



20
16

INTEGRATED REPORT

FLUIDRA






Table of contents

Committed to transparency
and sustainability,
another year committed

1	—	Main figures for 2016	5
		Financial figures	6
		Non-financial figures	8
		Group profile	10
2	—	Letter from the President	13
3	—	Business model	19
		Identity and commitment	20
		Mission and values	20
		Value Chain	23
		Worldwide presence	26
		Relationship with stakeholders	27
4	—	Strategy	29
		Market environment	30
		Strategic priorities	33
		Priorities and financial objectives	35
		Future outlook	37
5	—	Corporate Governance	39
		Corporate Governance Structure	40
		Governing bodies	41
		Ethical framework	56
		Risk management	61
		CSR management	65
6	—	2016 Financial year	67
		Results for the year	68
		Business areas in 2016	75
		Shareholders	80
		Human Resources	85
		Innovation	99
		Customers	107
		Suppliers	114
		Environmental management	120
		Society	141
7	—	Annexes	152
		Principles for determining the content and quality of the report	153
		About this report	154
		External verification	161
		Performance indicators	162
		GRI G4 contents	171
		Annual Corporate Governance Report directory	179

20
16

INTEGRATED REPORT



ANNUAL
ACCOUNTS



ANNUAL CORPORATE
GOVERNANCE REPORT



1

Main figures [G4-9]

Financial Figures 6
Non-financial figures 8
Group profile 10

FINANCIAL
FIGURES

[G4-9]

TURNOVER

713.3

M €

Table of results

(in EUR millions)

	2016	2015	2014	2013	2012
Turnover	713.3	647.3	593.8	592.7	629
EBITDA	86.0	72.2	65.7	47.7	72
Net profit	24.1	13.0	6.6	-10.2	14.5
Investments	29.2	26.9	19.9	22.1	22.3
Net financial debt	156.6	162.3	151.6	187	180

EBITDA

86.0

M €

SALES BY GEOGRAPHY

(in EUR millions)

	2016	2015	Changes
Spain	153.2	141.0	8.6%
Southern Europe - Other	164.6	143.1	15.1%
Central & Northern Europe	109.1	96.8	12.7%
Eastern Europe	32.3	32.0	1.1%
Asia & Australia	139.7	139.3	0.3%
Rest of the World	114.3	95.1	20.4%

SALES BY BUSINESS UNIT

(in EUR millions)

	2016	2015	Changes
Pool & Wellness	651.8	584.2	11.6%
Residential	407.2	350.0	16.4%
Commercial	81.7	88.6	-7.8%
Pool water treatment	109.9	96.8	13.6%
Fluid handling	53.0	48.8	8.6%
Irrigation and domestic water treatment	39.8	40.2	-0.8%
Industrial and other	21.6	23.0	-5.9%

**NET
PROFIT**



M €

INVESTMENTS



M €

Financial structure table

(in EUR millions)

	2016	2015	2014	2013	2012
Net financial debt/EBITDA	1.8	2.2	2.3	3.9	2.5
Net financial debt / consolidated net assets	0.47	0.49	0.47	0.62	0.54
ROCE (adjusted EBIT) *	9.8%	6.7%	3%	2.5%	7.4%
ROE	7.2%	3.9%	2.1%	-3.4%	4.4%

* Adjusted EBIT for impairment of goodwill and integration costs

4.32 €



**Closing
price**

*Fluidra is a large
multinational group
which distributed a
EUR 10 million dividend
in 2016*

Stock exchange information table

(at 31 December 2016)

Number of shares (x1000)	112,629
Closing price (EUR)	4.32
Evolution in 2016	+38.02%
Capitalisation at 31/12 (in EUR millions)	486.5
Dividend per share (EUR)	0.09
Payout (for 2015)	77%
Earnings per share	0.28
EV / EBITDA	7.5

1.2

NON-FINANCIAL
FIGURES

[G4-9, G4-10, G4-11]

4,336

Employees
on average

68 %



Men

32 %



Women

INVESTMENT
IN
TRAINING

0.4

M €

Human
Resources

	2016	2015	2014
Number of employees	4,273	3,698	3,565
Net job creation	575	133	-35
Diversity			
Men	68%	67%	67%
Women	32%	33%	33%
Investment in training (in EUR thousands)	430	225	361
Training hours	32,040	18,641	20,628
Rotation	4.7%	4.5%	9.9%
Accident rate			
Sick leave	173	68	57
Without sick leave	78	102	83
Absence rate	3.45%	3.30%	3.10%

Environment

	2016	2015	2014
CO ₂ emission rate in tons [G4-EN18]	25,378	28,796	-
Waste generation [G4-EN23]			
Non-hazardous (Tn)	13,216	19,749	12,361
Hazardous (Tn)	7,980	10,046	12,550
Water consumption (m ³) [G4-EN8]	76,722	84,709	86,372
Natural gas consumption (Gj) [G4-EN3]	45,917	39,050	36,990
Diesel consumption (Gj) [G4-EN3]	45,232	34,291	32,235
Cogeneration (Gj)	5,822	9,078	5,791
Grid power (Gj) [G4-EN3]	121,709	110,591	115,555
Investment and environmental costs (in EUR) [G4-EN31]	1,535,676	1,153,021	830,025

INVESTMENT AND ENVIRONMENTAL COSTS

1.5

M €

733.7



EURO millions

Community **[G4-EC1]**

(in EUR millions)

Economic value created:

	2016	2015	2014
Total consolidated revenue (sales + other revenue)	733.7	666.9	615.4

Economic value distributed:

	2016	2015	2014
Employees (personnel costs)	158.3	144.7	137.0
Suppliers (Changes in inventories + other operating expenses)	491.1	450.7	415.9
Shareholders (Dividend-Result attributable to holders of parent-company equity instruments)	15*	10.0	6.7
Company - Public Administration (Taxes)	13.1	6.2	3.5
Capital providers (Financial expenses)	6.5	5.6	9.4
Economic value retained:	49.7	49.5	42.9

* Proposed dividend; pending approval at the General Shareholders' Meeting.

** Corresponds to income tax expense.



Fluidra is a domestic and international leader in sustainable water use.

Fluidra is a listed Spanish multinational group devoted to developing applications for sustainable water use associated with the extensive field of Pool & Wellness for domestic, commercial and public use.

Fluidra operates in 45 countries through 150 subsidiaries and production centres located across all continents. The Group has a team of approximately 4,300 people.

Since 1969, respect for water and its rational use is the cornerstone of our Group's philosophy. This is the vision of the Fluidra Group companies, which specialise in water conservation, distribution, treatment and use.

Table with corporate data [G4-3, G4-5, G4-6, G4-7]

Company name

Fluidra S.A.

Address

**Avda. Francesc Macià 60, planta 20E
08208 Sabadell (Barcelona - Spain)**

Telephone

(+34) (0)93 724 39 00

Website

www.fluidra.com

Share capital

EUR 112,629,070

Number of shares

112,629,070

Nominal

EUR 1.00

Business activity:

Developing applications for sustainable water use in the Pool & Wellness sector

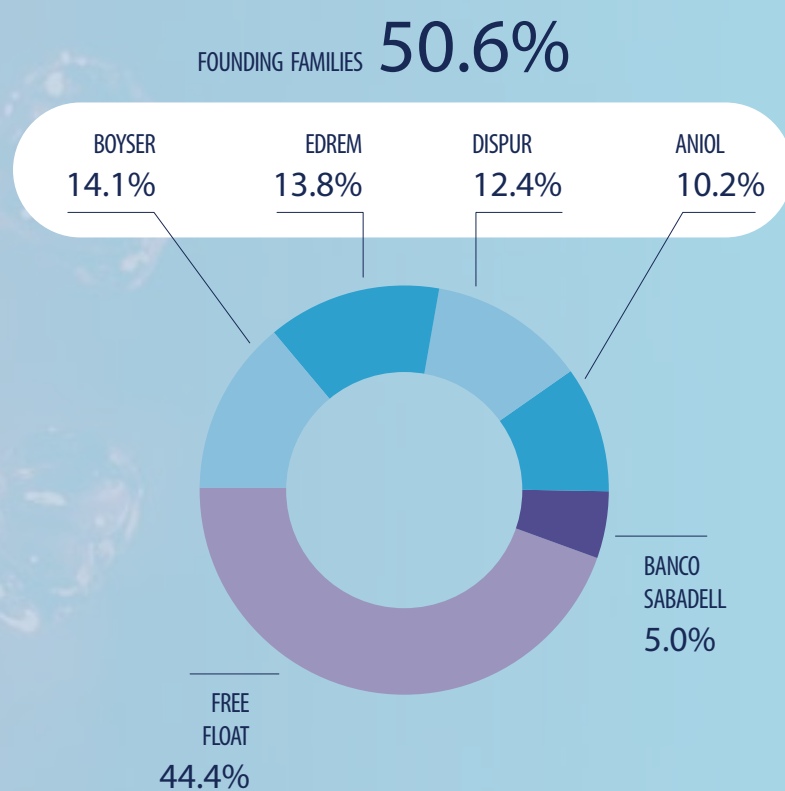
Markets

It operates in 45 countries and distributes to 150 worldwide. Europe is the company's main market, followed by Asia and Australia.

