service. One of the Senior Managers is also entitled to receive such compensation in the event that he decides to terminate his contract, provided that this is due to certain causes or in the event of dismissal without cause.</p>

State whether, beyond the cases established by law, such contracts have to be reported to and/or approved by the decision-making bodies of the company or its group. If so, specify the procedures, cases envisaged and the nature of the bodies responsible for approval or reporting:

	Board of Directors	General Meeting
Body that authorizes the clauses	√	
	Yes	No
Is the General Meeting informed of the clauses?	√	

C.2. Committees of the board of directors

C.2.1. Describe all the committees of the board of directors, their members and the proportion of executive, proprietary, independent and other external directors of which they are comprised:

Audit Committee		
Name	Position	Category
Mr GABRIEL LÓPEZ ESCOBAR	MEMBER	Independent
Mr JOSÉ MANUEL VARGAS GÓMEZ	MEMBER	Proprietary
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	MEMBER	Independent
Mr BRIAN MCDONALD	CHAIRMAN	Independent
Mr BERNAT GARRIGOS CASTRO	MEMBER	Proprietary
% executive directors		0.00
% proprietary directors		40.00
% independent directors		60.00
% other external directors		0.00

Explain the duties assigned to this committee, including, if appropriate, those that are in addition to the duties established by law, and describe the procedures and rules of organization and operation thereof. For each of these duties, state the most important actions carried out during the year and how each of the duties assigned to it, either by law or the Articles of Association or in corporate resolutions, has been exercised in practice.

The functions of the Audit Committee, and its procedures and rules of organization and operation, are set out in article 13 of the Board of Directors Regulations, and in the Audit Committee Regulations. In this regard, the duties assigned to this Committee correspond mainly to those established by law and duties deriving from good governance recommendations and the Audit Committee Technical Guide. Certain additional duties are included in article 10 of the Audit Committee Regulations, principally with regard to compliance.

The most relevant activities carried out by this Committee in 2022 are detailed in the annual report on the activities of the Audit Committee for 2022, available at www.fluidra.com.

Identify the directors who are members of the audit committee and who have been appointed taking into account their knowledge and experience in the areas of accounting, auditing, or both, and report the date of appointment of the chairman of this committee.

Name of directors with experience	Mr GABRIEL LÓPEZ ESCOBAR / Mr JOSÉ MANUEL VARGAS GÓMEZ / Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ / Mr BRIAN MCDONALD / Mr BERNAT GARRIGOS CASTRO
Date of appointment of chairman to that post	12/05/2020

Appointments and Remuneration Committee

Name	Position	Category
Ms ESTHER BERROZPE GALINDO	CHAIRWOMAN	Independent
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	MEMBER	Independent
Mr MICHAEL STEVEN LANGMAN	MEMBER	Proprietary
Mr BERNARDO CORBERA SERRA	MEMBER	Proprietary

% executive directors	0.00
% proprietary directors	50.00
% independent directors	50.00
% other external directors	0.00

Explain the duties assigned to this committee, including, if appropriate, those that are in addition to the duties established by law, and describe the procedures and rules of organization and operation thereof. For each of these duties, state the most important actions carried out during the year and how each of the duties assigned to it, either by law or the Articles of Association or in corporate resolutions, has been exercised in practice.

The duties of the Appointments and Remuneration Committee, and its procedures and rules of organization and operation, are set out in article 14 of the Board of Directors Regulations, and in the Appointments and Remuneration Committee Regulations. In this regard, the duties assigned to this Committee correspond mainly to those established by law and duties deriving from good governance recommendations and the Appointments and Remuneration Committee Technical Guide.

The most relevant activities carried out by this Committee in 2022 are detailed in the annual report of the activities of the Appointments and Remuneration Committee for 2022, available at www.fluidra.com.

Executive, Strategy and ESG Committee

Name	Position	Category
Mr JOSE MANUEL VARGAS GOMEZ	MEMBER	Proprietary
Mr OSCAR SERRA DUFFO	MEMBER	Proprietary
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	MEMBER	Independent
Mr ELOY PLANES CORTS	CHAIRMAN	Executive
Mr BRUCE WALKER BROOKS	MEMBER	Executive
Ms BARBARA BORRA	MEMBER	Independent

% executive directors	33.33
% proprietary directors	33.33
% independent directors	33.33
% other external directors	0.00

Explain the duties delegated or assigned to this committee other than those already described in section C.1.9, and describe the procedures and rules of organization and operation thereof. For each of these duties, state the most important actions carried out during the year and how each of the duties assigned to it, either by law or the Articles of Association or in other corporate resolutions, has been exercised in practice.

The duties of the Executive, Strategy and ESG Committee, and its procedures and rules of organization and operation, are set out in article 12 of the Board of Directors Regulations:

- (i) To advise and propose to the Board of Directors actions of strategic relevance on the Company's growth, development, diversification, business transformation and technology.
- (ii) To advise the Board of Directors on the Company's long-term strategy, identifying new value creation opportunities and submitting corporate strategy proposals to the Board of Directors in relation to new investment or divestment opportunities, financial operations with a material accounting impact and relevant technological or structural organizational transformations.

To study and propose to the Board of Directors recommendations and improvements concerning strategic plans and any updates thereto from time to time that are to be approved by the Board of Directors.
- (iii) To advise the Board of Directors on ESG, including the following functions:
 1. To advise on and propose the ESG strategy, and to propose the Company's sustainability and environmental policies.
 2. To ensure that ESG is part of the Company's strategic business plans, acknowledging the strategic component that ESG represents for the Company.
 3. To report to the Board of Directors on possible amendments and periodic updates of the ESG strategy, including the Company's strategy in relation to social action, the policies on diversity and integration, human rights, equal opportunities and work-life

balance, regularly updating its degree of compliance and submitting to the Board of Directors proposals for improvement which it considers to be in the Company's best interest.

The Executive, Strategy and ESG Committee will not under any circumstances undertake oversight and control duties in relation to ESG, as these are attributed, in accordance with the provisions of their respective regulations, to the Audit Committee and the Appointments and Remuneration Committee, as the case may be.

(iv) The Board may ask the Committee to draw up reports on matters that come under its sphere of action.

The Executive, Strategy and ESG Committee will make proposals and recommendations to the Board of Directors on the actions it considers appropriate in the sphere of competences described in paragraphs (i) to (iv) above, but it will not have powers to make any decision on the Company's behalf, as the ultimate decision-making powers on such matters correspond to the Board of Directors and, where appropriate under the applicable regulations, the General Meeting.

C.2.2. Complete the following table with information regarding the number of female directors on the committees of the board of directors at the end of the last four years:

	Number of female directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
Audit Committee	0	0.00	0	0.00	1	25.00	0	0.00
Appointments and Remuneration Committee	1	25.00	1	25.00	1	25.00	0	0.00
Executive, Strategy and ESG Committee	1	16.67	0	0.00	0	0.00	0	0.00

C.2.3. State, if applicable, the existence of regulations of the board committees, where such regulations may be consulted, and any amendments made during the year. Also state whether any annual report on the activities of each committee has been prepared voluntarily.

APPOINTMENTS AND REMUNERATION COMMITTEE

The Committee is regulated in the Board of Directors Regulations (article 14), and in the Appointments and Remuneration Committee's own Regulations. Both Regulations are published on the Company's website. The Company draws up an annual report on the activity of the Appointments and Remuneration Committee, the contents of which are published together with the informative documentation for shareholders in relation to the Ordinary General Shareholders' Meeting.

AUDIT COMMITTEE

The Committee is regulated in the Board of Directors Regulations (article 13) and in the Internal Rules of Conduct, and also in the Audit Committee's own Regulations. All three Regulations are published on the Company's website. The Company draws up an annual report on the activity of the Audit Committee, the contents of which are published together with the informative documentation for shareholders in relation to the Ordinary General Shareholders' Meeting.

EXECUTIVE, STRATEGY AND ESG COMMITTEE

The Committee is regulated in the Board of Directors Regulations (article 12), which are published on the Company's website.

D. Related-party transactions and intragroup transactions

D.1. Explain any procedure and the competent bodies for the approval of related-party and intragroup transactions, indicating the company's general internal criteria and rules regulating the obligations of affected directors or shareholders to abstain and detailing the internal reporting and periodic control procedures established by the company in relation to related-party transactions the approval of which has been delegated by the Board of Directors.

In accordance with the provisions of article 33 of the Fluidra Board Regulations, any transaction carried out by the Company or its subsidiaries with its Directors, shareholders holding 10% or more of the voting rights or shareholders with representation on the Board or with any other persons to be considered related parties in the terms established by law, provided that, under ruling legislation, they are deemed to be related-party transactions and unless approval corresponds to the General Meeting, will be submitted for authorization by the Board of Directors, subject to a favorable prior report from the Audit Committee. This authority may not be delegated except in the cases and under the terms established by law.

On one hand, when a related-party transaction has to be approved by the General Shareholders' Meeting, the proposed resolution for approval adopted by the Board of Directors must be submitted to the General Meeting indicating in that proposal whether it has been approved by the Board of Directors with or without a vote against it by a majority of the Independent Directors.

On the other hand, when the Board of Directors delegates the approval of related-party transactions in accordance with the provisions of the law, it will establish in relation to such transactions an internal reporting and periodic control procedure, which will involve the Audit Committee, to verify the equity and transparency of such transactions and, as the case may be, compliance with the applicable legal criteria. These transactions will not require a prior report by the Audit Committee.

In relation to the obligations of affected directors or shareholders to abstain, article 33.2 of the Board Regulations establishes that the directors affected by one of these transactions, approval of which corresponds to the Board of Directors and has not been delegated, must refrain from participating in the deliberation and vote on the resolution in question, as established by law, and therefore the number of affected directors will be subtracted for the purposes of determining the quorum and voting majority in relation to the matter in question.

D.2. Disclose individually any transactions that are significant due to their amount or subject-matter carried out between the company or group companies and shareholders holding 10% or more of the voting rights or represented on the company's Board of Directors, stating what body was competent for approving them and whether any affected shareholder or director has abstained. If competence lay with the General Meeting, state whether the proposed resolution has been passed by the Board without a majority of the independent directors voting against it:

Name of shareholder or any of its group companies	% shareholding	Name of company or group company	Amount (thousand euros)	Body that approved the transaction	Identification of significant shareholder or director that abstained	Proposal to General Meeting, if applicable, was passed by the Board without vote against of majority of independent directors
No data						

Name of shareholder or any of its group companies	Nature of the relationship	Type of transaction and other information necessary to evaluate it
No data		

D.3. Disclose individually any transactions that are significant due to their amount or subject-matter carried out between the company or group companies and the company's directors or senior managers, including transactions with entities which the director or senior manager controls or controls jointly, and stating what body was competent for approving them and whether any affected shareholder or director has abstained. If competence lay with the General Meeting, state whether the proposed resolution has been passed by the Board without a majority of the independent directors voting against it:

Name of directors or senior managers or their controlled entities or under joint control	Name of company or group company	Relationship	Amount (thousand euros)	Body that approved the transaction	Identification of significant shareholder or director that abstained	Proposal to General Meeting, if applicable, was passed by the Board without vote against of majority of independent directors
No data						

Name of directors or senior managers or their controlled entities or under joint control	Nature of the transaction and other information necessary to evaluate it
No data	

D.4. Report individually any transactions that are significant due to their amount or subject-matter carried out by the company with its parent company or with other companies belonging to the same group as the parent company, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in these subsidiaries or they are wholly owned, directory or indirectly, by the listed company.

In any case, report any intragroup transaction with entities established in countries or territories considered to be tax havens:

Name of the group company	Brief description of the transaction and other information necessary to evaluate it	Amount (thousand euros)
No data		

D.5. Disclose individually any transactions that are significant due to their amount or subject-matter carried out by the company or its subsidiaries with other related parties so considered in accordance with the International Accounting Standards adopted by the EU that have not been reported under previous headings:

Name of the related party	Brief description of the transaction and other information necessary to evaluate it	Amount (thousand euros)
IBERSPA, S.L.	Purchase of goods by FLUIDRA group from IBERSPA.	8,069

D.6. Describe the mechanisms established to detect, determine and resolve potential conflicts of interest between the company and/or its group, and its directors, senior managers, significant shareholders or other related parties.

In accordance with the provisions of the Fluidra Board of Directors Regulations, a Board member must inform the Board of Directors of the existence of any conflicts of interest and refrain from attending and intervening in the deliberations that affect matters in which that member is subject to a conflict of interest, unless the applicable legislation authorizes him/her to do so. A conflict of interest of the Board member is also considered to exist when the matter affects any of the following persons: the spouse or person with a similar relationship; ascendants, descendants and siblings and their respective spouses or persons with a similar relationship; ascendants, descendants and siblings of the spouse or person with a similar relationship; companies or entities in which the Board member has, directly or indirectly, including through a proxy, a shareholding that gives him or her a significant influence or the Board member holds in them or in their parent company a post in the governing body or in senior management; for these purposes, any shareholding of 10% or more in the share capital or the voting rights or by virtue of which it has been possible to obtain, in fact or in law, representation on the company's governing body, is presumed to grant significant influence: and, in the case of proprietary directors, the shareholder or shareholders who proposed their appointment or appointed them or persons related directly or indirectly to them.

In any case, Board members may not use the Company's name or cite their status as Board members in order to carry out transactions on their own account or on the account of persons related to them. Board members may not carry out, directly or indirectly, professional or commercial transactions with the Company unless authorized by the Board in the terms established by law, in the Articles of Association and in the Board Regulations.

Board members must report any direct or indirect stake that they or their related persons hold in the capital of a company with the same, a similar or complementary kind of activity to that which constitutes the corporate object. Furthermore, Board members may not engage, on their own account or on the account of another, in the same, a similar or complementary kind of activity to that which constitutes the corporate object and may not hold the post of Board member or senior manager in companies that are competitors of the Company, except for any posts they may hold, as the case may be, in group companies, unless they obtain the express authorization of the General Meeting and notwithstanding the provisions of the Companies Act.

Situations of conflict of interest of the Board members will be disclosed in the annual report.

Furthermore, article 10 of the Company's Internal Rules of Conduct establishes as follows in relation to conflicts of interest

Subject Persons in a situation of conflict of interest must observe the following general principles of conduct: Independence: Subject Persons must act at all times with freedom of judgement, with loyalty to the Company and its shareholders and independently of their own interests or those of any other party. Consequently, they will refrain from favouring their own interests to the expense of the Company's interests.

Abstention: They must refrain from acting or influencing decision-making that could affect the persons or entities with which there is a conflict and from accessing Confidential Information affecting such a conflict.

Communication: Subject Persons must inform the Company's Internal Audit and Compliance Officer of any possible conflicts of interest in which they may find themselves.

A conflict of interest is considered to be any situation in which the Company's interests or those of any of the companies of the Fluidra group clash with the personal interest of the Subject Person. A personal interest of the Subject Person will exist when the matter affects him /her or Persons Closely Related to him/her.

Notwithstanding the provisions of Fluidra's Internal Rules of Conduct, the Company's Board members will be governed with regard to this matter by the provisions of the Company's Board of Directors Regulations.

Finally, in accordance with the provisions of article 33 of the Board Regulations, the execution by the Company of any transaction with Board members and with significant shareholders or with shareholders who are represented on the Board or with persons related to them, unless approval of such transactions correspond to the General Meeting, will be submitted to the Board of Directors for authorization, subject to the prior favourable report of the Audit Committee. However, the Board's authorization will not be deemed necessary in related-party transactions that comply simultaneously with the following three conditions: (i) they are carried out by virtue of contracts with standard terms and conditions applicable en masse to a large number of customers; (ii) they are carried out at prices or rates established on a general basis by the party acting as supplier of the goods or services in question; and (iii) the amount thereof does not exceed 1% of the Company's annual revenues.

Board members affected by one of such transactions will not exercise or delegate their vote and will leave the room during the Board meeting while the Board is deliberating on the matter, and will be subtracted from the number of members of the Board for the purposes of determining quorum and majorities in relation to the matter in question.

D.7. State whether the company is controlled, in the sense of article 42 of the Code of Commerce, by another company, listed or not, and has business relations, directly or through its subsidiaries, with that company or any of its subsidiaries (other than those of the listed company) or carries on activities related to the activities of any of them.

Yes

No

E. Risk management and control systems

E.1. Explain the scope of the company's financial and non-financial Risk Management and Control System, including the system for managing tax risks:

Fluidra's risk management system is designed to mitigate all the risks to which the company may be exposed on account of its activity. The structure of risk management is based on three pillars.

- Common management systems, designed specifically to mitigate business risks.
- Internal control procedures aimed at mitigating the risks deriving from drawing up financial information and improving the reliability of such information, which have been designed in accordance with Internal Control over Financial Reporting (ICFR).
- The risk map, which is the methodology used by Fluidra to identify, understand and assess the risks that affect the company. The aim is to obtain an overall view of risks, designing a system of efficient responses aligned with the business objectives.

The Risk Management and Control System works in an integrated and continuous way to permit effective management of the risks and the controls that mitigate them at all levels of the organization. It is a global and dynamic system that encompasses the entire organization and its environment, including all subsidiaries and geographical areas. Compliance with the system is mandatory for all employees of the Group, in particular by managers and directors of the company.

E.2. Identify the decision-making bodies of the company responsible for preparing and implementing the financial and non-financial Risk Management and Control System, including the system for managing tax risks:

Fluidra's Risk and Opportunity Management System ("ROMS") is structured according to 3 lines of defence: the regional businesses and their transactional support functions; the corporate functions of oversight and control of the group's operations and Internal Audit.

Oversight of the Group's ROMS is the responsibility of the Audit Committee, as the delegated consultation body of the Board of Directors for these matters. The risk management functions of the Audit Committee include, among others:

- Periodic review of the results obtained in the ROMS;
- Evaluation of the effectiveness of the internal control and management systems, as well as the measures established to mitigate the risks identified;
- Assurance of the process established to identify and reassess financial and non-financial risks;
- Identification and understanding of emerging risks, and their alert mechanisms; and
- Assurance that risks are maintained and managed within the tolerance levels established by the Board.

In turn, the role of the MAC is to identify the different types of risks and opportunities, including among the financial and economic risks any contingent liabilities and other off-balance-sheet risks; identify the measures that are necessary to mitigate the impact of the risks identified, in the event that they materialize; identify the internal control and reporting systems that will be used to control and manage the risks. Within the MAC, the CFTO is responsible for management of the system and the risk management function through the ERM department. ERM is responsible for: supervising risks according to the methodology and tools defined in the Policy; coordinating the first and second lines of defence; promoting a sound risk culture throughout the organization. Finally, the Internal Audit department carries out independent oversight of the risk management system, and of the internal control systems, contributing with its recommendations to reducing the potential impact of the risks on the organization at reasonable levels, and to improving the risk management and control processes.

The objectives of the Audit Committee are:

- To report to the General Shareholders' Meeting on any matters arising within its sphere of competence.

- To propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment of auditors or audit firms as referred to in article 264 of the Companies Act, and their contract conditions, the scope of their professional engagement and, as the case may be, their revocation or non-renewal.
- To supervise the efficiency of the Company's internal control and Internal Control over Financial Reporting, internal audit and the risk management systems, and to discuss with the auditors or audit firms any significant internal control weaknesses detected in the course of the audit.
- To supervise the process of drawing up and presenting statutory financial information.
- To review the Company's accounts, ensure compliance with legal requirements and correct application of generally accepted accounting principles, for which purpose it has the direct collaboration of the external and internal auditors.
- To handle and oversee relations with the external auditors or audit firms in order to receive information on any matters that could compromise their independence and any other matters related to the auditing process, as well as any other communications established in auditing legislation and auditing standards.
- To supervise performance of the audit contract, ensuring that the opinion on the Annual Accounts and the main contents of the audit report are expressed clearly and precisely, and to evaluate the results of each audit.
- To report on related-party transactions that are to be approved by the General Shareholders' Meeting or the Board of Directors pursuant to the provisions of the Companies Act and to supervise the internal procedure the Company has established, as the case may be, for related-party transactions for which approval has been delegated.
- To issue annually, prior to the issue of the audit report, a report expressing an opinion on the independence of the auditors or audit firms, as well as disclosing the provision of any additional services.
- To examine compliance with the Internal Rules of Conduct, the Audit Committee Regulations and the Company's rules of good governance and to make the necessary proposals for improvement.
- To receive information and issue a report on any disciplinary measures sought to be imposed on members of the Company's senior management team.

With regard to tax, the tax strategy approved by the Board is governed by the following principles: compliance with the applicable tax obligations in the territories where it does business, promote a relationship of collaboration with the Tax Authorities with which it relates, and protect sustainable value generation for the Company's different stakeholders. Tax Management of the Group reports, at least once a year, to the Board on the management of and compliance with tax obligations as well as tax risk control and management aspects.

E.3. Point out the main financial and non-financial risks, including tax risks and to the extent that they are significant the risks deriving from corruption (with the scope indicated in Royal Decree Act 18/2017), that could affect the achievement of business goals:

In the process of identifying, understanding and assessing the risks that affect the company, the following risk factors have been considered:

Operational risks

- a) Cybersecurity incidents
- b) Business interruption due to failure of computer systems
- c) Accidents at work with severe personal injury
- d) Talent retention
- e) Integration of new acquisitions
- f) Risks related to disruptive business models on account of new market players
- g) Labour conflicts
- h) Incidents related to product quality

- i) Natural disasters
- j) Inappropriate integration of new acquisitions
- k) Climate change
- l) Geopolitical risks
- m) Regulatory compliance risks

Financial risks:

- a) Increase in costs of raw materials and supplies
- b) Fluctuations in exchange rates
- c) Credit risk
- d) Default/insolvency of customers

E.4. Identify whether the company has risk tolerance levels, including one for tax risk:

Fluidra defined its risk tolerance (maximum acceptable value of unexpected losses that the company can handle). Based on the values that were calculated, impact scales have been defined that the group uses in its risk matrix.

The various risks are identified and assessed on the basis of an analysis of the possible events that could give rise to such risks. The assessment is carried out using parameters that measure probability and impact. The controls in place to mitigate them are determined as well as the additional action plans necessary if such controls are considered insufficient.

This process, performed annually, lets the Company's Risk Map be obtained. The most relevant risks are taken from this map and, together with the main variations compared to the previous year, are submitted to the Audit Committee for discussion and approval. The definition of the scale of gravity and the scale of probability is carried out based on qualitative and quantitative criteria.

Once the critical risks have been identified and re-assessed, Company Management establishes specific actions, determining the person responsible and timing, to mitigate the impact and probability of such risks and at the same time reviews the current controls over these risks. The analysis of risks, controls and actions to mitigate their impact and probability is presented annually to the Audit Committee, for supervision and approval. The Audit Committee subsequently reports to the Board of Directors.

E.5. State what financial and non-financial risks, including tax risks, have materialized during the year:

In 2021, we have seen a rise in prices of raw materials and commodities which has also affected our Group. There were interruptions in the supply chain for certain materials which delayed deliveries and affected our sales. As a result, in 2022 we implemented mitigating actions to reduce the impact of this risk.

In 2022, we have seen the risk of natural disasters materialize, and have suffered damage to some of the group's facilities in the USA as a result of hurricane Ian. To minimize the impact on property and persons, preventive measures were implemented to protect the team and reduce the physical impact, so that, together with the insurance coverage, the economic impact has been minimal.

In June 2022, while executing a project in Rome, a workplace accident occurred which caused serious injuries to a worker of one of our contractors. We proceeded to review the safety protocols for the execution of project, and updated the accident mitigation and prevention measures.

As a result of the current geopolitical situation, we have seen the risk of exchange rate fluctuations materialize. We are currently in the process of implementing measures that will correct the impact of these fluctuations, reviewing and implementing financial tools, that also include tools through the insurance market.

E.6. Explain the plans for responding to and supervising the company's main risks, including tax risks, as well as the procedures followed by the company to ensure that the board of directors responds to the new challenges that appear:

In addition to what is explained in sections E.3 and E.5, Fluidra also manages the following risks:

Strategic risks:

- Continuing analysis of sales of new strategic products and comparison with competitors based on market research monitoring tools, statistical database analysis by type of market and product. Comparative studies are performed that let us measure the figures against the competition and update product valuations with the information obtained.
- Customers with a greater awareness of sustainability: a study is planned that will identify risks and opportunities in market trends from the ESG standpoint.
- Analysis of new lines of business: advising from external consultants specializing in development processes.

Operational risks:

- Protection of technology and R&D: given the activities carried out by the different business units, this is an essential milestone in order to maintain its competitive edge. Fluidra has development criteria, policies and legal protocols to assure this protection, encompassing information security and cybersecurity.
- Action plans to ensure that production capacities are adapted to the demand levels for new products.
- Expansion through the acquisition of companies in the sector: integration processes in all areas so that the companies are integrated efficiently.
- Impacts of climate change on operations: monitoring to prevent alterations in the Group's supply chain.

Financial risks:

- Corporate Management Control Department: detection and rapid eradication of any irregularity in subsidiaries to standardize the consolidation of financial and non-financial statements; analysis of procedures and internal controls of the subsidiaries successively checked by the Internal Audit Department and reviewed by external auditors.
- Plan for implementation and update of the subsidiaries' computer systems.
- Continuous monitoring of exposure to exchange rate risk or interest rate risk and proposing corrective measures.
- Continuous monitoring of credit risk: analysing the financial health and the profits obtained from customers that represent a higher risk in relation to the fixed costs borne by Fluidra.

Regulatory and compliance risks:

- Procedure for identification and assessment of legal/tax risks applied periodically: identify any conflicts/litigation that could have an impact on the company's assets, or any differences of opinion that might arise due to different interpretations of the law with respect to a specific tax. Accounting provisions to cover the risks are analysed and recorded.
- Providing annual information on environmental performance and management: Fluidra works to guarantee the reliability and integrity of the information provided on energy use, waste generation or greenhouse gas emissions through external verification of its Non-Financial Information Statement.

Environmental risks:

- Effect of climate change on the business: calculation of the financial impact as a result of the possibility of a reduction in sales of seasonal products and of potential material damage and interruptions of its activity. This risk is offset with the group's geographical diversification, the increase in the portfolio of products for adverse climate conditions and the R&D of products with low water, energy and chemical product consumption, as well as products and services that enable efficient utilization of pools in any climate situation. The ESG department performs a qualitative analysis of the physical and transitory risks. It has been determined that acute physical risks on the business infrastructures and the costs associated to prevention, adaptation and mitigation are the most likely in the medium term and those that could have greater impact.

- Environmental legislation: the subsidiaries/regions are responsible for compliance with legislation and have the support of the ESG and HSE corporate departments.

Human Resources risks:

- Talent management: people management to reduce workplace conflicts and not affect the company's performance: policy of bonuses linked to the company's results and personal targets; identifying and rewarding the best professionals to attract and retain talent; individual and collective development plans; succession plans that guarantee the continuity of the company.
- Occupational health and safety: investments are made in the factories periodically and training is given to prevent workplace accidents.
- Confidential Channel: managed by the Ethics Committee, for reporting any issue considered appropriate.
- Respect for internationally recognized Human Rights: efforts are made to prevent and mitigate any potential risk that could arise from the company's activities and/or commercial relations. All employees and suppliers undertake to respect the principles contained in the Universal Declaration of Human Rights by accepting Fluidra's respective Ethics Codes.

Reputational risks:

- Transparency in communications with stakeholders: comparison with different international benchmarks and external agency ratings to ensure compliance and plan future improvements; publication of Annual Integrated Report.
- United Nations Global Compact and principles of the WTO. Fluidra carries on its activity in some of the countries that have not signed up to these. Supplier assessments and audits are performed and training is given to them on the human rights commitments contained in the Ethics Code.

F. Internal control and risk management systems on financial reporting (ICFR)

Describe the mechanisms that make up the control and risk management systems in relation to the company's financial reporting (ICFR).

F.1. Control environment in the company.

Indicate, specifying their main features, at least the following:

F.1.1. What bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) the implementation of this system; and (iii) supervision of the system.

Fluidra S.A. and its subsidiaries formally define the responsibilities for the adequate and effective existence of ICFR in the Board of Directors Regulations.

The Board of Directors has designated Corporate Financial Management of Fluidra as responsible for the implementation and maintenance of ICFR.

As regards responsibility for supervising ICFR, articles 6 and 7 of the Audit Committee Regulations explicitly include the responsibility of the Audit Committee in relation to supervision of the ICFR, as well as the responsibility for supervising the process of drawing up and presenting regulated financial information.

The Audit Committee has the support of Internal Audit management in fulfilling its responsibilities and this is reflected in the charter for that management area.

F.1.2. Whether any of the following are in place, particularly with regard to the process of preparing financial information:

- **Departments and/or mechanisms in charge of: (i) the design and review of the organizational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of tasks and duties; and (iii) ensuring that there are sufficient procedures for the proper dissemination of these in the company:**

Fluidra has internal processes that establish the authorization levels necessary to modify the organizational structure. Defining the structure and reviewing it are ultimately responsibilities of the Executive Chairman and CEO, with the support of the Appointments and Remuneration Committee. The Appointments and Remuneration Committee is made up of 4 directors from the Board of Directors, of whom 2 are proprietary directors and 2 are independent.

Fluidra has an internal organization chart available on the corporate intranet which covers the main business areas and ranges from the position of Executive Chairman through the CEO to the level of General Management of each business. This organization chart specifies the areas and departments (including the departments involved in the preparation, analysis and supervision of the financial information), and details the hierarchical dependencies.

For the purposes of preparing regulated financial information, the Group Accounting Manual (GAM) sets out the basic lines of responsibility existing in the process, policies, documentation necessary and timing.

- **Code of conduct, body that approves it, degree of dissemination and instruction, principles and values included (indicating whether the recording of operations and the preparation of financial information are specifically mentioned), body in charge of analysing breaches and proposing corrective actions and penalties:**

Fluidra's commitments include focusing its efforts on ensuring that operations are carried out in an environment of ethical professional practice. This is carried out through the implementation of mechanisms aimed at preventing and detecting fraud committed by employees, or inappropriate practice that could lead to sanctions, fines or damage the Group's image, and also by reinforcing the importance of ethical values and integrity among its professionals.

Fluidra has a Code of Conduct (hereinafter Ethics Code), the first version of which was approved by the Board of Directors at a meeting held on 16th December 2008 and the latest version in September 2019.

The Ethics Code must be observed by all employees of the Group and is accessible to all employees through the corporate website and the “Myfluidra” Intranet. All employees, when they join Fluidra, receive a copy of the Ethics Code which they have to sign as evidence of their agreement to comply with the internal policies of Fluidra.

The main values included in the Ethics Code are those of bringing maximum transparency to Fluidra’s business, creating an environment of trust for its customers, suppliers, shareholders, employees, public and private institutions and for society in general. The Ethics Code is based on the ten principles declared in the UN Global Compact and seeks to be the guide that sets out the most relevant ethical principles and behaviour to be observed in internal and external relations, including and updating all conduct that is not permitted from a legal approach.

The general ethical principles considered in the Fluidra Ethics Code are specified in terms of the ICFR (Internal Control over Financial Reporting), in values associated to professional integrity and responsibility, guidelines for action related to a greater or lesser extent to the reliability of the financial information and compliance with applicable legislation.

Updates and amendments of the Ethics Code are proposed and promoted by the Audit Committee. The modifications that have been made to the Ethics Code are indicated below:

- On 28th February 2012, the Audit Committee approved the review of the Ethics Code with the aim of incorporating modifications that reflected the evolution of the legal framework to which it is subject, especially with regard to the responsibilities of the Board of Directors and the Audit Committee.
- During 2015, Fluidra reviewed the Ethics Code again, with the aim of bringing it into line with new legislative changes, updating it once again in 2016 to the latest changes in regulations.

In addition to the Ethics Code, Fluidra also has other features that seek to achieve an environment of ethical professional practice.

- During 2017, the Compliance Coordination Committee was consolidated, made up of the corporate areas of Human Resources, Internal Audit, Legal Advising and by the CFO. As established in its Rules of application, its main functions are as follows:
 - Promoting, disseminating and applying the Ethics Code throughout the Group.
 - Ensuring that the criminal offence prevention and control model is developed correctly in the Group.
 - Encouraging the creation of internal policies, rules and procedures.
- In 2019, the Board of Directors of Fluidra published a new Ethics Code, resulting from the merger of the two codes of conduct of the former Fluidra and the former Zodiac. Group Management prepared a compulsory online course for all employees aimed at helping them to know and understand the principles and commitments of the organization. The course consisted of three parts: an information video of the Chairman of the Group, an online course on the New Ethics Code, and finally acceptance of the Fluidra Ethics Code.

At the end of 2019, the Audit Committee opted to coordinate Compliance Management and the position of compliance officer in Internal Audit management under the leadership of the Global Internal Audit Manager. As part of this change, the Compliance Coordination Committee undertook advisory functions to the Global Internal Audit and Compliance Manager.

- **Whistleblowing channel that makes it possible to report any irregularities of a financial or accounting nature to the audit committee, as well as any possible breach of the code of conduct and irregular activities in the organization, specifying, if appropriate, whether it is confidential and whether it provides the possibility of reporting anonymously respecting the rights of the whistleblower and the person reported:**

Fluidra has an internal whistleblowing channel (“Confidential Channel”) through which all employees, board members, customers, suppliers, contractors or subcontractors and shareholders can address their queries and concerns. A communication channel has been enabled to send them which, from October 2022 has been outsourced so as to ensure confidentiality and anonymity. Access to this channel can be obtained from the corporate website. Fluidra also has an Ethics Committee, whose role is to deal with the queries and complaints received through the Confidential Channel. Its objective is to carry out monitoring and control of compliance with the principles established in the Ethics Code.

The Ethics Committee reports annually to the Audit Committee the breaches of the Ethics Code identified and the corrective actions and disciplinary measures proposed, if necessary. All communications between the Ethics Committee and the employees of Fluidra are totally confidential, respecting the limitations established in applicable personal data protection legislation. In this regard, all members of the Ethics Committee are authorized to know the combined information of all queries and notifications received from the group through the query and notification procedure.

- **Regular training and update programmes for personnel involved in the preparation and review of financial information, as well as in the evaluation of ICFR, covering at least accounting policies, auditing, internal control and risk management:**

With the aim of promoting training and development, Fluidra has the Fluidra MyCampus platform. The aim of MyCampus is to consolidate an offer of corporate training on multidisciplinary and business contents to promote the transmission of internal knowledge and also the acquisition of new knowledge by offering external content.

Bolstering internal training in Fluidra, by offering courses in the main functional and business areas given by internal trainers, whenever possible, is considered key in order to take full advantage of Fluidra's knowledge and foster interrelation among Fluidra's professionals.

Since 2021, we have had the contents of LinkedIn Learning including financial content available to our employees on demand.

For aspects related to the preparation of financial information, Fluidra invests in training on accounting and financial skills by giving training to the employees involved in the subsidiaries through visits, or online during the pandemic, which goes over the reporting statements, the different information needs for central services or criteria for obsolescence or insolvency, among others.

F.2. Financial reporting risk assessment

Indicate at least the following:

F.2.1. What are the main features of the risk identification process, including the process of identifying the risks of error or fraud, with respect to:

- **Whether the process exists and is documented:**

The process followed by Fluidra to identify risks of error in the financial information is systematic and well documented. Fluidra places special emphasis on the identification of risks of material error or fraud, by determining financial reporting control objectives for each of the risks identified. This risk identification process is carried out and documented by Financial Management of Fluidra and is supervised by the Audit Committee, with the support of Internal Audit.

- **Whether the process covers all the financial reporting objectives (existence and occurrence; completeness; valuation; presentation, breakdown and comparability, and rights and obligations), whether it is updated, and how often:**

The process is structured so that, on a regular basis, the areas that can have a material effect on the financial statements are analysed based on a range of criteria that include quantitative and qualitative factors, identifying relevant areas/locations at transaction level, to the extent that they are affected by transactions with a material impact on the financial statements. The scope of the areas identified is reviewed by Corporate Financial Management of Fluidra and is ultimately supervised by the Audit Committee. If in the course of the year (i), circumstances not previously identified that show possible errors in the financial information or (ii), substantial changes in the operations of Fluidra come to light, Financial Management assesses the existence of the risks that should be added to the risks that have already been identified

- **The existence of a process for the identification of the consolidation perimeter, taking into account, among other matters, the possible existence of complex corporate structures, holding entities, or special purpose entities:**

Through meetings with General Management of the divisions and the Legal Department, Financial Management regularly updates the corporate structure defining the consolidation perimeter for accounting and tax purposes. In addition, at least once a year the consolidation perimeter is supervised and approved by the Audit Committee.