Table with shareholder structure

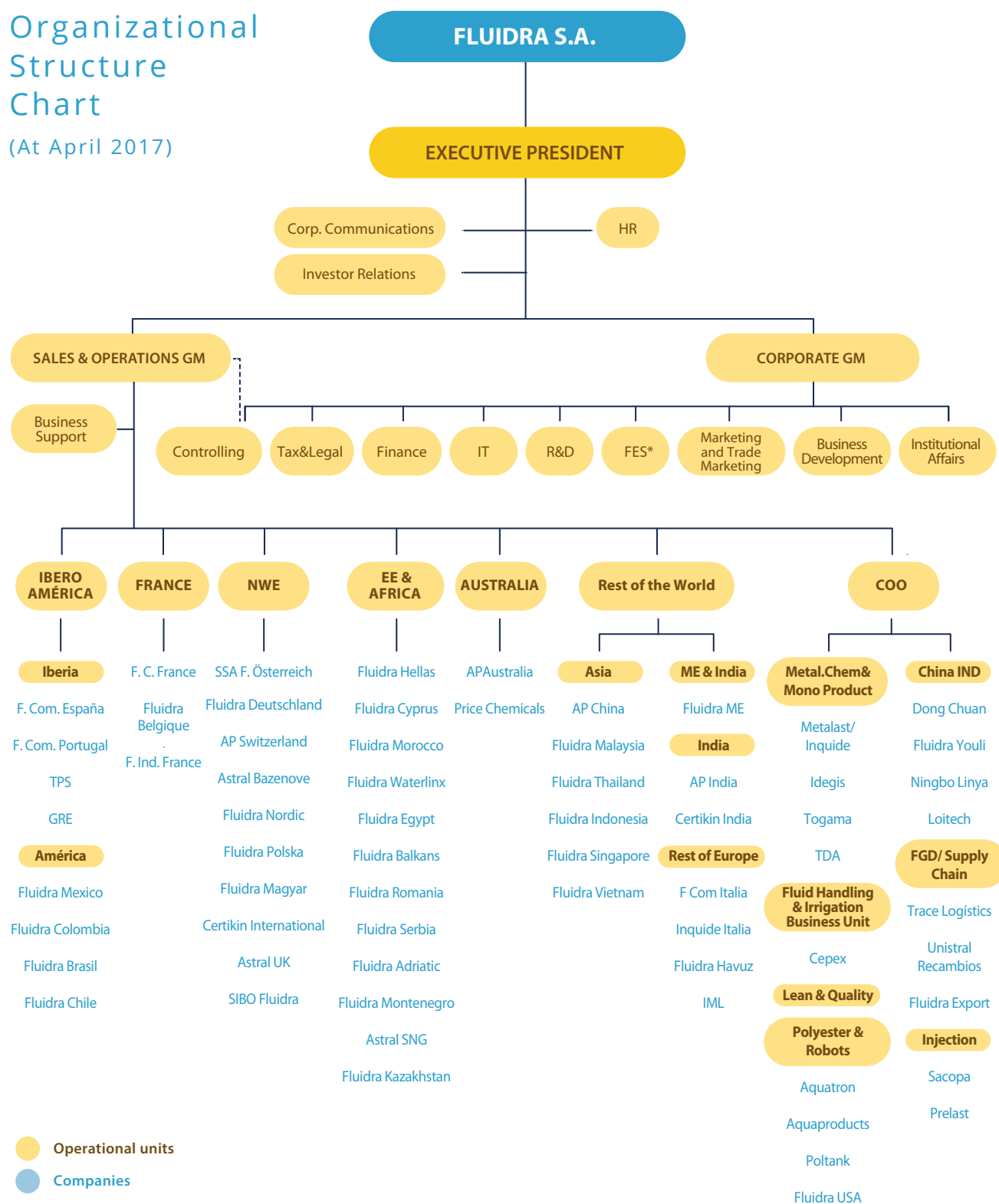
(as of 31 December 2016)

(in percentage)



Organizational Structure Chart

(At April 2017)



(*) Fluidra Engineering Services

2

Letter from the President

[G4-1, G4-2]

*"We have consolidated
the growth path we
started two years ago"*

The trends we have been observing since 2015 have not only continued but have also accelerated in certain Southern European markets. In this context, 2016 was an excellent year for Fluidra. We consolidated the growth path that we initiated two years ago and carried on with the development that has characterised our group since it was founded. We have continued recovering efficiency and profitability levels, consolidating and settling our fundamentals. During 2016, we proved our ability to increase yields in a more positive environment compared to previous years. Once again, we demonstrated the financial strength that our group has.

Organic growth was solid and consistent throughout the year. Our presence in southern Europe's markets showed very positive trend with double-digit growth, and it is also worth noting Australia's excellent performance consistently displaying high growth rates. In general terms, all of our markets maintain positive trends, except for a few minor markets such as China. This performance is especially noteworthy when considering the uncertainties that had haunted the markets in the previous twelve months: the UK's vote to leave the European Union; the presidential elections in the United States; the political turmoil in Brazil and Italy; and oil price volatility.

A year of investment

In 2016, following our philosophy of expanding and consolidating markets, we invested in growth.

Growth in Europe, together with the change in logistic model, led us to expand our facilities in Trace Logistic in order to further develop our service and branch model in this region. The deployment of the new branch model (cash & carry), which allowed us to lighten the weight of our capillarity in southern Europe, is based on the centralisation of upstream stocks in the supply chain seeking to improve the level of service and support the implementation of a more efficient delegation model throughout the region.

We made a significant investment in Australia to absorb the growth in this area, by moving to a new plant with greater capacity and simultaneously consolidating central logistics. We also invested to accelerate our Waterlinx integration plan, the leading South African company we acquired in August 2015. The analysis made prior to the purchase, which accounted for the plans of the South African management team and the implementation of Fluidra's best practices, provided us with an opportunity to improve both in terms of production and the logistics system. In this regard, we

carried out the consolidation of both the different production plants and the logistics central warehouses. Both new sites in Australia and in South Africa are rented, so we only incur in investments directly related to our operations.

*"All these investments are part of our strategy which includes **geographical penetration, product portfolio, growth and improvements in efficiency and profitability**"*

In July, Fluidra acquired 70% of Sibo B.V.'s capital, a leading Dutch swimming pool and water facilities company (water gardens and natural pools or bio-pools) with a strong retail presence in Benelux and Germany. With this acquisition, we are positive that we will have more access to different northern European markets, a potential market of about 50 million euros per year, with over 230,000 residential pools installed and a commercial pools inventory of about 5,000 units. Besides, SIBO is a global leader in bio-pools, that is, biological or natural pools, an eco-friendly trend booming in northern Europe. Although this type of pool represents slightly less than 2% of the total inventory in this European region, it is gaining momentum exponentially as a highly environmentally friendly alternative.



*"We were awarded
two major projects
in Southeast Asia:
**2017 Taipei Summer
Universiade and 2018
Asian Games**"*

Thanks to the work of our commercial pool business consulting division, we were awarded two major projects in Southeast Asia: 2017 Taipei Summer Universiade (award worth EUR 5 million) and 2018 Asian Games Jakarta (for EUR 4 million). Both contracts are examples of the extensive capabilities of our group in the world of swimming pools and wellness.

We have continued to innovate in new, more efficient and environmentally friendly products, such as Internet of Pools (Fluidra Connect), LumiPlus Design, the Neolysis process, AstralPool Mac, the range of Viron pumps or the large FreePool project that will be a watershed in indoor public swimming pools. Every year, we allocate around 1.5% of our consolidated sales to R&D&i, and these products and developments are the result of this investment. We seek solutions to the needs of our direct customers and so that the end user of a pool or wellness installation can get the most from the pool, making it more sustainable, efficient, increasing the time of enjoyment and at the lowest possible cost.

Annual figures

Fluidra's sales at year-end 2016 stood at EUR 713.3 million, 10.2% higher than in 2015. The financial recovery of Spain, France, Australia and other mature markets, along with our restructuring efforts and strong financial discipline and a solid balance sheet enabled us to close this financial year with EBITDA growth of 19.1%, reaching EUR 86 million, which represented a 12.1% EBITDA margin on sales, higher than that of 2015 which stood at 11.2%.

The company's net profits stood at EUR 24.1 million, an increase of 85.2% compared to the previous year.

In terms of balance sheet, the excellent performance across all items comprising net working capital should be noted. At the end of 2016, it stood at EUR 184 million, representing a net working capital to sales ratio of 25.8%. Free cash generation to the income statement was EUR 27.4 million.

Net Financial Debt (NFD) reached EUR 156.6 million at the end of 2016. The multiple of NFD / EBITDA stood at 1.8, below 2.2x in 2015.

2016 was an excellent year. Markets welcomed our strong performance throughout the year. All in all, completing our 2018 Strategic Plan, the investments made throughout the year and the growth of our business in mature markets led to a 38% increase in Fluidra's value in the markets, setting the closing price in 2016 at EUR 4.32 per share, while share liquidity increased alongside trading growth.

Strategy for the future

2017 got off to a good start, on the back of the year just ended. And that gives us the certainty that the current year will be better for both Fluidra and the international economy as a whole. We have flexibility and financial strength, and a team of great professionals who are fully committed to this project. Therefore, we will continue working hard to achieve our profitability and efficiency goals, gaining market share in mature markets and aiming to become leaders in markets and in product categories in which we are not yet leaders.

"We will continue working hard to achieve our profitability and efficiency goals, gaining market share in mature markets and seeking to lead those in which we are not the leading company"

We focus on implementing our strategy, which is based on:

- Showcasing swimming pool & wellness.
- Ensuring our product categories penetrate in all countries in which we have a presence to increase our shares and leading position.
- Implementing best practices that will allow us to increase our efficiency and profitability ratios. .

Our commitments

We will continue to uphold and increase our commitment to society and the environment, as well as to all our stakeholders, that is, within the framework of a truly sustainable economy. We will also continue to develop products and roll out projects that provide efficient, cutting-edge solutions to our customers.

This year, we established the Fluidra Foundation with the main objective of promoting responsible and sustainable use and enjoyment of water as a natural and essential resource for humankind, taking advantage of the group's knowledge of water resources.

Led by Joan Planes, founder and honorary president of Fluidra, the activities of the Fluidra Foundation are aligned with two basic commitments: a social commitment to projects aimed at accessibility, awareness and education on water use, and a cultural commitment focused especially on promoting music. In an effort to become leaders in sustainability and efficiency, our aim is to preserve water, a resource essential for life that is ever so scarce.

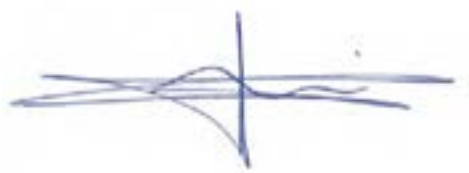
The principles of the United Nations Global Compact inspire of our ethics and social responsibility. That is why we renew our commitment to the initiative for yet another year, as well as to these values as a guide on how to develop and walk towards a sustainable management.

We want to be a global group offering sustainable and efficient pool solutions and applications. A leading company in the Pool & Wellness sector worldwide.

Water is our world and our future.

Once again, I would like to thank you for the confidence that you have placed in Fluidra.

Eloi Planes
President and CEO



3

Business model

Identity and commitment 20

Mission and values 20

Value Chain 23

Worldwide presence 26

Relationship with stakeholders 27

MISSION
AND
VALUES**MISSION**

Fluidra's mission is to take care of people's well-being and health through the sustainable use of water for leisure, sports and therapeutic applications.

Fluidra seeks to contribute gradually and sustainably towards economic, environmental and social development by strengthening and renewing its commitments to partners and stakeholders in the sectors in which it operates. [\[G4-24, G4-25\]](#)

CUSTOMERS:

Our customers are at the heart of everything we do, and we endeavour to convey security and confidence as well as providing them with effective and innovative solutions.

**SHAREHOLDERS:**

We aim to increase the value of our company through our commitment to ethics, transparency and good governance.

**EMPLOYEES:**

We offer an environment full of opportunities so that our employees may develop personally and professionally.

**SUPPLIERS:**

We seek to go forward together, building long-lasting relationships based on mutual respect and which are mutually beneficial.

**SOCIETY:**

Aware of our corporate social responsibility, we are committed to contributing to the development of our local community.

**ENVIRONMENT:**

We are committed to fostering responsible use of water and to applying the most stringent sustainability standards for the sake of our future generations.



VALUES

ADAPTABILITY:

We detect opportunities and adapt to them with an entrepreneurial approach.



INNOVATION:

We encourage our staff to be creative as this is the driving force behind continuous improvement.



OPENNESS:

We welcome dialogue and exchanging of views that enable us to learn and improve every day.



TRANSPARENCY:

We are committed to honesty, coherence and respect in the day-to-day running of our business.



FLUIDRA'S COMMITMENTS

Fluidra is a responsible and socially committed company that implements a business model using approaches based on innovation and sustainability.

Fluidra has eight strategic commitments:



OUR ETHOS: Commitment to ethics in terms of performance and good corporate governance.



OUR ENVIRONMENT: Commitment to environmental protection.



OUR SOCIETY: Commitment to the development of the communities where we operate.



OUR STAFF: Commitment to the health, safety and development of our employees.



OUR CUSTOMERS AND SUPPLIERS: Commitment to the quality of our products and services.



INNOVATION: Commitment to R&D&i as the bedrock of our competitiveness and efficiency.



WATER DEFINES US: Commitment to the responsible use of water.

GLOBAL COMPACT

One of the basic elements on which Corporate Social Responsibility (CSR) in Fluidra is based is participation in and observance of the commitments of the United Nations Global Compact, to which Fluidra has adhered since 2007, renewing its commitments year after year. [\[G4-15\]](#)

The United Nations Global Compact embodies the cornerstone of the Code of Ethics developed in Fluidra in recent years.



3.2

VALUE CHAIN



Fluidra's business model vertically integrates R&D&i, production, logistics, marketing and services. This model allows the company to diversify risks, optimise resources and create significant entry barriers to competitors.

R&D&I

Research, development and innovation remain one of the key pillars of Fluidra's future: the company's goal is to create a culture of innovation to become an industry leader. To this end, it has the support of the Innovation Committee, responsible for establishing the strategy, validating all projects relating to products that are carried out in the 15 Fluidra Centres of Excellence and technical centres, and defining the corporate "Guidelines" intended to serve as a guide for all Centres in the process of product development. A total of 109 people spend on average 50% of their time working on product R&D.

PRODUCTION

Fluidra has its own industrial fabric. Its 23 production centres, which employ more than 1,900 people, are located in the main Group markets and work on different technologies that enable the manufacture of full ranges, under different brands, for all business units.

23



**Production
centers**

1,900



**Production
employees**

In addition, Fluidra's production centres offer their services to customers outside the group and manufacture products or full ranges under clients' brands.

The multi-technology plants are divided as follows:

- Plastic injection: production centres in Spain, Australia, China, South Africa and Brazil.
- Laminates and windings: production centres in Spain, China and the United States.
- Metal processing: production centres in Spain, Australia and China.
- Thermoplastic moulding and rotational moulding: production centres in Spain, Australia, China and Brazil.
- Rubber injection: production centre in Spain.
- Chemicals: production centre in Spain, Mexico, Italy, Australia and South Africa.
- Extrusion: production centres in Spain, Brazil and China.
- Vitreous coating: production centre in Spain.
- Electronics: production centres in Spain, Australia, Israel and the United States.



*In order to streamline resources and allow each unit to focus on its specific part of the business, **Fluidra offers shared services from its headquarters in Sabadell***

SALES AND LOGISTICS

With production centres spread across all continents and its ample marketing capabilities, Fluidra's capillarity is ideally poised to progressively increase its market share. The company has a specialised distribution network for the different business units with a direct presence in 45 countries with 128 subsidiaries and branches, which employ more than 1,350 professionals.

In Spain, the logistic model is based on regional branches (cash & carry) with stock only for those items with higher turnover and deliverability in short periods of time for the other items. As a result of its commitment to efficiency, the company has an innovative automated logistics operator with a surface area of 55,000 sqm and a capacity to dispatch 150,000 pallets annually and carry out 20,000 daily box collections.

SERVICES AND MANAGEMENT

The last link in Fluidra's value chain is the provision of management services and functions both with regard to Group companies and also to customers and end users services so that in this way it may come full circle in the water business.

In order to optimise the Group's resources and allow each unit to focus on its specific part of the business, Fluidra offers shared services to centralise accounting and finance duties through the Shared Service Centre, as well as providing legal and tax services, marketing, auditing and human resources from the headquarters in Sabadell (Barcelona).