The Company has a tax policy that sets out the guidelines for the group's legal structure, seeking to attain the business goals while avoiding complex instrumental structures.

- Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements:

The process takes into account other types of risks to the extent that they affect the financial statements.

- What governance body of the company supervises the process:

As indicated in the Board of Directors Regulations, the Audit Committee is responsible for reviewing the internal control and risk management systems periodically, so that the main risks are identified, managed and reported adequately.

F.3. Control activities.

Indicate whether at least the following are in place and describe their main features:

- F.3.1. Procedures for review and authorization of financial information, and description of the ICFR to be published in the securities market, indicating the persons or divisions responsible for them, as well as documentation describing the flows of activities and controls (including those relating to risk of fraud) of the various types of transactions that could materially affect the financial statements, including the closing process and the specific review of significant judgements, estimates, valuations, and projections.

Fluidra has a range of procedures to validate the accounting closing and the preparation of financial information for all areas. The control activities identified and formally documented focus on activities related directly to balances and transactions that could have a material effect on the financial statements and also seek to mitigate the risk of fraud.

As regards the closing procedure and the procedure for the review and authorization of the financial information published on the market, it commences with the establishment of a detailed calendar of closing activities duly distributed over all the divisions through the GAM. Thereafter, each subsidiary reports its financial data using a standard format determined by Financial Management using the Hyperion tool. Financial Management is then responsible for the consolidation process, and prepares the Consolidated Annual Accounts, which are validated by Corporate Financial Management for subsequent presentation to and supervision by the Executive Chairman, CEO, Internal Audit, the Audit Committee and the Board of Directors.

Fluidra also has a series of procedures through which Financial Management reviews ICFR, mainly consisting of:

- Existence of an ICFR management policy that articulates the scope, responsibilities, procedure for evaluating the effectiveness of the model, supervision of the model, establishment of action plans and their follow up, and supervision by the Audit Committee.
- System for evaluating the internal control model through Self-Evaluation questionnaires: Financial Management of Fluidra, based on the process of identifying and assessing risks and controls, defines self-evaluation questionnaires which must be completed by the Divisions considering the minimum requisites to guarantee reasonable assurance as to the reliability of the financial information. Internal Audit supervises the effectiveness of the model in accordance with the provisions of the internal audit plan.

In relation to the specific review of relevant judgements, estimates, valuations and projections, this takes place initially in the existing control activities either in the routine transactions of Fluidra, or through the control mechanisms in place in the process of preparing the financial information detailed in the GAM. Depending on the degree of judgement and estimation applied and the potential impact on the financial statements, there is a subsequent scale of discussion and review involving General and Financial Management of the Division, Corporate Financial Management, the CEO, the Executive Chairman, the Audit Committee and the Board of Directors, in that order, in cases of substantially relevant aspects in the preparation of financial information.

When third-party experts are involved in areas subject to judgement, estimate, valuation and projections, they discuss and present their results to Financial Management, after having applied a series of control and supervision procedures to the work carried out by these experts, and depending on their materiality they are submitted to the Audit Committee.

In particular, the main judgements and estimates broached during the year are those indicated in the notes to the Consolidated Annual Accounts for the year.

F.3.2. Internal control policies and procedures on information systems (including, among others, secure access, change control, operation of the systems, operational continuity, and segregation of duties) that provide support for the company's relevant processes in drawing up and publishing financial information.

Fluidra uses information systems to carry out and maintain adequate recording and control of its operations. As part of the process of identifying risks of error in the financial information, Fluidra identifies, through Financial Management, the systems and applications that are relevant in preparing it. The systems and applications identified include both those directly used in preparing the financial information and the interfaces with this system, notably in relation to sales/accounts receivable and purchases/accounts payable.

The policies and procedures concerning Fluidra's information systems cover both hardware and software security with regard to access (ensuring segregation of functions through adequate restriction of access), procedures to check the design of new systems or modifications to existing systems, the operation of the systems and continuity in their operation (or start-up of alternative systems and applications) in the event of incidents that affect their operation. These policies seek, among others, to guarantee the following aspects:

- Security of access both to data and applications.
- Control over changes in the applications.
- Correct operation of the applications.
- Availability of data and continuity of the applications
- Adequate segregation of functions
- Raising awareness of individual participation in computer security

a) Secure access:

A series of measures at different levels have been defined to prevent unauthorized access both to data and to the applications.

At software, operating system and database level, the user-password combination is used as a preventive control. At data level, profiles have been defined which limit access to data and on which a segregation of functions matrix is being developed that will ensure the compatibility of the user's functions according to his/her responsibilities.

b) Change control:

A change management methodology has been developed and implemented which establishes the safeguards and validations necessary to limit the risk in this process. Since 2012 a new methodology called "change request" has been in use. The main aspects featured include the following:

- Approval by the business area
- Testing prior to production
- Specific environments for development and test tasks
- Reverse procedures
- Segregation of functions as the development team does not have access to production.

c) Operation:

To ensure that operations are carried out correctly, the interfaces between the systems involved in preparing financial information are monitored. There is also an internal "Help Desk" services for end users in the event of detecting any kind of incident, query or request for training and which controls the efficiency of the operation of the information systems.

d) Availability and continuity:

At its head offices, the Company has two Data-Processing Centres (main and backup) that enable it to ensure the availability of the information system in a contingency. All of this is supported, furthermore, by a Disaster Recovery Plan with the tasks and steps to be carried out to restore the systems in such an event. This DRP is tested in real conditions once a year. In addition, daily backups are

made of the data and applications, which are kept at a secure location temporarily. To recover such data there is a specific procedure although integral tests are not carried out regularly. Partial information recovery processes are however carried out regularly.

In the head offices in the USA, data of the main applications are stored in California and replicated in real time to an alternative system in Utah. In addition, there are recovery points for the same data which are stored onsite in California for immediate recovery in situations in which the contingency in question has not physically damaged the data processing centre. Data recovery testing processes are performed routinely in order to verify the integrity of the system.

In Australia, the data of the main applications are stored in Sydney, replicated and sent weekly to a secure storage centre. There are also recovery points for the same data which are stored onsite in Sydney for immediate recovery in situations in which the contingency in question has not physically damaged the data processing centre. Data recovery testing processes are performed routinely in order to verify the integrity of the system.

e) Segregation of functions:

A series of profiles have been defined describing the functionalities to which a user should have access in the Information Systems. These profiles are used to prevent a user from having more privileges than are strictly necessary. The definition of these profiles is currently under review.

f) Awareness raising:

Fluidra has implemented a Cybersecurity Awareness Program that includes phishing simulations and training courses for all employees with digital identity

F.3.3. Internal control policies and procedures designed to supervise management of activities outsourced to third parties, as well as the aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect the financial statements.

If a service has to be outsourced or an independent expert involved in assessments, calculations and valuations with a significant impact on the financial information, Financial Management of Fluidra leads the decision-making process.

F.4. Information and communication.

Indicate whether at least the following are in place and describe their main features:

F.4.1. A specific function charged with defining and updating accounting policies (accounting policy area or department) and with resolving questions or conflicts arising from their interpretation, maintaining fluid communications with those responsible for operations at the organization, as well as an updated accounting policy manual that has been communicated to the units through which the entity operates.

Among other functions, Financial Management is responsible for keeping the accounting policies applicable to the group up to date. In this regard, it is responsible for updating the GAM, which includes the group's accounting policies and chart of accounts, as well as an analysis of any regulatory and accounting changes that could have an impact on the financial information of Fluidra.

The GAM is updated periodically, or when a significant new development so requires, and was last updated in September 2022. The updates review both accounting policies based on changes in applicable EU-IFRS and the group's accounting structure, ensuring traceability between individual charts of accounts of the group subsidiaries and the Fluidra chart of accounts which is used as the basis for drawing up the different reporting packages to be provided to external bodies. Changes and updates to the GAM are communicated to all responsible financial personnel by e-mail. The last update of the GAM is always available on the group's intranet under the heading "policies and procedures".

Financial Management is also responsible for clearing up any doubts about the accounting treatment of certain transactions raised by the personnel responsible for preparing the financial information of Fluidra.

To add greater convenience and efficiency to the responsibility of keeping the GAM up-to-date, and to identify any incidents and weaknesses that have to be remedied, there is a working group on accounting procedures, made up of a member of Corporate Financial Management, the Internal Audit Manager and the person responsible for updating the GAM, the aim of which is to update the GAM based on the incidents detected by internal audit in the course of its duties, which are not contemplated in the Group's current policies. This working group meets once a quarter and records minutes of the meetings.

F.4.2. Mechanisms to capture and prepare financial information using standardized formats, to be applied and used by all units of the company or group, supporting the main financial statements and the notes, as well as the information provided on ICFR.

All the companies that form part of the Consolidated Group at the end of 2022 use a single standardized reporting format. Most of them (approximately 60% of turnover), have the same Corporate System for accounting in terms of capture and preparation of financial information. For the remaining 40%, which have not implemented that Information System at present, Fluidra ensures that standardized formats are used in preparing the financial information through mechanisms that reflect those used in the integrated tool. The financial information reported by all the subsidiaries covers the composition of the main Financial Statements and the notes. The Financial Management department of Fluidra is responsible for obtaining data from all the subsidiaries, and with this information makes the necessary consolidation adjustments to obtain the consolidated figures and complements the financial information with the reserved notes to Consolidated Financial Statements.

In 2013, new reporting and consolidation software was implemented and has been fully active since 2015.

To ensure the reliability of the information reported by the subsidiaries, they must report a range of data to allow an analysis of variations in asset and liability items and results obtained with respect to the monthly budget and the previous year, in which the various balance sheet and income statement items are interrelated, permitting greater knowledge in detail of the operations reported at local level.

The Company has also implemented ICFR management software through which twice a year the subsidiaries included in the scope complete self-evaluation questionnaires on control and submit evidence of key controls. These questionnaires are suitably supervised by the responsible financial personnel of the corresponding division, creating action plans if considered necessary. Internal audit carries out supervision of the effectiveness of the controls twice a year, in accordance with the annual audit plan, reporting the results to the Audit Committee.

F.5. Supervision of operation of the system.

Indicate and describe the main features of at least the following:

F.5.1. The ICFR supervision activities carried out by the audit committee as well as whether the entity has an internal audit function whose duties include providing support to the committee in its work of supervising the internal control system, including ICFR. Information is also to be provided concerning the scope of the evaluation of ICFR performed during the year and on the procedure whereby the person or division charged with performing the evaluation reports the results thereof, whether the entity has an action plan in place describing possible corrective measures, and whether the impact thereof on the financial information has been considered.

The duties of the Audit Committee in relation to the supervision of ICFR are established in articles 6 and 7 of the Audit Committee Regulations and, among others, are focused on:

- Supervising the effectiveness of the Company's internal control, especially Internal Control on Financial Reporting, internal audit, as the case may be, and the risk management systems, and discussing with the auditors or audit firms any significant internal control weaknesses detected in the course of the audit.
- Supervising the process of drawing up and presenting statutory financial information.
- Reviewing the Company's accounts, ensuring compliance with legal requirements and correct application of generally accepted accounting principles, for which purpose it has the direct collaboration of the external and internal auditors. In particular, the Audit Committee ensures that, in cases in which the auditor has included any qualification in the audit report, the Chairman of the Audit Committee explains clearly to the General Meeting the Audit Committee's opinion on the content and scope of the qualification, making a summary of that opinion available to the shareholders when notice of the Meeting is published, together with the other proposals and reports of the Board.
- In relation to the information systems and internal control:
 - Supervising and evaluating the process of drawing up and the integrity of the financial and non-financial information presented, and the financial and non-financial risk management and control systems relating to the Company and, as the case may be, the group, reviewing compliance with regulatory requisites, adequate definition of the consolidation perimeter and correct application of accounting policies.
 - Reviewing the internal control and risk management systems periodically, so that the main risks are identified, managed and reported adequately.

- Ensuring the independence and efficacy of the internal audit function; proposing the selection, appointment, re-election and removal of the person responsible for the internal audit service; proposing the budget for the service; approving or proposing to the Board of Directors the approval of the internal audit orientation and annual work plan, ensuring that its activity is focused mainly on the relevant risks (including reputational risks), receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
- Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, customers, contractors or subcontractors to report any irregularities of potential relevance, especially financial and accounting or any other irregularities related to Fluidra that they observe in the Company or the group. This mechanism should ensure confidentiality and, in any case, provide for situations in which these matters may be reported anonymously, respecting the rights of the whistleblower and the reported person.

Internal Audit Management is located within the Group's organization structure, and depends on the Audit Committee, so that its independence is assured as well as the performance of the assigned functions. All the actions carried out by Internal Audit Management that require approval are approved by the Board of Directors at the proposal of the Audit Committee.

Internal Audit prepares and presents an Annual Internal Audit Plan which is reviewed and approved by the Audit Committee. In 2022, Internal Audit met with the Audit Committee in the months of February, March, May, July, October and December to present the results and evolution of its work. At these meetings, Internal Audit reported the weaknesses identified in the design of the internal control model, proposing the corresponding action plans and the dates of implementation of these plans. In turn, Internal Audit supervises the correct implementation of the corrective actions.

In the months of May, June, October and December 2022, the Audit Committee, through Internal Audit Management, supervised the correct review of the effectiveness of the controls conducted by Financial Management. A small number of weaknesses were detected, corresponding to the Australian subsidiary, which have been duly corrected. The weaknesses detected are reported to the heads of the Divisions and the corresponding action plans are designed, with a follow-up of their implementation.

F.5.2. Whether it has a discussion procedure whereby the auditor (as provided in the Technical Auditing Standards), the internal audit function, and other experts can inform senior management and the audit committee or the directors of the entity of the significant internal control weaknesses detected during the review of the annual accounts or such other reviews as may have been entrusted to them. Information shall also be provided on whether there is an action plan to attempt to correct or mitigate the weaknesses found.

The Audit Committee meets at least four times a year, with the aim of obtaining and analysing the necessary information to fulfil the tasks with which it has been entrusted by the Board of Directors.

Special attention is given to the review of the company's quarterly financial information, which is presented by General Financial Management. In order to carry out this process, the Audit Committee is assisted by Internal Audit, General Financial Management (responsible for preparing the financial information) and the Auditor, with the aim of ensuring the correct application of ruling accounting policies and the reliability of the financial information, and in order to be able to report any significant control weaknesses identified, if there are any, and the corresponding action plans.

Prior to the reports issued by the Audit Committee, Internal Audit Management discusses the results of its work with local management, Financial Management and Corporate General Management, thus ensuring fluid and efficient communication among all parties.

In relation to the External Auditors, they present annually the scope, timing and areas of emphasis of their audit work on the annual accounts, in accordance with the applicable auditing standards. They also meet with the Audit Committee to present the conclusions of their work and areas for improvement. The weaknesses reported are communicated to Internal Audit Management for inclusion in the implementation plan. It should be noted that the External Auditors have stated that no significant internal control weaknesses have come to light during the audit performed in 2022.

F.6. Other relevant information.

...

F.7. External audit report.

Report on:

F.7.1. Whether the information on ICFR sent to the markets has been reviewed by the external auditor, in which case the entity should include the corresponding report as an appendix. Otherwise, the reasons for this should be provided.

Fluidra has submitted the information on ICFR sent to the markets for 2022 to be reviewed by the External Auditor. The favourable report issued by the External Auditor is attached as an appendix to this document.

G. Degree to which corporate governance recommendations are followed

State the company's degree of compliance with the recommendations of the Good Governance Code of Listed Companies.

If the company does not comply with any recommendation or follows it partially, a detailed explanation of the reasons must be given, providing shareholders, investors, and the market in general with sufficient information to assess the company's course of action. Generalized explanations will not be acceptable.

1. The Articles of Association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder or impose other obstacles to the takeover of the company by means of share purchases on the market.

Complies Explain

2. When the listed company is controlled, in the sense of article 42 of the Code of Commerce, by another company, listed or not, and has business relations, directly or through its subsidiaries, with that other company or any of its subsidiaries (other than those of the listed company) or carries on activities related to those of any of such companies, it should provide detailed disclosure on:
 - a) The respective business activity and any business dealings between the listed company or its subsidiaries, on the one hand, and the parent company or its subsidiaries, on the other hand.
 - b) The mechanisms in place to resolve possible conflicts of interest.

Complies Complies partially Explain Not applicable

3. During the ordinary general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:
 - a) Changes taking place since the previous ordinary general meeting.
 - b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative rules followed instead.

Complies Complies partially Explain

4. The company should draw up and promote a policy relating to communication and contacts with shareholders and institutional investors in the framework of their involvement with the company, and with proxy advisors, that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be published on the company's website, complete with details of how it has been put into practice and the identities of the relevant spokespersons or those charged with its implementation.

And, notwithstanding the legal obligations on the dissemination of privileged information and other regulated information, the company should also have a general policy relating to the communication of economic and financial, non-financial and corporate information through the channels it considers appropriate (media, social networks or other channels) that contributes to maximizing the dissemination and quality of the information available to the market, investors and other stakeholders.

Complies Complies partially Explain

5. The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without a preferential subscription right for an amount exceeding 20% of capital at the time of such delegation.

When the board approves any issue of shares or convertible securities without preferential subscription rights, the company should immediately post on its website the reports explaining the exclusion referred to in mercantile legislation.

Complies Complies partially Explain

6. Listed companies that draw up the following reports on a voluntary or compulsory basis should publish them on their website sufficiently in advance of the ordinary general meeting, even if their distribution is not mandatory:

a) Report on auditor's independence.

b) Reports on the activities of the audit committee and the appointments and remuneration committee.

c) Report of the audit committee on related-party transactions.

Complies Complies partially Explain

7. The company should livestream its general shareholders meetings on the corporate website.

The company should also have mechanisms that permit the delegation and exercise of vote through remote means and, in the case of large cap companies and to the extent that it is proportionate, even attendance at and active participation in the General Meeting.

Complies Complies partially Explain

8. The audit committee should strive to ensure that the annual accounts the board of directors presents to the general shareholders' meeting are drawn up in accordance with accounting legislation. In cases in which the auditor has included a qualification in the audit report, the chairman of the audit committee should give a clear account at the general meeting of the audit committee's opinion on its content and scope, and a summary of that opinion should be made available to the shareholders at the time of publishing the notice convening the meeting, together with the remaining proposals and reports of the board.

Complies Complies partially Explain

9. The company should publish permanent on its website the requisites and procedures it will accept as evidence of ownership of shares, the right to attend general meetings and the exercise or delegation of voting rights.

Such requisites and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies Complies partially Explain

10. When a shareholder entitled to do so exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

a) Immediately circulate these supplementary items and new proposals for resolutions.

b) Publish the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or inferences about votes.

d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies Complies partially Explain Not applicable

11. In the event that the company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies Complies partially Explain Not applicable

12. The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the attainment of a profitable business that is sustainable in the long term, promoting its continuity and maximizing its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct based on good faith, ethics and respect for commonly accepted customs and good practice, but also strive to reconcile the company's interests with the legitimate interests of its employees, suppliers, customers and other stakeholders, as well as with the impact of its activities on the broader community and the environment.

Complies Complies partially Explain

13. The board of directors should have an optimal size to promote its efficient functioning and maximize participation. The recommended range is accordingly between five and fifteen members.

Complies Explain

14. The board of directors should approve a policy aimed at favouring an appropriate composition of the board of directors and that:

- a) Is concrete and verifiable.
- b) Ensures that appointment or re-election proposals are based on a prior analysis of the skills required by the board of directors; and
- c) Favours a diversity of knowledge, experience, age and gender. For these purposes, measures that foster a significant number of female senior managers are deemed to favour gender diversity.

The results of the prior analysis of the skills required by the board should be reflected in the appointments committee's report, to be published when the general meeting is convened that is to resolve on the ratification, appointment or re-election of each director.

The appointments committee should perform an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

Complies Complies partially Explain

15. Proprietary and independent directors should constitute an ample majority on the board of directors, and the number of executive directors should be the minimum necessary bearing in mind the complexity of the corporate group and the percentage shareholding of the executive directors in the company's capital.

The number of female directors should represent at least 40% of the members of the board of directors by the end of 2022 and thereafter, and prior to that should not be less than 30%.

Complies Complies partially Explain

At 31st December 2022, of the total of 12 members of the Board of Directors of Fluidra, 10 are non-executive directors, therefore complying with the recommendation on this matter.

One of the main goals of the Appointments and Remuneration Committee in relation to the director and senior manager selection policy is to favour diversity of professional background, knowledge, nationality and, especially, gender. The Appointments and Remuneration Committee and the Board of Directors are aware that at present the Company does not comply with this Corporate Governance recommendation concerning the percentage of female board members, and is therefore taking the necessary measures to increase the number of women on the Board of Directors, as described in sections C.1.5 and C.1.6. Such measures are for the purpose of ensuring that the selection processes take gender diversity into account, balanced with other criteria of the profile sought such as knowledge, nationality, experience and solvency.

However, this aim can only be achieved when new candidates have to be selected to cover vacancies arising on the Board of Directors. Evidence that the measures adopted regarding the selection of female directors are working is that the last two vacancies on the Board of Directors, with the posts still in force, have been filled by women (Ms Esther Berrozpe, appointed for the first time on 6th September 2019 through the procedure of co-optation and whose appointment was ratified by the Ordinary General Meeting held on 19th May 2020, and Ms Barbara Borra, appointed for the first time on 30th December 2021 through the procedure of co-optation and whose appointment was ratified at the Ordinary General Meeting held on 5th May 2022).

The Appointments and Remuneration Committee continues to work to ensure that future selection processes to cover new vacancies continue to favour gender diversity on the Board of Directors.

16. The percentage of proprietary directors with respect to all non-executive directors should be no greater than the proportion between the capital of the company represented by such directors and the remainder of the company's capital.

This criterion can be relaxed:

- a) In large cap companies where few or no shareholdings attain the legal threshold to be regarded as significant.
- b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Complies Explain

At 31st December 2022, of the total of 10 non-executive directors on the Board of Directors of Fluidra, 5 are independent directors and 5 are proprietary directors, while the percentage of share capital represented by the shareholders who have representation on the Board is 32.63% of the Company's total share capital, and therefore this recommendation is not met.

In any case, in light of the share capital held by non-significant shareholders, a suitable balance is considered to exist between independent and proprietary directors.

17. Independent directors should be at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30% of share capital, independent directors should occupy, at least, a third of board places.

Complies Explain

At 31st December 2022, of the total of 12 directors on the Board of Directors of Fluidra, 5 are independent directors representing 41.66% of the total number of Board members. This proportion corresponds to the particular features of the Company's shareholder structure and of the shareholders' agreement, as well as the concerted action of certain significant shareholders described in section A.7 of this Report, all of which has resulted in the Company having 5 proprietary directors and 2 executive directors during the year, and being 1 independent short of the number required to comply with the recommendation, taking into account the Company's large capitalization.

In this regard, it should be borne in mind that the percentage of independent directors (41.66%) comfortably exceeds the floating capital (28.37%). Accordingly, Fluidra considers that the proportions of each category are adequate for the composition of its Board of Directors in light of its shareholder composition and allow it to reach the necessary levels of honourability, dedication, independence and suitability.

18. Companies should disclose the following information about their directors on their websites and keep it regularly updated:

- a) Background and professional experience.
- b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
- c) Statement of the director category to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.
- d) Dates of their first appointment as a board member and subsequent re-elections.
- e) Shares held in the company, and any options on such shares

Complies Complies partially Explain

19. Following verification by the appointments committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the request of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies Complies partially Explain Not applicable

20. Proprietary directors should resign when the shareholders they represent dispose of their shareholding in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the number of proprietary shareholders should be reduced accordingly.

Complies Complies partially Explain Not applicable

21. The board of directors should not propose the removal of independent directors before the expiry of their term of office established in the Articles of Association, except when there is due cause, found to exist by the board of directors following a report of the appointments committee. In particular, due cause will be deemed to exist when directors take up new posts or responsibilities that prevent them allocating sufficient time to their duties as a board member, or are in breach of the inherent duties of their post or come under one of the disqualifying grounds for classification as independent director enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

Complies Explain

22. Companies should establish rules obliging directors to disclose and, as the case may be, to resign when situations arise affecting them, whether or not they are related to their actions in the company, that might be damaging to the company's credit and reputation, and, in particular, obliging them to inform the board of any criminal cases in which they are involved as investigated parties and the corresponding judicial proceedings.

Once the board has been informed of or has otherwise learned of the situations mentioned in the preceding paragraph, it should examine the case as soon as possible and, in light of the particular circumstances and following a report of the appointments and remuneration committee, decide whether or not it should take some kind of measure, such as opening an internal investigation, requesting the director's resignation or proposing his or her removal from office. This matter should be reported in the annual corporate governance report, unless there are special circumstances that justify its omission, which must be noted in the minutes. The foregoing is notwithstanding the information which the company must publish, if applicable, at the time of taking the corresponding measures.

Complies Complies partially Explain

23. All directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independent directors and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the board makes significant or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.

Complies Complies partially Explain Not applicable

24. When a director, either by resignation or a resolution of the general meeting, ceases to hold his or her post before their tenure expires, he or she should explain sufficiently the reasons for his or her resignation or, in the case of non-executive directors, his or her opinion on the reasons for removal by the meeting, in a letter to be sent to all members of the board.

Notwithstanding that all the above may be reported in the annual corporate governance report, to the extent that it is relevant for investors the company should publish the resignation or removal as soon as possible, making sufficient reference to the reasons or circumstances indicated by the director.

Complies Complies partially Explain Not applicable

25. The appointments committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors regulations should lay down the maximum number of company boards on which directors can serve:

Complies Complies partially Explain

The Board Regulations establish that the Appointments and Remuneration Committee is responsible for assessing the necessary skills, knowledge and experience of the Board, defining the duties and necessary aptitudes in the candidates who are to fill each vacancy, evaluating the time and dedication required so that they can discharge their responsibilities effectively.

Furthermore, the Board Regulations establish that directors must have adequate dedication and will take the necessary measures for effective management and control of the Company.

In turn, the Selection Policy establishes that candidates for directors of the Company must be persons of recognized honourability, solvency, competence, experience, qualification, availability and commitment to the Company.

Although the Board Regulations do not establish the maximum number of Boards on which its directors may serve, this information is taken into account in evaluating the suitability of candidates in the process for the appointment and re-election of directors in order to evaluate the time and dedication available to them to discharge their duties as directors effectively, analysing each case individually considering good governance best practice in this matter.

Furthermore, the Board Regulations establish that directors must dedicate the necessary time and effort to their post to discharge it effectively and, consequently, must inform the Appointments and Remuneration Committee of their other professional obligations, in case these might interfere with the required dedication. Article 25 of the Fluidra Board of Directors Regulations states that the Company will establish rules on the number of Boards on which its directors may serve. However, for the time being the Company has not considered it appropriate to establish such rules on the maximum number of boards on which directors may serve, based on the fact that, as there is no legal obligation, the dedication involved in belonging to a board varies depending on the complexity of the company, the committee chairs undertaken, whether or not the post of director is executive, etc. Accordingly, the policy that the Company is following is that any director who wishes to accept a new post on a board must report this prior to accepting it so that the Board of Fluidra, following a favourable report from the Appointments and Remuneration Committee, can resolve not to object, taking into account, among other things, that the new post does not prevent the director from fulfilling his or her duties as a director of Fluidra. The Appointments and Remuneration Committee takes into account the estimated dedication that the new post may require, as well as best practice in good governance of listed companies (including comparisons with listed companies, proxy advisor policies, etc.).

26. The board should meet with the necessary frequency to properly perform its functions, and at least eight times a year, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies Complies partially Explain

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate another director to represent them and issue appropriate instructions.

Complies Complies partially Explain

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minutes if the person expressing them so requests.

Complies Complies partially Explain Not applicable

29. The company should establish suitable channels for directors to obtain the advice they need to carry out their duties including, if necessary, external advising at the company's expense.

Complies Complies partially Explain

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Complies Explain Not applicable

31. The agendas of board meetings should clearly indicate the items on which directors must arrive at a decision, so they can study the matter beforehand or gather the material they need.

When, exceptionally, for reasons of urgency, the chairman wishes to present decisions or resolutions for board approval that were not on the agenda, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

Complies Complies partially Explain

32. Directors should be regularly informed of movements in share ownership and of the views of significant shareholders, investors and rating agencies on the company and its group.

Complies Complies partially Explain

33. The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's Articles of Association, should prepare and submit to the board a schedule of meeting dates and agendas; organize and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

Complies Complies partially Explain

34. When a lead independent director has been appointed, the Articles of Association or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman and vice-chairs, if any; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman succession plan.

Complies Complies partially Explain Not applicable

35. The secretary of the board should make special efforts to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code that are applicable to the company.

Complies Explain

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weaknesses detected in:

- a) The quality and efficiency of the board's operation. b) The operation and composition of its committees.
- b) The diversity in the composition and competences of the board.
- c) The performance of the chairman of the board of directors and the company's chief executive.
- d) The performance and contribution of each individual director, with particular attention to the chairs of board committees.

The evaluation of board committees should start from the reports they send to the board of directors, while that of the board itself should start from the report of the appointments committee.

Every three years, the board of directors should engage an external consultant to aid in the evaluation process. This consultant's independence should be verified by the appointments committee.

Any business dealings that the consultant or any company in its group has with the company or with any company in its group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be described in the annual corporate governance report.

Complies Complies partially Explain

37. Where there is an executive committee, at least two non-executive directors should be on this committee, at least one of whom is independent; and the secretary of the committee should be the secretary of the board.

Complies Complies partially Explain Not applicable

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the executive committee's minutes.

Complies Complies partially Explain Not applicable

39. The members of the audit committee, particularly its chairman, should be appointed taking into account their knowledge and experience in accounting, auditing and both financial and non-financial risk management.

Complies Complies partially Explain

40. Under the supervision of the audit committee, there should be a unit in charge of the internal audit function to oversee proper operation of reporting and internal control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Complies Complies partially Explain

41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee for approval by the committee or by the board, inform it directly of the execution of this plan, including any incidents and scope limitations arising during its implementation, the results and monitoring of its recommendations and submit a report on its activities at the end of each year.

Complies Complies partially Explain Not applicable

42. In addition to the functions established by law, the audit committee should have the following functions:

1. In relation to internal control and reporting systems:

- a) Supervise and evaluate the process of drawing up and the integrity of the financial and non-financial information and the control and management systems over the financial and non-financial risks relating to the Company and, as the case may be, the group - including operational, technological, legal, social, environmental, political and reputational or corruption-related risks - reviewing compliance with regulatory requisites, adequate definition of the consolidation perimeter and correct application of accounting policies.
- b) Ensure the independence of the unit that undertakes the internal audit function; propose the selection, appointment and removal of the person responsible for the internal audit service; propose the budget for the service; approve or propose approval by the board of the approach and the annual internal audit work plan, ensuring that its activity is focused mainly on the relevant risks of the company (including reputational risks); receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any irregularities of potential relevance, including financial and accounting or any other kind of irregularities that they observe in the Company or the group. This mechanism should guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously, respecting the rights of the reporter and the reported person.
- d) Ensure in general that the policies and systems established in relation to internal control are applied effectively in practice.

2. In relation to the external auditor:

- a) Investigate the circumstances giving rise to the resignation of the external auditor, should this come about.
- b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
- c) Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
- d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.
- e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other regulations on auditor independence.

Complies Complies partially Explain

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior manager.

Complies Complies partially Explain

44. The audit committee should be informed of any structural and corporate modification operations the company is planning, so the committee can analyse and report to the board beforehand on their economic conditions and accounting impact, especially, when applicable, on the proposed swap ratio.

Complies Complies partially Explain Not applicable

45. The risk management and control policy should identify or determine at least:

- a) The different types of financial and non-financial risks the company is exposed to (including operational, technological, legal, social, environmental, political and reputational risks, including risks related to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off- balance-sheet risks.
- b) A risk management and control model based on different levels, a part of which will include a committee specialized in risks when sectorial regulations so establish, or the company considers appropriate.
- c) The risk level the company sees as acceptable.

d) The measures devised to mitigate the impact of the risks identified, should they materialize.

e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance- sheet risks.

Complies Complies partially Explain

46. Companies should establish an internal risk control and management function to be exercised by one of the company's internal department or units, under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

a) Ensure that risk control and management systems are functioning correctly and, specifically, that all the significant risks the company is exposed to are adequately identified, managed and quantified.

b) Participate actively in the preparation of risk strategies and in key decisions about their management.

c) Ensure that risk control and management systems are mitigating risks adequately in the context of the policy defined by the board of directors.

Complies Complies partially Explain

47. Members of the appointments and remuneration committee - or of the appointments committee and the remuneration committee, if they are separate - should be appointed ensuring that they have adequate knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies Complies partially Explain

The members of the Appointments and Remuneration Committee have been appointed taking into account their knowledge, skills and experience as well as the mission of the Committee. As far as the composition of the Committee is concerned, it is made up of four non-executive directors, two of whom are independent, while the other two are proprietary directors. The Chairman of the Committee is an independent director. The reason why the Company does not comply with this part of the recommendation concerning composition is because clause 8.3.6 of the Shareholders' Agreement formalized between Rhône Capital and the founding families of Fluidra on 3rd November 2017, on the occasion of the merger between Fluidra and Zodiac, establishes that the Appointments and Remuneration Committee is to be made up of four (4) members, of whom two (2) will be independent directors (one of them the Chairman), one will be designated "at the proposal of the Current Shareholders" (i.e. the four founding families of the Company) and one will be designated "at the proposal of the Shareholder of Zodiac Holdco" (i.e. the Rhône Capital fund). This Shareholders' Agreement is published on the Company's website www.fluidra.com, under "Shareholders and Investors" "Corporate Governance", "Shareholders' Agreements", and on the website of the CNMV and in the Mercantile Registry of Barcelona.

Indeed, given the shareholder concentration of Fluidra, as explained in section A.7 of the Annual Corporate Governance Report, the Company understands that it was necessary that the two blocks represented in the existing Shareholders' Agreement between Rhône Capital and the founding families of Fluidra each had a representative on a body such as the Appointments and Remuneration Committee, which was considered of great importance for the operation of the Company. This Committee was consequently composed of two proprietary directors and two independent directors, the Chairman being one of the independent directors, who co-ordinates and personally manages the work of this Committee.

48. Large cap companies should have separate appointments and remuneration committees.

Complies Explain Not applicable

Fluidra has not considered it necessary for the time being to separate its current Appointments and Remuneration Committee into two committees, as it understands that the functions relating to appointments and those relating to remuneration can be discharged objectively and independently by the same committee. As a matter of fact, Fluidra considers that is not efficient to separate the competencies in two committees and that the existence of only one committee does not limit or compromise the exercise of the faculties granted by law to the Appointments and Remuneration Committee.

49. The appointments committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director should be able to approach the appointments committee to propose candidates that he/she might consider suitable.

Complies Complies partially Explain

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

- a) Propose to the board the standard conditions for senior management contracts. b) Monitor compliance with the remuneration policy set by the company.
- b) Periodically review the remuneration policy for directors and senior managers, including share-based remuneration systems and their application, and ensure that their individual remuneration is proportionate to the amounts paid to other directors and senior managers in the company.
- c) Ensure that conflicts of interest do not undermine the independence of any external advice provided to the committee.
- d) Verify the information on director and senior manager remuneration contained in corporate documents, including the annual report on directors' remuneration.

Complies Complies partially Explain

51. The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior managers.

Complies Complies partially Explain

52. The rules on the composition and operation of the supervisory and control committees should be set out in the board of directors' regulations and should be consistent with the rules applicable to legally mandatory committees in accordance with the above recommendations, including the following rules:

- a) Committees should be formed exclusively by non-executive directors, with a majority of independent directors.
- b) They should be chaired by independent directors.
- c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of the directors and each committee's terms of reference; discuss their proposals and reports; and report back on their activities and work at the first full board meeting following each committee meeting.
- d) The committees may engage external advice, when they feel it necessary for the discharge of their functions.
- e) Minutes of their meetings should be drawn up and made available to all board members.