The company offers customers:

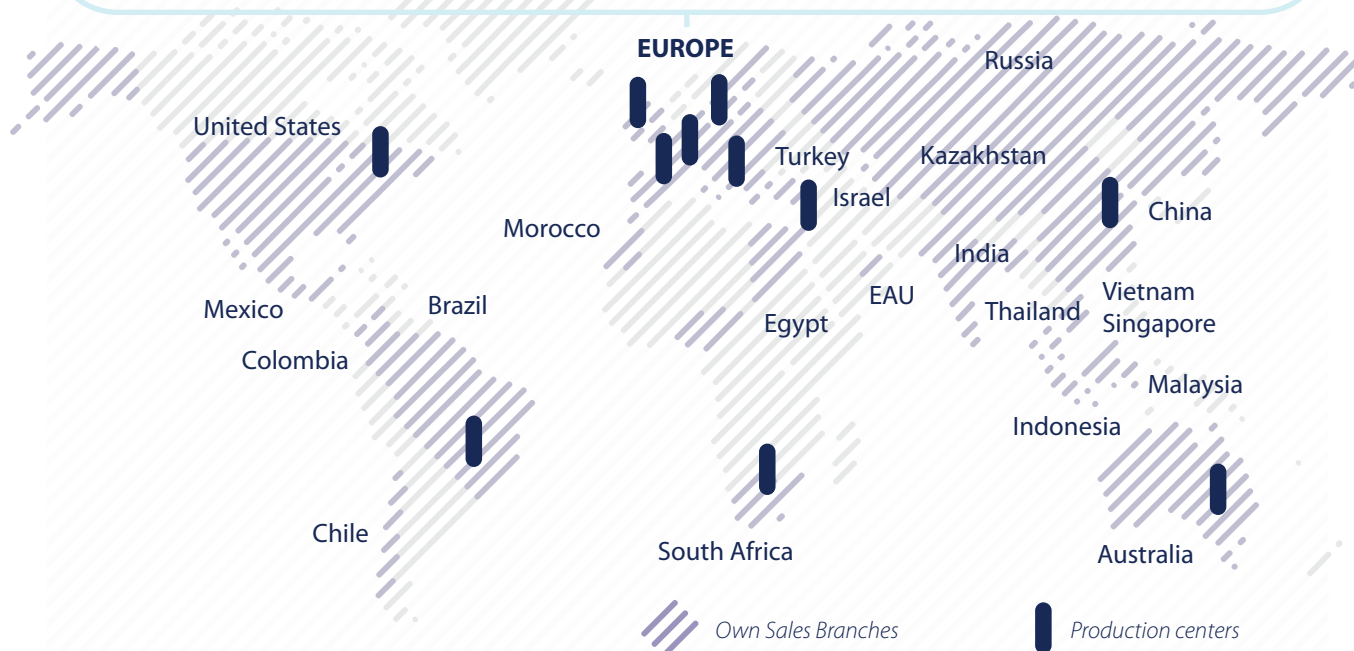
- **After-sales technical assistance.** Fluidra's after-sales technical support service offers solutions and answers questions on installation, maintenance or repairs. In high season it is reinforced by a call centre for both customers and end users.
- **Customer training.** With the advances of innovations and the increasing automation and complexity of the industry, Fluidra has, since 2012, a Customers Training Plan which organises training sessions for customers worldwide on an annual basis.

3.3

WORLDWIDE PRESENCE

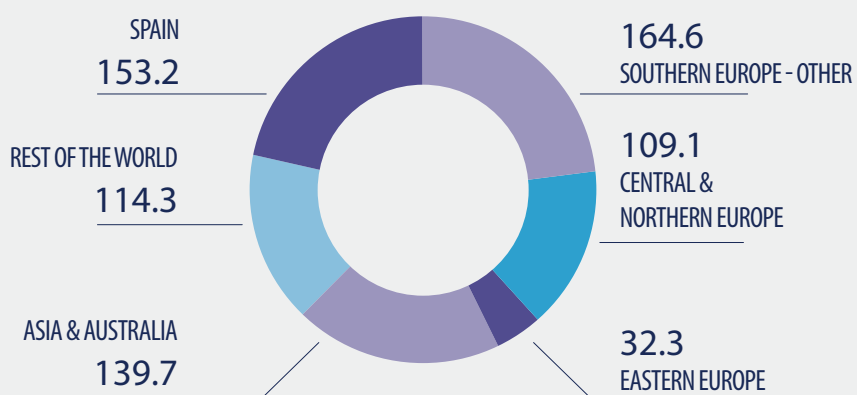
[G4-6, G4-8]

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Greece, Holland, Hungary, Italy, Montenegro, Poland, Portugal, Romania, Serbia, Spain, Sweden, Switzerland and United Kingdom



Weighing income in geographic areas

(in EUR millions)



In its search to ensure a solid relationship with its stakeholders, Fluidra has established a network of communication channels with them in order to meet their expectations and needs and define business strategies that both commit and benefit all parties equally.

Fluidra's stakeholders are defined in its Mission and the communication channels are used to keep in contact with them:

	CUSTOMERS	<ul style="list-style-type: none"> • Customer service • After-sales Service • Satisfaction surveys • Hosting of seminars and technical training • Advertising of activities regarding and for clients • Websites and online applications • Fairs and exhibitions • Factory tours • The Cool Pool blog
	SHAREHOLDERS	<ul style="list-style-type: none"> • Corporate website: Investors and shareholders • Shareholders' Office • General Shareholders' Meeting • Shareholder's Day • Analyst and Investor's Day • Domestic and international investors forums
	EMPLOYEES	<ul style="list-style-type: none"> • Workers' representatives • Corporate intranet • 'Living Fluidra' news portal • Suggestion boxes • Notice boards • Performance assessment • Recreational and sports activities • Solidarity activities • 'People Values' Code of Ethics and 'Confidential Channel' • Coffee with senior management • Monitoring and exit interviews
	SUPPLIERS	<ul style="list-style-type: none"> • Selection and evaluation of suppliers policy • Suppliers' Code of Ethics • Bilateral meetings with high-volume providers
	SOCIETY	<ul style="list-style-type: none"> • Partnerships and contributions • Solidarity actions and contributions • Corporate website
	ENVIRONMENT	<ul style="list-style-type: none"> • Participation in awareness days • Collaboration with environmental associations

In addition to the aforementioned stakeholders, the company maintains constant and stable relations with other groups that are also important to the Group, such as:

- Domestic and international analysts and investors, through participation in roadshows, conferences and meetings.
- The media, through regular mailings of news (press releases), meetings and interviews.
- Business schools, through the development of case studies on Fluidra.
- The academic world in general, by receiving visits by groups of students from different countries that are interested in Fluidra's track-record.
- End users, through the AstralPool website with an online pool-configuration simulator. Simulations for calculating energy savings can be performed thanks to this tool by selecting different parameters such as: country, climate, swimming pool measures, etc.
- Public administrations and government bodies, Fluidra participates as a member in the Committees of Sustainability and Environment, the Committee on Legal Affairs and Prosecutors of the Chamber of Commerce of Barcelona, and it is also actively involved in the meetings on Administrative Simplification of the Regional Government of Catalonia.

No key issues or problems were raised as unresolved or requiring attention during the dialogue with stakeholders in 2016

A cross-channel for all stakeholders is the opinion poll on the Integrated Report of the company. Two proposals in relation to the contents of the report were received through this channel: to incorporate direct feedback from customers (which has been taking place since 2014) and increased coverage of information, which is fulfilled in this report (see section About of the report) and which has plans to expand year after year until it reaches 100%.

No key issues or problems were raised as unresolved or requiring attention during the dialogue between the company and the various stakeholders throughout the year.

How Fluidra is perceived from the outside

In response to the **2016 Reporta Report**, which analyses the quality of information and of the reporting of those companies listed on the Spanish continuous market, Fluidra continues to climb positions in the ranking of assessment reports.

In the last report, Fluidra entered the **Top 10**, ranking eighth, becoming once again the top company in terms of reporting quality outside Ibex-35, improving its score by 6.9 points, which allowed it to climb 14 positions.



4

Strategy

Market environment	30
Strategic priorities	33
Priorities and financial objectives	35
Future outlook	37

**Xavier
Tintoré**
Corporate
General
Manager

“

In 2016, we exceeded the expectations set in our strategic plan and the forecast for 2017 suggests that we will meet our targets for 2018 a year earlier than expected”

The world is going through a period of great uncertainty marked by many changes: the UK decided to leave the European Union; there is a new president in the United States; and Europe has major upcoming elections in key countries in 2017.

Alongside these geopolitical movements, global GDP growth forecasts for 2017 are lower than those achieved in 2016. The first IMF estimates indicate a global growth of 3.4%, where advanced economies would grow an average of 1.8%; emerging and developed economies are up by 4.5%; and underdeveloped countries would post 4.9% growth. In this context, the IMF estimates of GDP growth for Spain in 2017 stands at 2.3%, somewhat lower than the GDP growth for 2016, estimated at the end of this report at 3.2%.

One of the main reasons for the slowdown in 2017 is China. The country was used to double-digit GDP growth supported by a growing investment of up to 50% of GDP and a heavy industry that monopolises the bulk of global markets, both which are unable to absorb the production of the Asian giant. This shift towards a GDP based on domestic consumption has already begun. In this context, the IMF expects China's GDP growth to stand at 6.2% for 2017.