Complies Complies partially Explain Not applicable

53. The task of supervising compliance with the Company's policies and rules on environmental, social and corporate governance matters, as well as internal codes of conduct, should be assigned to one board committee or split between several committees of the board of directors, which could be the audit committee, the appointments committee, a committee specializing in sustainability or corporate social responsibility or a dedicated committee established ad hoc by the board under its powers of self-organization. This committee should be made up exclusively of non-executive directors, the majority of whom should be independent, and should be specifically charged with the minimum functions indicated in the following recommendation.

Complies Complies partially Explain

54. The minimum functions referred to in the preceding recommendation are as follows:

- a) Oversee compliance with the company's corporate governance rules and internal codes of conduct, also ensuring that the corporate culture is aligned with its mission and values.

- b) Oversee application of the general policy relating to the communication of economic and financial, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the company communicates with and relates to its small and medium-sized shareholders will also be monitored.
- c) Periodically evaluate and review the company's corporate governance system and its environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of the other stakeholders.
- d) Review the company's social and environmental practices to ensure that they conform to the established strategy and policies.
- e) Oversee and evaluate processes in relation to the different stakeholders.

Complies Complies partially Explain

55. The environmental and social sustainability policies should identify and include at least:

- a) The principles, commitments, goals and strategy in relation to shareholders, employees, customers, suppliers, social matters, environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct.
- b) The methods or systems to monitor compliance with the policies, the associated risks and their management.
- c) The mechanisms for supervising non-financial risk, including the risk related to ethics and business conduct.
- d) Channels for stakeholder communication, participation and dialogue.
- e) Responsible communication practices that prevent the manipulation of information and protect honour and integrity.

Complies Complies partially Explain

56. Directors' remuneration should be sufficient to attract and retain individuals with the desired profile and compensate the dedication, qualifications and responsibility that the post demands, but not so high as to compromise the independent judgement of non- executive directors.

Complies Explain

57. Variable remuneration linked to the company's performance and the director's personal performance, and remuneration in the form of awarding shares, options or rights on shares or instruments linked to the share price and long -term savings schemes such as pension plans, retirement systems or other benefits should be confined to executive directors.

Share-based remuneration of non-executive directors may be considered when it is subject to the condition that the shares must be kept until the end of their term of office. This condition, however, will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Complies Complies partially Explain

58. In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or other similar circumstances.

In particular, variable remuneration components should meet the following conditions:

- a) They should be subject to predetermined and measurable performance criteria that take into account the risk assumed to obtain a given outcome.
- b) They should promote the sustainability of the company and include non-financial criteria that are relevant for the creation of value in the long term, such as compliance with the company's internal rules and procedures and its risk management and control policies.
- c) They should be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its

contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies Complies partially Explain Not applicable

59. Payment of variable remuneration components should be subject to sufficient checks that predetermined performance or other conditions have effectively been met. Companies will include in the annual directors' remuneration report the criteria in terms of time required and methods to conduct such a check in line with the nature and characteristics of each variable component.

Additionally, companies should consider establishing a reduction clause ("malus") based on the deferral for a sufficient length of time of payment of part of the variable components that will lead to total or partial loss of such components in the event that prior to the time of payment any event occurs that renders this advisable.

Complies Complies partially Explain Not applicable

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce the amount of such earnings.

Complies Complies partially Explain Not applicable

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments the value of which is linked to the share price.

Complies Complies partially Explain Not applicable

62. Once shares, options or financial instruments have been awarded as part of share-based remuneration, executive directors should not be allowed to transfer ownership or exercise them until a term of at least three years has elapsed.

This does not include cases in which a director has, at the time of transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equal to at least twice his or her annual fixed remuneration by holding shares, options or other financial instruments.

The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition, or, following a favourable opinion by the appointments and remuneration committee, to deal with any supervening extraordinary situations that so require.

Complies Complies partially Explain Not applicable

63. Contractual arrangements should include a clause that allows the company to reclaim variable components of remuneration when payment was not in line with the director's actual performance or was based on data subsequently found to be inaccurate.

Complies Complies partially Explain Not applicable

64. Severance payments should not exceed an amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that the director has met the predetermined criteria or conditions.

For the purposes of this recommendation, severance payment will be deemed to include any payments the accrual of which or obligation to pay arises as a result of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings plans and any amounts paid by virtue of post-contractual non-compete clauses.

Complies Complies partially Explain Not applicable

The co-CEO's contract complies with this recommendations.

In relation to the Executive Chairman, his contract establishes compensation in cases of termination of the contract by Fluidra's decision or the Executive Chairman's own decision for the causes detailed in section C.1.39, for an amount equivalent to two years of his remuneration, based on the gross annual salary received in the year the termination of the contract takes place and the variable gross annual salary for the preceding year. This compensation includes the amount of the severance pay which the Executive Chairman is entitled to receive for the termination of his previous employment relationship of sixteen years and seven months, which was suspended when he was appointed to the Board. Additionally, his contract includes a post-contractual non-compete clause for a term of two years, with an economic compensation of two years of his fixed gross annual remuneration at the

time of termination of his contract. If, as a result of the termination of his contract, the Executive Chairman were to receive, in addition to the non-competition compensation, the severance compensation for termination of his contract, the sum of the two amounts would exceed two years' salary. However, the Company understands that the amount of the compensation for termination of the contract (which was already reduced in 2015, from three to two years' annual salary, as a result of the introduction of this recommendation that year) should not be reduced, as it includes the termination of his prior employment relationship of sixteen years and seven months, which was suspended when he was appointed as a director.

H. Other information of interest

1. If there are any significant aspects regarding corporate governance in the company or entities of the group that have not been included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the corporate governance structure and practices in the entity or its group, briefly describe them.
2. In this section, you may also include any other information, clarification, or comment relating to the prior sections of this report to the extent they are relevant and not repetitive.

Specifically, state whether the company is subject to laws other than Spanish laws regarding corporate governance and, if applicable, include such information as the company is required to provide that is different from the information required in this report.

3. The company may also state whether it has voluntarily adhered to other international, industrial, or other codes of ethical principles or good practice. If so, identify the code in question and the date of adherence thereto. In particular, mention whether the company has signed up to the Code of Good Tax Practice, of 20th July 2010:

* Section C.1.11

Mr Eloy Planes Cortés is a member of the Board of Trustees of the Business and Climate Private Foundation.

Mr José Manuel Vargas López is Senior Advisor of Rhône Group LLC

Mr Brian McDonald is a Trustee of the US Naval Academic Athletics and Scholarship Foundation.

This annual corporate governance report was approved by the Board of Directors of the company at its meeting held on:

30/03/2023

State whether any directors voted against or abstained in relation to the approval of this Report.

Yes

No

Auditor´s report on the "Information Related to the System of Internal Control Over Financial Reporting (ICFR)" of Fluidra, S.A. for the year 2022

AUDITOR´S REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

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

To the Board of Directors of Fluidra, S.A.:

In accordance with the request from the Board of Directors of Fluidra, S.A. (hereinafter the Entity) and our engagement letter dated December 20, 2022, we have performed certain procedures on the "ICFR related information" of Fluidra, S.A., which summarizes the internal control procedures of the Entity in relation to the annual financial information.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR related information attached.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Entity in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the entity´s internal control was to enable us to establish the nature, timing and extent of the audit procedures to be applied to the Entity´s financial statements. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively performed the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Entity's annual financial information for 2022 described in the ICFR related information attached. Consequently, had we performed additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have come to our attention that would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures performed were as follows:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).
2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Entity.
3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit and Compliance Committee.
4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.
5. Read the minutes of the meetings held by the Board of Directors, Audit and Compliance Committee and other Entity committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.
6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures performed, no inconsistencies or issues were observed that might have an impact on ICFR related information.



EY

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This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Daniel Artigas

March 30, 2023

8.2. Annual Report on Compensation of Directors of Listed Companies

Issuer identification

Year-end date:

31/12/2021

Tax ID:

A-17728593

Company name:

FLUIDRA, S.A.

Registered address:

AVENIDA ALCALDE BARNILS, 69 (SANT CUGAT DEL VALLES) BARCELONA

A. Corporate compensation policy for the current fiscal year

- A.1.1 Explain the current director compensation policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the compensation policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress should be described, both the compensation of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the compensation policy approved by the General Shareholders' Meeting.

In any event, the following aspects should be reported:

1. Description of the procedures and bodies at the company involved in the determination and approval of the compensation policy and its terms and conditions.
2. Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's compensation policy.
3. Information on whether any external advisors took part in this process and, if so, their identity.
4. Procedures included in the current compensation policy for directors for making temporary exceptions to the policy, the conditions under which such exceptions can be made and the components that may be subject to exception under the policy.

The 2022 General Shareholders' Meeting approved Fluidra's Compensation Policy for Directors ("Compensation Policy" or "Policy"), applicable from the approval date through December 31, 2024.

According to the principles and foundations of the Compensation Policy, compensation should be reasonably proportionate to the Company's importance, its economic situation and the market standards of comparable companies. It should be geared towards promoting the creation of sustainable long-term value, linking directors' compensation to business performance and shareholders' interests and incorporating the necessary safeguards to avoid excessive risk-taking and the rewarding of unfavorable results.

Additionally, Fluidra takes into account the economic environment, the Company's results, the strategy of the Fluidra group, best market practices and Corporate Governance recommendations in relation to compensation.

The Compensation Policy establishes that Fluidra's Board of Directors, on the recommendation of the ACC, may approve temporary exceptions to the Compensation Policy under exceptional circumstances where it is necessary to serve the long-term interests and sustainability of Fluidra as a whole or to ensure its viability. The details of and justification for temporary exceptions will be included in the pertinent Annual Compensation Report.

- A.1.2 Relative importance of variable compensation items vis-à-vis fixed compensation (compensation mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the compensation. In particular, indicate actions taken by the company in relation to the compensation plan to reduce exposure to excessive risk and adjust it to the company's long-term objectives, values and interests, including, where applicable, a reference to the measures which are planned to guarantee that the compensation policy is consistent with the company's long-term results, the measures adopted in relation to personnel whose professional performance has material repercussions on the company's risk profile and the measures planned to avoid conflicts of interests, if any.

Furthermore, state whether the company has established any period for the accrual or consolidation of certain variable compensation items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or if any clause exists reducing the deferred compensation or that obliges the director to return compensation received, when such compensation has been based on certain figures that have clearly been shown to be inaccurate has been agreed.

According to the Compensation Policy, only the Executive Directors receive short-term and long-term variable compensation. This is in compliance with CNMV recommendation no. 57, according to which variable compensation linked to the company's performance and personal performance, and that consisting of the award of shares, options or rights over shares or instruments linked to share value, must be confined to Executive Directors.

The compensation system for Executive Directors reflects a balanced and efficient relationship between fixed components and variable annual or multi-year components. Variable compensation is set with a medium- and long-term view, which provides an incentive for performance in strategic terms in addition to the achievement of short-term results, considering the current situation and the Company's outlook and objectives with regard to sustainable growth, without the variable compensation threatening the Company's ability to maintain its solvency and financial situation. The Compensation Policy seeks to promote and favor the achievement of the Company's strategic objectives by incorporating long-term incentives, reinforcing continuity in the Company's competitive development, fostering motivation, loyalty and retention, whilst keeping compensation in line with best practices.

1. Annual variable compensation ("AVC")

According to the current Compensation Policy, the AVC, weighted according to the attainment scale, may not exceed 150% of the fixed compensation for executive functions once the level of attainment of objectives is applied. The attainment scale for economic objectives ranges from 0% of the incentive to a maximum of 185% of the AVC target if the maximum values for each indicator are achieved or exceeded.

The setting of the percentage represented by AVC in relation to fixed compensation for executive functions, the indicators, and the evaluation of performance shall be determined annually by the board of directors, upon a proposal by the ACC, which shall subsequently determine the levels of achievement. In order to receive the full amount of the annual bonus, the Executive Director must still be associated with Fluidra on December 31 of the year in which the bonus is to be paid. In the event of termination of their relationship with Fluidra prior that date, they shall receive the proportional part of the variable compensation to which they would have been entitled in the event of continuing through to December 31 which corresponds to the part of the year for which they have remained with Fluidra.

2. Long-term variable compensation

The Executive Directors may participate in long-term incentive plans based on Fluidra equity instruments, or linked to the value of such instruments, established by the Company for its executive personnel ("LTI").

The LTI will entitle its beneficiaries to receive, once a certain period of time has elapsed, an amount in shares or other instruments, or options over the same, or cash, subject to fulfillment of the conditions and strategic objectives established in the LTI. Those plans shall be of a recurring nature, their specific conditions being set by the Board of Directors upon a proposal by the ACC. They must be in alignment and compatible with the principles of the Compensation Policy and be approved by the Fluidra Shareholders' Meeting insofar as may be required.

The LTI in force at Fluidra is the 2022-2026 Plan that the Board of Directors, on the recommendation of the ACC, submitted for approval at the 2022 General Shareholders' Meeting.

The compensation mix is as follows, depending on the level of attainment attached to the bonus: Variable Annual Compensation (% of fixed compensation):

Executive Chairman: minimum: 0%, target: 100%; maximum 185%;

CEO: minimum: 0%, target: 150%, maximum: 277.5%

Long-term incentive (% of fixed compensation):

Executive Chairman: minimum: 0%, target: 150%; maximum 258%;

CEO: minimum: 0%, target: 150%, maximum: 258%

Does not include in kind compensation or contributions to pension plans, since the amount is negligible. The amounts reflect the average annualized percentage of the 2022-2026 LTI based on the FR on the approval date.

The principles regulating the Company's Director Compensation Policy take into account the shareholders' interests and prudent risk management. The compensation system therefore seeks to promote the Company's long-term profitability and sustainability and includes the necessary safeguards to prevent excessive risk-taking and the rewarding of poor results.

The measures that the Company has established for determining an appropriate risk management and promoting sustainability of results are:

AVC:

* There is no entitlement to receive a guaranteed variable annual compensation.

-The maximum AVC may not exceed 150% of the Executive Director's fixed compensation weighted by the level of attainment scale (with a maximum of 277.5% of the fixed compensation in the event of over achievement of objectives).

- The parameters of the AVC are defined annually, the objectives being set by the Board upon a proposal by the ACC, having regard to the variables which have been identified within the Company's risk map.

- Defined scales of achievement for each objective based on the Company's results are included. Any variation in the Company's results will affect the degree of achievement of the objectives and directly affect the amount of the AVC to which - where appropriate - the Executive Directors may be entitled.

- The AVC accrues annually and is paid annually in arrears, within the first quarter of the calendar year following the year of accrual, once the fulfilment of the associated objectives is verified.

LTI:

- There is no guaranteed right to receive the long-term incentive.

-Long-term compensation is linked to specific financial metrics, including defined scales of achievement for each objective based on the Company's results.

- Pursuant to the Compensation Policy, the incentive to be settled shall take into account any qualifications in the external auditor's report that reduce the Company's earnings.

- The payment of the long-term incentive must be deferred for the minimum period of time necessary to verify that the pre-established conditions to which it is linked have indeed been met ("malus" clause).

- The long-term compensation system for Executive Directors imposes on them the obligation to maintain the ownership of a certain number of any shares they may receive under long-term incentive plans.

- The long-term compensation corresponding to the Executive Directors is subject to a clawback clause, which enables the Company to demand reimbursement of the compensation if it becomes evident that the payment was made based wholly or in part on information which has subsequently been proven to be false or seriously inaccurate.

Finally, insofar as the measures intended to avoid conflicts of interest as set forth in the Board Regulations, the directors agree:

- Not to participate, directly or indirectly, in professional or commercial transactions with the Company unless they are duly authorized by the Company in keeping with the terms of the law, the by-laws and the Board Regulations.
- To report conflicts of interest to the Board of Directors.
- To abstain from deliberating and voting on resolutions in which he or a related person has a direct or indirect conflict of interest, unless they are legally authorized to do so. Excluded from this prohibition are resolutions or decisions that affect the director in his capacity as such, such as the appointment or removal from office on the administrative body or others of a similar nature.
- To take the measures necessary to avoid situations in which their own interests or those of others they represent, could conflict with the corporate interest and their duty to the Company.

A.1.3 Amount and nature of fixed components that are due to be accrued during the year by directors in their status as such.

The maximum annual compensation Directors may earn for the supervisory and collegiate decision-making functions inherent to their status as such to be submitted to the General Shareholders' Meeting for approval is €2,000,000.

The aforementioned amount is, in any case, a maximum limit, and it falls to the Board to propose how that amount will be distributed amongst the different components and the directors, in the form, at the time and in the proportions freely determined by the Board in light of the functions and responsibilities attributed to each one, their membership of and positions held on the Board Committees, and any other objective circumstances which may be deemed relevant. Of that amount, the breakdown of the fixed

compensation per position and responsibilities of the members of the Board that is expected to accrue in fiscal year 2023 is as follows (the compensation will be the same as in 2022 following approval of the Policy):

- 90,000 euros per annum for each member of the Board of Directors.
- For the responsibility and dedication required of members of the various Committees and that involved in the Presidency and coordination of the Board:

An additional 20,000 euros per annum for each member of the ACC, except for the Committee chairman, who will receive an additional 40,000 euros.

An additional €20,000 per annum for each member of the Audit Committee, except for the Committee chairman, who will receive an additional €40,000.

An additional 12,000 euros per annum for each member of the Delegated Committee.

An additional 50,000 euros per annum for the Chairman of the Board of Directors.

An additional 25,000 euros per annum for the coordinator of the Board of Directors

However, the Executive Directors who are members of the different Committees shall not receive any additional amount for their membership thereof.

Allowances for attendance at Board or Committee meetings are 8,000 per annum. The amount received by those Directors who reside outside of Europe, however, is 20,000 euros per annum.

Finally, Directors will be reimbursed for duly justified expenses incurred in the course of rendering their services to the Company.

A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

The fixed cash compensation to be paid to executive directors in 2023 is as follows:

- Mr. Eloy Planes: 500,000 euros
- Mr. Bruce Brooks: 600,000 euros

The current compensation policy anticipates an annual review of fixed compensation by the Board of Directors at the proposal of the ACC for the years in which it is in force (2022-2023-2024). The policy does not envisage increases in excess of 20% throughout the period it is in force. There were no salary rises in 2023.

In addition, Mr. Bruce Brooks receives tax and legal advice.

Part of Mr. Bruce Brooks' compensation is paid by another company of the Fluidra Group.

A.1.5 Amount and nature of any component of in kind compensation that will accrue during the year, including, but not limited to, insurance premiums paid in favor of the director.

Executive Directors receive the following in kind compensation:

- Under the Fluidra policy for executive personnel, the Company provides each Executive Directors with a vehicle at an estimated cost of €8,000 for Mr. Eloy Planes and €12,000 for Mr. Bruce Brooks in 2023.
- The Company assumes the cost of a life insurance policy covering the Executive Directors against the contingencies of death and disability. As of the date of this Report, the estimated annual premium for 2023 is €19,000 for Eloy Planes and €16,000 for Mr. Bruce Brooks.
- Fluidra assumes the cost of a family medical insurance policy, for which the annual premium for 2023 is approximately €6,000 for Mr. Eloy Planes and €8,000 for Mr. Bruce Brooks.

Part of Mr. Bruce Brooks' compensation is paid by another company of the Fluidra Group.

A.1.6 Amount and nature of variable components, differentiating between those established in the short and long term. Financial and non-financial parameters, including social, environmental and climate change parameters selected to determine variable compensation in the year in progress, explaining the extent to which these parameters are related to

performance, both of the director and the company, together with their risk profile, and the methodology, timetable and techniques established to determine the degree of compliance with the parameters used in the design of the variable compensation, explaining the applicable criteria and factors in terms of the time required and the methods used to effectively verify compliance, with the performance conditions or any others to which the accrual is tied and the consolidation of each component of variable compensation.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

The variable compensation system for the Executive Directors for 2023 includes two components: annual variable compensation (AVC) and a long-term incentive (LTI).

(i) AVC:

In accordance with the terms of their respective contracts, the Executive Directors receive AVC linked to the achievement of economic and management objectives related to the budget set by the Board of Directors for each year. The objective criteria to be used to calculate the AVC for 2023 are as follows:

- The Executive Chairman's AVC for 2023, prior to weighting based on the achievement scale, is 100% of the fixed compensation for executive functions. The achievement scale ranges from a payment of 40% of the variable amount, in the event of achieving the minimum levels established for each indicator (0% if the minimum levels are not achieved), up to maximum payment of 185%, in the event of achieving or exceeding the maximum levels established for each indicator.
- The CEO's AVC for 2023, prior to weighting based on the achievement scale, is 150% of the fixed compensation for executive functions. The achievement scale ranges from a payment of 40% of the variable amount, in the event of achieving the minimum levels established for each indicator (0% if the minimum levels are not achieved), up to maximum payment of 185%, in the event of achieving or exceeding the maximum levels established for each indicator.

The indicators for 2023:

- (i) 85%, economic objectives: Free Cash-Flow (25%), PF cash EPS (25%), EBITDA (25%) and total sales growth (10%) and
- (ii) 15% management objectives: within the management objectives, 4% are linked to attaining the company's ESG ("Environment, Social and Governance") objectives, in addition to all other strategic management targets of the company, such as development plans that take diversity into consideration related to the IT, IoT and Data Department.

The achievement scale for the economic objectives in 2023 is as follows:

Free cash flow: 80% of the objective for entitlement to payment of 40% of the AVC linked to this objective, and 120% for entitlement to 200%.

Cash Earning Per Share: 70% of the objective for entitlement to payment of 40% of the AVC linked to this objective, and 130% for entitlement to 200%.

Ebitda: 80% for entitlement to payment of 40% of the AVC linked to this objective, and 120% for entitlement to 200% of the variable target. Total growth in sales: 50% of the objective for entitlement to payment of 40% of the AVC linked to this objective, and 150% for entitlement to 200%.

If the management objectives are achieved, the payout would be 100% of the target AVC linked to these objectives; otherwise it would be 0%.

At the end of the fiscal year, upon receipt of the appropriate supporting documentation, the Board of Directors, on the recommendations of the ACC, will assess the degree of compliance with the objectives set at the beginning of the fiscal year and approve the amount of the AVC to be received by each executive director based on the degree of compliance achieved. Once the amount of the incentive is approved, it will be paid in cash after Fluidra's annual accounts have been drafted, taking into account, where applicable, any provisos in the external auditor's report.

(iii) LTI:

In 2023 the Executive Directors are beneficiaries of the 2022-2026 Plan:

The 2022-2026 Plan for key senior management and executive directors of the Fluidra group was approved at the 2022 General Shareholders' Meeting.

The goal of the plan is to incentivize, motivate and build loyalty among Fluidra's management team by linking part of their compensation to the value of the Company's stock

to align the interests of the beneficiaries with those of shareholders by offering them competitive compensation that is in line with market compensation practices and the Fluidra group's new organization and strategy.

The basic conditions of the 2022-2026 Plan are as follows:

Instrument: The 2022-2026 Plan is implemented through the award of a certain number of units ("PSUs") which will then be used as a reference in order to determine the final number of Shares to be delivered to the Beneficiaries after a certain period of time, as long as certain strategic objectives of the Fluidra Group are fulfilled and the requirements provided for in the Regulations are met.

Term The 2022-2026 Plan has a term of five (5) years, running from January 1, 2022, with effect from the date of approval of the Plan by the Fluidra Shareholders' Meeting (the "Start Date") until December 31, 2026 (the "End Date"), without prejudice to the effective settlement of the last cycle of the Plan, which will take place in June 2027.

The Plan is divided into three (3) independent cycles (the "Cycles") and will have three award dates (the "Award Dates") for the target incentive to be received in the event of achieving 100% of the objectives to which it is linked ("Target Incentive"), each of which will take place in 2022, 2023 and 2024, respectively.

Each one of the Cycles will have an objective measurement period of three (3) years (the "Measurement Period"), starting on January 1 of the year in which the Cycle begins (the "Measurement Period Start Date") and ending three (3) years after the Measurement Period Start Date, that is, on December 31 of the year the Measurement Period for the Cycle ends (the "Measurement Period End Date").

Once the Measurement Period for each Cycle has ended, the associated incentive to which each of the Beneficiaries will be entitled will be determined according to the degree of achievement of the objectives established for the Cycle in question ("Degree of Achievement")

The incentive corresponding to each Cycle of the Plan will be settled in the month of June of the year after the Measurement Period End Date, following approval of the financial statements for the year in which the Measurement Period of the Cycle in question ends (the "Settlement Date").

Beneficiaries: The beneficiaries of the 2022-2026 Plan (the "Beneficiaries") will be the members of the management team of Fluidra and of the subsidiaries making up the Fluidra Group, as determined by the Board of Directors of Fluidra, at the proposal of the Appointments and Compensation Committee, who are expressly invited to participate in the Plan via a letter of invitation (the "Letter of Invitation") and who expressly accept such invitation.

For these purposes, the Fluidra Shareholders' Meeting designates as Beneficiaries of the 2022-2026 Plan those directors of Fluidra who, during the term of the Plan, are attributed executive functions in the Fluidra Group ("Executive Directors"). At the date of approval of the Plan by the Fluidra Shareholders' Meeting, the Executive Directors are Mr. Eloy Planes, Executive Chairman, and Mr. Bruce Brooks, CEO.

Maximum number of Shares included in the Plan: The total number of Shares which, in implementation of the Plan, will be delivered to the Beneficiaries at the end of each Cycle will be that resulting from dividing the maximum amount allocated to each Cycle by the weighted average closing price of the Shares for the trading sessions taking place on the thirty (30) days prior to the Measurement Period Start Date of the Cycle in question (the "Reference Value"). The maximum total amount allocated to the Plan if 100% of the related objectives are met is €55 million.

The maximum amount to be allocated to each Cycle of the Plan, if 100% of the objectives are met, will be determined by the Board of Directors following a report from the Appointments and Compensation Committee, but may not exceed a total of €55 million for all three Cycles of the Plan.

In any event, if 100% of the objectives are met, the total number of Shares to be delivered in implementation of the Plan to all of the Beneficiaries in the three Cycles may not exceed 0.8% of the share capital of Fluidra on the date of approval of the Plan, and will be 1.3% in the event of reaching the maximum Degree of Achievement of the objectives.

If the maximum number of Shares allocated to the Plan authorized by the Shareholders' Meeting is insufficient to be able to settle the incentive in Shares corresponding to the Beneficiaries under each Cycle of the Plan, Fluidra shall pay in cash the amount of the incentive corresponding to the excess which cannot be settled in Shares.

If 100% of the objectives of the Plan are met, the Executive Directors of Fluidra will be entitled to receive, at the end of each of the three Cycles, a number of Shares equal in value to 250% of their Fixed Annual Compensation in force on the award date of the incentive corresponding to the Cycle in question, divided by the Reference Value.

In any event, the number of Shares to be delivered will depend on the number of PSUs assigned and on the degree of achievement of the objectives to which the incentive is linked.

For the first Cycle of the Plan, if 100% of the Cycle objectives are met, and taking into consideration the average weighted closing price of the Share for the trading sessions taking place on the thirty (30) days prior to January 1, 2022 and the Annual Fixed Compensation of the Executive Directors in force on the date of approval of the Plan, 37,651 Shares would be delivered to the Executive Chairman,

Mr. Eloy Planes and 45,181 Shares would be delivered to the CEO Mr. Bruce Brooks. In the event of reaching the maximum Degree of Achievement of the objectives to which the first Cycle is linked, the number of Shares to be delivered will be 172% of the Shares to be delivered in the event of achieving 100% of the objectives. Accordingly, the maximum number of Shares to be delivered would be 64,760 Shares in the case of Mr. Eloy Planes and 77,711 Shares in the case of Mr. Bruce Brooks.

For the second Cycle of the Plan, if 100% of the Cycle objectives are met, and taking into consideration the average weighted closing price of the Share for the trading sessions taking place on the thirty (30) days prior to January 1, 2023 and the Annual Fixed Compensation of the Executive Directors in force on the date of Invitation Letter to the second Cycle of the Plan, 88,500 Shares would be delivered to the Executive Chairman, Mr. Eloy Planes and 106,200 Shares would be delivered to the CEO, Mr. Bruce Brooks. In the event of reaching the maximum Degree of Achievement of the objectives to which the corresponding Cycle is linked, the number of Shares to be delivered will be 172% of the Shares to be delivered should 100% of the targets be met. Accordingly, the maximum number of Shares to be delivered would be 152,220 Shares in the case of Mr. Eloy Planes and 182,664 Shares in the case of Mr. Bruce Brooks.

For the third Cycle, the Board of Directors, following a report from the Appointments and Compensation Committee, will determine the maximum amounts that will serve as a basis in order to establish, according to the Reference Value of the Cycle in question, the number of Shares that may be delivered if 100% of the objectives are met and in the event of reaching the maximum Degree of Achievement

of the objectives to which the corresponding Cycle is linked. The number of PSUs assigned in each Cycle shall be duly reported in the corresponding Annual Report on Directors' Compensation.

Requirements for receiving the incentive: The requirements to be met, on a cumulative basis, in order for the Beneficiary to vest the right to receive the incentive corresponding to each Cycle of the 2022-2026 Plan are as follows:

- For the total PSUs available in each Cycle, the Beneficiary must still be part of the Fluidra Group as of the End Date of the Cycle Measurement Period, notwithstanding the provisions for special cases of separation established in the Regulations, which will also determine the formula for calculating the consolidated PSUs on the separation date.
- Meet the objectives established for each Cycle of the 2022-2026 Plan in the terms and conditions described in this agreement and the implementing Regulations.

In the case of Executive Directors, 100% of the PSUs awarded in each Cycle must be linked to fulfillment of the objectives to which the corresponding Cycle is linked.

Objectives: The Degree of Achievement of the incentive corresponding to one Cycle of the Plan, and therefore the number of Shares to be delivered to the Beneficiaries in relation to such Cycle, will depend on the degree of achievement of the objectives that the Board of Directors, at the proposal of the Appointments and Compensation Committee, establishes for each Cycle of the 2022-2026 Plan, insofar as relates to the percentage of PSUs awarded which is linked to such achievement.

The objectives will be:

- Objectives in terms of the creation of value for shareholders;
- Economic-financial objectives, and
- ESG objectives (Environment, Social and Governance).

i) First Cycle Objectives

In the first Cycle of the Plan, the Incentive will be linked to achievement of the following strategic objectives of the Company:

(i) Objectives in terms of the creation of value for shareholders; Evolution of the "Total Shareholder Return" of Fluidra ("TSR"), in absolute terms;

(ii) Economic-financial objectives: Evolution of the EBITDA of the Fluidra Group;

(iii) ESG objectives: S&P rating; hereinafter, the "metrics".

TSR, EBITDA and the ESG objectives will be determined during the First Cycle Measurement Period ending on December 31, 2024.

2) Second Cycle Objectives

In the Second Cycle of the Plan, the Incentive will be linked to achievement of the following strategic corporate objectives:

(iv) Objectives in terms of the creation of value for shareholders; Evolution of the "Total Shareholder Return" of Fluidra ("TSR"), in absolute terms;

(v) Economic-financial objectives: Evolution of the EBITDA of the Fluidra Group;

(vi) ESG objectives: S&P rating; hereinafter, the "metrics".

TSR, EBITDA and the ESG objectives will be determined during the Measurement Period of the First Cycle ending on December 31, 2025.

The initial value considered for the purpose of measuring the evolution of TSR will be the weighted average listed price of the Fluidra share at the close of trading for the trading sessions taking place on the thirty (30) days preceding the First Cycle Measurement Period Start Date, the final value considered being the weighted average listed price of the Fluidra share at the close of the trading sessions taking place on the thirty (30) days preceding the First Cycle Measurement Period End Date.

The weighting percentages for the Incentive awarded to the Executive Directors in the First and Second Cycles will be 50% for the TSR objective, 40% for the EBITDA objective, and 10% for the ESG objective.

In the case of Beneficiaries who are not directors, the Board of Directors will determine, upon a proposal by the Appointments and Compensation Committee, the part of the Shares whose delivery will depend on achievement of the TSR; EBITDA and ESG objectives.

For the TSR and EBITDA objectives, a Degree of Achievement associated with each objective will be established and this may range between 0% and 180%. The Degree of Achievement deriving from each of the above objectives will be calculated by linear interpolation. In the

case of the ESG objective, the Degree of Achievement will be 0% or 100%. The maximum Degree of Achievement for the Executive Directors will therefore be 172%.

3) Third Cycle

For the Third Cycle of the Plan, the Fluidra Board of Directors, on the recommendation of the Appointments and Compensation Committee, may decide to maintain or change the Metrics, their relative weights, and the Degree of Achievement established for the First Cycle of the Plan. In the event of the Board of Directors making any change in this respect, the pertinent information will be duly set out in the corresponding Annual Report on Directors' Compensation.

Delivery and availability of shares: The Shares will be delivered either by Fluidra or by a third party, depending on the coverage systems finally adopted by the Board of Directors.

OTHER DISCLOSURES are discussed in section D

A.1.7 Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

State if the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

Fluidra has assumed on behalf of Mr. Eloy Planes a defined-contribution retirement pension plan to which the Company makes annual contributions, which in 2022 totaled €16,000. He has vested rights.

Mr. Bruce Brooks is an active participant in the 401(k) pension plan sponsored by the US subsidiary. The estimated cost of the plan to the Fluidra group in 2022 was €8,000. If, at any time, Mr. Bruce Brooks is unable to participate in that pension plan, the Company shall finance - or arrange for its US subsidiary to finance - a defined contribution pension fund, making annual contributions of €16,000. Fluidra reserves the right to finance these pension commitments using whatever instrument it considers most suitable pursuant to the currently applicable legislation.

This commitment is compatible with the severance to which Executive Directors are entitled in the event of termination or early removal in the terms envisaged and described in the subsections below.

A.1.8 Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of compensation.

The non-executive directors are not entitled to indemnities for termination of their functions as directors.

The contracts of the Executive Directors envisage the following severance payments in the event of termination of the provision of services agreement signed by the Company and the director.

Severance pay for termination of the contract

The severance to which the Executive Directors will be entitled in case of termination of the contract by Fluidra for any reason, except in cases of serious and willful or negligent non-fulfilment of their duties as Executive Directors of the Company, will be:

- Mr. Eloy Planes: an amount equivalent to twice his annual compensation, based on his gross annual fixed salary for the year in which his contract is terminated and the gross annual variable salary for the preceding year. This includes the legal indemnity that Mr. Eloy Planes is entitled to receive for the termination of his previous employment relationship of 16 years and 7 months, suspended on the occasion of his appointment as a director.
- Mr. Bruce Books: an amount equal to one year's compensation, based on his gross annual fixed salary for the year in which his contract is terminated and his target gross annual variable salary.

The Executive Directors shall be entitled to receive this severance pay if they decide to terminate their contracts by their own choice, if such termination is due to any of the following causes:

- Serious breach by the Company of any of the contractual obligations related to their position.
- Reduction and substantial limitation of their duties or powers.
- Substantial modification of their contractual conditions.
- Change of ownership of Fluidra's share capital with or without changing the Company's governing bodies.

Exclusivity and confidentiality

The contracts of the Executive Directors establish clauses regulating confidentiality and exclusive dedication, this being without prejudice to any activities which have been expressly authorized by the Company, provided they do not hinder the fulfillment of the duties of diligence and loyalty inherent in their post or entail a conflict with the Company. Such exclusivity clause does not entitle the Executive Directors to any specific compensation.

Post-contractual non-compete and non-solicitation undertaking.

Without prejudice to the agreement in which the Executive Directors undertake not to compete with the Company as long as the contracts are in force, it is agreed that:

Mr. Eloy Planes: a post-contractual non-competition agreement with a duration of two years from the conclusion of the effective provision of services. The economic compensation established for the commitment pursuant to the post-contractual non-compete undertaking is two times his gross annual fixed compensation in force at the time of termination of the contract.

Mr. Bruce Brooks: a post-contractual non-solicitation and non-competition agreement with a duration of two years from the conclusion of the effective provision of services. The economic compensation derived from the post-contractual non-solicitation and

non-competition undertaking is included in the amount of compensation established for him. The non-compete agreement was included in his contract in April of 2021.