All leading indicators confirm the good performance of the Spanish economy and predict a positive 2017

Another economically troubled front is the price of oil, influenced by the agreements made in an OPEC sector and the instability recorded in another one.

Outlook in Spain

The International Monetary Fund (IMF) continues to rely on the Spanish economy and the forecast launched in the last quarter of 2016; Spain is still the fastest growing economy in the entire Eurozone. After a year of political uncertainty, Spain has managed to form a government and the agreements are expected to materialise soon, both in terms of budgetary and deficit control to meet the requirements of the European Union, as in the measures to create jobs and maintain attractive and sustainable levels of future GDP growth.

The set of leading indicators confirms the good performance of the Spanish economy and predicts a positive 2017: the number of members of Social Security and private consumption is on the rise, the price index of commodities is also positive, car sales and new mortgages have gone up and bank lending to households is increasingly growing.

Uncertainties in Europe and in the US

The hike in economic activity in the whole of the European Union has been positive, while Italy generated some uncertainty: the results of the referendum and the resignation of Italian Prime Minister Matteo Renzi, which can translate into a few months of high volatility, compounded by negotiations between Britain and the European Union for the quick implementation of Brexit.

Besides the impact these facts may have on the stock market, the region will be keeping an eye on inflation, employment levels, the price of oil, the rise of populism in both ideologies, terrorist threats, immigration and international geopolitical unrest. In this scenario, the implementation of the European Central Bank policy should serve to calm down the stock markets in both Europe and other international markets.

In early 2017, the United States became an unknown player, as expectation rises to see how President Donald Trump runs and implements his policies and how they will affect global growth.

Disparity in emerging markets

Despite an apparent slowdown, the structural reforms the government is implementing in China to modernise the economy point towards a positive trend. Also within the Asian context, India continues to grow at rates of around 7%, supported by its dynamic private consumption and increased government spending which offset the decline in investment.

Across the Pacific, Brazil seems to start finding its way out of recession. Leading indicators are positive, but too low to attract investor confidence towards the Latin American country again.

GROWTH EUROZONE

1.5-1.7
%

GROWTH GDP CHINA

6.9
%



Fluidra presented its 2018 Strategic Plan in 2015, which is its roadmap for profitable growth.

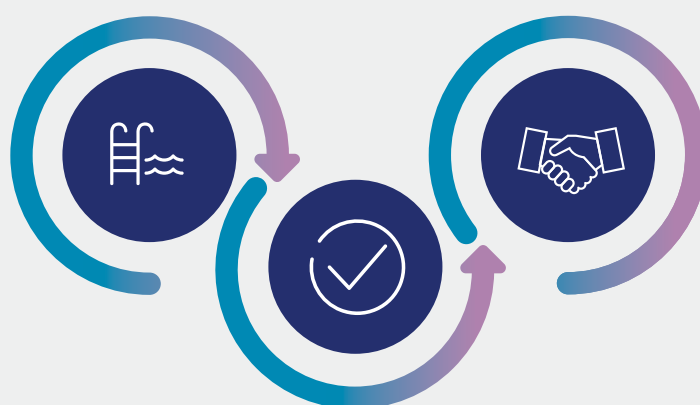
The construction of new pools in 2015 reached a turning point after several years of decline originated with the onset of the 2008 crisis, while forecasts pointed to a gradual improvement. In 2016, the number of existing pools in the world was approaching 15.6 million and the number of new pools grew approximately 330,000, which attests to the recovery of the sector.

Fluidra's business model allows it to benefit from recurring revenues from the existing pool park, as well as from the recovery of newly built pools. The company estimates that 70% of the business is related with the maintenance and care of the pool park and the remaining 30% with new construction. The group's international expansion has made it possible to develop a network covering almost all of the world's park pools, excluding the United States.

The 2018 Strategic Plan consists of three main pillars: focus, penetration and best practices. Fluidra has placed its focus on the Pool & Wellness sector, it has increased its market penetration through its international subsidiaries and it has implemented best practices in key areas such as sales, manufacturing and logistics in all countries where it operates.

2018 Strategic Plan

Focus on Pool
& Wellness



Market
penetration

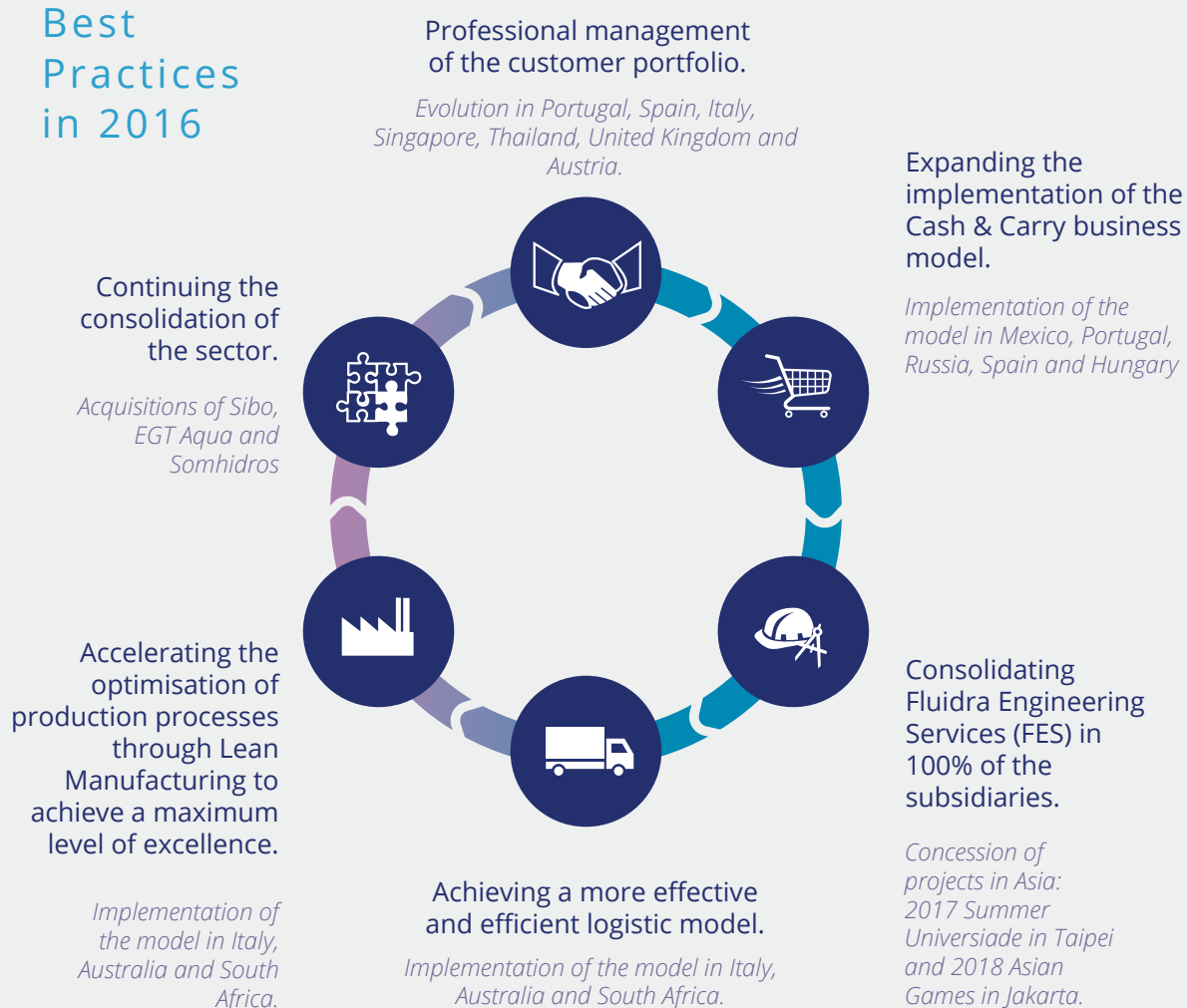
Best Practices

Focusing on Pool & Wellness allows Fluidra to strengthen its position as sector leader worldwide. Fluidra's strategy is to deploy its business model and product policy internationally to meet the demand of each market. This represents, for both residential and commercial swimming pools, the introduction of new, more efficient products which provide added value to the user, with a clear commitment to innovation.

Fluidra will concentrate its efforts on deeper penetration in markets where it already has a presence. The goal is to gain market share using the company's extensive product portfolio.

The company identified six Best Practices within the organisation, in key areas which are being transferred to all countries where it already operates and to all business areas of the company.