A.1.9 State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section

The contracts of the Executive Directors of the Company are commercial contracts, and contain a clear description of the functions and responsibilities to be assumed according to the provisions of commercial legislation, the By-laws, the Regulations applicable to the bodies of the Company and those attributed by the Shareholders' Meeting of Fluidra. Set out below are the essential terms and conditions of the contracts of Executive Directors which have been approved in accordance with the provisions of articles 249 and 529.80 of the Capital Companies Act.

1. Term:

The Executive Directors have signed an indefinite-term contract for services with the Company which shall remain in force for as long as the directors perform the executive duties delegated to them by the Board of Directors according to their post.

2. Exclusivity and confidentiality

The contracts establish clauses regulating confidentiality and exclusive dedication, without prejudice to the activities which are expressly authorized, provided they do not hinder the fulfillment of the duties of diligence and loyalty inherent in their post or entail a conflict with the Company.

3. Time commitment

The Executive Directors' contracts do not include any continuity or loyalty clauses.

4. Advance notice period

The parties are required to give at least six months' notice before the effective date of termination of the contractual relationship, except when this occurs by mutual agreement, due to serious and willful or negligent non-fulfilment of the Executive Director's professional duties or a serious breach by the Company of the obligations undertaken in relation to the position of Executive Director. In the event of non-fulfillment of the obligation to give notice, the performing party shall be entitled to receive an amount equal to the fixed compensation pending payment during the period of the breach.

5. Severance pay for termination of the contract

Details of the severance payable for termination of the contract are provided in a subsection of this Report.

6. Post-contractual non-compete and non-solicitation undertaking

Details of the post-contractual non-competition and non-solicitation undertaking are provided in the previous subsection of this Report.

7. Other

In addition, the contract signed with Mr. Bruce Brooks specifies that any compensation (including compensation in cash and in kind and payments for termination of contract, if any) paid by a US subsidiary of the Fluidra group will reduce the amount of the compensation to be paid by Fluidra stipulated in the contract signed by him with the Company.

The Board of Directors will periodically review the conditions of the contracts signed with the Executive Directors in order to include in them any amendments necessary to adapt them to the Compensation Policy in force at any given time and to the internal regulations of the Company that apply.

A.1.10 The nature and estimated amount of any other supplementary compensation accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

The Compensation Policy does not envisage any compensation for directors not already mentioned in the previous subsections

A.1.11 Other remunerative items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other compensation.

The Compensation Policy does not envisage the possibility of providing advances, loans and guarantees to the directors

A.1.12 The nature and estimated amount of any other planned supplementary compensation accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

No compensation payable by Group entities to any of the members of the Board is envisaged for the current financial year that has not been included in the preceding sections.

A.2. Explain any significant change in the compensation policy applicable in the current year resulting from:

- 1) A new policy or a modification of the policy already approved by the General Meeting.
- 2) Significant changes in the specific determinations established by the board for the current year regarding the compensation policy in force with respect to those applied in the previous year.
- 3) Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

There are no changes in the Compensation Policy for the current year.

A.3. Identify the direct link to the document where the current company compensation policy is posted, which must be available on the web page of the company.

<https://www.fluidra.com/es/accionistas/remuneraciones-de-los-consejeros>

A.4. Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on compensation for the previous year.

The resolution received the favorable vote of 94.2% of the voting quorum, in the terms stated in section B.4 of this Report. Similarly, the Compensation Policy for the current year was approved with the affirmative vote of 93.5% of the quorum with voting rights.

B. Overview of how the company policy was applied during the year just ended

B.1.1 Explain the process followed to apply the compensation policy and determine the individual compensation contained in Section C of this report. This information will include the role played by the compensation committee, the decisions taken by the Board of Directors and, the identity and the role of the external advisors whose services have been used in the process to apply the compensation policy in the year ended.

The individual compensation of the directors of Fluidra accrued in fiscal year 2022 that is reflected in section C of this Report has been determined in accordance with the principles and criteria of the Company's directors' compensation policy in force in 2022.

Since its approval, the Company has implemented the Compensation Policy approved at the General Shareholders' Meeting held on May 5, 2022, which is valid for fiscal years 2022 (from its date of approval) to 2024.

The procedures, matters and decisions adopted by the ACC and the Board of Directors, according to the powers described in subsection A.1 of this Report, are as follows:

- Evaluation of the Board of Directors and its Committees and monitoring of the action plan derived from the self-evaluation of the Board.
- Evaluation of the degree of compliance with the 2021 AVC metrics of the Executive Directors and Fluidra's management team and approval of the amount of the 2020 AVC to be settled in 2022, based on the degree of compliance.
- Approval of the 2022 compensation for Fluidra's management team.
- 2022 AVC of Fluidra's Executive Directors and management team: determination of the AVC metrics, establishment of the threshold for entitlement to the AVC and payout scale depending on the degree of compliance with the objectives of each metric.
- Proposal of the Annual Report on Directors' Compensation for 2021, to be submitted to a consultative vote at the Shareholders' Meeting.
- Proposal to submit certain parts of the Annual Report on Directors' Compensation for 2021 to the Shareholders' Meeting for approval.
- Proposal to submit a Compensation Policy to be rolled out in 2022 (from its date of approval), 2023 and 2024 to the Shareholders' Meeting for approval.
- Proposal to submit the 2022-2026 LTI to the Shareholders' Meeting for approval.

B.1.2 Explain any deviation from the established procedure for the application of the compensation policy that occurred during the fiscal year.

There were no deviations in the procedure for the application of the Compensation Policy.

B.1.3 Indicate whether any temporary exceptions to the compensation policy have been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the compensation policy affected and the reasons why the entity considers that such exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact which the application of these exceptions has had on the compensation of each director in the fiscal year.

No temporary exceptions were applied.

B.2. Explain the different actions taken by the company in relation to the compensation system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the compensation accrued and that a suitable balance has been attained between the fixed and variable components of the compensation, the measures that have

been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if any.

The compensation of Executive Directors is a key issue for the Board of Directors and the ACC. Because that is the case, the compensation model is continuously reviewed, evaluated and updated by both bodies. Fluidra has defined a competitive executive compensation program which motivates and rewards executives for achieving financial and strategic objectives that generate long-term value for shareholders, while providing rewards commensurate with performance. This program applies to both executive directors and other senior executives who are considered critical to the company as a way of incentivizing the growth and sustainability of the company. So:

- Total compensation is composed of a fixed portion, an annual variable portion and a long-term variable portion.
- The LTIs are linked to the achievement of Fluidra's long-term objectives based on its strategic plan.
- The LTIs are paid in shares, aligning the directors' interests with those of the shareholders, with the obligation to retain the ownership of the net shares received for three years from the acquisition date, until the beneficiary owns a certain number of shares equivalent to 2 annual payments of his/her fixed compensation.
- Variable compensation is not guaranteed.
- LTIs are subject to clawback and malus clauses as described in the preceding sections, which allow the company to request the return of the incentive paid in certain cases.

Finally, the steps taken to avoid conflicts of interest are explained in section A.1.6 above.

B.3. Explain how the compensation accrued and vested in the fiscal year complies with the current compensation policy and, in particular, how it contributes to the company's long-term sustainable performance.

Furthermore, report on the relationship between the compensation obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the compensation of directors and how the latter contribute to the short- and long-term results of the company.

Section C of this Report includes the breakdown of the compensation accrued in 2022, for all items, in favor of the directors of Fluidra, pursuant to the compensation policies in force in the year with respect to compensation items and amounts.

Variable compensation is aligned with the achievement of objectives linked to Fluidra's annual budget, so that variations in the company's performance have a direct influence on the AVC and, therefore, on the compensation of directors with executive functions. The AVC linked to the achievement of financial and non-financial and business objectives is configured with a view to the medium and long term which drives long-term performance in strategic terms, in addition to the achievement of short-term results, considering the current situation and the prospects and objectives for Fluidra's sustainable growth.

Medium and long-term incentives are linked to strategic plans of at least three years, which fosters the creation of sustainable value for the Group. Multi-year variable compensation is paid in shares, which aligns the interests of the Executive Directors with those of shareholders.

B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on the annual compensation report for the previous year, indicating the number abstentions, blank votes and yea and nay votes cast:

	Number	% of total
Votes cast	164,409,389	84.04
	Number	% of votes cast
Votes against	5,716,757	3.48
Votes in favor	154,890,279	94.21
Blank votes		0.00
Abstentions	3,802,353	2.31

Remarks

B.5. Explain how the fixed components accrued during the year by the directors in their capacity as such are determined, the relative proportion for each director and how they have changed compared to the year before.

The compensation items accrued in 2022 in fixed salary, per diem allowances and totals are as follows:

Eloy Planes	130,833.31	8,000	138,833.31
Bruce Brooks	86,666.69	8,000	94,666.69
Oscar Serra	98,666.69	8,000	106,666.69
Jose Manuel Vargas	116,583.38	8,000	124,583.38
Bernat Corbera	104,583.38	8,000	112,583.38
PIUMOC Inversions	33,744.62	2,666.67	36,411.29
Bernardo Garrigós	70,838.76	5,333.33	76,172.09
Steven Langman	104,583.38	20,000	124,583.38
Gabriel Lopez	104,583.38	8,000	112,583.38
Jordi Constans	155,333.38	8,000	163,333.38
Brian McDonald:	118,333.33	20,000	138,333.33
Esther Berrozpe:	118,333.33	8,000	126,333.33
Bárbara Borra	93,666.69	8,000	101,666.69

Total (€): 1,336,750.33 120,000 1,456,750.33

The compensation items accrued in 2021 in fixed salary, per diem allowances and totals are as follows:

Eloy Planes	118,000	8,000	126,000
Bruce Brooks	82,000	8,000	90,000
Oscar Serra	94,000	8,000	102,000
Jose Manuel Vargas	103,533	8,000	111,533
Bernat Corbera	97,000	8,000	105,000
PIUMOC Inversions	97,000	8,000	105,000
Sébastien Mazella di Bosco	47,839	3,511	51,350
Steven Langman	90,167	20,000	110,167
Gabriel Lopez	97,000	8,000	105,000
Jordi Constans	139,000	8,000	147,000
Esther Berrozpe:	102,000	8,000	110,000
Brian McDonald:	102,000	20,000	122,000
Martin Ariel Atlas:	44,644	4,356	49,000
Barbara Borra:	€0		

Total (€): 1,214,183 119,867 1,334,050

B.6. Explain how the salaries accrued by each one of the executive directors over the past fiscal year for the performance of management duties were determined, and how they have changed with respect to the previous year.

The fixed cash compensation accrued in 2022 in favor of the Executive Directors, in addition to that received for their status as such, is as follows:

Mr. Eloy Planes: According to the Compensation Policy, in 2022 Mr. Eloy Planes received fixed compensation of €500,000 for his executive functions, an increase of 28.2% over 2021 (€390,000).

Mr. Bruce Brooks: Pursuant to the terms of the Compensation Policy, in 2022 Mr. Bruce Brooks received a fixed compensation of €600,000, and increase of 12.99% over 2021 (€531,000).

Some of Mr. Bruce Brooks' compensation has been paid by another Fluidra Group company.

The rise in the executive directors' fixed compensation, as explained in the Directors' Compensation Policy approved in the Shareholders' Meeting in 2022, was introduced following a comparison to examine the compensation packages of Fluidra's executive directors and managers. It was carried out by Willis Towers Watson and Spencer Stuart, based on the Company's current size, position, and the domestic and international markets in which it operates.

B.7. Explain the nature and the main characteristics of the variable components of the compensation systems accrued in the year ended.

Specifically:

- a) Identify each one of the compensation plans that have determined the different types of variable compensation accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be in a position to adequately measure all the conditions and criteria, explaining in detail the criteria and factors applied in terms of the time required and methods for verifying that performance or other conditions tied to the accrual and vesting of each component of variable compensation have been effectively fulfilled.
- b) In the case of stock options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (vesting) and to exercise these options or financial instruments, including the price and term to exercise them.
- c) Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of compensations systems or plans that include variable compensation.
- d) As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

Explain the short-term variable components of the compensation systems

As explained in section A.1 of this Report, according to the Compensation Policy, the variable compensation only applies to Executive Directors.

The variable compensation system for the Executive Directors in 2022 includes two components: AVC and long-term compensation

In accordance with the terms of their respective contracts, the Executive Directors earned, in 2022, gross annual variable compensation linked to the achievement of economic and management objectives related to the budget set by the board of directors for that year, which will be paid in 2023. The objective criteria used to calculate the AVC for 2022 are as follows:

Mr. Eloy Planes

The AVC for 2022, prior to weighting by the achievement scale, is 100% of the fixed compensation for executive functions. In 2022, the indicators were as follows:

- (i) 85% of economic objectives: Free Cash-Flow (25%), PF cash EPS (25%), EBITDA (25%) and total sales growth (10%)
- (ii) by 15% of management objectives: where we find 4% linked to ESG metrics and the remaining 11% to other strategic management objectives.

The ACC verified the degree of achievement of the objectives linked to the accrual of AVC in 2022 and submitted it to the Board of Directors for approval on March 29, 2023, The degree of achievement was 12.3%. In view of the degree of achievement, on March 30, 2023, the Board of Directors approved the accrued AVC for 2022, to be paid in 2023, in the amount of €62,000.

Mr. Bruce Brooks

The AVC of 2022, prior to weighting by the achievement scale is 150% of the fixed compensation. In 2022, the indicators were as follows:

- (iv) 85% of economic objectives: Free Cash-Flow (25%), PF cash EPS (25%), EBITDA (25%) and total sales growth (10%)
 - (i) by 15% of management objectives: 4% linked to ESG objectives and the remaining 11% to other strategic management objectives.
- The ACC verified the degree of achievement of the objectives linked to the accrual of AVC in 2022 and submitted it to the Board of Directors for approval on March 29, 2023, The degree of achievement was as follows: 11.9% In view of the degree of achievement, on March 30, 2023, the Board of Directors approved the accrued AVC for 2022, to be paid in 2023, in the amount of €107,000.

Explain the long-term variable components of the compensation systems

The executive directors are beneficiaries in 2022 of the 2022-2026 LTI, the features of which are described in section A.1 of this Report.

Also in 2022, the incentive linked to the 2018-2022 LTI, of which the CEOs were beneficiaries, was vested, as the term of the applicable incentive period ended on December 31, namely, after the period for measuring the metrics to which its payment were linked.

Upon the conclusion of the measurement period of the metrics linked to the 2018-2022 Plan on December 31, 2021, the Board of Directors, on the recommendation of the ACC, has decided to pay 170% of the incentive for the achievement of the TSR and EBITDA targets since the maximum thresholds established for both metrics were exceeded. The number of shares to be delivered to the Executive Directors in January 2023, as long as they remain with Fluidra through December 31, 2022, is 306,000 in the case of

Mr. Eloy Planes Corts and 495,339 shares in the case of Mr. Bruce Brooks.

Under no circumstances may the shares be delivered to the Beneficiaries, the latter losing any right to receive them, if prior to the delivery date they had been sanctioned for a serious breach of the code of conduct pursuant to the Group's internal regulations. The Company may demand the reimbursement of the shares delivered under the 2018-2022 Plan, or even offset the delivery made against other types of compensation of any nature to which the Beneficiary is entitled if, during the two years following settlement of the Plan, it becomes evident that such settlement was based wholly or in part on

information which has subsequently been clearly shown to be false or seriously inaccurate. This clause is applicable to the Executive Directors in all cases and to the Beneficiaries who are responsible for such information. From the time that the shares are allocated until a period of three years after their acquisition, the Executive Directors may not transfer the ownership of a number of shares equivalent to twice their fixed annual compensation.

Fluidra settled the 2018-2022 LTI on January 18, 2023 at which time the value of the shares delivered to Mr. Eloy Planes Corts was €5,208,000 and the value of the shares delivered to Mr. Bruce Brooks was €8,431,000. On the vesting date, i.e., December 31, 2022, the value of the shares was €4,443,000 in the case of Mr. Eloy Planes Corts and €7,192,000 in the case of Mr. Bruce Brooks.

B.8. Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, the payment of unvested amounts has been deferred, or in the case of the latter, the vested and paid amounts were based on data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction (malus) or return (clawback) clauses, why they were implemented and the years to which they refer.

There were no reductions or claims for reimbursement in respect of vested and paid or deferred variable compensation components which were based on data that has subsequently been shown to be clearly inaccurate.

B.9. Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to consolidate economic rights for directors and their compatibility with any type of indemnity due to the early termination or the termination of the contractual relationship between the Company and a director.

The Company has assumed pension commitments with its executive directors, the main characteristics of which are described in section A.1 of this Report.

B.10. Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended.

In fiscal year 2022, no indemnities or other types of payments accrued that derived from early termination, whether due to removal by the company or resignation by the director, or from termination of the contract.

B.11. Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

There were no changes to the executive directors' contracts in 2022.

B.12. Explain any supplementary compensation accrued by directors as consideration for services rendered outside of their post.

No other supplementary compensation was accrued by directors in consideration for services provided rendered other than those inherent to their posts.

B.13. Explain any compensation deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

There are no advances, loans or guarantees granted by the Company to its directors.

B.14. Itemize the compensation in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

There follows a breakdown of the amount of the items of compensation in kind accrued in 2022 by the Executive Directors, the nature of which is described in Section A.1 of this Report.

Mr. Eloy Planes

Mr. Eloy Planes received the following in kind compensation included in the Compensation Policy:

- Life insurance policy: €19,000.
- Medical insurance policy: €6,000.
- Use of a company car: €8,000.
- Contribution to pension plan: €16,000.

Mr. Bruce Brooks received the following in kind compensation included in the Compensation Policy:

- Life insurance policy: €16,000.
- Medical insurance policy: €8,000.
- Use of a company car: €12,000.
- Contribution to pension plan: €8,000.

B.15. Explain the compensation accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

The Company made no payments to any third party entity where the directors might render their services for the purpose of compensating them for their services to the company.

However, as explained in preceding sections, the group company Zodiac Pool Solutions LLC has paid Mr. Bruce Brooks some of the compensation accrued in respect of executive functions detailed in the preceding sections.

B.16. Explain and provide details of the amounts accrued during the year for any compensation item other than the ones mentioned above, regardless of the type or the group company that pays it, including all benefits in any form, such as those which are considered related-party transactions and especially those which materially affect the true image of the total compensation paid to the director. Explain the amount paid or pending payment and the nature of the consideration received. Where applicable, state reasons why it was not considered compensation paid to the director in his capacity as such or in consideration for the performance of his capacity as such or in consideration for the performance of his executive functions, and whether or not it is considered appropriate to include it in the amounts shown under "other items" in section C.

In 2022, the directors did not earn any compensation items other than those already described in this Report.

C. Details of compensation paid to each individual director

Name	Category	Period of accrual in year 2022
Ms. BÁRBARA BORRA	Independent Director	From 1/1/2022 to 31/12/2022
Mr. BRUCE WALKER BROOKS	Executive Director	From 1/1/2022 to 31/12/2022
PIUMOC INVERSIONS S.A.U	Nominee Director	From 1/1/2022 to 05/05/2022
Mr. MICHAEL STEVEN LANGMAN	Nominee Director	From 1/1/2022 to 31/12/2022
Mr. GABRIEL LÓPEZ ESCOBAR	Independent Director	From 1/1/2022 to 31/12/2022
Mr. ELOY PLANES CORTS	Executive Chairman	From 1/1/2022 to 31/12/2022
Mr. BERNARDO CORBERA SERRA 100	Nominee Director	From 1/1/2022 to 31/12/2022
Mr. OSCAR SERRA DUFFO	Nominee Director	From 1/1/2022 to 31/12/2022
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	Independent Director	From 1/1/2022 to 31/12/2022
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Nominee Director	From 1/1/2022 to 31/12/2022
Mr. BRIAN LOUIS MCDONALD	Independent Director	From 1/1/2022 to 31/12/2022
Mr. BERNAT GARRIGOS CASTRO	Nominee Director	From 5/5/2022 to 31/12/2022
Ms. ESTHER FATIMA BERROZPE GALINDO	Independent Director	From 1/1/2022 to 31/12/2022

C.1. Complete the following tables regarding the individual compensation of each director (including the salary received for performing executive duties) during the year.

a) Compensation from the reporting company:

i) Compensation in cash (in thousand €)

Name	Fixed compensation	Per	Allowance for sitting on Board committees	Salary	Short-term variable compensation	Long-term variable compensation	Indemnity	Other items	2022 Total	2021 Total
Ms. BÁRBARA BORRA	87	8	7						102	
Mr. BRUCE WALKER BROOKS	87	8		600	107				802	1,624
PIUMOC INVERSIONS S.A.U	29	3	4						36	105
Mr. MICHAEL STEVEN LANGMAN	87	20	18						125	110
Mr. GABRIEL LÓPEZ ESCOBAR	87	8	18						113	105
Mr. ELOY PLANES CORTS	131	8		500	62				701	1,234
Mr. BERNARDO CORBERA SERRA 100	87	8	18						113	105
Mr. OSCAR SERRA DUFFO	87	8	12						107	102
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	108	8	47						163	147
Mr. JOSÉ MANUEL VARGAS GÓMEZ	87	8	30						125	112
Mr. BRIAN LOUIS MCDONALD	87	20	31						138	122
Mr. BERNAT GARRIGOS CASTRO	58	5	13						76	
Ms. ESTHER FATIMA BERROZPE GALINDO	87	8	31						126	110

Remarks

For 2021, the compensation received by directors was only included if they continued to hold their post in 2022. The compensation of directors who stepped down in 2021 amounted to €100,000.

ii) Table of changes in share-based compensation schemes and gross profit from consolidated shares or financial instruments.

Name	Name of plan	Financial instruments at start 2022		Financial instruments executed in fiscal year 2022		Financial instruments vested during the year			Net profit from shares handed over or consolidated financial instruments (thousand €)	Matured, unredeemed instruments	Financial instruments 2022 year end	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares		No. of instruments	No. of instruments	No. of equivalent shares
Ms. BÁRBARA BORRA	Plan							0,00				
Mr. BRUCE WALKER BROOKS	2022-2024 Plan 1st cycle			45,181	45,181			0.00			45,181	45,181
Mr. BRUCE WALKER BROOKS	2018-2022 Plan	495,338	495,338			495,338	495,338	1.45	7,192			
PIUMOC INVERSIONS S.A.U	Plan							0.00				
Mr. MICHAEL STEVEN LANGMAN	Plan							0.00				
Mr. GABRIEL LÓPEZ ESCOBAR	Plan							0.00				
Mr. ELOY PLANES CORTS	2022-2024 Plan 1st cycle			37,651	37,651			0.00			37,651	37,651
Mr. ELOY PLANES CORTS	2018-2022 Plan	306,000	306,000			306,000	306,000	14.52	4,443			
Mr. BERNARDO CORBERA SERRA	Plan							0.00				
Mr. OSCAR SERRA DUFFO	Plan							0.00				
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	Plan							0.00				
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Plan							0.00				
Mr. BRIAN LOUIS MCDONALD	Plan							0.00				
Mr. BERNAT GARRIGOS CASTRO	Plan							0.00				
Ms. ESTHER FATIMA BERROZPE GALINDO	Plan							0.00				

Remarks

Fluidra settled the 2018-2022 LTI on January 17, 2023. The gross value of the shares delivered to executive directors on the vesting date (31/12/2022) was €4,443,000 in the case of Mr. Eloy Planes Cortes and €7,192,000 in the case of Mr. Bruce Brooks. The gross value on the delivery date (17/01/2023) is €5,208,000 in the case of Mr. Eloy Planes Cortes and €8,431,000 in the case of Mr. Bruce Brooks.

iii) Long-term saving systems.

Name	Compensation from vested rights in savings plans
Ms. BÁRBARA BORRA	
Mr. BRUCE WALKER BROOKS	8
PIUMOC INVERSIONS S.A.U	
Mr. MICHAEL STEVEN LANGMAN	
Mr. GABRIEL LÓPEZ ESCOBAR	
Mr. ELOY PLANES CORTS	16
Mr. BERNARDO CORBERA SERRA 100	
Mr. OSCAR SERRA DUFFO	
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	
Mr. JOSÉ MANUEL VARGAS GÓMEZ	
Mr. BRIAN LOUIS MCDONALD	
Mr. BERNAT GARRIGOS CASTRO	
Ms. ESTHER FATIMA BERROZPE GALINDO	

Name	Contributions made by company during the year (thousand €)				Amount of accumulated funds (thousand €)			
	Savings plans with vested economic rights		Savings plans with unvested economic rights		Savings plans with vested economic rights		Savings plans with unvested economic rights	
	2022 fiscal year	2021 fiscal year	2022 fiscal year	2021 fiscal year	2022 fiscal year	2021 fiscal year	2022 fiscal year	2021 fiscal year
Ms. BÁRBARA BORRA								
Mr. BRUCE WALKER BROOKS	8	11			456	448		
PIUMOC INVERSIONS S.A.U								
Mr. MICHAEL STEVEN LANGMAN								
Mr. GABRIEL LÓPEZ ESCOBAR								
Mr. ELOY PLANES CORTS	16	16			195	179		
Mr. BERNARDO CORBERA SERRA								
Mr. OSCAR SERRA DUFFO								
Mr. JORGE VALENTIN CONSTANS FERNANDEZ								
Mr. JOSÉ MANUEL VARGAS GÓMEZ								
Mr. BRIAN LOUIS MCDONALD								
Mr. BERNAT GARRIGOS CASTRO								
Ms. ESTHER FATIMA BERROZPE GALINDO								

Remarks

iv) Detail other items

Name	Item	Amount
Mr. BRUCE WALKER BROOKS	Health insurance	8
Mr. BRUCE WALKER BROOKS	Life insurance	16
Mr. BRUCE WALKER BROOKS	Vehicle	12
PIUMOC INVERSIONS S.A.U	Item	
Mr. MICHAEL STEVEN LANGMAN	Item	
Mr. GABRIEL LÓPEZ ESCOBAR	Item	
Mr. ELOY PLANES CORTS	Vehicle	8
Mr. ELOY PLANES CORTS	Life insurance	19
Mr. ELOY PLANES CORTS	Health insurance	6
Mr. BERNARDO CORBERA SERRA	Item	
Mr. OSCAR SERRA DUFFO	Item	
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	Item	
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Item	
Mr. BRIAN LOUIS MCDONALD	Item	
Mr. BERNAT GARRIGOS CASTRO	Item	
Ms. ESTHER FATIMA BERROZPE GALINDO	Item	
Ms. ESTHER FATIMA BERROZPE GALINDO	Item	

Remarks

b) Compensation paid to Company directors for sitting on the boards of subsidiaries:

i) Compensation in cash (in thousand €)

Name	Fixed compensation	Per	Allowance for sitting on Board committees	Salary	Short-term variable compensation	Long-term variable compensation	Indemnity	Other items	2022 Total	2021 Total
Ms. BÁRBARA BORRA										
Mr. BRUCE WALKER BROOKS										
PIUMOC INVERSIONS S.A.U										
Mr. MICHAEL STEVEN LANGMAN										
Mr. GABRIEL LÓPEZ ESCOBAR										
Mr. ELOY PLANES CORTS										
Mr. BERNARDO CORBERA SERRA 100										
Mr. OSCAR SERRA DUFFO										
Mr. JORGE VALENTIN CONSTANS FERNANDEZ										
Mr. JOSÉ MANUEL VARGAS GÓMEZ										
Mr. BRIAN LOUIS MCDONALD										
Mr. BERNAT GARRIGOS CASTRO										
Ms. ESTHER FATIMA BERROZPE GALINDO										

Remarks

ii) Table of changes in share-based compensation schemes and gross profit from consolidated shares or financial instruments.

Name	Name of plan	Financial instruments at start 2022		Financial instruments executed in fiscal year 2022		Financial instruments vested during the year			Net profit from shares handed over or consolidated financial instruments (thousand €)	Matured, unredeemed instruments	Financial instruments 2022 year end	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares		No. of instruments	No. of instruments	No. of equivalent shares
Ms. BÁRBARA BORRA	Plan							0,00				
Mr. BRUCE WALKER BROOKS	Plan							0,00				
PIUMOC INVERSIONS S.A.U	Plan							0,00				
Mr. MICHAEL STEVEN LANGMAN	Plan							0,00				
Mr. GABRIEL LÓPEZ ESCOBAR	Plan							0,00				
Mr. ELOY PLANES CORTS	Plan							0,00				
Mr. BERNARDO CORBERA SERRA 100	Plan							0,00				
Mr. OSCAR SERRA DUFFO	Plan							0,00				
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	Plan							0,00				
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Plan							0,00				
Mr. BRIAN LOUIS MCDONALD	Plan							0,00				
Mr. BERNAT GARRIGOS CASTRO	Plan							0,00				
Ms. ESTHER FATIMA BERROZPE GALINDO	Plan							0,00				

Remarks

iii) Long-term saving systems.

Name	Compensation from vested rights in savings plans							
	Contributions made by company during the year (thousand €)				Amount of accumulated funds (thousand €)			
Name	Savings plans with vested economic rights		Savings plans with unvested economic rights		Savings plans with vested economic rights		Savings plans with unvested economic rights	
	2022 fiscal year	2021 fiscal year	2022 fiscal year	2021 fiscal year	2022 fiscal year	2021 fiscal year	2022 fiscal year	2021 fiscal year
Ms. BÁRBARA BORRA								
Mr. BRUCE WALKER BROOKS								
PIUMOC INVERSIONS S.A.U								
Mr. MICHAEL STEVEN LANGMAN								
Mr. GABRIEL LÓPEZ ESCOBAR								
Mr. ELOY PLANES CORTS								
Mr. BERNARDO CORBERA SERRA								
Mr. OSCAR SERRA DUFFO								
Mr. JORGE VALENTIN CONSTANS FERNANDEZ								
Mr. JOSÉ MANUEL VARGAS GÓMEZ								
Mr. BRIAN LOUIS MCDONALD								
Mr. BERNAT GARRIGOS CASTRO								
Ms. ESTHER FATIMA BERROZPE GALINDO								

Remarks

iv) Detail other items

Name	Item	Amount
Ms. BÁRBARA BORRA	Item	
Mr. BRUCE WALKER BROOKS	Item	
PIUMOC INVERSIONS S.A.U	Item	
Mr. MICHAEL STEVEN LANGMAN	Item	
Mr. GABRIEL LÓPEZ ESCOBAR	Item	
Mr. ELOY PLANES CORTS	Item	
Mr. BERNARDO CORBERA SERRA 100	Item	
Mr. OSCAR SERRA DUFFO	Item	
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	Item	
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Item	
Mr. BRIAN LOUIS MCDONALD	Item	
Mr. BERNAT GARRIGOS CASTRO	Item	
Ms. ESTHER FATIMA BERROZPE GALINDO	Item	

Remarks

c) Summary compensations (thousand €):

This should include a summary of the amounts corresponding to all the compensation items included in this report that have accrued to each director, in thousands of euros.

Name	Compensation earned at the company					Compensation earned in Group companies					Total paid in 2022 by company + group
	Total compensation in cash	Gross profit on vested shares or instruments	Savings-based compensation	Other items of compensation	Total paid in 2022 by company	Total compensation in cash	Gross profit on vested shares or instruments	Savings-based compensation	Other items of compensation	Total paid in 2022 by group	
Ms. BÁRBARA BORRA	102				102						102
Mr. BRUCE WALKER BROOKS	802				8,039						8,039
PIUMOC INVERSIONS S.A.U	36	7,192	8	37	36						36
Mr. MICHAEL STEVEN LANGMAN	125				125						125
Mr. GABRIEL LÓPEZ ESCOBAR	113				113						113
Mr. ELOY PLANES CORTS	701	4,443	16	32	5,192						5,192
Mr. BERNARDO CORBERA SERRA	113				113						113
Mr. OSCAR SERRA DUFFO	107				107						107
Mr. JORGE VALENTIN CONSTANS FERNANDEZ	163				163						163
Mr. JOSÉ MANUEL VARGAS GÓMEZ	125				125						125
Mr. BRIAN LOUIS MCDONALD	138				138						138
Mr. BERNAT GARRIGOS CASTRO	76				76						76
Ms. ESTHER FATIMA BERROZPE GALINDO	126				126						126
TOTAL	2,727	11,635	24	69	14,455						14,455

Remarks

C.2. Describe the evolution over the last five years of the variation - as an amount and a percentage - in the compensation accrued by each one of the listed company's directors during the year, in the company's consolidated results and in the average compensation on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % year-on-year change								
	2022 fiscal year	% change 2022/2021	2021 fiscal year	% change 2021/2020	2020 fiscal year	% change 2020/2019	2019 fiscal year	% change 2019/2018	2018 fiscal year
Executive Directors									
Mr. BRUCE WALKER BROOKS	7,994	376.68	1,677	3.45	1,621	46.83	1,104	59.54	692
Mr. ELOY PLANES CORTS	5,144	301.88	1,280	9.97	1,164	39.57	834	-76.52	3,552
Consolidated company results									
	164,403	-35.77	255,968	156.22	99,903	613.75	13,997	-	0
Average employee compensation									
	41	2.50	40	5.26	38	-2.56	39	11.43	35

Remarks

Analysis of the changes:

2019 vs 2018 Mr. Planes' compensation does not include incentive plan. This is the first year that Mr. Brooks' compensation includes the whole year.

2020 vs 2019. The increase in both Mr. Planes' and Mr. Brooks' compensation is due primarily to bonuses paid for the company's excellent results in 2020 (613.75% increase). Neither Mr. Planes' nor Mr. Brooks' compensation increased. Employee compensation decreased slightly because the employees' compensation in 2020 does not include the accrual of the retention bonus agreed as a result of the merger for 2018 and 2019.

2022 vs 2021: The increase in the executive directors' compensation is due to the fact that the compensation of the executive directors includes the LTI that vested in 2022 after accruing from 2018 to 2022. Fluidra settled the 2018-2023 LTI on January 17, 2023. The value of the shares delivered to executive directors on the vesting date was €4,443,000 in the case of Mr. Eloy Planes Cortes and €7,192,000 in the case of Mr. Bruce Brooks. If the multi-year compensation for the period 2018-2022, which vested in 2022, were removed from the calculation, the executive directors' compensation would have decreased by 52.17% in the case of Bruce Brooks and by 45.23% in the case of Eloy Planes.

D. Other information of interest

If there are any relevant issues relating to directors' compensation that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the compensation structure and practices of the company with regard to its directors, list them briefly.

A.1.6 Continued

Once the Shares have been awarded and for a period of three years after the End Date, the Executive Directors and members of the Executive Committee will not be able to sell the Shares received under the Plan until they come to own a number of shares equivalent to at least their fixed annual compensation in the case of Executive Committee members and twice their fixed annual compensation in the case of Executive Directors.

However, this will not apply in respect of shares that the Executive Director or Executive Committee member needs to dispose of in order to cover the acquisition cost, including taxes on the delivered Shares, or if a waiver is obtained from the Board of Directors with a favorable report from the Appointments and Compensation Committee, in order to deal with extraordinary supervening situations.

Malus and clawback clauses. The Plan will envisage the corresponding malus and clawback clauses, which will be included in the Regulations. The Board of Directors will determine, where applicable, whether the circumstances that trigger the application of these clauses have occurred and the part of the Incentive which, where appropriate, is to be reduced or recovered. In relation to the clawback clause, Fluidra may demand the return of the Shares delivered under each Cycle of the 2022-2026 Plan, or the cash equivalent thereof, or even offset the cost of the Shares against any other compensation to which the Beneficiary may be entitled if it becomes evident within the two years following the Settlement Date of each Cycle that the award in question was based in whole or in part on information that is subsequently shown to be clearly false or to contain serious inaccuracies. The above will apply to the Executive Directors in all cases and to Beneficiaries who are responsible for such information. In any event, incentives paid to the members of the Executive Committee and to the internal auditor, who are not subject to the clawback clause, will be recalculated using the correct information.

OTHER RELEVANT DISCLOSURES:

In the first half of 2017, following the acquisition of the Zodiac group, the subsidiaries of Rhône Capital LLC ("Rhône"), implemented a Management Equity Plan ("MEP") for the executives of the Zodiac group, including Mr. Bruce Brooks, based on the ownership of Luxco shares (the "Original Plan").