Best Practices in 2016

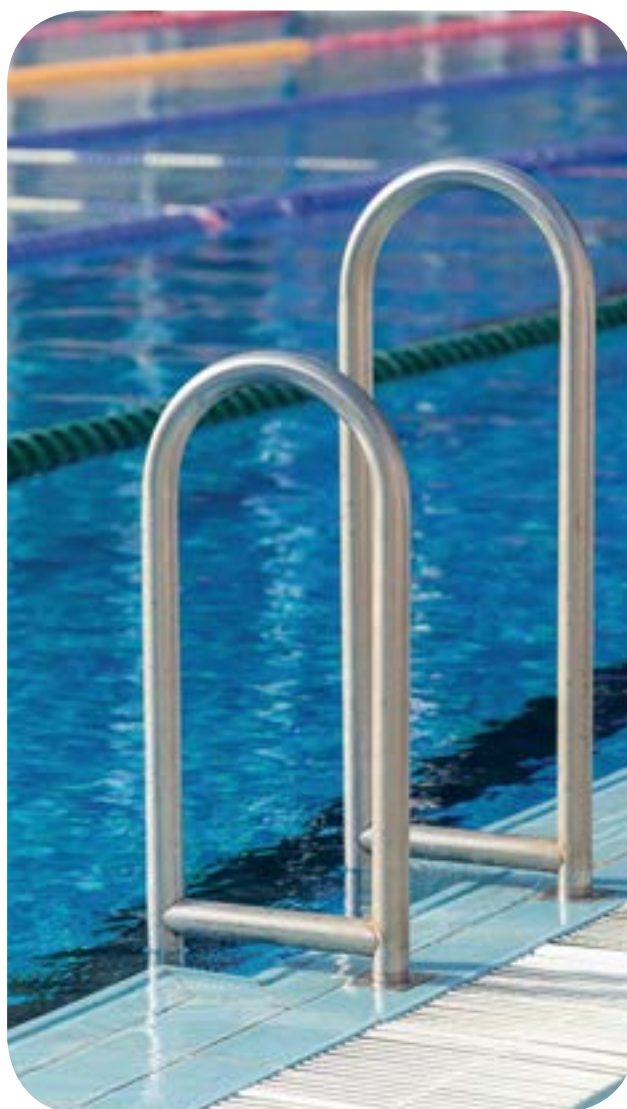


4.3

PRIORITIES AND FINANCIAL OBJECTIVES

Fluidra's financial forecasts indicate that the achievement of objectives of the 2018 Strategic Plan could be brought forward by one year. The turnover of EUR 713 million and the growth achieved place Fluidra closer to the target set for 2018. In addition, this higher volume is making it possible to reach higher EBITDA levels, which also bring the company closer to achieving the plan's targets. The ratios of working capital use are already better than those established for 2018, which proves the rigour employed in the company's capital management. These indicators forecast that Fluidra can anticipate by one year the achievement of the 2018 Strategic Plan.

Fluidra expects to continue with its profitable growth which combines organic and inorganic growth, maintaining financial strength of the group with net debt below 2x EBITDA, providing a payout to shareholders of around 50%.



INVICTUS PROJECT

The INVICTUS Project, which began in 2014, is a new operational model which aims to align all Fluidra processes with a global perspective and focus its efforts on tasks that add value. The aim of the project is to continue competing at the highest level in an increasingly demanding multinational environment, and be the best option for customers, exceeding their expectations. INVICTUS' keys to achieve the above are process standardisation, Information Technology system integration and the creation of a common database for the whole company.

During 2016, INVICTUS had three major progresses: start of activities in the first sales company (Fluidra Portugal), in the first manufacturing company (Metalast) and the creation and start of activities of Fluidra Global Distribution.



Fluidra Global Distribution

The mission of Fluidra Global Distribution is to centralise into a single location the purchase and supply of commercial enterprises, both for third-party suppliers and own factories of the group, with the aim of providing a better service to customers and becoming their best choice, through simplifying the model, standardising processes and improving stock control, the order book and commercial assistance provided.

4.4

FUTURE OUTLOOK

The new CSR Master Plan proposes 32 goals, 54 measures and 60 actions, all to be developed between 2017 and 2020

2017-2020 CSR Master Plan

In 2016, we worked on defining the new CSR Master Plan with 2020 as a deadline, thus aligned with the Corporate Strategic Plan. The new CSR Master Plan establishes two general objectives on which all actions planned are managed:

1

To position Fluidra as a leading Spanish business group through value creation on the basis of CSR.

2

To achieve the ability to successfully meet the sustainability requirements set out in international stock indexes like the Dow Jones Sustainability Index.

To achieve these objectives, and following the structure defined by the Sustainability Excellence Club, six strategic work dimensions have been defined:

Strategic dimensions



All goals and actions defined in the plan are aimed towards the consolidation of existing CSR structures and to complete anything that may be missing to achieve the objectives.

The 6 dimensions are broken down into 32 goals, 54 measures and 60 actions, all to be developed between 2017 and 2020

The actions planned to be developed between 2017 and 2020 are, among others: implementing a CSR training and awareness plan for all employees, creating and developing the Social Action and Patronage Master Plan aligned with the goals of the United Nations, the Customer Centric Plan, applying the technological innovation in customer relationships, developing a corporate volunteer programme, drafting Equality and Corporate Diversity plans, implementing the OHSAS 18001 / ISO 45001 and ISO 50001 on energy management and the implementation of the CDP (Carbon Disclosure Project), and setting short-term goals, or in the field of ethics and compliance, designing a reporting on taxes paid in the countries in which it operates.

5

Corporate Governance

Corporate Governance Structure	40
Governing bodies	41
Ethical framework	56
Risk management	61
CSR management	65

CORPORATE GOVERNANCE STRUCTURE

[G4-34, G4-35, G4-36]

Andrés Botella

Head of Tax, Legal and Compliance



Our process of reviewing and updating regulations allows us to adapt quickly to the recommendations of best practices in terms of good governance"

Fluidra's governing bodies are the General Shareholders' Meeting and the Board of Directors which, in turn, have established the following Governance Committees: Appointments and Compensation Committee, Audit Committee and Delegate Committee.

The Articles of Association, Regulations (of the General Meeting and the Board), and other internal rules and procedures make up the regulatory body that governs Fluidra's corporate governance system. The company ensures compliance with the recommendations and international best practices regarding governance, which is why it continuously reviews and updates its rules and regulations.

Fluidra adopts and publishes the **Annual Corporate Governance Report** which is governed by the recommendations on corporate governance of listed companies. This document has been available on the **corporate website** since its adoption.

In addition to the governing bodies described above, Fluidra has a governance structure for the management of the company which consists of the Corporate Committee, in charge of the Group's day-to-day business, and the G30, an expanded executive committee with the presence of all geography area managers, the production centres and the cross-sectional corporate functions.

The Sales and Operations General Manager and the Corporate General Manager attend all Board meetings, and channel and convey to that body any issues that may be identified as relevant to the Group.

5.2

GOVERNING BODIES

[G4-38]

GENERAL SHAREHOLDERS' MEETING

All shareholders may attend the General Meeting regardless of the number of shares they hold provided that the shareholders register prior to the date on which the General Meeting is held, which must be certified by the corresponding personal attendance card or document that serves as proof that they are indeed shareholders, in accordance with the law. Each share carries the right to one vote.



To attend the General Meeting, the shareholders are required to have the ownership of their shares registered in the corresponding accounting entries, with five days' notice from the date on which the Meeting is held and provide the relevant attendance card or document that serves as proof that they are indeed shareholders, in accordance with the law.

The General Meeting shall be validly constituted upon first call when the shareholders present or represented hold at least 25% of share capital with voting rights, and, upon second call, it shall be validly constituted whatever the capital present may be. However, for the General Meeting to validly agree to increase or decrease the share capital and any other amendment to the Articles of Association, the issuance of bonds, removal or limitation of pre-emptive subscription rights for new shares, transformation, merger, spin-off or transfer of assets and liabilities of the company, transfer of registered office abroad and dissolution by agreement of the Board, upon first call, the attendance of shareholders present or represented holding at least fifty percent of the share capital with voting rights shall be required. Twenty-five percent of the share capital shall suffice on second call.

The last Meeting had, as usual in recent times, a high turnout, where present and represented share capital reached a percentage of 79.7801%.

BOARD OF DIRECTORS

[G4-38, G4-39, G4-40, G4-42, G4-43, G4-44, G4-45, G4-46, G4-47, G4-48]

Fluidra's Board of Directors performs its duties with unity and independence, offering equal treatment among shareholders and guided by the interests of the company.

It should also ensure that, in its relations with the stakeholders, the company observes legislation and regulations; fulfils its duties and contracts in good faith; observes the uses and best practices of the sectors and territories in which it operates; and observes the additional principles of corporate liability it has voluntarily accepted.