The merger agreements between Fluidra and Zodiac provide for the replacement of the Original Plan with another plan to be agreed by Luxco (and its subsidiary, a Luxembourg company, "Lux SCS") and the beneficiaries, the implementation of which was contingent upon the registration of the Merger (the "Substitute Plan"). The changes made to the Original Plan to create the Substitute Plan were introduced with the intention of substantially aligning, and not contradicting, the objectives and periods set forth in Fluidra's 2018-2022 Plan.

Under the Substitute Plan, the beneficiaries, including Mr. Bruce Brooks, hold three different instruments: Lux SCS units convertible into Fluidra shares or cash, subject to lock-up periods during which there are restrictions on the disposal of the shares; repurchase options in the event of the executive's termination; and, where applicable, the achievement of certain financial targets. In 2021, due to Rhône disposing of part of its stake in Fluidra, the Substitute Plan was partially liquidated, as a result of which some of the aforementioned instruments were amortized.

Although the Substitute Plan is not part of Fluidra's compensation policy since it does not entail a payment obligation for the Fluidra Group, Section 8 ("Other Information") of the Compensation Policy approved in 2018 includes a description of the Substitute Plan of which Mr. Bruce Brooks is a beneficiary.

This annual compensation report has been approved by the Board of Directors of the company on:

30/03/2023

State whether any directors have voted against or have abstained from voting the approval of this report.

Yes

No

FLUIDRA

Consolidated Annual Accounts 2022



**Audit Report on Financial Statements
issued by an Independent Auditor**

**FLUIDRA, S.A. and Subsidiaries
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2022**

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

To the shareholders of Fluidra, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Fluidra, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2022, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2022 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

Impairment of goodwill and other intangible assets

Description At December 31, 2022 the Group shows goodwill and other intangible assets amounting to 1,307 and 946 million euros, respectively. At least annually, Group Management estimates the recoverable amount of each significant Cash Generating Unit (CGU) to which these assets are allocated. The purpose of this analysis is to conclude about the need to record an impairment loss on goodwill or any other intangible asset. The analysis requires Group Management to make estimates, which entails the use of judgments in the determination of the assumptions considered. Impairment tests are performed using the discounted cash flow method based on a risk-free rate.

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

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

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

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

Measurement of trade and other receivables

Description At December 31, 2022 the Group has trade and other receivables, net of impairment losses, amounting to 285 million euros, as indicated in Note 15. As mentioned in Note 3. i) d) to the consolidated financial statements on the most relevant accounting principles applied, Group Management estimates trade and other receivables considered to be doubtful receivables and, if any, records a provision for the financial assets to adjust accounts receivable to their fair value. Group Management estimates this provision through individual reviews of trade and other receivables based on specific circumstances, as well as on the experience and collection trends in the sector taking into account the current economic and trade conditions.

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

**Our
response**

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

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

Measurement of inventory

Description At December 31, 2022 the Group has inventory for a recorded amount, net of impairment losses, of 599 million euros, as indicated in Note 14. The several types of inventory are located at different warehouses and factories that the Group has in both Spain and abroad. As indicated in Note 3.k) to the accompanying consolidated financial statements, the Group measures inventories at cost and if their net realizable value becomes lower than acquisition cost the corresponding impairment loss is recorded as an expense in the income statement. Given the significance of these balances to the consolidated financial statements taken as a whole, and the subjectivity involved in estimating the net realizable value of inventories, we have considered this area a key audit matter.

**Our
response**

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

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

Other information: consolidated management report

Other information refers exclusively to the 2022 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

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

- a) Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b) Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2022 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

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

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

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

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

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

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

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

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

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Fluidra, S.A. and subsidiaries for the 2022 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of Fluidra, S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

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

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

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on March 29, 2023.

Term of engagement

The ordinary general shareholders' meeting held on May 5, 2022 appointed us as auditors for 3 years, commencing on December 31, 2022.

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

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Daniel Artigas

March 30, 2023

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Fluidra, S.A. and Subsidiaries
Consolidated Statement of Financial Position
31 December 2022 and 2021
(Expressed in thousands of euros)

		(Restated)
Assets	Notes	12/31/2022 12/31/2021
Property, plant, and equipment	6	184,039 160,673
Investment property	7	1,894 2,139
Goodwill	8	1,307,022 1,259,656
Other intangible assets	8	946,229 955,123
Right-of-use assets	9	173,615 151,599
Investments accounted for using the equity method	10	828 735
Non-current financial assets	11	4,697 4,452
Derivative financial instruments	12	54,621 —
Other receivables	15	3,597 3,770
Deferred tax assets	29	123,051 111,080
Total non-current assets		2,799,593 2,649,227
Non-current assets held for sale	13	7,656 4,934
Inventories	14	599,093 496,045
Trade and other receivables	15	284,808 256,651
Other current financial assets	11	6,179 10,794
Derivative financial instruments	12	465 491
Cash and cash equivalents		75,151 87,808
Total current assets		973,352 856,723
TOTAL ASSETS		3,772,945 3,505,950
Equity		
Share capital		192,129 195,629
Share premium		1,148,591 1,148,591
Retained earnings and other reserves		336,630 435,971
Treasury shares		(112,692) (168,491)
Other comprehensive income		105,192 2,384
Equity attributable to equity holders of the parent	16	1,669,850 1,614,084
Non-controlling interests		8,831 8,349
Total equity		1,678,681 1,622,433
Liabilities		
Bank borrowings and other marketable securities	19	1,120,108 696,041
Lease liabilities		152,725 136,526
Derivative financial instruments	12	— 7,191
Deferred tax liabilities	29	242,061 222,556
Provisions	18	10,893 13,034
Government grants		173 217
Other non-current liabilities	21	6,659 9,918
Total non-current liabilities		1,532,619 1,085,483
Liabilities linked to non-current assets held for sale	13	3,990 1,686
Bank borrowings and other marketable securities	19	146,823 301,957
Lease liabilities		40,414 31,141
Trade and other payables	20	316,967 412,239
Provisions	18	53,263 50,830
Derivative financial instruments	12	188 181
Total current liabilities		561,645 798,034
Total liabilities		2,094,264 1,883,517
TOTAL EQUITY AND LIABILITIES		3,772,945 3,505,950

The accompanying notes are an integral part of the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the year ended 31 December 2022 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries
Consolidated Income Statement
for the years ended 31 December 2022 and 2021
(Expressed in thousands of euros)

	Notes	12/31/2022	12/31/2021
Operating income			
Sales of goods and finished products	24	2,389,205	2,186,919
Income from the rendering of services	25	39,232	31,659
Work performed by the Group and capitalised as non-current assets		20,888	15,106
Total operating income		2,449,325	2,233,684
Operating expenses			
Changes in inventories of finished goods and work in progress and raw material supplies	23	(1,169,618)	(1,031,424)
Personnel expenses	26	(414,537)	(363,731)
Depreciation and amortisation expenses and impairment losses	6, 7, 8, 9 & 13	(165,385)	(124,698)
Other operating expenses	27	(395,609)	(332,517)
Total operating expenses		(2,145,149)	(1,852,370)
Other gains and losses			
Profit/(loss) from sales of fixed assets		136	349
Total other gains and losses		136	349
Operating profit		304,312	381,663
Finance income / (cost)			
Finance income		3,328	2,612
Finance cost		(62,145)	(35,383)
Right-of-use finance cost		(6,549)	(5,465)
Exchange gains/(losses)		(13,904)	(5,943)
Financial result	28	(79,270)	(44,179)
Share in profit/(loss) for the year from investments accounted for using the equity method	10	71	5
Profit/(loss) before tax from continuing operations		225,113	337,489
Income tax expense	29	(60,710)	(81,521)
Profit/(loss) after tax from continuing operations		164,403	255,968
Profit/(loss) attributable to non-controlling interests		4,472	3,605
Profit/(loss) attributable to equity holders of the parent		159,931	252,363
EBITDA	35	469,768	506,366
Basic earnings/(loss) per share (euros)	17	0.84807	1.32438
Diluted earnings/(loss) per share (euros)	17	0.84807	1.32438

The accompanying notes are an integral part of the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the year ended 31 December 2022 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries
 Consolidated Statement of Comprehensive Income
 for the years ended 31 December 2022 and 2021
 (Expressed in thousands of euros)

	12/31/2022	12/31/2021
Profit / (loss) for the year	164,403	255,968
Items that will be reclassified to profit or loss		
Cash flow hedges	Note 12 61,951	8,973
Actuarial gains and losses	—	—
Exchange differences on translation of foreign operations	55,650	69,483
Tax effect	(15,105)	(2,105)
Other comprehensive income for the year, net of tax	102,496	76,351
Total comprehensive income for the year	266,899	332,319
Total comprehensive income attributable to:		
Equity holders of the parent	262,739	329,002
Non-controlling interests	4,160	3,317
	266,899	332,319

The accompanying notes are an integral part of the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the year ended 31 December 2022 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries
 Consolidated Statement of Changes in Equity
 for the years ended 31 December 2022 and 2021
 (Expressed in thousands of euros)

	Equity attributable to equity holders of the Parent										
	Capital	Share premium	Legal reserve	Accumulated gains	Interim dividends	Treasury shares	Other comprehensive income		Total	Non-controlling interests	Total equity
							Currency translation differences	Other			
Balance at 1 January 2021	195,629	1,148,591	40,140	187,508	(40,752)	(35,841)	(61,373)	(12,596)	1,421,306	6,734	1,428,040
Profit/(loss) for the year	—	—	—	252,363	—	—	—	—	252,363	3,605	255,968
Other comprehensive income	—	—	—	—	—	—	69,771	6,868	76,639	(288)	76,351
Total comprehensive income for the year	—	—	—	252,363	—	—	69,771	6,868	329,002	3,317	332,319
Inclusion of entities	—	—	—	—	—	—	—	—	—	12	12
Change in ownership interest	—	—	—	372	—	—	(286)	—	86	—	86
Treasury shares	—	—	—	46,543	—	(132,650)	—	—	(86,107)	—	(86,107)
Equity-based payments	—	—	—	25,728	—	—	—	—	25,728	—	25,728
Dividends	—	—	—	(116,683)	40,752	—	—	—	(75,931)	(1,714)	(77,645)
Balance at 31 December 2021	195,629	1,148,591	40,140	395,831	—	(168,491)	8,112	(5,728)	1,614,084	8,349	1,622,433
Profit/(loss) for the year	—	—	—	159,931	—	—	—	—	159,931	4,472	164,403
Other comprehensive income	—	—	—	—	—	—	55,962	46,846	102,808	(312)	102,496
Total comprehensive income for the year	—	—	—	159,931	—	—	55,962	46,846	262,739	4,160	266,899
Change in ownership interest	—	—	—	(2,519)	—	—	—	—	(2,519)	(1,311)	(3,830)
Treasury shares	(3,500)	—	—	(112,106)	—	55,799	—	—	(59,807)	—	(59,807)
Equity-based payments	—	—	—	14,567	—	—	—	—	14,567	—	14,567
Adjustment for IAS 39	—	—	—	660	—	—	—	—	660	639	1,299
Dividends	—	—	—	(159,874)	—	—	—	—	(159,874)	(3,006)	(162,880)
Balance at 31 December 2022	192,129	1,148,591	40,140	296,490	—	(112,692)	64,074	41,118	1,669,850	8,831	1,678,681

The accompanying notes are an integral part of the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the year ended 31 December 2022 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries
 Consolidated Cash Flow Statement
 for the years ended 31 December 2022 and 2021
 (Expressed in thousands of euros)

	Note	2022	2021
Cash flows from operating activities			
Profit /(loss) for the year before tax		225,113	337,489
Adjustments for:			
Amortisation and depreciation	6, 7 & 8	157,103	122,602
Adjustments due to impairment of receivables	27	(3,289)	361
Provision for/(reversal of) impairment losses on assets	6 & 8	8,282	2,096
Provision for/(reversal of) impairment losses on financial assets	28	(150)	342
Provision for/(reversal of) losses on risks and expenses		246	8,994
Provision for/(reversal) of losses on inventories	23	13,177	683
Income from financial assets	28	(1,930)	(661)
Finance cost	28	68,454	37,767
(Profit)/loss from the sale of associates		—	(123)
Exchange (gains)/losses		13,904	5,943
Share in profit/(loss) for the year from associates accounted for using the equity method		(71)	(5)
(Profit)/loss on the sale of property, plant and equipment and other intangible assets		(1,133)	(349)
(Profit)/loss on the sale of subsidiaries	5	997	—
Government grants recognised in profit and loss		(53)	(89)
Share-based payment expenses	30	14,913	26,505
(Profit)/loss on financial instruments at fair value through profit or loss		(1,008)	911
Operating profit before changes in working capital		494,555	542,466
Changes in working capital, excluding effects of acquisitions and currency translation differences			
Increase/decrease in trade and other receivables		(9,468)	31,917
Increase/(decrease) in inventories		(116,576)	(171,661)
Increase/(decrease) in trade and other payables		(101,399)	70,516
Utilisation of provisions		(1,322)	(523)
Cash from operating activities		265,790	472,715
Interest paid		(53,949)	(33,810)
Interest received		1,930	628
Corporate income tax paid		(93,495)	(96,949)
Net cash from operations (*)		120,276	342,584

	Note	2022	2021
Cash flows from investing activities			
From the sale of property, plant and equipment		4,649	1,780
From the sale of other intangible assets		400	496
From the sale of financial assets		8,904	7,547
Proceeds from the sale of subsidiaries, net of drawn down cash	5	250	—
Proceeds from the sale of subsidiaries in prior years		—	105
Acquisition of property, plant and equipment		(49,641)	(42,869)
Acquisition of intangible assets		(28,728)	(28,553)
Acquisition of other financial assets		(3,601)	(6,765)
Payments for acquisitions of subsidiaries, net of cash and cash equivalents	5	(20,750)	(415,628)
Payments for acquisitions of subsidiaries in prior years		(5,834)	(20,215)
Net cash from investing activities (*)		(94,351)	(504,102)
Cash flows from financing activities			
Payments for repurchase of treasury shares		(237,420)	(277,955)
Proceeds from the sale of treasury shares		177,613	191,848
Proceeds from grants		—	74
Proceeds from bank borrowings		1,109,986	385,430
Payments for bank borrowings		(892,569)	(177,392)
Payments for lease liabilities		(32,715)	(26,238)
Dividends paid		(162,880)	(77,646)
Net cash from financing activities (*)		(37,985)	18,121
Net increase/(decrease) in cash and cash equivalents		(12,060)	(143,397)
Cash and cash equivalents at 1 January		90,118	225,631
Effect of currency translation differences on cash flows		598	7,884
Cash and cash equivalents at 31 December		78,656	90,118

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

The accompanying notes are an integral part of the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the year ended 31 December 2022 prepared in accordance with IFRS as adopted by the European Union.

1. Nature, principal activities and companies comprising the Group

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

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

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

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

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

Share capital is represented by 192,129,070 ordinary shares with a par value of Euros 1 each, fully subscribed and paid up.

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

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

On 15 December 2022, the capital reduction approved by the Company's Board of Directors for a nominal amount of Euros 3,500,000 was carried out by redeeming 3,500,000 treasury shares with a par value of Euros 1 each. This reduction does not entail returning contributions to shareholders, as the Company itself is the owner of the shares being redeemed and a charge has been made to unrestricted reserves by allocating a restricted reserve for redeemed capital that is equal to the par value of the redeemed shares. Moreover, it has also been agreed to request the delisting of the shares being redeemed.

2. Basis of presentation

These consolidated annual accounts have been prepared from the accounting records of Fluidra, S.A. and the entities included in the Group using the going concern principle. These consolidated annual accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other financial reporting framework provisions in order to present fairly the consolidated equity and consolidated financial position of Fluidra, S.A. and its subsidiaries at 31 December 2022 and its consolidated financial results, consolidated cash flows and changes in consolidated equity for the year then ended.

a) Basis of presentation of the consolidated annual accounts

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

b) Comparative information

For comparative purposes, the consolidated annual accounts include the consolidated figures for the year ended 31 December 2022 in addition to those for the same period of the prior year for each item of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the notes thereto, which have been obtained by consistently applying IFRS-EU as required by the standards.

At 31 December 2022 the SRS Holdco, LLC ("S.R. Smith") and Taylor Water Technologies LLC ("Taylor Technologies") business combinations were recorded as final, re-stating the previous periods in line with IFRS 3. The main impacts of this restatement are as follows:

	Audited 12/31/2021	IFRS 3	Restated 12/31/2021
Goodwill	1,316,466	(56,810)	1,259,656
Other intangible assets	899,726	55,397	955,123
Total non-current assets	2,650,640	(1,413)	2,649,227
Inventories	494,014	2,031	496,045
Total current assets	854,692	2,031	856,723
TOTAL ASSETS	3,505,332	618	3,505,950
Deferred tax liabilities	221,938	618	222,556
Total non-current liabilities	1,084,865	618	1,085,483
Total liabilities	1,882,899	618	1,883,517
TOTAL EQUITY AND LIABILITIES	3,505,332	618	3,505,950

The Group's accounting policies that are described in Note 3 have been consistently applied to the year ended 31 December 2022 and the accompanying comparative information at 31 December 2021.

All significant mandatory accounting principles have been applied.

The 2021 consolidated annual accounts were approved for issue by the shareholders in general meeting on 5 May 2022.

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

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

In the Group's 2022 consolidated annual accounts estimates were occasionally made in order to quantify certain assets, liabilities, income, expenses and commitments reported therein. These relevant accounting estimates and assumptions mainly relate to:

- The useful life and fair value of the customer portfolio and other intangible assets (see Note 8).
- The assumptions used in determining the fair value/value in use of the Cash Generating Units (CGUs) or group of CGUs for the purposes of evaluating potential impairment of goodwill and other assets (see Note 7).
- Assessment of technical and commercial feasibility of development projects in progress (see Notes 3 d) ii) and 8).
- Estimate of expected credit losses from receivables and obsolete inventory (see Notes 3 i) k), 14 and 15).
- The fair value of financial instruments and of certain unquoted assets (see Notes 11 and 12).
- Assumptions used in determining the fair values of assets, liabilities and contingent liabilities related to the business combinations and/or asset purchases (see Notes 3 a) i), 20 and 21). Liabilities for contingent considerations correspond to level 3 fair value hierarchy in accordance with IFRS 13.
- The fair value of the commitment to the Company's management team to acquire an ownership interest in the Company's share capital (see Notes 3 q) and 30).

- Estimates and judgements related to the provisions for litigation (see Notes 3 p) and 18).
- Assessment of the recoverability of tax credits, including prior years' tax losses and rights to deduction. Deferred tax assets are recognised to the extent that future tax profit is available against which temporary differences can be charged, based on the management's assumptions about the amount of and payment schedules for future tax profit. Additionally, in the case of deferred tax assets related to investments in Group companies, their capitalisation takes into account whether they will be reversed in the foreseeable future (see Notes 3 s) and 29).

Although these estimates are made on the basis of the best information available on the events analysed at 31 December 2022 and 2021, events may occur in the future which require adjusting these estimates (upwards or downwards) in future reporting periods. Any effect of adjustments made in future reporting periods is recognised prospectively.

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

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

d) Changes to IFRS-EU standards in 2022

The accounting standards used to prepare the accompanying consolidated annual accounts are the same as those used to prepare the consolidated annual accounts for the year ended 31 December 2021 except for the new standards and any amendments that are applicable as of 1 January 2022, the main ones being as follows:

- Standards and interpretations approved by the European Union applied for the first time in 2022.
 - Amendments to IFRS 3 "Business combinations", IAS 16 "Property, plant and equipment" and IAS 37 "Provisions, contingent liabilities and contingent assets".
 - Annual improvements for 2018-2020.

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

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

e) Financial reporting in hyperinflationary economies

In recent years, the Turkish economy has seen high rates of inflation. In particular, as of 31 December 2022 the TSI (Turkish Statistical Institute) reported three-year cumulative inflation of 156%.

As a result, the Group has considered the Turkish economy as hyperinflationary in 2022 by applying IAS 29 (Financial Reporting in Hyperinflationary Economies) to companies whose functional currency is the Turkish lira.

The main impacts on the Group's 2022 consolidated financial statements of the aforementioned issues are as follows:

	Thousands of euros
Consolidated profit/(loss) after tax	(253)
Current assets	1,052
Equity	1,305

3. Significant accounting principles applied

The most significant principles are summarised as follows:

a) Consolidation principles

i) Subsidiaries and business combinations

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

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

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

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

Business combinations

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

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

At the acquisition date the Group recognises any assets acquired and liabilities assumed at their fair value. The liabilities assumed include contingent liabilities to the extent that they represent

present obligations that arise as a result of past events and their fair value can be reliably measured.

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

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

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

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

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

ii) Non-controlling interests

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

The Group's share and the non-controlling interest in consolidated profit/(loss) for the year (consolidated total comprehensive income for the year) and in changes in equity of the subsidiaries, net of adjustments and eliminations on consolidation, is determined based on the ownership interest

held at year end, excluding the possible exercise or conversion of potential voting rights and after discounting the effect of agreed or non-agreed dividends on cumulative preference shares that may have been classified in the equity accounts. However, the existence or absence of control is determined considering the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently grant access to the economic benefits associated with the ownership interest, that is, the right to receive future dividends and changes in the value of subsidiaries.

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

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

Transactions with non-controlling interests

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

Put options granted

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

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

dividends are predetermined or incorporated into the measurement of the financial liability, settlement is discounted from the financial liability's carrying amount.

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

iii) Associates

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

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

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

iv) Impairment

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

b) Foreign currency

i) Functional and presentation currency

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

ii) Transactions and balances in foreign currency

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

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

caption in the statement of cash flows as "Exchange gains/ (losses) on cash and cash equivalents".

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

iii) Translation of foreign operations

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

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

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

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

c) Property, plant and equipment

i) Assets for own use

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

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

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

ii) Investments in rented premises

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

iii) Costs subsequently incurred

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

iv) Amortisation and depreciation

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

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

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

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

v) Impairment

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

d) Intangible assets

i) Goodwill

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

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

Internally generated goodwill is not recognised as an asset.

ii) Internally generated intangible assets

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

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

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

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

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

iii) Intangible assets acquired in business combinations

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

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

iv) Other intangible assets

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

v) Useful life and amortisation

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

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

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

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

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

The Group reviews the residual value, useful life and amortisation method of intangible assets at the end of each

reporting period. Changes to initially established criteria are accounted for as a change in accounting estimates.

vi) Impairment of assets

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

e) Investment property

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

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

f) Right-of-use assets and Lease liabilities

i) Right-of-use

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

ii) Lease liabilities

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

When calculating the present value of lease payments, the Group uses the incremental interest rate at the lease start date if the interest rate implicit in the lease cannot be easily determined. After the start date, the lease liability amount is increased to reflect the accrual of interest and reduced by the lease payments made. In addition, the lease liability is re-measured if an amendment is made, the lease term is changed,

the in-substance fixed lease payments are changed or the assessment for purchasing the underlying asset is changed. The liability also increases if there is a change in future lease payments arising from a change in the index or rate used to calculate these payments

The incremental financing rate used by the Group is differentiated by the homogeneous portfolio of leases, country and lease term. The weighted average of the incremental interest rate in 2022 2022 is 2.90% (2.21% in 2021).

iii) Short-term and low value leases

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

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

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

g) Impairment of non-financial assets

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

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

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

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

Impairment losses on cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit

and then to reduce the carrying amount of the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit up to the highest of its fair value less costs to sell, its value in use and zero.

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

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

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

h) Finance leases

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

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

i) Financial assets

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

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

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

For assets measured at fair value, profit and loss is recognised in income or other comprehensive income. For investments in

equity instruments held for trading, it will depend on whether the Group has made an irrevocable choice upon initial recognition to recognise investments in equity at fair value through other comprehensive income.

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

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

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

a) Debt instruments

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

- **Amortised cost:** Assets held for collection of contractual cash flows when these cash flows only represent payments of principal and interest are measured at amortised cost. Income on these financial assets are included in financial income according to the effective interest rate method. Losses arising as a result of disposals are expensed directly. Impairment losses and the value are recorded in separate income statement captions.
- **Fair value through other comprehensive income (FVOCI):** Assets held for collection of contractual cash flows and for the sale of financial assets, when these cash flows only represent payments of principal and interest, are measured at fair value through other comprehensive income. Changes in the carrying value are taken to other comprehensive income, except for recognition of impairment gains and losses, ordinary interest income and exchange gains or losses, which are recognised in the income statement. When financial assets are written off, the accumulated gain or loss previously recognised in other comprehensive income is reclassified from equity to income and recognised in other gains/(losses). Income on these financial assets are included in financial income according to the effective interest rate method. Exchange gains and losses are taken to other gains/(losses) and impairment expenses are recorded in a separate income statement caption.
- **Fair value through other income (FVOI):** Assets that do not meet the criteria for recognition at amortised cost or fair value through other comprehensive income are recognised at fair value through income. A gain or loss in a debt investment subsequently recognised at fair value through income is recognised as net within other gains/(losses) in the years in which it arises.

b) Equity instruments

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

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

c) Derivatives and hedging activities

Cash flow hedges that qualify for hedge accounting.

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

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

- When the hedged item subsequently leads to the recognition of a non-financial asset (such as inventories), the deferred hedging gains and losses are included in the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss for the year when the hedged item affects net income (e.g. through the cost of sales).
- Gains or losses corresponding to the effective part of interest rate swaps hedging variable rate loans is recognised in the income statement under "financial expenses" at the same time as the interest expense on the hedged loans.

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

d) Impairment

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

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

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

j) Financial liabilities

i) Initial recognition and measurement

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

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

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

ii) Subsequent measurement

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

iii) Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if their purpose is to be repurchased in the short term. This category

includes derivative financial instruments contracted by the Group which have not been designated as hedging instruments in the hedging relationships. Embedded derivatives that have been separated are also classified as held for trading, unless designated as effective hedging instruments.

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

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

iv) Bank borrowings

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

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

This category generally applies to bank borrowings with interest.

v) Derecognition

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

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

k) Inventories

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

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

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

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

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

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

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

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

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

l) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and demand deposits at banks. This caption also includes other short-term highly-liquid investments readily convertible into specific amounts of cash that do not mature beyond three months.

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

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

m) Own equity instruments

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

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

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

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

n) Government grants

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

i) Capital grants

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

ii) Operating grants

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

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

iii) Interest rate grants

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

o) Employee benefits

i) Termination benefits

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

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

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

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

ii) Termination benefits linked to restructuring processes

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

iii) Other long-term employee benefits

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

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

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

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

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

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

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

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

iv) Short-term employee benefits

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

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

p) Provisions

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

The amount recognised as a provision in the consolidated statement of financial position is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated. The discount

rate is a pre-tax rate that reflects the time value of money and the specific risks for which future cash flows associated with the provision have not been adjusted at each reporting date.

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

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

q) Share-based payment transactions

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

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

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

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

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

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

Once the services received and the corresponding increase in equity have been recognised, no additional adjustments to

equity are made after the vesting date, without prejudice to making the corresponding reclassifications in equity.

r) Recognition of revenue from contracts with customers

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

i) Sale of goods

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

A receivable is recognised when the goods are delivered since this is the point in time in which the consideration is unconditional, only requiring the passage of time in order for the right of payment to fall due.

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

ii) Services rendered

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

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

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

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

iii) Financial components

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

iv) Dividend income

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

s) Income tax

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

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

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

Current and deferred tax is recognised in profit or loss, unless the tax arises from a transaction or economic event which is recognised, in the same or a different period, directly in consolidated equity or a business combination.

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

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

i) Recognition of taxable temporary differences

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

- to the extent that the deferred tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which is not a business

combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss);

- to the extent that the deferred tax liability relates to taxable temporary differences associated with investments in subsidiaries or joint ventures where the Group has the capacity to control the date of reversal and it is not probable that reversal will happen in the foreseeable future.

ii) Recognition of deductible temporary differences

Deferred tax assets are recognised provided that:

- it is probable that sufficient future taxable profit will be available against which they can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss);
- they relate to deductible temporary differences associated with investments in subsidiaries or joint ventures to the extent that temporary differences will be reversed in the foreseeable future and future taxable profit will be available to offset the differences;

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

iii) Measurement

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

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

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

iv) Offsetting and classification

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

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

t) Offsetting of assets and liabilities, income and expenses

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

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

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

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

v) Segment reporting

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

w) Environment

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

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

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

Where appropriate, the Group records provisions for environmental activities when such expenses are known in the same year or previous year, and when the related concepts are clearly specified. These provisions are recorded based on the criteria indicated in section (p) Provisions of this note.

Compensation to be received by the Group in connection with environmental obligations is recognised as an amount receivable in assets on the consolidated statement of financial position, provided that there is no doubt as to whether this compensation will actually be received, and that it does not exceed the amount of the recorded obligation.

4. Segment reporting

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

The Business Divisions are EMEA, North America and APAC.

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

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

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

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

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

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

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

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

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

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

A breakdown of the Group's segment information for 2022 and 2021 is shown in Appendices II and III to these consolidated annual accounts.

5. Business combinations and sales of Group companies

A breakdown of the transactions resulting in business combinations in 2022 and 2021 is as follows:

2022

On 28 July 2022, Fluidra Commercial, S.A.U., which is wholly and indirectly owned by Fluidra, acquired 100% of the share capital of the Danish company Swim & Fun Scandinavia Aps ("Swim & Fun").

Swim & Fun is a leading market distributor operating in the Nordic countries with its headquarters in Copenhagen. The company supplies a wide range of water maintenance, improvement and treatment products, as well as above-ground pools and spas, mainly for the mass market.

The total consideration for the transaction comprises an initial payment of DKK 157.9 million, which is fully paid. Furthermore, future profit payments based on Swim & Fun's operating results have been agreed for the years 2023, 2024 and 2025, to be paid during 2026. The initial estimate included an assessment stating that there will be no outlay for these items.

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

During the period comprised between the date of acquisition and 31 December 2022, the acquired business has generated consolidated total sales of goods and finished products amounting to Euros 2,194 thousand and consolidated loss after tax amounting to Euros 1,244 thousand.

If the acquisition had occurred on 1 January 2022, the Group's sales of goods and finished products would have increased by Euros 25,966 thousand and consolidated profit after tax would have increased by Euros 2,664 thousand.

The breakdown of the consideration paid, of the fair value of the net assets acquired and goodwill for the business combinations carried out during the year ended 31 December 2022 is as follows:

Consideration paid	
Cash paid	21,006
Contingent consideration	-
Total consideration paid	21,006
Fair value of net assets acquired	13,894
Goodwill	7,112

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

The accounting of the Swim & Fun business combination is definitive.

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

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

The amounts that have been recorded in the consolidated statement of financial position at the date of acquisition of the assets, liabilities and contingent liabilities of the businesses acquired during the year ended 31 December 2022, by significant categories, are as follows:

	Thousands of euros
Property, plant and equipment	60
Other intangible assets	13,145
Right-of-use assets	42
Non-current financial assets	33
Deferred tax assets	210
Inventories	7,352
Trade and other receivables	4,138
Cash and cash equivalents	256
Total assets	25,236
Non-current lease liabilities	34
Deferred tax liabilities	3,004
Bank borrowings and other marketable securities - current	1,337
Current lease liabilities	8
Trade and other payables	6,424
Current provisions	535
Total liabilities and contingent liabilities	11,342
Total net assets	13,894
Total net assets acquired	13,894
Paid in cash	21,006
Cash and cash equivalents acquired	256
Cash paid for the acquisitions	20,750

In the year ended 31 December 2022 cash was disbursed in connection with the acquisition of subsidiaries in prior years and non-controlling interests for Euros 5,834 thousand.

In line with Fluidra's strategy of divesting non-core activities, on 11 May 2022 the Spanish company Togama, S.A.U. was sold for Euros 1,208 thousand.

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

	Thousands of euros
Amount received in cash	1,208
Deferred collections	-
Total	1,208
Total net assets sold	2,205
Loss on the Sale	(997)

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

	Thousands of euros
Right-of-use assets	1,118
Non-current financial assets	66
Inventories	1,007
Trade and other receivables	1,858
Cash and cash equivalents	958
Total assets	5,007
Non-current lease liabilities	879
Deferred tax liabilities	65
Current lease liabilities	278
Trade and other payables	1,580
Total liabilities and contingent liabilities	2,802
Total net assets	2,205
Total net assets sold	2,205
Amount received in cash	1,208
Cash and cash equivalents sold	958
Net cash from the sale	250

2021

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

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

The transaction amount was USD 11.1 million.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If the acquisition had occurred on 1 January 2021, the Group's sales of goods and finished products would have increased by Euros 114,845 thousand and consolidated profit after tax would have increased by Euros 37,367 thousand.

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

Consideration paid	
Cash paid	424,881
Contingent consideration	-
Total consideration paid	424,881
Fair value of net assets acquired	288,346
Goodwill	136,535

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

At 31 December 2021, the accounting of the S.R. Smith and Taylor Technologies business combinations was not final. At 31 December 2022, following re-statement, these combination are now final.

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

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

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

	Thousands of euros
Property, plant and equipment	20,731
Other intangible assets	300,019
Right-of-use assets	31,066
Investments accounted for using the equity method	563
Non-current financial assets	129
Deferred tax assets	32,408
Inventories	54,253
Trade and other receivables	32,923
Cash and cash equivalents	9,253
Total assets	481,345
Bank borrowings and other marketable securities - non-current	5,645
Non-current lease liabilities	30,432
Deferred tax liabilities	64,048
Non-current provisions	5
Other non-current liabilities	2,678
Bank borrowings and other marketable securities - current	52,225
Current lease liabilities	2,397
Trade and other payables	32,744
Current provisions	2,825
Total liabilities and contingent liabilities	192,999
Total net assets	288,346
Total net assets acquired	288,346
Paid in cash	424,881
Cash and cash equivalents acquired	9,253
Cash paid for the acquisitions	415,628

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

6. Property, plant and equipment

Movement in Property, plant and equipment during 2022 and 2021 is as follows:

	Thousands of euros							Balances at 12.31.22
	Balances at 12.31.21	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	
Cost								
Land and buildings	68,690	—	396	(2,049)	—	12	188	67,237
Plant and machinery	138,233	—	12,653	(4,266)	(64)	7,676	954	155,186
Other installations, tools and furniture	163,830	—	10,769	(3,930)	(20)	8,511	1,906	181,066
Other PPE	27,743	60	4,508	(1,970)	(70)	185	213	30,669
Under construction	20,235	—	20,910	(118)	(98)	(17,149)	703	24,483
	418,731	60	49,236	(12,333)	(252)	(765)	3,964	458,641
Accumulated depreciation								
Buildings	(31,028)	—	(964)	2,034	—	(4)	(23)	(29,985)
Plant and machinery	(87,815)	—	(9,946)	4,235	—	689	(712)	(93,549)
Other installations, tools and furniture	(120,743)	—	(10,987)	3,275	—	83	(905)	(129,277)
Other PPE	(18,472)	—	(5,106)	1,834	—	27	(74)	(21,791)
	(258,058)	—	(27,003)	11,378	—	795	(1,714)	(274,602)
Net carrying amount	160,673	60	22,233	(955)	(252)	30	2,250	184,039

	Thousands of euros							Balances at 12.31.21
	Balances at 12.31.20	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	
Cost								
Land and buildings	67,972	3,514	724	(317)	—	(3,996)	793	68,690
Plant and machinery	126,004	5,559	15,321	(9,243)	(719)	(382)	1,693	138,233
Other installations, tools and furniture	161,257	6,839	7,414	(22,627)	(270)	8,644	2,573	163,830
Other PPE	26,757	3,627	3,333	(6,277)	(15)	(232)	550	27,743
Under construction	11,862	1,192	16,544	(171)	—	(9,876)	684	20,235
	393,852	20,731	43,336	(38,635)	(1,004)	(5,842)	6,293	418,731
Accumulated depreciation								
Buildings	(33,690)	—	(1,373)	306	—	4,123	(394)	(31,028)
Plant and machinery	(95,037)	—	(7,277)	8,947	—	6,900	(1,348)	(87,815)
Other installations, tools and furniture	(126,798)	—	(10,243)	22,463	—	(4,323)	(1,842)	(120,743)
Other PPE	(20,386)	—	(3,173)	6,210	—	(774)	(349)	(18,472)
	(275,911)	—	(22,066)	37,926	—	5,926	(3,933)	(258,058)
Net carrying amount	117,941	20,731	21,270	(709)	(1,004)	84	2,360	160,673

a) Property, plant and equipment pledged as guarantees

At 31 December 2022 and 2021 no items of property, plant and equipment are mortgaged or pledged as guarantees.

b) Insurance

The consolidated Group has taken out several insurance policies to cover the risks to which its property, plant and equipment

items are exposed. The coverage of these policies is considered sufficient.

c) Fully depreciated assets

The cost of fully depreciated property, plant and equipment still in use at 31 December 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Buildings	22,070	24,470
Plant and machinery	84,299	87,511
Other installations, tools and furniture	110,713	104,139
Other property, plant and equipment	21,795	19,313
	238,877	235,433

d) Assets located abroad

At 31 December 2022 property, plant and equipment items located outside Spain amount to Euros 95,087 thousand (Euros 81,849 thousand at 31 December 2021).