The responsibilities of the Board of Directors can be summarised schematically as follows:

1. Approval of the strategy and organisation of the Company, and supervising and monitoring compliance thereof.
2. Approval of certain operations or investments relevant to the Group.
3. Drafting of the Financial Statement and preparation of periodic financial information.
4. Proposal for appointment and removal of directors, and appointment of internal positions.
5. General Meeting call.

Juan Ignacio Acha-Orbea (1), Jordi Constans (2), Bernat Garrigós (3), Eloi Planes (4), Óscar Serra (5), Carlos Ventura (6), Albert Collado (7), Gabriel López (8), Bernardo Corbera (9), Richard J. Cathcart (10) y Eulàlia Planes (11).



The Board of Directors also performs the analysis on the effectiveness of risk management processes of the Company on any environmental issues.

Furthermore, the Board of Directors also gives priority to the analysis of impacts, risks and opportunities of economic, environmental and social nature. Similarly, the Board of Directors is responsible for leading and approving the purposes, values, mission, strategy and corporate policy of the group. [\[G4-42, G4-46\]](#)

In the performance of their duties, all Directors may receive the necessary advice by the Company to carry out their functions. To this end, the Company enables the appropriate channels which, in certain cases, include external advice.

Likewise, among other measures focused on improving the knowledge of the governing body in matters within its competency and, in particular, in matters of environmental and social nature, the annual review and update by the Board of the crime prevention plan and risk map of the Company is available. [\[G4-46\]](#)

The Board of Directors is responsible for leading and approving the purposes, values, mission, strategy and corporate policy of the group

The Articles of Association stipulate that the Board of Directors is composed of 5-15 members. Currently, Fluidra S.A. has a Board consisting of 10 members plus its Honorary President who provide experience, business know-how and the necessary skills that a Group with a presence in over 45 countries requires. The current number of Directors is appropriate to manage a multinational group such as Fluidra, and it is in line with the recommendations on corporate governance of listed companies.

Furthermore, the Articles of Association also stipulate that the Board shall meet, in ordinary session, at least six times including at least once a quarter, and, in any case, with the frequency required to perform its functions. The Board met 10 times in 2016 with an average attendance rate of 100% of Directors present or represented.

In compliance with paragraph 2 of Article 529 septies of the Consolidated Text of the Companies Act and paragraph 5 of Article 15 of the Regulations of the Board of Directors, to the extent that the President of the Board has the status of executive director of the Company, the Board of Directors shall have the role of a Coordinating Director, who is specially empowered to call Board meetings or include new items on the agenda of an already convened Board meeting and whose role also includes coordinating and voicing the concerns of external directors, coordinating and bringing together non-executive directors and conducting regular evaluations of the President of the Board of Directors.

The following resolutions adopted by the Board of Directors on 1 December 2015 in relation to the composition of the Board came into force during financial year 2016, with effect from 1 January 2016:

- Appointment of Mr. Eloy Planes Corts as new President of the Board of Directors, also appointed Executive President of the Company in the internal organisation chart of the same. [\[G4-39\]](#)
- Appointment of Mr. Gabriel López Escobar as Coordinating Director of the Board of Directors of the Company.
- Appointment of Mr. Óscar Serra Duffo as Deputy President of the Board of Directors of the Company.
- Appointment of Mr. Juan Planes Vila as Honorary President of the Company.

Mr. Eloi Planes Corts, as Executive President of the Company, has delegated all functions legally permitted. [\[G4-39\]](#)

Furthermore, as of 21 January 2016 the Board of Directors approved the appointment by co-option of Dispur, S.L., as a member of the Board of Directors of the Company as nominee director to fill the vacancy which, with effect from 31 December 2015, was left due to the resignation of director Mr. Juan Planes Vila. At the same event, Dispur, S.L. accepted the position and appointed Ms. Eulàlia Planes Corts as the individual representing the company to exercise the position.

The appointment by co-option of Dispur, S.L. as a Director of Fluidra, S.A. was subject to ratification by the Ordinary General Meeting which took place on 3 May 2016, and by the Board of Directors of the Company, which approved said ratification.

According to the provisions in Articles 17 and 18 of the Regulations of the Board of Directors, Directors are appointed by the General Meeting or, where appropriate, by the Board of Directors, in accordance with the provisions of the Companies Act. In any case, for each appointment there must be (i) a previous proposal of the Appointments and Compensation Committee in the case of independent directors, or (ii) a preliminary report of the Appointments and Compensation Committee in the case of other type of directors. The appointment must be accompanied, in any case, by a Board report supporting the competence, experience and merits of the candidate, which shall be attached to the minutes of the General Meeting or the Board itself.

In the case of natural persons who are designated representatives of legal persons, the proposed natural person representative shall submit the report of the Appointments and Compensation Committee.

When appointing of a new director, the candidate must take the direction programme for new directors established by the Company, so that he/she can acquire a rapid and sufficient knowledge of the Company and its corporate governance rules.

The Board of Directors ensures that the candidates are persons of recognised standing, competence and experience, taking extreme care in the choice of those candidates who are to cover the positions of independent directors. [\[G4-40\]](#)

Women on the Board

The Board of Directors met on 21 January 2016 and appointed Dispur, S.L. as company Director; the former is represented on the Board by Ms. Eulàlia Planes Corts, the first female member of the Board of Directors of Fluidra.

Directors' performance review

In accordance with the provisions contained in Article 14 of the Regulations of the Board of Directors, the Appointments and Compensation Committee is to assess the skills, expertise and experience required of candidates to join the Board and will therefore define the roles and capabilities required to fill each vacancy. Moreover, it will determine the appropriate work conditions in terms of time and workload for them to carry out their duties.

The information on the assessment of directors during 2016 is available in the Annual Corporate Governance Report for that financial year in sections C.1.19, C.1.20 and C.1.20bis. [\[G4-44\]](#)

As for the improvement of knowledge of the members of the Board, Ms. Eulàlia Planes Corts, will undertake in 2017 further training at ESADE to deepen her understanding of the issues related to the Board. Further, also in 2017, a seminar on awareness and exchange of experiences on issues of Corporate Social Responsibility and Reputation is scheduled. [\[G4-43\]](#)

Composition of the Board of Directors

Name or company name of Board member	Representative	Position on the Board	Date of first appointment	Date of last appointment	Type of Director
Eloy Planes Corts	-	President and CEO	31/10/2006	08/06/2011 ¹	Executive Chairperson
Óscar Serra Duffo	-	Deputy President and Board Member	05/09/2007	05/06/2013 ²	Nominee Director (Boyser, S.L.)
Gabriel López Escobar	-	Coordinating Director and Board Member	30/10/2014	05/05/2015 ³	Independent
Aniol, S.L.	Bernat Garrigós Castro	Deputy Secretary and Board Member	25/04/2012	06/06/2012	Nominee
Bansabadell Inversió Desenvolupament, S.A.	Carlos Ventura Santamans	Board Member	05/09/2007	05/06/2013	Nominee
Bernardo Corbera Serra	-	Board Member	05/09/2007	05/06/2013	Nominee (Edrem, S.L.)
Juan Ignacio Acha-Orbea Echeverría	-	Board Member	05/09/2007	05/06/2013	Independent
Jorge Valentín Constans Fernández	-	Board Member	05/05/2015	-	Independent
Richard J. Cathcart	-	Board Member	05/09/2007	05/06/2013	Independent
Dispur, S.L.	Eulàlia Planes Corts	Board Member	21/01/2016	-	Nominee
Albert Collado Armengol	-	Non-Board-member Secretary	17/09/2007	-	-

1. Date of last appointment as Director. His appointment as President was agreed on 1 December 2015 and with effect from 1 January 2016.

2. Date of last appointment as Director. His appointment as Deputy President was agreed on 1 December 2015 and with effect from 1 January 2016.

3. Date of last appointment as Director. His appointment as Coordinating Director was agreed on 1 December 2015 and with effect from 1 January 2016.

A BOARD OF EXPERTS



Eloy Planes
Chairman and CEO

Born in Barcelona, in 1969. He has been Fluidra's President since 1 January 2016. He was the chief executive officer (CEO) of the group since 31 October 2006, when he led its IPO in 2007 and its restructuring in 2008/09. He earned a Bachelor's Degree in Industrial Engineering from the Technical University of Catalonia and a Master's Degree in Business Management from EADA Business School. Currently, he is also the President of the International Swimming Pool Fair of Barcelona.



Óscar Serra
Deputy President and Board Member

Born in Barcelona, in 1962. He was awarded a Bachelor's Degree in Business Administration from the 'Management School'. He is currently the Chairman of the Board of Directors of Boyser, although he worked in the areas of marketing and communication within Fluidra group companies.

In 2017, a seminar on awareness and exchange of experiences on issues of Corporate Social Responsibility and Reputation is scheduled



Carlos Ventura
Board Member

Born in Sabadell (Barcelona), in 1969. He holds a Bachelor's Degree and a Master's Degree in Business Administration from ESADE Business & Law School. He is currently Deputy General Manager at Banco Sabadell and Head of the Sabadell Group's Corporate Banking division, where he has worked for most of his professional life.