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

Gains/(losses) on disposals of fixed assets during the year ended 31 December 2022 mainly correspond to the losses on the sale of Togama, S.A.U. for an amount of Euros 997 thousand (see Note 5), as well as profits on the sale of property located in Spain and France for an amount of Euros 1,133 thousand.

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

7. Investment property

Movement in investment property during 2022 and 2021 is as follows

	Thousands of euros					Balances at 12.31.22
	Balances at 12.31.21	Additions	Disposals	Transfers	Exchange gains/(losses)	
Cost						
Land	1,880	212	(142)	(1,172)	(9)	769
Buildings	7,819	—	(6,478)	1,172	—	2,513
	9,699	212	(6,620)	—	(9)	3,282
Accumulated amortisation						
Buildings	(7,560)	(66)	6,238	—	—	(1,388)
	(7,560)	(66)	6,238	—	—	(1,388)
Net carrying amount	2,139	146	(382)	—	(9)	1,894

	Thousands of euros				Balances at 12.31.21
	Balances at 12.31.20	Additions	Disposals	Transfers	
Cost					
Land	1,880	—	—	—	1,880
Buildings	3,516	—	(2,049)	6,352	7,819
	5,396	—	(2,049)	6,352	9,699
Accumulated amortisation					
Buildings	(2,456)	(22)	1,851	(6,933)	(7,560)
	(2,456)	(22)	1,851	(6,933)	(7,560)
Net carrying amount	2,940	(22)	(198)	(581)	2,139

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

8. Goodwill and Other intangible assets

Movement in Goodwill and other intangible assets during 2022 and 2021 is as follows:

a) Goodwill

	Thousands of euros						Balances at 12.31.22
	Balances at 12.31.21	Business combinations	Additions	Disposals	Impairment	Exchange gains/(losses)	
Carrying amount							
Goodwill	1,259,656	7,112	—	—	—	40,254	1,307,022

	Thousands of euros						Balances at 12.31.21
	Balances at 12.31.20	Business combinations	Additions	Disposals	Impairment	Exchange gains/(losses)	
Carrying amount							
Goodwill	1,075,483	136,535	—	—	(94)	47,732	1,259,656

b) Other intangible assets

	Thousands of euros							Balances at 12.31.22
	Balances at 12.31.21	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	
Cost								
Development expenses for work in progress	119,152	—	15,520	(333)	(10)	(120)	4,458	138,667
Relations with customers/ Contractual relations	769,396	9,437	—	(1,000)	—	—	43,329	821,162
Computer software	59,316	89	10,502	(8,894)	(7,886)	698	364	54,189
Patents, Trademarks and Other intangible assets	309,535	3,619	2,706	(5,261)	(66)	24	15,648	326,205
	1,257,399	13,145	28,728	(15,488)	(7,962)	602	63,799	1,340,223
Accumulated amortisation								
Product development expenses	(46,354)	—	(11,686)	242	—	—	(2,061)	(59,859)
Relations with customers/ Contractual relations	(206,811)	—	(67,292)	1,000	—	—	(9,422)	(282,525)
Computer software	(41,570)	—	(7,021)	8,589	—	(447)	(193)	(40,642)
Patents, Trademarks and Other intangible assets	(7,541)	—	(8,795)	5,256	—	(38)	150	(10,968)
	(302,276)	—	(94,794)	15,087	—	(485)	(11,526)	(393,994)
Net carrying amount	955,123	13,145	(66,066)	(401)	(7,962)	117	52,273	946,229

	Thousands of euros							Balances at 12.31.21
	Balances at 12.31.20	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	
Cost								
Development expenses for work in progress	103,566	1,724	12,836	(14,606)	(795)	10,810	5,617	119,152
Relations with customers/ Contractual relations	537,781	173,160	4,939	—	—	4,935	48,581	769,396
Computer software	49,622	564	9,990	(877)	(1)	(356)	374	59,316
Patents, Trademarks and Other intangible assets	165,581	124,571	2,323	(875)	(2)	1,194	16,743	309,535
	856,550	300,019	30,088	(16,358)	(798)	16,583	71,315	1,257,399
Accumulated amortisation								
Product development expenses	(38,901)	—	(9,232)	14,156	—	(9,833)	(2,544)	(46,354)
Relations with customers/ Contractual relations	(134,469)	—	(56,222)	—	—	(4,935)	(11,185)	(206,811)
Computer software	(36,496)	—	(5,708)	876	—	(7)	(235)	(41,570)
Patents, Trademarks and Other intangible assets	(4,967)	—	(1,950)	830	—	(1,201)	(253)	(7,541)
	(214,833)	—	(73,112)	15,862	—	(15,976)	(14,217)	(302,276)
Net carrying amount	641,717	300,019	(43,024)	(496)	(798)	607	57,098	955,123

No intangible assets have been pledged as guarantees.

Additions to product development expenses in 2022 amounting to Euros 15,520 thousand (Euros 12,836 thousand in 2021) correspond to work performed by the Group and capitalised as non-current assets, and are included in said caption of the consolidated income statement.

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

In 2022, Euros 7,886 thousand of computer software was impaired and subsequently written off as it was no longer in use, as a result of changes made to the Group's IT platforms.

The cost of fully amortised intangible assets still in use at 31 December 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Development expenses for work in progress	53,867	54,136
Computer software	35,621	32,823
Patents, trademarks and other intangible assets	32,043	35,004
	121,531	121,963

At 31 December 2022, intangible assets located outside Spain have a carrying amount of Euros 925,273 thousand (Euros 930,045 thousand at 31 December 2021).

c) Impairment and allocation of goodwill to CGUs.

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

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

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

The breakdown of goodwill allocated by CGU or group of CGUs at 31 December 2022 and 31 December 2021 is as follows:

	Segment	Thousands of euros	
		12/31/2022	12/31/2021
North America	North America	696,292	656,126
Europe	EMEA	308,033	300,997
Operations	Operations	186,562	186,562
Asia-Pacific	APAC	67,414	67,523
EMEA expansion	EMEA	40,339	39,904
SIBO Fluidra Netherlands B.V.	EMEA	5,048	5,048
Certikin International, LTD	EMEA	3,334	3,496
Total		1,307,022	1,259,656

Movement in goodwill is essentially due to the acquisition of Swim & Fun Scandinavia ApS (see Note 5) and the currency translation differences arising from the goodwill denominated in foreign currency, chiefly as a result of fluctuations in the exchange rates of the US dollar.

The recoverable amount of each CGU is determined based on the greater of fair value less disposal costs, calculated using a Level 3 methodology in line with the hierarchy established in IFRS 3, and continuing value in use. These calculations use cash flow projections based on finance budgets and/or strategic plans, approved by Management, for the cash generating units to which goodwill has been allocated and covered a period of

The quantitative assumptions used for 2022 are shown in the accompanying table:

CGU	Sales CAGR (*)	EBITDA CAGR (*)	g (**)	WACC (***)	WACC (****)
	2023-2027	2023-2027		2022	2022
North America	3.55%	7.60%	1.89%	7.44%	9.88%
Europe	6.07%	6.30%	1.83%	8.45%	10.70%
Operations	6.07%	10.86%	1.74%	8.95%	11.49%
Asia-Pacific	5.88%	7.87%	2.50%	8.64%	11.30%
EMEA expansion	6.16%	6.67%	2.65%	11.82%	14.32%
SIBO Fluidra Netherlands B.V.	6.09%	6.07%	1.98%	6.65%	8.64%
Certikin International, LTD	6.10%	6.61%	2.08%	8.40%	9.91%

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

(**) Perpetual growth rate.

(***) After-tax discount rate.

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

five years. The process for preparing the strategic plans of the CGUs considers the current market situation in the main geographical areas, analysing the macroeconomic and competitive environments, as well as the CGU's position in those environments and the opportunities for growth. The key factors of business evolution are mainly the evolution of the pool stock existing in each market for the maintenance business and the evolution of the manufacture of new pools. Additionally, the potential operating efficiencies due to growth and cost improvement plans are considered. The said projections and estimates are consistent with those that would be made by a market participant.

The key assumptions used in the strategic plans respond to a fall in business in 2023 due to high inventory levels with customers, sustained business growth in pools (aftermarket), moderate growth in the construction of new pools in mature markets and sustained growth in emerging markets, combined with an increase in our penetration in commercial pools in some geographical areas where our presence is still small and increased market share in the American market.

In terms of the Operations CGU, revenues are linked to the increase in sales CGUs, mainly Europe, resulting from the partial integration of manufacturing within Fluidra.

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

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

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

(**) Perpetual growth rate.

(***) After-tax discount rate.

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

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

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

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

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

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

The quantitative result of these reasonable variations on the model, shown as a percentage of surplus/shortfall over the carrying amount of the net assets, including goodwill, at 31 December 2022 and 2021, is as follows:

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

In a similar manner, it is deemed that none of the aforementioned variations to the key assumptions in the measurement model would imply the need to recognise a goodwill impairment at 31 December 2022.

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

The Group's market capitalisation at 31 December 2022 amounts to Euros 2,840.5 million (Euros 6,886.1 million at 31 December 2021).

9. Right-of-use assets

Details of and movement in right-of-use assets during the year ended 31 December 2022 and 2021 is as follows:

Thousands of euros								
	Balances at 12.31.21	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 12.31.22
Cost								
Land and buildings	188,075	—	50,707	(11,235)	(68)	(249)	2,783	230,013
Plant and machinery	6,347	42	2,646	(1,784)	—	(263)	(37)	6,951
Other installations, tools and furniture	2,605	—	572	(200)	—	—	(5)	2,972
Other PPE	10,424	—	4,312	(2,575)	—	(21)	(32)	12,108
	207,451	42	58,237	(15,794)	(68)	(533)	2,709	252,044
Accumulated amortisation								
Buildings	(47,512)	—	(30,145)	8,028	—	228	(184)	(69,585)
Plant and machinery	(2,534)	—	(1,356)	1,784	—	30	39	(2,037)
Other installations, tools and furniture	(693)	—	(562)	171	—	—	1	(1,083)
Other PPE	(5,113)	—	(3,177)	2,512	—	4	50	(5,724)
	(55,852)	—	(35,240)	12,495	—	262	(94)	(78,429)
Net carrying amount	151,599	42	22,997	(3,299)	(68)	(271)	2,615	173,615

Thousands of euros								
	Balances at 12.31.20	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 12.31.21
Cost								
Land and buildings	121,118	31,066	34,748	(3,828)	(150)	47	5,074	188,075
Plant and machinery	3,835	—	3,356	(935)	(53)	(2)	146	6,347
Other installations, tools and furniture	1,461	—	1,349	(213)	—	3	5	2,605
Other PPE	9,016	—	3,347	(2,068)	(30)	80	79	10,424
	135,430	31,066	42,800	(7,044)	(233)	128	5,304	207,451
Accumulated amortisation								
Buildings	(27,597)	—	(22,233)	3,399	—	(260)	(821)	(47,512)
Plant and machinery	(1,716)	—	(1,671)	935	—	2	(84)	(2,534)
Other installations, tools and furniture	(415)	—	(471)	200	—	(3)	(4)	(693)
Other PPE	(3,988)	—	(2,994)	1,989	—	(80)	(40)	(5,113)
	(33,716)	—	(27,369)	6,523	—	(341)	(949)	(55,852)
Net carrying amount	101,714	31,066	15,431	(521)	(233)	(213)	4,355	151,599

Additions to right of use assets for the year ended 31 December 2022 relate mainly to new storage and warehouse facilities in the US, France and Spain.

The right-of-use asset additions for the year ended 31 December 2021 relate mainly the new corporate headquarters in Sant Cugat del Vallés, as well as new lease contracts for warehouses in the UK and Spain.

10. Investments accounted for using the equity method

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

	Thousands of euros	
	2022	2021
Balance at 1 January	735	28
Share in profit/(loss)	71	5
Additions/ Inclusions	17	—
Profits on sale/Disposals	—	123
Additions from business combinations	—	563
Exchange gains/(losses)	5	16
Balance at 31 December	828	735

The breakdown of the key financial figures of investments accounted for using the equity method in 2022 and 2021 is as follows:

	Country	% of shareholding	2022				
			Thousands of euros				
			Assets	Liabilities	Equity	Income	Profit/(loss)
Astral Nigeria, LTD	Nigeria	25	1,013	221	792	2,070	189
Aspire Polymers, Pty Ltd.	Australia	50	544	379	165	532	48
Blue Factory, S.R.L.	Italy	17	146	46	100	—	—
			1,703	646	1,057	2,602	237

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

11. Current and non-current financial assets

The breakdown of other current and non-current financial assets is as follows:

	Note	Thousands of euros	
		2022	2021
Financial assets at fair value through profit or loss		331	245
Deposits and guarantees		4,366	4,207
Derivative financial instruments	12	54,621	—
Total non-current assets		59,318	4,452
Deposits and guarantees		6,179	10,794
Derivative financial instruments	12	465	491
Total current		6,644	11,285

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

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

12. Derivative financial instruments

A breakdown of derivative financial instruments is as follows:

	2022				
	Notional amount	Thousands of euros			
		Fair values			
		Assets		Liabilities	
	Non-current	Current	Non-current	Current	
1) Derivatives held for trading					
a) Exchange rate derivatives					
Foreign currency contracts	22,361	—	465	—	188
Total derivatives traded on over-the-counter markets		—	465	—	188
Total derivatives held for trading		—	465	—	188
2) Hedging derivatives					
a) Cash flow hedges					
Interest rate swaps	912,535	54,621	—	—	—
Total hedging derivatives		54,621	—	—	—
Total recognised derivatives		54,621	465	—	188
		(Note 11)	(Note 11)		

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

The overall amount of the change in fair value of derivatives held for trading, which has been estimated using measurement techniques, has been recognised in profit or loss and amounts to a loss of Euros 6 thousand (a loss of Euros 1,828 thousand in 2021).

The overall amount of the change in fair value of hedging derivatives, which has been estimated using measurement techniques and has been recognised in consolidated equity as it has been considered an effective hedge, has resulted in an increase of Euros 46,846 thousand (an increase of Euros 6,868 thousand in 2021).

The overall amount of cash flow hedges that has been transferred in 2022 from other comprehensive income in equity to the consolidated income statement (under financial result) amounts to a loss of Euros 3,830 thousand (a loss of Euros 9,221 thousand in 2021).

a) Interest rate swaps

The Group uses interest rate swaps, at a floating interest rate without knock-out barriers, with fixed rate values ranging from 1.385% to 2.205% in 2022 (in 2021 the values ranged from 0.329% to 3.097%). These derivatives are used to manage exposure to fluctuations in the interest rates mainly of bank loans.

Hedging derivatives at 12.31.22			
Notional amount in thousands of euros	Start date	End date	Type of derivative
131,258	2/23/2022	6/30/2026	Fixed swap with 0.5% floor.
431,277	2/23/2022	6/30/2026	Fixed swap with 0.5% floor.
90,000	3/30/2022	6/30/2026	Fixed swap with 0 floor.
70,000	3/30/2022	6/30/2026	Fixed swap with 0 floor.
100,000	3/31/2022	6/30/2026	Fixed swap with 0 floor.
90,000	3/31/2022	6/30/2026	Fixed swap with 0 floor.
912,535			

Hedging derivatives 12.31.21			
Notional amount in thousands of euros	Start date	End date	Type of derivative
200,000	10/31/2018	10/31/2022	Fixed swap
60,000	10/31/2018	10/31/2022	Fixed swap
110,366	10/31/2018	10/31/2022	Fixed swap
10,000	11/5/2018	10/31/2022	Fixed swap
30,000	11/7/2018	10/31/2022	Fixed swap
110,366	11/8/2018	10/31/2022	Fixed swap
44,146	11/13/2018	10/31/2022	Fixed swap
28,818	12/13/2018	10/31/2022	Fixed swap
593,696			

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

	Thousands of euros	
	2022	2021
From one to five years	912,535	593,696
	912,535	593,696

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

b) Exchange rate derivatives

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

The breakdown by exchange rate of the notional amounts of exchange rate derivatives at 31 December 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
EUR / USD	16,876	6,181
USD / CNY	4,313	2,207
GBP / USD	1,172	3,311
GBP / EUR	—	11,000
USD / ZAR	—	503
EUR / ZAR	—	74
	22,361	23,276

At 31 December 2022 and 2021, all foreign exchange derivatives are held for trading, with no hedging derivatives at that date.

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

	Thousands of euros	
	2022	2021
Under one year	22,361	23,276
	22,361	23,276

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

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

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

2022

In the year ended 31 December 2022, AO Astral SNG and Astral Aqua Design Limited Liability Company, companies engaged in marketing swimming pool material and the distribution, design, installation and management of fountain and pond projects, respectively, were put up for sale on the Russian market.

Certain productive assets in Europe are also included.

Since it is the Group's firm intention to sell these clearly identified assets and liabilities, the sale is deemed highly likely to go ahead and it is expected to be completed in the first half of 2023, the accounting balances of these assets and liabilities have been reclassified under the caption "Non-current assets held for sale" and "Liabilities relating to non-current assets held for sale", in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". However, these have not been considered as discontinued operations as they do not represent a significant line of business, and therefore all income and expenses for the period relating to this business are presented under the relevant heading according to their nature.

Details of the nature of the assets classified as held for sale and the related liabilities, at 31 December 2022, are as follows:

	12/31/2022
Assets	
Property, plant, and equipment	125
Deferred tax assets	827
Total non-current assets	952
Inventories	1,910
Trade and other receivables	1,289
Cash and cash equivalents	3,505
Total current assets	6,704
TOTAL ASSETS	7,656
Liabilities	
Deferred tax liabilities	49
Total non-current liabilities	49
Lease liabilities	80
Trade and other payables	3,861
Total current liabilities	3,941
TOTAL LIABILITIES	3,990

2021

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

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

This sale took place on 11 May 2022 (see Note 5).

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

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

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

14. Inventories

Details of inventories are as follows:

	Thousands of euros	
	2022	2021
Goods, finished products and work in progress	359,620	355,320
Raw materials and other consumables	239,473	140,725
	599,093	496,045

At 31 December 2022 and 2021 there are no inventories with a recovery period greater than 12 months from the date of the consolidated statement of financial position.

As a result of the business combinations carried out during 2022, inventories amounting to Euros 7,352 thousand (Euros 54,308 thousand during 2021).

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

There are no significant commitments to purchase or sell goods.

During 2022, the Group has recorded allocations to inventories amounting to Euros 13,177 thousand to adjust them to their net carrying amounts (allocations of Euros 683 thousand during 2021) (see Note 23).

15. Trade and other receivables

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

	Thousands of euros	
	2022	2021
Non-current		
Other non-current receivables	3,597	3,770
Current		
Receivables from sales and services rendered	223,680	209,615
Other receivables and advance payments	29,627	29,564
Public entities	20,732	25,105
Current income tax assets	29,609	16,317
Impairment and uncollectability provisions	(18,840)	(23,950)
Total current	284,808	256,651

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

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

The most significant balances in currencies other than the euro at 31 December 2022 and 2021 are:

	Thousands of euros	
	2022	2021
US dollar	92,005	67,464
Australian dollar	32,459	34,516
Pounds sterling	8,832	6,958
South African rand	7,917	6,528
Chinese renminbi	6,263	10,976
Arab Emirate dirham	6,184	5,936
Canadian dollar	4,727	5,472
	158,387	137,850

Receivables from public administrations mostly relate to VAT receivable balances.

Movement in the valuation adjustments for impairment and bad debts for the years ended 31 December 2022 and 2021 is as follows:

	Thousands of euros
Balance at 12.31.20	26,270
Business combinations	904
Allocations for the year	7,987
Recoveries	(7,626)
Exchange gains/(losses)	237
Transfers to assets held for sale	(57)
Write-offs	(3,765)
Balance at 12.31.21	23,950
Business combinations	369
Allocations for the year	7,497
Recoveries	(10,786)
Exchange gains/(losses)	168
Transfers to assets held for sale	(128)
Write-offs	(2,230)
Balance at 12.31.22	18,840

16. Equity

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

• Share capital

At 31 December 2022, Fluidra, S.A.'s share capital consists of 192,129,070 ordinary shares with a par value of Euro 1 each, fully subscribed. The shares are represented by book entries and are established as such by being recorded in the corresponding accounting record. All shares bear the same political and financial rights.

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

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

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

On 15 December 2022, the capital reduction approved by the Company's Board of Directors for a nominal amount of Euros 3,500,000 was carried out by redeeming 3,500,000 treasury shares with a par value of Euros 1 each. This reduction does not entail returning contributions to shareholders, as the Company itself is the owner of the shares being redeemed and a charge has been made to unrestricted reserves by allocating a restricted reserve for redeemed capital that is equal to the par value of the redeemed shares. Moreover, it has also been agreed to request the delisting of the shares being redeemed.

The Company only knows the identity of its shareholders through the information that they provide voluntarily or in

compliance with applicable regulations. In accordance with the Company's information, the structure of significant ownership interest at 31 December 2022 and 2021 is as follows:

Ownership percentage	12.31.2022	12.31.2021
Rhône Capital L.L.C.	11.67%	11.47%
Boyser, S.R.L.	7.80%	7.59%
Dispur, S.L.	7.33%	7.11%
Edrem, S.L.	6.93%	6.93%
T. Rowe Price Associates, Inc	6.73%	—
Aniol, S.L.	6.23%	6.04%
Yukon Capital, S.L.U.	5.14%	—
G3T, S.L.	5.09%	5.00%
Schwarzsee 2018, S.L.	5.09%	5.00%
Other shareholders	37.99%	50.86%
	100.00%	100.00%

• Share premium

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

• Legal reserve

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

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

At 31 December 2022 and 2021 this legal reserve is fully funded.

• Parent company shares

The movement in treasury shares during the years ended 31 December 2022 and 2021 is as follows:

	Euros		
	Number	Face value	Average acquisition/ disposal price
Balances at 01.01.21	2,543,738	2,543,738	14.0899
Acquisitions	9,318,560	9,318,560	29.8281
Disposals	(6,065,987)	(6,065,987)	(31.6353)
Balances at 12.31.21	5,796,311	5,796,311	29.0687
Acquisitions	12,736,445	12,736,445	18.6410
Disposals	(12,740,098)	(12,740,098)	(18.6162)
Balances at 12.31.22	5,792,658	5,792,658	19.4544

Included in the disposals of year 2022, find included the capital reduction executed on the 15th of December 2022 stated above.

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

No Group company owns shares in the Parent.

• Recognised income and expense

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

During the years ended 31 December 2022 and 2021, translation differences have changed significantly due to the effect of US dollar denominated businesses.

• Dividends and limitations on the distribution of dividends

The Parent Company's voluntary reserves at 31 December 2022 amounting to Euros 54,562 thousand (Euros 342,795 thousand at 31 December 2021), as well as the share premium and profit/(loss) for the year of the Parent, are subject to legal limitations on their distribution.

The proposed appropriation of profit included in the Parent Company's financial statements for the years 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Basis of allocation:		
Profit / (loss) for the year	129,978	(29,870)
Distribution:		
To voluntary reserves	129,978	—
To interim dividend	—	—
To prior year's losses	—	(29,870)
Total	129,978	(29,870)

The Board of Directors of Fluidra, S.A. will propose to the General Shareholders' Meeting a dividend charged to the voluntary reserves amounting to 0.70 euros per share.

• Capital management

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

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

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

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

In 2022 the strategy, which has remained unchanged over prior years, was to keep the total leverage ratio and the net financial debt over EBITDA ratio between 2 and 2.5. The ratios for 2022 and 2021 have been determined as follows:

Total leverage ratio:

	Thousands of euros	
	2022	2021
Total consolidated assets	3,772,945	3,505,950
Total consolidated equity	1,678,681	1,622,433
Total leverage ratio	2.25	2.16

Net Financial Debt / EBITDA ratio:

	Thousands of euros	
	2022	2021
Bank borrowings and other marketable securities	1,266,931	997,998
Plus: Lease liabilities	193,139	167,667
Plus: Derivative financial instruments	188	7,372
Less: Cash and cash equivalents	(75,151)	(87,808)
Less: Non-current financial assets	(4,697)	(4,452)
Less: Other current financial assets	(6,179)	(10,794)
Less: Derivative financial instruments	(55,086)	(491)
Net financial debt	1,319,145	1,069,492
Ebitda (Note 35)	469,768	506,366
Net Financial Debt over Ebitda	2.81	2.11

An amount of Euros 3,873 thousand has been paid as a result of transactions derived from these variations.

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

Details of the most significant non-controlling interests at 31 December 2022 and 31 December 2021 are as follows:

• Non-controlling interest

In 2022, movement in non-controlling interest has been as follows:

Company	Percentage of non-controlling interest	
	12.31.2022	12.31.2021
Fluidra Hellas, S.A. (1)	3.04%	13.04%
Fluidra Cyprus, LTD (1)	—	10.00%
Productes Elastomers, S.A. (1)	—	30.00%
Fluidra Kazakhstan, Limited Liability Company (1)	30.00%	49.00%

1. Purchase/sale of interests in 2022.

	Country	% of shareholding	2022				
			Thousands of euros				
			Assets	Liabilities	Equity	Income	Profit/(loss)
Fluidra Tr Su Ve Havuz Ekipmanlari AS	Turkey	49	1,846	121	1,725	3,922	548
Ningbo Dongchuan Swimming Pool Equipments Co, LTD	China	30	5,819	2,406	3,413	10,664	1,113
Fluidra Balkans JSC	Bulgaria	38.84	2,548	1,931	617	5,398	938
Fluidra Serbica, D.O.O. Beograd	Serbia	40	649	302	347	1,568	242
Fluidra Kazakhstan Limited Liability Company	Republic of Kazakhstan	30	786	410	376	1,313	292

	Country	% of shareholding	2021				
			Thousands of euros				
			Assets	Liabilities	Equity	Income	Profit/(loss)
Fluidra Tr Su Ve Havuz Ekipmanlari AS	Turkey	49	1,376	330	1,046	3,205	535
Ningbo Dongchuan Swimming Pool Equipments Co, LTD	China	30	6,884	3,863	3,021	11,281	1,255
Fluidra Balkans JSC	Bulgaria	38.84	2,858	2,116	742	5,170	671
Fluidra Serbica, D.O.O. Beograd	Serbia	40	417	214	203	1,223	129
Fluidra Kazakhstan Limited Liability Company	Republic of Kazakhstan	49	1,386	844	542	1,091	(45)

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

17. Earnings/(losses) per share

a) Basic earnings

Basic earnings/(losses) per share amounts are calculated by dividing consolidated profit / (loss) for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the years ended 31 December 2022 and 2021, excluding own shares.

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

	12.31.2022	12.31.2021
Profit/(loss) for the period attributable to equity holders of the Parent (thousands of euros)	159,931	252,363
Weighted average number of ordinary shares outstanding	188,581,855	190,552,025
Basic earnings/(losses) per share from continuing operations (euros)	0.84807	1.32438

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

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

	Number of shares	
	12.31.2022	12.31.2021
Ordinary shares outstanding at 1 January	195,629,070	195,629,070
Effect of changes in treasury shares	(6,893,790)	(5,077,045)
Effect of capital reduction	(153,425)	—
Weighted average number of ordinary shares outstanding at 31 December	188,581,855	190,552,025

b) Diluted

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

18. Provisions

A breakdown of Other provisions is as follows:

	Thousands of euros			
	2022		2021	
	Non-current	Current	Non-current	Current
Guarantees	—	53,263	—	50,830
Provisions for taxes	—	—	107	—
Provisions for obligations with employees	8,842	—	9,132	—
Litigation and other liabilities	2,051	—	3,795	—
Total	10,893	53,263	13,034	50,830

The Provisions caption includes, on the one hand, current provisions for warranties provided to cover potential incidents related to the products sold by the Group and, on the other hand, non-current provisions that are described in the following three captions: Provisions for taxes to cover potential risks related to tax obligations in the countries in which the Group operates; Provisions for commitments to employees recorded in

accordance with employment legislation in some countries in which the Group operates in order to cover potential future employee compensation and benefits; and Provisions for litigation and other liabilities, which include provisions recorded by Group companies in connection with contingencies arisen as a result of their activities.

Movement in 2022 and 2021 as follows:

	Guarantees	Provisions for obligations with employees	Litigation and other liabilities	Provision for taxes	Total
At 1 January 2021	37,602	7,941	5,695	—	51,238
Business combinations	2,825	—	5	—	2,830
Allocations	10,127	2,651	340	107	13,225
Payments / disposals	—	(368)	(154)	—	(522)
Applications	(1,812)	(1,265)	(1,155)	—	(4,232)
Transfers	—	(21)	(1,042)	—	(1,063)
Exchange gains/(losses)	2,088	194	106	—	2,388
At 31 December 2021	50,830	9,132	3,795	107	63,864
Business combinations	535	—	—	—	535
Allocations	12,955	1,268	883	—	15,106
Payments / disposals	—	(697)	(533)	(93)	(1,323)
Applications	(12,727)	(392)	(1,728)	(323)	(15,170)
Transfers	—	(625)	(421)	330	(716)
Exchange gains/(losses)	1,670	156	55	(21)	1,860
At 31 December 2022	53,263	8,842	2,051	—	64,156

19. Financial liabilities from bank borrowings and other marketable securities

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

	Thousands of Euros	
	2022	2021
Non-current borrowings	1,120,108	696,041
Total non-current	1,120,108	696,041
Bank loans	88,841	135,044
Other marketable securities	47,154	120,004
ABL credit facility	—	41,704
Non-current borrowings (part with short-term maturity)	10,828	5,093
Bank borrowings	—	112
Total current	146,823	301,957
Total bank borrowings and other marketable securities	1,266,931	997,998

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

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

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

The new non-current loans consist of a USD 750 million tranche at Term SOFR (Secured Overnight Funding Rate), plus a spread of 200 basis points and a Euros 450 million tranche at Euribor plus a spread of 225 basis points, maturing in January 2029. The new, multi-currency revolving credit facility is for Euros 450 million and is valid until January 2027. The revolving credit facility spread is linked to the existing debt ratio and can be between 1.25% and 2%.

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

The Group is obliged to report to the lenders quarterly and there are certain standard limitations on increasing borrowings in loans and credit facilities of this kind. Furthermore the revolving credit facility is subject to compliance with certain financial ratios based on the requirement to keep the Financial Debt/EBITDA ratio below 4.50 when the facility is drawn down more than 40%.

These loans and credit facilities are subject to arrangement and issuance fees, and an availability commission in the case of credit facilities. All these expenses have been capitalised and will accrue based on the term of each instrument, except for unavailability fees.

In order to reduce financial costs and diversify sources of financing, Fluidra, S.A. set into action a promissory notes scheme on the Alternative Fixed Income Market (MARF). On 28 June 2022, the scheme was renewed for a further year and for Euros 150 million, with an outstanding amount of Euros 47.1 million at the end of the year ended 31 December 2022 and an interest rate linked to existing issues of between 2.05% and 2.75% (Euros 120 million in the same period of the previous year with an interest rate linked to existing issues of -0.04%).

This amount is recorded in Other marketable securities under the caption Bank borrowings and other marketable securities within current liabilities.

No bilateral loans have been signed during 2022.

The most significant balances in currencies other than the euro at 31 December 2022 and 2021 are:

	Thousands of Euros	
	2022	2021
US dollar	802,305	610,717
Australian dollar	—	46,039
South African rand	951	11
Pounds sterling	—	28
Other currencies	6,737	3,880
	809,993	660,675

The Group has the following credit and discount facilities at 31 December 2022 and 2021.

	Thousands of euros			
	2022		2021	
	Drawn down	Limit	Drawn down	Limit
Credit facilities	88,841	542,757	135,044	210,302
ABL credit facility	—	—	41,704	203,073
Discounting facilities	—	6,000	—	6,000
	88,841	548,757	176,748	419,375

At 31 December 2022 and 2021, there are no borrowings backed by mortgage guarantees (see Note 6).

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

	Non-monetary changes							
	Balances at 1.1.22	Cash flows	Business combinations/ Sale of companies	Accumulated interest	Exchange rate movement	New leases	Transfers	Balances at 12.31.22
Non-current borrowings	701,134	380,454	—	14,009	35,339	—	—	1,130,936
Current bank borrowings	112	(112)	—	—	—	—	—	—
ABL credit facility	41,704	(42,285)	—	—	581	—	—	—
Current bank loans	135,044	(47,790)	1,337	—	—	—	250	88,841
Other marketable securities	120,004	(72,850)	—	—	—	—	—	47,154
	997,998	217,417	1,337	14,009	35,920	—	250	1,266,931
Lease liabilities	167,667	(32,715)	(1,115)	—	3,122	58,237	(2,057)	193,139
Cash and cash equivalents	87,808	(9,750)	—	—	598	—	(3,505)	75,151

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

Maturity	Thousands of euros	
	2022	2021
Under one year	10,828	5,205
At 2 years	9,467	2,579
At 3 years	9,467	4,219
At 4 years	9,467	689,243
At 5 years	9,905	—
Over 5 years	1,081,802	—
	1,130,936	701,246

In 2022 and 2021, the interest rate on all the loans taken out by the Group is renewed on a month, quarterly, six-monthly or yearly basis.

The only difference between the fair value and the carrying amount of the financial assets and liabilities corresponds to non-current loans, the fair value of which is Euros 1,141,637 thousand (versus a carrying amount of Euros 1,130,936 thousand). The rest of the financial assets and liabilities show no significant differences between fair values and carrying amounts.

	Non-monetary changes							Balances at 12.31.21
	Balances at 1.1.21	Cash flows	Business combinations/ Sale of companies	Accumulated interest	Exchange rate movement	New leases	Transfers	
Non-current borrowings	675,734	(7,121)	—	3,535	28,986	—	—	701,134
Non-current bank borrowings	163	(12,294)	5,645	19	—	—	6,467	—
Current bank borrowings	14,243	(58,832)	44,632	7	(1)	—	63	112
ABL credit facility	174	39,631	—	169	1,730	—	—	41,704
Current bank loans	801	126,650	7,593	—	—	—	—	135,044
Other marketable securities	—	120,004	—	—	—	—	—	120,004
	691,115	208,038	57,870	3,730	30,715	—	6,530	997,998
Lease liabilities	114,148	(26,238)	32,829	—	5,042	42,800	(914)	167,667
Cash and cash equivalents	225,631	(143,397)	—	—	7,884	—	(2,310)	87,808

20. Trade and other payables

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

	Thousands of euros	
	2022	2021
Debt from sales and services rendered	207,291	288,301
Other debt	612	931
Liabilities arisen in business acquisitions / Suppliers of assets	6,218	4,509
Public entities	23,306	21,303
Current income tax liabilities	34,040	30,749
Remuneration payable	45,500	66,446
	316,967	412,239

At 31 December 2022 the Liabilities arisen as a result of business acquisitions/Suppliers of fixed assets caption include Euros 1,405 thousand corresponding to current amount payable for the purchase of the non-controlling interest I.D. Electroquímica, S.L.

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

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

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

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

The most significant balances in currencies other than the Euro at 31 December 2022 and 2021 are as follows:

Debt from sales and services rendered

	Thousands of euros	
	2022	2021
US dollar	97,688	142,855
Australian dollar	28,244	32,530
Chinese renminbi	12,092	25,184
South African rand	7,736	9,836
Pounds sterling	6,034	9,963
	151,794	220,368

Balances payable to public entities are as follows:

	Thousands of euros	
	2022	2021
Tax payables to tax authorities		
VAT	11,116	9,183
Withholdings	2,894	2,796
Social Security payable	8,641	8,678
Other	655	646
	23,306	21,303

21. Other non-current liabilities

A breakdown of non-current liabilities is as follows:

	Thousands of euros	
	2022	2021
Liabilities on acquisitions of businesses	3,241	5,394
Other	3,418	4,524
Total	6,659	9,918

At 31 December 2022, the Liabilities arisen as a result of business acquisitions caption include Euros 3,069 thousand corresponding to the non-current amount payable for the purchase of the non-controlling interest I.D. Electroquímica, S.L.

Furthermore, it also includes Euros 172 thousand arising from the contingent liability on the acquisition of Riio Labs NV/SA.

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

Futhermore, it included Euros 490 thousand arising from the contingent liability on the acquisition of Riio Labs NV/SA.

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

22. Risk management policy

The risk management and control systems are detailed in section E., Risk management and control systems, of the Annual Corporate Governance Report, included in Consolidated Director's Report.

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

a) Credit Risk

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

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

In the case of the Group, the risk is mainly attributable to trade receivables. This risk, however, is mitigated since the Group has a highly diversified domestic and international customer portfolio, where none of the customers accounts for a significant percentage of total sales for the year.

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

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

Additionally, there is an impairment loss policy for individual companies relating to trade receivables that ensures that fair

values of accounts receivable do not significantly differ from their book value. This policy is mainly focused on accounts receivable more than 120 days past due. This is the internal credit risk management policy, without prejudice to application of the accounting policy set out in Note 3 i) d).

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

The tables below show the aging analysis of past due not impaired Trade and other receivables at 31 December 2022 and 2021:

	2022	2021
Not due	157,977	142,528
Past due	46,863	43,137
0 - 90 days	36,933	39,906
90 - 120 days	5,120	2,182
More than 120 days	4,810	1,049

b) Liquidity risk

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

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

The table below shows the Group's exposure to liquidity risk at 31 December 2022 and 2021. The table below shows an analysis of financial liabilities by contractual maturity:

	2022					
	Thousands of Euros					
	1 year	2 years	3 years	4 years	5 years	Over 5 years
Financial liabilities and other marketable securities	200,381	57,530	55,676	59,307	62,091	1,185,071
Capital	146,823	9,467	9,467	9,467	9,905	1,081,802
Interest	53,558	48,063	46,209	49,840	52,186	103,269
Lease liabilities	46,784	41,013	35,518	27,676	23,821	55,076
Capital	40,414	34,569	30,156	23,303	20,281	44,416
Interest	6,370	6,444	5,362	4,373	3,540	10,660
Derivative financial liabilities	188	—	—	—	—	—
Trade and other payables	316,967	—	—	—	—	—
Other non-current liabilities	—	2,644	2,212	359	161	1,283
	564,320	101,187	93,406	87,342	86,073	1,241,430

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

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

c) Foreign currency risk

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

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

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

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

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

d) Cash flow interest rate risk

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

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

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

If interest rates at 31 December 2022 had been 25 basis points higher or lower, all other variables held constant, consolidated profit before tax would have been Euros 2,705 thousand lower or higher (Euros 1,851 thousand in 2021), mainly due to higher / lower finance costs at variable rates.

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

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

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

The breakdown of this income statement caption is as follows:

	Thousands of euros	
	12.31.2022	12.31.2021
Purchases of raw and secondary materials	1,242,485	1,138,379
Changes in inventories of raw materials, finished products and work in progress and goods	(86,044)	(107,638)
Net charge to the provision for obsolescence	13,177	683
Total	1,169,618	1,031,424

24. Sales of goods and finished products

The breakdown of sales of goods and finished products by business unit 2022 and 2021 is as follows:

	Thousands of euros	
	12.31.2022	12.31.2021
Residential	1,761,523	1,660,118
Commercial	153,549	111,393
Water treatment	305,934	255,697
Fluid handling	115,831	108,305
Pool & Wellness	2,336,837	2,135,513
Irrigation, Industrial and Other	52,368	51,406
Total	2,389,205	2,186,919

In 2022, the Commercial Pool sales caption included Euros 13,308 thousand (Euros 13,167 thousand in the corresponding prior year period) relating to the execution of projects where the rendering of services is recognised based on the degree of completion at the closing date, as long as the result of the transaction can be reliably estimated.

The breakdown of sales of goods and finished products by geographical region (country of destination) in 2022 and 2021 is as follows:

	Thousands of euros	
	12.31.2022	12.31.2021
Southern Europe	638,204	600,726
Rest of Europe	326,115	379,703
North America	1,042,880	890,786
Rest of the world	382,006	315,704
Total	2,389,205	2,186,919

At 31 December 2022, there is one client in the US that represents sales to third parties of 19.00% of total sales (19.85% at 31 December 2021).

25. Income from the rendering of services

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

26. Personnel expenses

A breakdown of personnel expenses in 2022 and 2021 is as follows:

	Thousands of euros	
	12.31.2022	12.31.2021
Wages and salaries	325,736	290,181
Termination benefits	11,833	6,583
Social security expense	53,345	47,101
Other employee benefits expense	23,623	19,866
	414,537	363,731

The average headcount during 2022 and 2021 by professional category is as follows:

	12.31.2022	12.31.2021
Executives	65	60
Managers	359	329
Professional workers	1,103	1,005
Technicians	2,102	1,957
Administrative and support staff	1,103	819
Production staff	2,595	2,254
	7,327	6,424

The average number of employees with a disability equal to or greater than 33% in the year ended 31 December 2022 is 56 (55 employees in 2021) and they are distributed by professional category as follows: 1 "Executive", 2 "Managers", 5 "Professional workers", 16 "Technicians", 8 "Administrative and support staff" and 24 "Production staff" (1, 2, 6, 14, 7 and 25, respectively, in the previous year).

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

	12.31.2022		12.31.2021	
	Male	Female	Male	Female
Directors (*)	10	2	10	2
Executives	45	10	57	7
Managers	260	79	286	74
Professional workers	771	297	794	310
Technicians	1,362	667	1,403	672
Administrative and support staff	391	592	397	590
Production staff	1,575	720	1,630	773
	4,414	2,367	4,577	2,428

(*) The Directors category includes two senior managers.

27. Other operating expenses

A breakdown of other operating expenses is as follows:

	Thousands of euros	
	12.31.2022	12.31.2021
Leases and fees	11,911	11,897
Repairs and maintenance	37,214	28,838
Independent professional services	51,738	40,376
Temporary employment agency expenses	29,790	33,253
Commissions	4,526	13,794
Sales transportation and logistics services	128,257	101,684
Insurance premiums	9,060	6,443
Bank services	3,165	2,931
Advertising and publicity	36,296	26,214
Utilities	23,918	15,951
Communications	6,021	5,411
Travel expenses	19,117	10,203
Taxes	3,334	3,459
Adjustments due to impairment of receivables	(3,289)	361
Guarantees	15,457	18,288
Other (*)	19,094	13,414
	395,609	332,517

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

28. Finance income and costs

A breakdown of finance income and costs is as follows:

	Thousands of euros	
	12.31.2022	12.31.2021
Finance income		
Other financial income	1,930	784
Reversals for impairment of financial assets at amortised cost other than trade and other receivables	200	—
Gains on the fair value of financial instruments	1,198	1,828
Total finance income	3,328	2,612
Finance cost		
Non-current interest on loans	(45,202)	(28,760)
Interest on debt (leasing, loans, policies and bills discounting)	(2,300)	(1,855)
Other finance costs	(14,403)	(1,687)
Losses on the fair value of financial instruments	(190)	(2,739)
Impairment losses on financial assets at amortised cost other than trade and other receivables	(50)	(342)
Total finance cost	(62,145)	(35,383)
Right-of-use finance cost	(6,549)	(5,465)
Exchange gains/(losses)		
Exchange gains	67,634	31,817
Exchange losses	(81,538)	(37,760)
Total exchange gains / (losses)	(13,904)	(5,943)
Net profit / (loss)	(79,270)	(44,179)

At 31 December 2022, Other finance costs includes the effect of the early repayment of the arrangement, issue and underwriting costs of the July 2018 financing and subsequent amendments, amounting to Euros 12,056 thousand.

At 31 December 2021, the entire Losses on the fair value of financial instruments heading relates to the estimate at fair value of the contingent liabilities arising on the acquisitions in prior years .

29. Deferred taxes and Income tax

In 2022, the Group has availed itself of the consolidated tax return scheme using six tax sub-groups: Fluidra, S.A., Zodiac Pool Solutions LLC, Fluidra Holdings Australia PTY LTD, Fluidra Services Italia, S.R.L., ZPES Holdings, S.A.S. and Fluidra Holdco North America, Inc. The parent of each sub-group is the tax consolidation parent company which is responsible for making the relevant settlements to the tax authorities. The companies comprising each tax subgroup and the applicable tax rates are as follows:

Fluidra, S.A. (25%)	Zodiac Pool Solutions, LLC (23.99%)	ZPES Holdings, S.A.S. (25.83%)
Fluidra Export, S.A.	Zodiac Pool Systems, LLC	Fluidra Commercial France, S.A.S.
Cepex, S.A.U.	Cover Pools Incorporated	Fluidra Industry France, S.A.S.
Fluidra Commercial, S.A.U.	Fluidra Latam Export LLC	Fluidra Assistance, S.A.S.
Fluidra Comercial España, S.A.U.	Fluidra USA, LLC	Piscines Techniques 2000, S.A.S.
Inquide, S.A.U.		Poolweb, S.A.S.
Poltank, S.A.U.	Fluidra Holdings Australia PTY LTD (30%)	Zodiac International, S.A.S.
Fluidra Global Distribution, S.L.U.	Fluidra Group Australia PTY LTD	Zodiac Pool Care Europe, S.A.S.
Sacopa, S.A.U.	Fluidra Australia PTY LTD	
Talleres del Agua, S.L.U.	Fabtronics Australia PTY LTD (*)	Fluidra Holdco North America, Inc (23,99%)
Trace Logistics, S.A.U.	SRS Australia, Pty LTD (*)	Del Industries, Inc
Unistral Recambios, S.A.U.	Sunbather, Pty LTD (*)	Custom Molded Products, LLC
Innodrip, S.L.U.		S.R. Smith, LLC
I.D. Electroquímica, S.L.U.	Fluidra Commerciale Italia, S.P.A. (24%)	SRS Holdco, LLC
Fluidra Finco, S.L.U.	Agrisilos, S.R.L.	Taylor Water Technologies, LLC

(*) Companies that joined the tax sub-group in the year ended 31 December 2022.

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

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

	Thousands of euros					
	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
Property, plant and equipment and property investment	4,725	3,568	10,128	9,315	(5,403)	(5,747)
Provision for guarantees	11,060	9,428	—	—	11,060	9,428
Provisions for employee obligations	9,486	8,263	—	—	9,486	8,263
Impact of IFRS 15	7,636	7,402	—	—	7,636	7,402
R&D expenses	14,865	349	2,779	2,956	12,086	(2,607)
Contractual relations and customer portfolio	1,209	798	110,964	113,598	(109,755)	(112,800)
Trademarks and patents	3,668	3,696	62,587	60,259	(58,919)	(56,563)
Inventories	17,412	13,074	3,069	3,606	14,343	9,468
Provision for obsolescence of inventories	1,883	893	—	—	1,883	893
Impairment of receivables	1,834	3,178	—	—	1,834	3,178
Other provisions	14,368	24,108	—	—	14,368	24,108
Tax credit for unused tax loss carryforwards and deductions	24,232	27,227	—	—	24,232	27,227
Goodwill	—	—	8,080	7,101	(8,080)	(7,101)
Transaction costs	1,286	1,282	—	—	1,286	1,282
Deferred taxation of dividends	—	—	14,938	11,855	(14,938)	(11,855)
Other items	9,387	7,814	29,516	13,866	(20,129)	(6,052)
	123,051	111,080	242,061	222,556	(119,010)	(111,476)

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

	Thousands of euros							12/31/2022
	12/31/2021	Losses and gains	Effect of interest rate change on P&L	Equity	Business combinations	Exchange gains/(losses)/Other	Transfers	
Property, plant and equipment and investment property	(5,747)	778	(60)	—	(30)	(344)	—	(5,403)
Provision for guarantees	9,428	(924)	155	—	56	2,345	—	11,060
Provisions for employee obligations	8,263	353	1	—	12	857	—	9,486
Impact of IFRS 15	7,402	(441)	213	—	—	462	—	7,636
R&D expenses	(2,607)	8,146	207	—	—	(427)	6,767	12,086
Contractual relations and customer portfolio	(112,800)	13,851	(1,864)	—	(2,076)	(6,866)	—	(109,755)
Trademarks and patents	(56,563)	1,411	(434)	—	(797)	(2,536)	—	(58,919)
Inventories	9,468	4,966	367	—	371	(829)	—	14,343
Provision for obsolescence of inventories	893	533	—	—	13	444	—	1,883
Impairment of receivables	3,178	(1,267)	38	—	29	(144)	—	1,834
Other provisions	24,108	(1,535)	361	—	101	(1,900)	(6,767)	14,368
Tax credit for unused tax loss carryforwards and deductions	27,227	(5,533)	—	—	—	2,538	—	24,232
Goodwill	(7,101)	(816)	(69)	—	—	(94)	—	(8,080)
Transaction costs	1,282	(93)	(28)	—	—	125	—	1,286
Deferred taxation of dividends	(11,855)	(3,083)	—	—	—	—	—	(14,938)
Other items	(6,052)	—	(480)	(15,105)	(473)	1,981	—	(20,129)
Total	(111,476)	16,346	(1,593)	(15,105)	(2,794)	(4,388)	—	(119,010)

	Thousands of euros						
	12/31/2020	Losses and gains	Effect of interest rate change on P&L	Equity	Business combinations	Exchange gains/(losses) / Other	12/31/2021
Property, plant and equipment and investment property	(1,995)	(1,426)	(101)	—	(2,121)	(104)	(5,747)
Provision for guarantees	6,740	1,654	86	—	408	540	9,428
Provisions for employee obligations	4,366	3,842	(28)	—	—	83	8,263
Impact of IFRS 15	4,241	2,581	110	—	—	470	7,402
R&D expenses	(2,350)	386	(1)	—	(409)	(233)	(2,607)
Contractual relations and customer portfolio	(92,939)	12,809	(65)	—	(24,272)	(8,333)	(112,800)
Trademarks and patents	(41,792)	(630)	(106)	—	(11,803)	(2,232)	(56,563)
Inventories	4,874	3,899	4	—	691	—	9,468
Provision for obsolescence of inventories	914	7	7	—	—	(35)	893
Impairment of receivables	2,634	292	16	—	197	39	3,178
Other provisions	14,885	5,116	240	—	2,786	1,081	24,108
Tax credit for unused tax loss carryforwards and deductions	35,350	(9,654)	—	—	—	1,531	27,227
Goodwill	(6,421)	(428)	12	—	—	(264)	(7,101)
Transaction costs	223	220	13	—	657	169	1,282
Deferred taxation of dividends	—	(11,855)	—	—	—	—	(11,855)
Other items	(3,706)	(1,357)	(223)	(2,105)	2,226	(887)	(6,052)
Total	(74,976)	5,456	(36)	(2,105)	(31,640)	(8,175)	(111,476)

Based on the tax reform included in the General State Budget Act of 31 December 2020, which reduces dividend exemption to 95%, deferred taxes of Euros 14,938 have been recognised in Deferred taxation of dividends in line with the profit/(loss) for the year (Euros 11,855 in 2021). The Group's policy in relation to distribution of subsidiary dividends to the parent corresponds to a policy of maximum distribution if the profit and financial situation allow, and therefore no distribution of reserves is expected in the future.

The items directly charged and credited to consolidated equity accounts for the year relate to hedging instruments amounting to Euros -15,105 thousand in 2022 (Euros -2,105 thousand in 2021 relating to hedging instruments).

The other deferred tax assets and liabilities recorded and reversed in 2022 and 2021 have been recognised with a charge or credit to the income statement, except for those arising from business combinations, exchange gains and losses and other concepts.

The breakdown of the corporate income tax expense is as follows:

	Thousands of euros	
	2022	2021
Current tax		
for the year	82,363	102,315
Tax deductions	(3,477)	(5,263)
Prior years' adjustments	(7,194)	(2,445)
Provision for taxes	3,603	(7,998)
Other/ Withholding at source on income earned abroad	168	332
Deferred taxes		
Origination and reversal of temporary differences	(21,879)	(15,110)
Tax credit for unused tax loss carryforwards and deductions	5,533	9,654
Effect of the change in the tax rate	1,593	36
Total income tax expense	60,710	81,521

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

	Thousands of euros	
	2022	2021
Current tax	78,886	97,052
Withholdings and payments made on account during the year	(69,680)	(77,600)
Other	(2,275)	(1,843)
Provisions for taxes	3,729	2,860
Exchange gains/(losses)	(146)	(86)
Additions from business combinations	1,862	518
Liabilities derecognised due to the sale of Group companies	(37)	—
Tax payable in 2021	(7,908)	—
Tax payable in 2020	—	(6,469)
	4,431	14,432

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

	Thousands of euros	
	2022	2021
Profit for the year before tax from continuing operations	225,113	337,489
Profit at 25%	56,278	84,372
Effect of applying effective tax rates in other countries	(22,226)	(6,027)
Permanent differences	27,976	12,505
Offsetting of unrecognised loss carryforwards from prior years	(521)	(1,812)
Tax effect of unused loss carryforwards in current year	731	940
Differences in the income tax expense from prior years	(7,194)	(2,445)
Withholding at source on income earned abroad	168	332
Provision for taxes	3,603	(7,998)
Tax deductions generated in the year	(3,477)	(5,263)
Effect of the change in the tax rate	1,593	36
Other	3,779	6,881
Income tax expense	60,710	81,521

Deferred tax assets related to unused tax loss carryforwards and unused tax credits recorded in the consolidated financial statements of the Group at 31 December 2022 and 2021 are as follows:

	Thousands of euros	
	2022	2021
Deductions	28	38
Tax loss carryforwards	24,204	27,189
	24,232	27,227

The Group only recognises deductions and tax loss carryforwards for which recovery is considered probable. In 2022, tax loss carryforwards and deductions amounting to Euros 6,377 thousand and capitalised in prior years were utilised (Euros 9,654 thousand in 2021). As a result mainly of the tax losses of certain Group companies, Euros 843 thousand of deductions and tax loss carryforwards have been capitalised in the year ended 31 December 2022. In 2021, no deductions or tax loss carryforwards were capitalised.

In the business combination with the Zodiac Group, Euros 44,995 thousand in tax loss carryforwards were recorded from the group's French companies. Projections for the French companies as a merged group and the synergies obtained by integrating these businesses reasonably support the recovery of the said tax loss carryforwards in a period of less than ten years. At 31 December 2022, Euros 19,908 thousand are pending application.

The amounts and periods of reversal for the capitalised deductions at 31 December 2022 are as follows:

Years	Thousands of euros	Last year
2010-2015	28	No time limit
	28	

The amounts and periods of reversal for the capitalised tax loss carryforwards at 31 December 2022 are as follows:

Years	Thousands of euros	Last year
2012-2016	23,381	No time limit
2017	13	No time limit
2022	810	No time limit
	24,204	

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

	Thousands of euros	
	2022	2021
Deductions	—	136
Tax loss carryforwards	4,927	6,393
	4,927	6,529

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

Years	Thousands of euros	Last year
2008-2022	16,384	No time limit
2022	138	2023-2027
	16,522	

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

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

Tax	Open tax periods
Corporate income tax	From 2018 to 2022
Value added tax	From 2019 to 2022
Personal income tax	From 2019 to 2022
Tax on Economic Activities	From 2019 to 2022

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

30. Related party balances and transactions

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

	Thousands of euros			
	12.31.2022		12.31.2021	
	Receivable balances	Payable balances	Receivable balances	Payable balances
Customers	334	—	481	—
Receivables	41	—	36	—
Suppliers	—	710	—	1,095
Payables	—	—	—	—
Total current	375	710	517	1,095

a) Consolidated Group transactions with related parties

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

- Purchases of finished products, purchases of spas and accessories from Iberspa, S.L. (with ownership interest by Boyser, S.R.L., Edrem, S.L., Dispur, S.L. And Aniol, S.L.).

- Sales of necessary components and materials produced by the Group for the manufacture of spas to Iberspa, S.L.

- Rendering of services by the Group to Iberspa, S.L.

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

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

	Thousands of euros			
	12.31.2022		12.31.2021	
	Associates	Related parties	Associates	Related parties
Sales	655	1,594	976	1,754
Income from services	116	249	176	176
Purchases	(336)	(8,069)	(310)	(6,774)
Expenses for services and other	—	(138)	—	(269)

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

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

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

	Thousands of euros	
	2022	2021
Total key management personnel	6,656	6,654
Total Directors of the Parent company	5,464	6,596

The members of the Parent Company's Board of Directors have earned a total of Euros 1,337 thousand in 2022 (Euros 1,214 thousand in 2021) from the consolidated companies in which they act as board members. In addition, for the performance of executive duties, they have earned a total of Euros 4,007 thousand in 2022 (Euros 5,262 thousand in 2021). Executive duties includes payment in kind relating to vehicles, life insurance, medical insurance and income from share plans. Similarly, the members of the Board of Directors have received Euros 120 thousand in compensation for travel expenses in 2022 (Euros 120 thousand in 2021).

The Company has life insurance policies whereby the Company has recognised an expense of Euros 68 thousand in 2022 (Euros 48 thousand in 2021). These life insurance policies consist in an income supplement in the event of total permanent invalidity.

Furthermore, the Company has made contributions to benefit and pension plans of Euros 149 thousand (Euros 114 thousand in 2021).

During the year ended 31 December 2022, Fluidra, S.A. (the parent company of the Group to which the company belongs) paid the annual civil liability insurance premiums for Directors and Executives of the Group for possible damages and/or claims from third parties during the exercise of their duties amounting to Euros 160 thousand (Euros 172 thousand in 2021), with all Group Directors and Managers being covered by these policies.

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

On 9 June 2022, the General Meeting of Shareholders approved a new long-term variable remuneration plan for executive directors and the management team of Fluidra, S.A. and the subsidiaries comprising the consolidated group, including the delivery of Fluidra, S.A., shares.

The 2022-2026 covers a five year period from 1 January 2022, with effect from the date of approval of the plan by the General Shareholders' Meeting, until 31 December 2026, without prejudice to the effective settlement of the plan's last cycle which will take place during June 2027.

The 2022-2026 plan entails the concession of a certain number of PSUs (point of sale units) which will be taken as a reference to

determine the final number of shares to be delivered to the beneficiaries after a certain period of time, provided that certain strategic objectives of the Fluidra Group are met and the requirements set forth in the regulations are fulfilled.

The plan is divided into three independent cycles and will have three grant dates for the target incentive to be received in the event of 100% compliance with the targets to which it is linked, each of which will take place in 2022, 2023 and 2024, respectively.

Each cycle shall have a target measurement period of three years, starting on 1 January of the year in which the cycle starts and ending three years after the start date of the cycle measurement period, i.e. 31 December of the year in which the cycle measurement period ends.

After the end of the measurement period of each cycle, the incentive linked to each cycle will be decided and each beneficiary will be entitled to receive the incentive depending on the degree of fulfilment with the objectives set for the relevant cycle.

The incentive linked to each plan cycle will be settled in June of the financial year following the end of the measurement period, following approval of the annual accounts for the year in which the measurement period of the relevant cycle ends.

In order for the beneficiary to consolidate the right to receive the incentive corresponding to each cycle of the 2022-2026 plan, he/she must remain in the Fluidra Group until the end date of the cycle's measurement period, notwithstanding the special cases of disengagement set out in the Regulations, and the objectives to which each cycle of the 2022-2026 plan is linked must be met in accordance with the following terms and conditions:

- Shareholder value creation targets;
- Financial targets, and
- ESG-linked targets (environment, social and governance).

In particular, the plan's first cycle is linked to the meeting of the following strategic targets;

- a) Evolution of the "Total Shareholder Return" of Fluidra (TSR), in absolute terms;
- b) Evolution of the Fluidra Group's EBITDA;
- c) S&P rating

For the purposes of measuring the evolution of TSR, the initial value shall be taken as the weighted average of Fluidra's share price at the close of the stock market sessions on the thirty days prior to the start date of the first cycle's measurement period, and the final value shall be taken as the weighted average of Fluidra's share price at the close of the stock market sessions on the thirty days prior to the end date of the first cycle's measurement period.

For the plan's second and third cycles, Fluidra's Board of Directors, at the proposal of the Appointments and Remuneration Committee, may decide to maintain or amend the metrics set out for the first cycle.

The maximum amount earmarked for the plan's three cycles as a whole in the event of 100% compliance with the targets to which it is linked is fixed at Euros 55 million. The maximum number of shares included in the plan shall be the result of dividing the maximum amount allocated to each cycle by the weighted average share price at the close of the stock market sessions on the thirty days prior to the starting date of the relevant cycle's measurement period.

If the maximum number of shares allocated to the plan authorised by the General Shareholders' Meeting is not sufficient to settle the incentive in shares corresponding to the beneficiaries under each cycle of the plan, Fluidra shall pay in cash the excess incentive that cannot be settled in shares.

At 31 December 2022 the best estimate of the fair value of the plan's total amount comes to approximately Euros 20,397 thousand, which will be settled in full in equity instruments. At 31 December 2022, an equity increase was recorded in this respect for the amount of Euros 2,577 thousand.

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

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

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

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

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

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

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

At 31 December 2022 the best estimate of the fair value of the plan's total amount comes to approximately Euros 51,460 thousand, which will be settled in full in equity instruments. At 31 December 2022, an equity increase was recorded in this respect for the amount of Euros 10,876 thousand (Euros 24,332 thousand at 31 December 2021).

In January 2023, this plan was settled.

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

The Replacement Plan grants management staff three different instruments:

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

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

In accordance with IFRS 3, the change of plan in these circumstances should be analysed in order to determine to what extent the impact should be counted as services performed before the transaction, after it, or a combination of both. The services counted as before the transaction have been included in the price paid, whilst services counted as after the transaction date are taken to the Income Statement as salaries throughout the remaining period until the right accrues. In this case,

although it impacts on the income statement by way of services rendered by management staff who are beneficiaries of the plan, Fluidra, S.A. is not required to settle the Replacement Plan since Rhône Capital L.L.C. is obliged to pay for the plan.

The best estimate of services counted after the transaction amounts to Euros 11,479 thousand in both 2022 and 2021. At 31 December 2022, an equity increase was recorded in this respect for the amount of Euros 1,114 thousand, net of the tax effect, and the plan has been fully accrued (Euros 1,396 thousand at 31 December 2021).

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

In 2022 and 2021, the directors of the Parent Company have not carried out any transactions with the Company or with Group companies other than those conducted on an arm's length basis in the normal course of business.

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

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

31. Environmental information

As for the environment, Fluidra has kept its commitment to optimise the natural resources that it uses in production processes and to promote alternative energies. Additionally, one of the main focuses of R&D projects is the responsible use of water.

The Directors estimate that there are no significant contingencies related to environmental improvement and protection and, therefore, no provision for risks and expenses has been recognised in any group company at 31 December 2022 and 2021.

No grants in connection with environmental activities have been received at 31 December 2022 and 2021.

32. Other commitments and contingencies

At 31 December 2022 and 2021 the Group has not presented any mortgage guarantees.

At 31 December 2022, the Group has guarantees from financial institutions and other companies amounting to Euros 8,257 thousand (Euros 5,523 thousand in 2021), of which Euros 782 thousand correspond to technical guarantees (Euros 201 thousand in 2021).

Fluidra Commercial, S.A.U., a subsidiary indirectly wholly-owned by Fluidra, S.A. signed a share purchase agreement on 23 December 2022 whereby it has undertaken to acquire one hundred percent (100%) of the share capital of the German companies Meranus Gesellschaft für Schwimmbad- und Freizeitausrüstungen mbH ("Meranus Haan"), Meranus Gesellschaft für Schwimmbad- und Freizeitausrüstungen mbH ("Meranus Lauchhammer"), and Aquacontrol, Gesellschaft für Meß-, Regelund Steuerungstechnik zur Wasseraufbereitung mbH ("Aquacontrol") (the three acquired companies are jointly referred to as the "Meranus Group"). The Meranus Group is a leading German swimming pool equipment distributor and manufacturer of swimming pool control and dosage technology. Its expected revenue for the year ending 31 December 2022 is in excess of Euros 25 million. The transaction is expected to be completed in 2023, once all standard conditions precedent have been approved, particularly approval by the competition authorities. The purchase price agreed by the Meranus Group, to be paid at completion, is Euros 30 million on a cash and debt free basis. This acquisition will enable Fluidra to improve its leading position in the German market and to offer a more complete product portfolio to a wider customer base.

33. Auditors' and related Group companies' fees

Net fees accrued to Ernst & Young, S.L. as the auditor of the Group's consolidated annual accounts for the year ended 31 December 2022 and 2021 for professional services were as follows:

	Thousands of euros	
	12.31.2022	12.31.2021
Audit services	731	836
Other assurance services	62	75
Total	793	911

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

The amounts detailed in the above tables include the total fees for services rendered in 2022 and 2021 irrespective of the date of invoice.

Additionally, the professional services invoiced to the Group by other companies associated to Ernst & Young Global Limited during the year ended 31 December 2022 and 2021 were as follows:

	Thousands of euros	
	12.31.2022	12.31.2021
Audit services	854	864
Other assurance services	2	26
Total	856	890

Other assurance services in 2022 includes certain work related to certificates issued upon legal requirement in corporate transactions in South Africa.

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

Additionally, net fees accrued by the Group to auditors other than Ernst & Young, S.L. during the year ended 31 December 2022 and 2021 for professional services were as follows:

	Thousands of euros	
	12.31.2022	12.31.2021
Audit services	322	152
Other assurance services	51	61
Tax advisory services	318	33
Total	691	246

34. Information on late payment to suppliers

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

	2022	2021
	Days	Days
Average payment period to suppliers	52.02	65.92
Transactions paid ratio	55.00	67.50
Transactions outstanding ratio	20.50	54.61

	Amount (thousands of euros)	Amount (thousands of euros)
Total payments made	629,928	562,026
Total payments outstanding	59,402	78,452
Monetary volume of invoices paid in period less than the maximum established in the late payment in commercial transactions regulation	310,708	191,109
Percentage of payments made in period less than the maximum established over the total payments made	49.32 %	34.00 %

	Amount (number of invoices)	Amount (number of invoices)
Invoices paid in a period less than the maximum established in the late payment in commercial transactions regulation	33,840	30,672
Percentage over total invoices	48.32 %	41.74 %

35. EBITDA

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

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

Calculation of EBITDA at 31 December 2022 and 2021	Thousands of euros	
	12.31.2022	12.31.2021
Sales of goods and finished products	2,389,205	2,186,919
Income from services rendered	39,232	31,659
Work performed by the Group and capitalised as non-current assets	20,888	15,106
Profit/(loss) from sales of fixed assets	136	349
Change in inventories of finished products and work in progress and raw material supplies	(1,169,618)	(1,031,424)
Personnel expenses	(414,537)	(363,731)
Other operating expenses	(395,609)	(332,517)
Share in profit/(loss) for the year from investments accounted for using the equity method	71	5
EBITDA	469,768	506,366

36. Subsequent events

On 25 January 2023, the acquisition transaction was completed whereby 95% of the Hungarian companies Kerex Uszoda Kft and Kerex Szerelő Kft (together "Kerex") were acquired. This transaction will allow Fluidra to offer a comprehensive, complete and high-quality product portfolio to its expanded customer base in Hungary, together with an even more efficient service. The acquisition price involved an initial outlay of HUF 1.4 billion, with a deferred payment of HUF 350 million payable upon completion of the merger of Kerex and Fluidra Magyar Kft. In addition, cross options to be exercised between 2023 and 2024 have been agreed upon, which will be recorded as a liability and have been initially valued at HUF 526 million. At the date of authorisation for issue, the acquisition balance sheet is not yet available.

Appendix I

FLUIDRA, S.A. AND SUBSIDIARIES

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

Subsidiaries accounted for using the full consolidation method

- Agrisilos, S.R.L., domiciled in Vescovato (Italy), is mainly engaged in the production, processing, assembly and marketing of plastic products and other materials for use in agricultural and industrial settings, swimming pools, swimming pool equipment and supplies, water treatment products, robotic cleaning devices and membranes for projects in the gas industry and, in general, products and accessories, spare parts, expandable structures and products relating to the wellness market, including maintenance, repair, management and other services relating to the abovementioned activities.
- AO Astral SNG, domiciled in Moscow (Russia), is mainly engaged in the marketing of swimming-pool materials.
- Astral Aquadesign Limited Liability Company, domiciled in Moscow (Russia), is mainly engaged in the distribution, design, installation and project management of fountains and ponds.
- Astral Bazénové Prislusentsvi, S.R.O., domiciled in Modletice - Doubravice (Czech Republic), is mainly engaged in the production and sale of chemical substances and other chemical products classified as toxic and very toxic.
- Astral India Private, Limited, domiciled in Chennai (India), is mainly engaged in the marketing of pool materials and chemical water, spa and irrigation treatments.
- Astralpool Cyprus, LTD, domiciled in Limassol (Cyprus), is mainly engaged in the distribution of pool-related products.
- Astralpool Hongkong, CO., Limited, domiciled in Wang Chai (HongKong), is mainly engaged in the marketing of pool, water treatment and irrigation products.
- Astralpool (Thailand) Co., Ltd, domiciled in Samuth Prakarn (Thailand), is mainly engaged in the marketing of pool, spa and irrigation products.
- Astralpool UK Limited., domiciled in Fareham (England), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.
- Cepex México, S.A. de C.V., domiciled in Mexico City (Mexico), is mainly engaged in the marketing of fluid handling products.
- Cepex S.A.U., domiciled in La Garriga (Barcelona, Spain), is mainly engaged in the manufacture and distribution of plastic material by injection systems or similar and, in particular, plastic parts for valves and the manufacture of plastic injection molds.
- Certikin International, Limited, domiciled in Witney Oxford (England), is engaged in the marketing of swimming-pool products.
- Certikin International (Ireland) Limited, domiciled in Dublin (Ireland), is mainly engaged in providing financial advisory services in the acquisition of new shares..
- Certikin Swimming Pool Products India Private Limited, domiciled in Chennai (India), is mainly engaged in the marketing of swimming-pool products.
- CMP Pool & Spa (Shanghai) Co, LTD, domiciled in Shanghai (China), is mainly engaged in production and processing of thermoplastic products, thermosetting plastics and related metal / support products, rubber products and electronic luminescent products supporting plastic products, cables, power devices and engines, a variety of plastic pump and valve products, control products, sales of the company's products manufactured in-house; the import and export, wholesale and other ancillary services related to the above products and their similar goods.
- Cover Pools Incorporated, domiciled in West Valley City (USA), is mainly engaged in the manufacture and distribution of automatic pool covers.

- Custom Molded Products, LLC, (absorbing company of Aqua Sun Zone LLC, Bobe Water & Shenandoah Manufacturing LLC and Saline Generating Systems LLC), domiciled in Newnan, Georgia (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.
- Custom Molded Products Shanghai, Inc., domiciled in Shanghai (China) is essentially engaged in the sale of bathroom equipment, plastic products, rubber products, electronic products and metal materials as well as the import and export of goods and technology.
- Del Industries, Inc, (absorbing company of CMP holdco Inc, Del agricultural and Del Ozone Holding Company, Inc), domiciled in San Luis Obispo, California (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.
- Fabtronics Australia Pty Ltd, established in Braeside, Australia, has as its object the design and sale of electronic components.
- Fluidra Adriatic D.O.O., domiciled in Zagreb (Croatia) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, products and special equipment for pool and water system maintenance.
- Fluidra Al Urdoun Fz, domiciled in Zarqa Free Zone (Jordan) is mainly engaged in the marketing of pool material.
- Fluidra Australia Pty Ltd, domiciled in Victoria (Australia), is mainly engaged in the purchase, sale and distribution of machinery, equipment, products and special equipment for pool and water system maintenance. It owns 100 % of the capital of Hurlcon Staffing Pty Ltd and Astral Pool Australia Pty Ltd.
- Fluidra Balkans JSC, domiciled in Plovdiv (Bulgaria) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, products and special equipment for pool and water system maintenance.
- Fluidra Belgique, S.R.L., domiciled in Wavre (Belgium), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.
- Fluidra BH D.O.O. Bijeljina, domiciled in Bijeljina (Bosnia and Herzegovina) is mainly engaged in selling swimming pool products.
- Fluidra Brasil Indústria e Comércio LTDA, domiciled in Itajaí (Brazil), is mainly engaged in the marketing, import, export and distribution of equipment, products and services for fluid handling, irrigation, swimming-pools and water treatment, as either partner or shareholder in other companies. Rendering of technical assistance services for machines, filters and industrial and electrical and electronic equipment. Rental of machines and industrial and/or electrical and electronic equipment.
- Fluidra Chile, S.A., domiciled in Santiago de Chile (Chile), is mainly engaged in the purchase and sale, assembly, distribution and marketing of swimming-pool, irrigation and water treatment and purification machinery, equipment and products.
- Fluidra Colombia, S.A.S., domiciled in Funza (Colombia), is engaged in the purchase and sale, distribution, marketing, import, export of all types of machinery, equipment, components and machinery parts, tools, accessories and products for swimming-pools, irrigation and water treatment and purification in general, built with both metal materials and any type of plastic materials and plastic derivatives.
- Fluidra Comercial España, S.A.U., domiciled in Sant Cugat del Vallés (Barcelona, Spain), is engaged in the manufacture, purchase, sale and distribution of all kinds of machinery, filters, instruments, accessories and specific products for swimming-pools, as well as for the treatment and purification of water in general, irrigation and fluid conduction, made of both metallic materials and all kinds of plastic materials and their transformation; as well as the construction and manufacture of all kinds of elements and products that can be manufactured with fibreglass, metal, vacuum thermoformed materials or injected materials.
- Fluidra Comercial Portugal Unipessoal, Lda., domiciled in São Domingos da Rana (Portugal), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.
- Fluidra Commercial France, S.A.S., (absorbing company of Fluidra Assistance, S.A.S.) domiciled in Perpignan (France), is mainly engaged in the commercialisation of rotary and centrifugal pumps, electric motors and accessories, and the commercialisation of equipment for swimming pools and water treatment.
- Fluidra Commercial, S.A.U., domiciled in Sant Cugat de Vallés (Barcelona, Spain) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest, among other activities.
- Fluidra Commerciale Italia, S.P.A., (absorbing company of Fluidra Services Italia, S.R.L.), domiciled in Brescia (Italy), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products..
- Fluidra Cyprus, LTD, domiciled in Limassol, (Cyprus), is essentially engaged in the import, export, manufacture, purchase and sale and distribution of all types of product specifically for pools, saunas or similar products.
- Fluidra Deutschland , GmbH, domiciled in Großostheim (Germany), is engaged in the distribution and sale of pool-related products and accessories.

- Fluidra Egypt, Egyptian Limited Liability Company, domiciled in Cairo (Egypt), is mainly engaged in the marketing of swimming-pool accessories.
- Fluidra Export, S.A.U., domiciled in Sant Cugat de Vallés (Barcelona, Spain), is engaged in both domestic and foreign marketing of all types of products and goods, mainly in the marketing of pool-related products, basically acquired from related parties.
- Fluidra Finco, S.L.U., (absorbing company of Industrias Mecánicas Lago, S.A.U. and ZPNA holdings, S.A.S.) domiciled in Sant Cugat del Vallés (Barcelona, Spain), is engaged in the manufacture, purchase and sale and distribution of all types of products for swimming-pools, irrigation and water treatment and purification, as well as the marketing of such products both in the domestic market and abroad, and the representation of brands and commercial and industrial enterprises engaged in the manufacture of the aforementioned products.. The company is also engaged in investing in all types of business and enterprises, and advising, managing and administering the companies in which it holds an ownership interest
- Fluidra Global Distribution, S.L.U., domiciled in Sant Cugat del Vallés (Barcelona, Spain) is engaged in the manufacture, purchase and sale and distribution of all types of machinery, equipment, components and machinery parts, tools, accessories and products for swimming-pools, irrigation and water treatment and purification in general, built with both metal materials and any type of plastic materials and plastic derivatives.
- Fluidra Group Australia Pty Ltd, domiciled in Smithfield (Australia), is mainly engaged in the manufacture, assembly and distribution of pool equipment and other related products.
- Fluidra Hellas, S.A., domiciled in Aspropyrgos (Greece), is mainly engaged in the distribution of pool-related products.
- Fluidra Holdings Australia Pty Ltd, domiciled in Smithfield (Australia) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.
- Fluidra Holdings South Africa Pty Ltd, domiciled in Johannesburg (South Africa) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.
- Fluidra India Private Limited, domiciled in Chennai (India), is mainly engaged in the marketing of pool material.
- Fluidra Indonesia PT, domiciled in Jakarta (Indonesia), has as its corporate purpose the import and distribution of products and equipment for swimming-pools, as well as chemical products and accessories.
- Fluidra Industry France, S.A.S., with registered offices in Perpignan (France), is mainly engaged in the manufacture of automatic covers for swimming pools of all types, as well as the purchase and sale of materials, accessories and products for swimming pools.
- Fluidra Kazakhstan Limited Liability Company, domiciled in Almaty City (Kazakhstan), is engaged in the purchase of swimming-pool material for subsequent sale in the domestic market.
- Fluidra Latam Export LLC, domiciled in Wilmington (US), is mainly engaged in distributing pool materials in the Latin American market.
- Fluidra Magyarország, Kft, domiciled in Budapest (Hungary), is mainly engaged in the marketing and assembly of machinery and accessories for swimming-pools, irrigation and water treatment and purification.
- Astramatic Malaysia SDN.BHD, domiciled in Selangor (Malaysia) is mainly engaged in the marketing of pool material.
- Fluidra Maroc, S.A.R.L., domiciled in Casablanca (Morocco), is engaged in the import, export, manufacture, marketing, sale and distribution of spare parts for swimming-pools, irrigation and water treatment.
- Fluidra México, S.A. DE CV, domiciled in Mexico City (Mexico) is engaged in the purchase and sale, import, export, storage, manufacture and, in general, marketing of all types of goods, equipment, components, machinery, accessories and chemical specialties for swimming-pools, irrigation and water treatment.
- Fluidra Middle East Fze, domiciled in Jebel Ali (Dubai), is engaged in the commercialisation of sand, gravel, stones, tiles, flooring materials, swimming pools, swimming pool and water treatment equipment and related accessories, water cooling and heating equipment, electronic instruments, pumps, motors, valves and spare parts, as well as fibreglass products.
- Fluidra Montenegro DOO domiciled in Podgorica (Montenegro) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, accessories, products and special equipment for pool and water system and irrigation maintenance.
- Fluidra (N.Z.) Limited, domiciled in North Shore City (New Zealand), is engaged in the distribution and sale of pool material.

- Fluidra Nordic AB, domiciled in Källered (Sweden) is mainly engaged in the purchase, sale, import, export of product categories and products relating to swimming-pools, water treatment and irrigation.
- Fluidra Nordic A/S, (company in process of being wound up) domiciled in Rødekro (Denmark) is mainly engaged in the purchase, sale, import and export of product categories and products relating to swimming-pools, water treatment and irrigation.
- Fluidra Österreich GmbH "SSA", domiciled in Grödig (Austria) is mainly engaged in the marketing of swimming-pool products.
- Fluidra Polska, SP. Z.O.O., domiciled in Wroclaw (Poland) is mainly engaged in the marketing of pool accessories.
- Fluidra Romania S.A., domiciled in Bucharest (Romania) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, accessories, products and special equipment for pool and water system and irrigation maintenance.
- Fluidra Serbica, D.O.O. Beograd, domiciled in Belgrade (Serbia) is mainly engaged in the marketing of swimming-pool material.
- Fluidra SI D.O.O., domiciled in Ljubljana (Slovenia) is mainly engaged in marketing pool-related goods, products and materials.
- Fluidra Singapore, PTE LTD, domiciled in Singapore (Singapore), is mainly engaged in the marketing of pool-related accessories.
- Fluidra Switzerland, S.A., domiciled in Bedano (Switzerland) is mainly engaged in the marketing of pool material.
- Fluidra (Thailand) Co., LTD, domiciled in Samuth Prakarn (Thailand), is engaged in the holding and use of equity shares and securities.
- - Fluidra Tr Su Ve Havuz Ekipmanlari AS, domiciled in Tuzla (Turkey), is engaged in the import of equipment, chemical products and other secondary materials necessary for swimming-pools, and their subsequent distribution.
- Fluidra Tunisie, S.A.R.L., with its registered office in El Manar (Tunisia), has as its main purpose the provision of manufacturing services and related activities aimed at promoting and strengthening the Fluidra Group's activity in Tunisia.
- Fluidra USA, LLC, domiciled in Jacksonville (USA), is engaged in the marketing of pool-related products and accessories.
- Fluidra Vietnam LTD, domiciled in Ho Chi Minh City (Vietnam) is engaged in advising, allocating and installing pool filtering systems and water applications, as well as the import, export and distribution of wholesale and retail products.
- Fluidra Waterlinx Pty, Ltd, domiciled in Johannesburg (South Africa), is mainly engaged in the manufacture and distribution of swimming-pools, equipment and spa and garden accessories.
- I.D. Electroquímica, S.L.U., domiciled in Alicante (Alicante, Spain), is engaged in the sale of all types of process development machines and electrochemical reactors.
- Innodrip, S.L.U., domiciled in Sant Cugat del Vallés (Barcelona, Spain) is engaged in the rendering of services aimed at the sustainable use of water.
- Inquide, S.A.U., domiciled in Polinyà (Barcelona, Spain), is mainly engaged in the manufacture of chemical products and specialties in general, excluding pharmaceutical products.
- Laghetto France, S.A.R.L., domiciled in Saint-Cannat (France), is mainly engaged in the purchase and sale of sports, leisure and pool materials and equipment and related accessories.
- Manufacturas Gre, S.A.U. (merged with Swimco Corp, S.L.U.), domiciled in Munguia (Vizcaya, Spain), is engaged in the manufacture and marketing of products, accessories and materials for swimming-pools, irrigation and water treatment and purification in general.
- Ningbo Dongchuan Swimming Pool Equipment Co., LTD, domiciled in Ningbo (China), is engaged in the production and installation of swimming-pool equipment, brushes, plastic and aluminium products, industrial thermometer, water disinfection equipment and water testing equipment. Import and export of technology for own use or as an agent.
- Piscines Techniques 2000, S.A.S., domiciled in Perpignan (France), is engaged in the sale of spare parts for swimming-pools; the purchase and sale of swimming-pool equipment and used water systems; the sale, distribution, marketing, repair and maintenance of swimming-pool equipment, gardening, irrigation and water treatment; and technical advice to swimming-pool and water professionals.
- Poltank, S.A.U., domiciled in Sant Jaume de Llierca (Girona, Spain), whose corporate purpose is the construction of all kinds of elements that can be manufactured with fibreglass and, in particular, of elements or instruments, filters and accessories for water treatment, as well as their sale, distribution, marketing, export and import.
- Poolweb, SAS, domiciled in Chassieu (France), is engaged in the purchase and sale of equipment used in pools and other businesses related to water and relax, technical assistance to professionals in the field and the creation and sale of computer programs related to the above activities.
- Productes Elastomers, S.A., domiciled in Sant Joan Les Fonts (Girona, Spain), is engaged in the manufacture of rubber molded parts, as well as all types of natural and synthetic rubber; the execution and development of techniques for the maintenance of pressure rollers; their repair and trueing; and

in general, the production, manufacture and processing of all types of rubber and plastic products.

- SR Smith, LLC, domiciled in Canby, Oregon (United States), has as its corporate purpose to engage in any lawful act or activity that limited liability companies may engage in under Delaware law, including consulting, brokering, commissions or investments in other companies.
- Sacopa, S.A.U., domiciled in Sant Jaume de Llierca (Girona, Spain), is mainly engaged in the processing, marketing and sale of plastic materials, as well as the manufacture, assembly, processing, purchase and sale and distribution of all types of lighting and decoration devices and tools. Foreign and domestic trading activities of all types of goods and products directly and indirectly related to the above products, their purchase and sale and distribution. Representation of domestic and foreign brands and commercial and industrial enterprises engaged in the manufacture of the aforementioned products.
- SIBO Fluidra Netherlands B.V., domiciled in Veghel (The Netherlands), has as its corporate purpose to act as a wholesale technician and to carry out all activities directly or indirectly related thereto; as well as to incorporate, participate in and direct the management, to have financial interests in other companies; and to provide administrative services. It owns 100% of the share capital of the German company SIBO GmbH.
- SRS Australia Pty LTD, domiciled in Brisbane, Queensland (Australia), is principally engaged in the sale of swimming-pool cover equipment and materials to both residential and commercial retail and wholesale customers.
- SRS Holdco, LLC, domiciled in Canby, Oregon (United States), is essentially engaged in defending directly or indirectly the ownership interests of SRS and may engage in any necessary, related, convenient, desirable, incidental or appropriate activity or commence through SRS or any other entity, any activity related to SRS's line of business. In connection with that purpose, and in order to carry it out, the company may undertake any necessary activity.
- Sunbather Pty LTD, domiciled in Hastings, Victoria (Australia), is principally engaged in the manufacture and distribution of swimming-pool heating equipment and thermal pool covers..
- Swim & Fun Scandinavia ApS, domiciled in Roskilde, (Denmark), is principally engaged in wholesale trade transactions relating to swimming pools and water treatment.
- Talleres del Agua, S.L.U., domiciled in Los Corrales de Buelna (Cantabria, Spain), is engaged in the building, sale, installation, air-conditioning and maintenance of swimming-pools, as well as the manufacture, purchase and sale, import and export of all types of swimming-pool tools.
- Taylor Water Technologies LLC, domiciled in Sparks, Maryland (USA), is principally engaged in the manufacture and distribution of water testing solutions, testing stations and test strips for swimming-pools and plastic bottles.
- Trace Logistics North, B.V., domiciled in Veghel (Holland), is engaged in receiving third-party goods in consignment in its warehouses or premises for their storage, control and distribution to third parties at the request of its depositors; performing storage, depositing, loading and unloading duties and any other function required for managing the distribution of these goods in accordance with the instructions of the depositors and arranging and managing transport.
- Trace Logistics, S.A.U., domiciled in Maçanet de la Selva (Girona, Spain), is engaged in receiving third-party goods in consignment in its warehouses or premises for their storage, control and distribution to third parties at the request of its depositors; performing storage, loading and unloading duties and other supplementary activities that are necessary for managing the distribution of these goods in accordance with the instructions of the depositors and arranging and managing transport.
- Turcat Polyester Sanayi Ve Ticaret A.S., (company in process of being wound up) domiciled in Tuzla (Turkey), is engaged in the production, import, export and marketing of products and accessories, purification filters and chemical products.
- Unistral Recambios, S.A.U., domiciled in Maçanet de la Selva (Girona, Spain), is engaged in the manufacture, purchase and sale and distribution of machinery, accessories, spare parts, parts and products for water treatment and purification in general.
- Veico. Com. Br Indústria e Comércio LTDA, domiciled in Ciudad de Itajaí, Estado de Santa Catarina, (Brazil), has as its corporate purpose the provision of administrative support, digitalisation of texts, electronic templates and forms in general, professional and managerial development courses and training, as well as the sale of machines and equipment.
- W.I.T. Egypt, Egyptian Limited Liability Company, domiciled in Cairo (Egypt), is mainly engaged in the marketing of swimming-pool accessories.
- Ya Shi Tu Swimming Pool Equipment (Shanghai) Co, Ltd., domiciled in Tower E, Building 18, n° 238, Nandandong Road, Xu Hui District (Shanghai), is mainly engaged in the marketing of swimming-pool products.
- Zodiac International, S.A.S., established in Belberaud (France), is principally engaged in the construction, purchase, sale and rental of space, maritime and air navigation equipment and objects made of rubberised or unglummed fabrics, as well as the manufacture and marketing of inflatables (boats or semi-rigid craft).
- Zodiac Pool Care Europe, S.A.S., domiciled in Belberaud (France), is engaged in the distribution and sale of pool-related products and accessories.

- Zodiac Pool Solutions, LLC, (absorbing company of Fluidra Holdco North America, Inc), domiciled in Carlsbad (USA) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.
- Zodiac Pool Systems Canada, INC, domiciled in Vancouver (Canada), is engaged in the distribution and sale of pool-related products and accessories.
- Zodiac Pool Systems, LLC, domiciled in Carlsbad (USA), is mainly engaged in the manufacture and distribution of several Group brands relating to pool equipment.
- Zodiac Swimming Pool Equipment (Shenzen) Co, Ltd, domiciled in Shenzen (China), is mainly engaged in the rendering of technical services for pool and spa equipment; the distribution, sale, import and export of pool and spa products and elements and post-sales services.
- ZPES Holdings, S.A.S., (absorbing company of Fluidra Services France, S.A.S.), domiciled in Belberaud (France) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

Associates consolidated using the equity method

- Astral Nigeria, Ltd., domiciled in Surulere-Lagos (Nigeria), is engaged in the marketing of swimming-pool products.
- Aspire Polymers, Pty. LTD, domiciled in Mornington, Victoria (Australia), is principally engaged in the manufacture and distribution of a wide range of rubber rollers.
- Blue Factory S.R.L., domiciled in Milan (Italy), has as its corporate purpose the provision of consultancy services to both public and private entities related to project design and implementation, the development, implementation and marketing of innovative solutions and high-value technological services. In particular, designing new models of inclusive sport, leisure and recreational infrastructures, either ex novo, or through the remodelling of existing facilities and structures, characterised by environmental sustainability by achieving a positive social impact and inclusion through the involvement of families and different social classes; the execution of the developed projects; the provision of services related to the management, operation and maintenance of the developed infrastructures and all related services.

	% of ownership interest	
	Direct	Indirect
List of subsidiaries accounted for using the full consolidation method		
AGRSILOS, S.R.L.		100.00% (8)
AO ASTRAL SNG		90.00%
ASTRAL AQUADESIGN, LIMITED LIABILITY COMPANY		58.50%
ASTRAL BAZENOVE PRISLUSENTSVI, S.R.O.		100.00%
ASTRAL INDIA, PRIVATE LIMITED		100.00%
ASTRALPOOL CYPRUS, LTD		100.00%
ASTRALPOOL HONGKONG CO., LIMITED		100.00%
ASTRALPOOL THAILAND CO., LTD		99.00%
ASTRALPOOL UK, LIMITED		100.00% (3)
ASTRALPOOL THAILAND CO., LTD		99,00%
ASTRALPOOL UK LIMITED		100,00% (3)
CEPEX MEXICO, S.A. DE C.V.		100.00%
CEPEX, S.A.U.		100.00%
CERTIKIN INTERNATIONAL (IRELAND), LIMITED		100.00%
CERTIKIN INTERNATIONAL, LIMITED		100.00% (3)
CERTIKIN SWIMMING POOL PRODUCTS INDIA, PRIVATE LIMITED		100.00%
CMP POOL & SPA (SHANGHAI) CO, LTD		100.00%
COVER - POOLS INCORPORATED		100.00%
CUSTOM MOLDED PRODUCTS, LLC		100.00% (4)
CUSTOM MOLDED PRODUCTS SHANGHAI INC.		100.00%
DEL INDUSTRIES INC.		100.00% (5)
FABTRONICS AUSTRALIA PTY LTD		100.00%

	% of ownership interest	
	Direct	Indirect
FLUIDRA ADRIATIC, D.O.O.		100.00%
FLUIDRA AL URDOUN FZ		70.00%
FLUIDRA AUSTRALIA, PTY LTD		100.00% (2)
FLUIDRA BALKANS, JSC		61.16%
FLUIDRA BELGIQUE, S.R.L.		100.00%
FLUIDRA BH, D.O.O. Bijeljina		60.00%
FLUIDRA BRASIL INDÚSTRIA E COMÉRCIO, LTDA		100.00%
FLUIDRA CHILE, S.A.		100.00%
FLUIDRA COLOMBIA, S.A.S		100.00%
FLUIDRA COMERCIAL ESPAÑA, S.A.U.		100.00%
FLUIDRA COMERCIAL PORTUGAL Unipessoal, LDA		100.00%
FLUIDRA COMMERCIAL FRANCE, S.A.S.		100.00% (7)
FLUIDRA COMMERCIAL, S.A.U.		100.00%
FLUIDRA COMMERCIALE ITALIA, S.P.A.		100.00% (6)
FLUIDRA CYPRUS, LTD		100.00%
FLUIDRA DEUTSCHLAND, GmbH		100.00%
FLUIDRA EGYPT, Egyptian Limited Liability Company		90.00%
FLUIDRA EXPORT, S.A.U.		100.00%
FLUIDRA GLOBAL DISTRIBUTION, S.L.U.		100.00%
FLUIDRA GROUP AUSTRALIA, PTY LTD		100.00%
FLUIDRA HELLAS, S.A.		96.96%
FLUIDRA HOLDINGS AUSTRALIA, PTY LTD		100.00%
FLUIDRA HOLDINGS SOUTH AFRICA, PTY LTD		100.00%
FLUIDRA INDIA, PRIVATE LIMITED		100.00%
FLUIDRA INDONESIA PT.		100.00%
FLUIDRA INDUSTRY FRANCE, S.A.S		100.00%
FLUIDRA KAZAKHSTAN, Limited Liability Company		70.00%
FLUIDRA LATAM EXPORT, LLC		100.00%
FLUIDRA MAGYARORSZÁG Kft.		95.00%
FLUIDRA MALAYSIA SDN.BHD.		100.00%
FLUIDRA MAROC, S.A.R.L.		90.00%
FLUIDRA MEXICO, S.A. DE C.V.		100.00%
FLUIDRA MIDDLE EAST FZE		100.00%
FLUIDRA MONTENEGRO, DOO		60.00%
FLUIDRA N.Z., LIMITED		100.00%
FLUIDRA NORDIC A/S		100.00% (14)
FLUIDRA NORDIC, AB		100.00%
FLUIDRA ÖSTERREICH, GmbH "SSA"		98.50%
FLUIDRA POLSKA, SP. Z.O.O.		100.00%
FLUIDRA ROMANIA, S.A.		66.66%
FLUIDRA SERBICA, D.O.O. BEOGRAD		60.00%
FLUIDRA SI, D.O.O		60.00%
FLUIDRA SINGAPORE, PTE LTD		100.00%
FLUIDRA SWITZERLAND, S.A.		100.00%
FLUIDRA THAILAND CO, LTD		100.00%
FLUIDRA TR SU VE HAVUZ EKIPMANLARI AS		51.00%
FLUIDRA TUNISIE, S.A.R.L.		100.00%

	% of ownership interest	
	Direct	Indirect
FLUIDRA USA, LLC		100.00%
FLUIDRA VIETNAM, LTD		100.00%
FLUIDRA WATERLINX, PTY LTD		100.00%
I.D. ELECTROQUÍMICA, S.L.U.		100.00%
INNODRIP, S.L.U		100.00%
INQUIDE, S.A.U.		100.00%
LAGHETTO FRANCE, S.A.R.L.		100.00%
MANUFACTURAS GRE, S.A.U.		100.00%
NINGBO DONGCHUAN SWIMMING POOL EQUIPMENT CO., LTD		70.00%
PISCINES TECHNIQUES 2000, S.A.S.		100.00%
POLTANK, S.A.U.		100.00%
POOLWEB, SAS		100.00%
PRODUCTES ELASTOMERS, S.A.		100.00%
S.R. SMITH, LLC		100.00%
SACOPA, S.A.U.		100.00%
SIBO FLUIDRA NETHERLANDS, B.V.		100.00% (2)
SRS AUSTRALIA, Pty LTD		100.00%
SRS HOLDCO, LLC		100.00%
SUNBATHER, Pty LTD		100.00%
SWIM & FUN SCANDINAVIA, APS		100.00% (12)
TALLERES DEL AGUA, S.L.U.		100.00%
TAYLOR WATER TECHNOLOGIES, LLC		100.00%
TRACE LOGISTICS NORTH, BV		100.00%
TRACE LOGISTICS, S.A.U.		100.00%
TURCAT POLYESTER SANAYI VE TICARET A.S.		75.50% (14)
UNISTRAL RECAMBIOS, S.A.U.		100.00%
VEICO.COM.BR INDÚSTRIA E COMÉRCIO, LTDA		100.00%
W.I.T. EGYPT, Egyptian Limited Liability Company		89.99%
YA SHI TU SWIMMING POOL EQUIPMENT (SHANGHAI) Co, Ltd		100.00%
ZODIAC INTERNATIONAL, SAS		100.00%
ZODIAC POOL CARE EUROPE, SAS		100.00%
ZODIAC POOL SOLUTIONS, LLC		100.00% (9)
ZODIAC POOL SYSTEMS CANADA, INC.		100.00%
ZODIAC POOL SYSTEMS, LLC		100.00%
ZODIAC SWIMMING POOL EQUIPMENT (SHENZHEN) CO.,LTD.		100.00%
ZPES HOLDINGS, SAS		100.00% (10)
List of associates consolidated using the equity method		
ASTRAL NIGERIA, LTD.		25.00% (1)
ASPIRE POLYMERS, Pty. LTD		50.00%
BLUE FACTORY, S.R.L.		17.00% (15)
List of companies consolidated at cost		
DISCOVERPOOLS COM, INC.		11,00% (1)

(1) Companies belonging to the Fluidra Commercial, S.A. and subsidiaries subgroup.

(2) Fluidra Australia Pty Ltd is a group of companies in which the parent fully owns the companies Astral pool Australia Pty Ltd and Hurlcon Staffing Pty Ltd. SIBO FLUIDRA NETHERLANDS, B.V. owns 100% of the share capital of the German company SIBO GmbH.

(3) The companies Certikin International Limited and Astralpool UK Limited, wholly-owned sub-sub-subsidiaries of Fluidra, S.A. and registered in England under numbers 03047290 and 01823941, respectively, are exempt from the requirement of the Companies Act 2006 in relation to the audit of the individual annual accounts by virtue of section S479C.

- (4) Absorbing company of Aqua Sun Zone LLC, Bobe Water & Fire LLC, Century Composites Of Georgia LLC, Shenandoah Manufacturing LLC and Saline Generating Systems LLC.
- (5) Absorbing company of CMP holdco Inc, Del agricultural and Del Ozone Holding Company Inc.
- (6) Absorbing company of Fluidra Services Italia, S.R.L.
- (7) Absorbing company of Fluidra Assistance, S.A.S.
- (8) Absorbing company of Industrias Mecánicas Lago, S.A.U. and ZPNA holdings, S.A.S.
- (9) Absorbing company of Fluidra Holdco North América, Inc.
- (10) Absorbing company of Fluidra Services France, S.A.S.
- (11) In the year ended 31 December 2022, Togama, S.A.U. was disposed of.
- (12) Companies acquired during the current year.
- (13) In the year ended 31 December 2022, the following companies have been wound up: Price Chemicals, Pty Ltd., Hurlcon Investments, Pty Ltd., Riot labs NV/SA and Zodiac Pool care South Africa, Pty. Ltd.
- (14) Companies in the process of being wound up.
- (15) Newly-created companies in 2022.

Appendix II

Fluidra, S.A. and Subsidiaries

Details of segment results for the year ended 31 December 2022 (Expressed in thousands of euros)

	EMEA	NORTH AMERICA	OPERATIONS	APAC	Shared services	Adjustments & eliminations	Total consolidated figures
	12/31/2022	12/31/2022	12/31/2022	12/31/2022	12/31/2022	12/31/2022	12/31/2022
Sales to third parties	1,048,691	1,025,584	76,474	237,097	1,359	—	2,389,205
Sales to third parties in USA	436	974,537	13,511	296	—	—	988,780
Sales to third parties in Spain	196,772	369	36,986	—	—	—	234,127
Sales to third parties in France	242,777	393	4,527	—	—	—	247,697
Inter-segment sales	117,326	11,627	471,890	1,677	533	(603,053)	—
Segment sales of goods and finished products	1,166,017	1,037,211	548,364	238,774	1,892	(603,053)	2,389,205
COGS	(787,605)	(516,699)	(350,526)	(113,374)	(2,025)	600,611	(1,169,618)
Gross profit	378,412	520,512	197,838	125,400	(133)	(2,442)	1,219,587
OPEX	(209,280)	(294,584)	(119,494)	(85,391)	(36,888)	(7,542)	(753,179)
Adjustments due to impairment of receivables	303	(1,302)	(46)	154	(20)	4,200	3,289
Depreciation and amortisation expenses and impairment losses	(24,747)	(26,393)	(16,608)	(20,750)	(19,865)	(57,022)	(165,385)
Operating profit/(loss) from reporting segments	144,688	198,233	61,690	19,413	(56,906)	(62,806)	304,312
Share in profit/(loss) of associates	—	—	—	24	—	47	71
EBITDA	169,435	224,626	78,298	40,187	(37,041)	(5,737)	469,768

OPEX = Personnel expense + Other operating costs – Income from the rendering of services – Work performed by the Group and capitalized as non-current assets – Profit/(loss) from sales of fixed assets – Adjustments due to impairment of receivables.

COGS = Changes in inventories of finished goods and work in progress and raw material supplies

This appendix is an integral part of Note 4 to the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the years ended 31 December 2022 and 2021 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries
Details of segment results for the year ended 31 December 2021
(Expressed in thousands of euros)

	EMEA	NORTH AMERICA	OPERATIONS	APAC	Shared services	Adjustments & eliminations	Total consolidated figures
	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021
Sales to third parties	1,020,223	875,113	89,330	202,243	10	—	2,186,919
Sales to third parties in USA	214	827,528	11,971	1,215	—	—	840,928
Sales to third parties in Spain	176,470	396	41,658	—	10	—	218,534
Sales to third parties in France	238,263	179	5,396	—	—	—	243,838
Inter-segment sales	119,583	6,460	469,873	2,407	—	(598,323)	—
Segment sales of goods and finished products	1,139,806	881,573	559,203	204,650	10	(598,323)	2,186,919
COGS	(759,152)	(415,171)	(339,888)	(96,527)	—	579,314	(1,031,424)
Gross profit	380,654	466,402	219,315	108,123	10	(19,009)	1,155,495
OPEX	(197,907)	(221,750)	(109,145)	(73,388)	(46,401)	(182)	(648,773)
Adjustments due to impairment of receivables	(171)	(188)	(13)	1,377	(33)	(1,333)	(361)
Depreciation and amortisation expenses and impairment losses	(21,006)	(17,701)	(13,457)	(8,393)	(56,055)	(8,086)	(124,698)
Operating profit/(loss) from reporting segments	161,570	226,763	96,700	27,719	(102,479)	(28,610)	381,663
Share in profit/(loss) of associates	—	—	—	—	—	5	5
EBITDA	182,576	244,464	110,157	36,112	(46,424)	(20,519)	506,366

OPEX = Personnel expense + Other operating costs – Income from the rendering of services – Work performed by the Group and capitalised as non-current assets – Profit/(loss) from sales of fixed assets – Adjustments due to impairment of receivables.

COGS = Changes in inventories of finished goods and work in progress and raw material supplies

This appendix is an integral part of Note 4 to the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the years ended 31 December 2022 and 2021 prepared in accordance with IFRS as adopted by the European Union.

Appendix III

Fluidra, S.A. and Subsidiaries

Details of segment assets and liabilities for the year ended 31 December 2022

(Expressed in thousands of euros)

	EMEA 12/31/2022	NORTH AMERICA 12/31/2022	OPERATIONS 12/31/2022	APAC 12/31/2022	Shared services 12/31/2022	Adjustments and eliminations 12/31/2022	Total consolidated figures 12/31/2022
NON-CURRENT ASSETS							
Property, plant, and equipment	31,038	57,897	79,202	9,630	6,272	—	184,039
Property, plant and equipment in Spain	5,787	—	76,893	—	6,272	—	88,952
NWC	159,891	230,371	159,118	71,719	6,472	(60,637)	566,934
Inventories	134,043	252,672	194,679	59,908	—	(42,209)	599,093
Trade and other receivables	94,967	89,878	19,413	45,411	36,339	(1,200)	284,808
Trade and other payables	69,119	112,179	54,974	33,600	29,867	17,228	316,967

NWC = Inventories + Trade and other receivables – Trade and other payables

This appendix is an integral part of Note 4 to the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the years ended 31 December 2021 and 2020 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries
Details of segment assets and liabilities for the year ended 31 December 2021
(Expressed in thousands of euros)

	EMEA 12/31/2021	NORTH AMERICA 12/31/2021	OPERATIONS 12/31/2021	APAC 12/31/2021	Shared services 12/31/2021	Adjustments and eliminations 12/31/2021	Total consolidated figures 12/31/2021
NON-CURRENT ASSETS							
Property, plant, and equipment	26,810	48,387	61,076	9,476	12,524	2,400	160,673
Property, plant and equipment in Spain	5,537	—	58,843	—	12,524	1,919	78,823
NWC	132,603	80,191	136,230	55,711	(3,181)	(61,097)	340,457
Inventories	127,146	184,294	177,058	49,968	—	(42,421)	496,045
Trade and other receivables	90,894	71,096	32,130	46,087	21,806	(5,362)	256,651
Trade and other payables	85,437	175,199	72,958	40,344	24,987	13,314	412,239

NWC = Inventories + Trade and other receivables – Trade and other payables

This appendix is an integral part of Note 4 to the consolidated annual accounts of Fluidra, S.A. and subsidiaries for the years ended 31 December 2021 and 2020 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries
Consolidated Annual Accounts
2022

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

On 30 March 2023 the Board of Directors of Fluidra, S.A. authorised for issue the consolidated annual accounts prepared in accordance with International Financial Reporting Standards as adopted by the European Union (which comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, the notes to the consolidated annual accounts and the consolidated directors' report) for the year ended 31 December 2022, in accordance with the European Single Electronic Format (ESEF) as established in Delegated Regulation (EU) 2019/815 under ID number:

c4a747493dad99df26f4e0a6fccb6281d55617d8f9a04f94ad78ac923753ea4e (*)

And in witness whereof, all Directors sign below in compliance with article 253 of the Spanish Companies Act.

Mr. Eloy Planes Corts

Mr. Bruce Walker Brooks

Ms. Esther Berrozpe Galindo

Ms. Barbara Borra

Mr. Jorge Valentín Constans Fernández

Mr. Bernardo Corbera Serra

Mr. Bernat Garrigós Castro

Mr. Michael Steven Langman

Mr. Gabriel López Escobar

Mr. Brian McMrauld

Mr. Oscar Serra Duffo

Mr. José Manuel Vargas Gómez

(*) ID number hash SHA256

DECLARATION OF RESPONSIBILITY OF THE DIRECTORS OF FLUIDRA, S.A. IN RELATION TO THE CONTENT OF THE CONSOLIDATED ANNUAL FINANCIAL REPORT FOR FINANCIAL YEAR 2022

In connection with the Consolidated Annual Financial Report of FLUIDRA, S.A. for financial year 2022, which contains the Consolidated Annual Financial Statements and the Consolidated Directors' Report, the members of the Board of Directors declare that:

To the best of their knowledge, the Consolidated Annual Financial Statements, prepared in accordance with the applicable accounting principles, present a true and fair view of the assets, liabilities, financial position and results of FLUIDRA, S.A. and of the companies included in the consolidated group taken as a whole, and the Consolidated Directors' Report includes a true and fair analysis of the performance and earnings obtained and of the position of FLUIDRA, S.A. and the companies included in the consolidated group taken as a whole, along with a description of the principal risks and uncertainties they face.

Declaration made upon the authorization for issue of the Consolidated Annual Financial Report for financial year 2022, prepared by the Board of Directors of FLUIDRA, S.A. on March 30, 2023.

Mr. Eloy Planes Corts

Mr. Bruce Walker Brooks

Ms. Esther Berrozpe Galindo

Ms. Barbara Borra

Mr. Jorge Valentín Constans Fernández

Mr. Bernardo Corbera Serra

Mr. Bernat Garrigós Castro

Mr. Michael Steven Langman

Mr. Gabriel López Escobar

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Mr. Oscar Serra Duffo

Mr. José Manuel Vargas Gómez