Bernardo Corbera
Board Member

Born in Barcelona, in 1965. He holds a Bachelor's Degree in Business Administration from ESEI, and completed an Executive Management Programme at IESE. He is currently the CEO of the Board of Directors of Edrem, although since 1989 he has worked in various companies within the Fluidra group.



Juan Ignacio Acha-Orbea
Board Member

Born in San Sebastian, in 1956. He earned a Bachelor's Degree in Economics from the Complutense University of Madrid and a Master's Degree in Business Management from IESE Business School. He is currently the President of Equity Contraste Uno and Director at AENA.



Bernat Garrigós
Individual representing
Aniol S.L. (Deputy
Secretary and Board
Member)

Born in Barcelona, in 1967. He holds a Bachelor's Degree in Biology from the University of Barcelona and a Master's Degree in Environmental Management from Duke University. He is currently the CEO of Aniol, having worked within Fluidra Group companies between 1995 and 2002.



Richard J. Cathcart
Board Member

Nacido en Washington (EE.UU.) en 1944. Es piloto graduado por la Academia de las Fuerzas Aéreas de Estados Unidos. Actualmente, es miembro del consejo de administración de Watts Water Technology Co.



Gabriel López
Coordinating Director and
Board Member

Born in Madrid, in 1956. He holds a Bachelor's Degree in Business Administration, a Master's Degree in Economics and a Diploma in Economics from the University of Nancy (France). He is currently on the Official Register of Auditors (ROAC, Spain) and the PCAOB Roster (USA). As partner of the law firm PwC, he has been President of PwC Spain's Monitoring Committee.



Jordi Constans
Board Member

Born in Barcelona, in 1964. He holds a Bachelor's Degree in Economics from the University of Barcelona, and completed a General Management Programme at IESE and a Business Administration and Management programme at ESADE. He is currently a member of the Boards of Directors of THOM Europe (leading jewellery brand in France), Royal Van Lent (Dutch shipyard belonging to the LVMH Group), Fluidra, Puig and Codorniu.



Eulàlia Planes
Individual representing
Dispur, S.L. (Board
Member)

Born in 1971. She holds a Bachelor's Degree in Business Administration from the Autonomous University of Barcelona. She subsequently completed several postgraduate programmes, including the Management Development Programme at IESE and the Directors' Programme at Deloitte. Since 1998, she has been the CEO of Dispur, S.L., the investment branch of the Planes Family's Office, engaging in business in the real estate, financial investment and private equity sectors. She has held managerial and director posts at various subsidiaries of the family group.



Albert Collado
Non-Board-member
Secretary

Born in Barcelona, in 1964. He holds a Bachelor's Degree in Law from the UB and a Master's Degree in Taxation from the CEU-Abat Oliba Foundation. He is currently a partner of J&A Garrigues in Barcelona, co-chairman of the Tax Committee of the IBA and chairman of the Tax and Legal Committee of the Spanish Association of Directors.

Conflict of interests [G4-41]

The Company's internal regulations set out detailed rules on the issue of conflicts of interest. In this respect, the directors are required to observe the following performance standards in all cases:

- The directors must notify the Board of Directors of the existence of conflicts of interest, and refrain from attending and participating in any deliberation affecting the issues in which they may have a vested interest, directly or indirectly, through related third parties. Any resolutions that may affect their status as directors, such as their appointment or removal from the Board of Directors or other similar ones, are excluded from the obligation to refrain.
- The directors may not use the Company's name or act in their capacity as directors to carry out transactions on their own behalf or for related parties.
- The directors may not directly or indirectly carry out professional or commercial transactions with the Company unless the conflict of interest is reported beforehand and the Board approves the transaction.
- Transactions that are performed as part of the Company's regular course of business and that are of a habitual and recurring nature may be carried out providing the Board of Directors has issued a general authorisation to do so.

*The internal regulations of Fluidra sets **performance criteria of directors in case of conflicts of interest***

- The directors must disclose direct or indirect participation that either they or any related parties carry out in other companies whose purpose is the same as, or similar or complementary to that of the Company.
- Similarly, the directors may not participate, either on their own behalf or on behalf of others, in companies whose business activity is the same as, or similar or complementary to the type of business activity carried out by the Company; may not hold offices as directors or executives of companies that compete with the Company, with the exception of the posts they might hold, if applicable, in a Group company, unless expressly authorised by the Shareholders at their General Meeting, without prejudice to the provisions of Articles 227 to 229 of the Companies Law.
- The directors may not make use of Company assets or use their position in the Company to obtain an economic advantage unless they have paid an appropriate compensation.
- The directors may not benefit themselves or on behalf of a related party from a business opportunity of the Company, unless it has previously been offered to the Company and the latter has waived its right to do take it.
- Conflicts of interest involving the directors must be included in the report.

GOVERNANCE COMMITTEES

[G4-38]

Audit Committee

The Regulations of the Board of Directors stipulate that the Audit Committee, appointed by the Board of Directors, is formed by a minimum of 3 directors, exclusively non-executive directors, two of whom, at least, must be independent directors, and one of whom is to be appointed taking into account his/her expertise and experience in accounting, auditing or in both. The members of the Audit Committee, and particularly its Chairperson, must be appointed taking into account their expertise and experience in accounting, auditing and risk management, as well as their expertise, skills and experience with regard to other Committee tasks.

In any case, the Chairperson must be an independent director to be replaced every four years, with the possibility of being re-elected after one year from the date of replacement.

At present, Fluidra, in compliance with the provisions of its internal regulations, has an Audit Committee consisting of 4 members, two of whom are independent, its Chairperson being one of the two independent members.

The last change in the composition of the Committee, adopted on 1 December 2015, was the acceptance of the resignation of Mr. Juan Planes Vila as a member thereof and as a result of his resignation as director of the Company.

Main duties include:

- Monitoring the effectiveness of the internal control of the Company and in particular the Financial Reporting Internal Control, internal audit and risk management systems, including risk analysis for environmental matters.
- Reviewing the Company's accounts, ensuring compliance with legal requirements and the appropriate implementation of accounting principles.
- Supervising compliance with the audit agreement, ensuring that the opinion regarding the Financial Statement and the main contents of the auditing report are drawn up clearly and accurately, and evaluating the results of each audit.
- Reviewing compliance with the Internal Code of Conduct and Regulations of the Board.

*The Audit Committee met **5 times** during 2016*

The Audit Committee's regular meetings shall be quarterly and aimed at reviewing the periodic financial information to be submitted to the stock market authorities as well as the information that the Board of Directors must approve and include within its annual public documentation. Furthermore, it shall meet at the request of any of its members and whenever called by its President, who must do so whenever the Board or its President request the drafting of a report or the adoption of proposals and, in any case, whenever appropriate for the proper performance of its duties.

Audit Committee

Name or company name of Committee member	Representative	Position on the Committee	Type of Director
Gabriel López Escobar	-	President and Committee Member	Independent
Bansabadell Inversió Desenvolupament, S.A.	Carlos Ventura Santamans	Secretary and Committee Member	Nominee
Juan Ignacio Acha-Orbea Echeverría	-	Committee member	Independent
Bernardo Corbera Serra	-	Committee member	Nominee

Appointments and Compensation Committee

This committee currently consists of 4 members, two of whom are independent, its Chairperson being one of the two independent members. Thus the provisions contained in the Company's internal regulations are met (see p. 16 of the [Regulations of the Board of Directors](#)).

The most recent changes to the composition of the Committee, adopted on 1 December 2015, were as follows:

- Acceptance and confirmation of the resignation of Mr. Juan Ignacio Acha-Orbea Echeverria as member of the Appointments and Remuneration Committee.
- Appointment of Mr. Jorge Valentín Constans as new member of the Appointments and Compensation Committee.

Main duties include:

- Assessing the skills, expertise and experience required to join the Board.
- Notifying and presenting to the Board of Directors any appointments and removals of senior managers.
- Proposing to the Board of Directors the remuneration policy for directors and senior management officers.
- Overseeing compliance with the remuneration policy established by the Company and with the transparency of remunerations.

The Regulation of the Board provides that the Committee shall usually meet on a quarterly basis. Furthermore, it shall meet whenever called by its chairperson, who must do so whenever the Board or its President request the issuance of a report or the adoption of proposals and, in any case, whenever appropriate for the proper performance of its duties.

**The Appointments and Compensation Committee
met 6 times during 2016**

Appointments and Compensation Committee

Name or company name of Committee member	Representative	Position on the Committee	Type of Director
Richard J. Cathcart	-	President and Committee Member	Independent
Aniol, S.L.	Bernat Garrigós Castro	Secretary and Committee Member	Nominee
Óscar Serra Duffo	-	Committee member	Nominee
Jorge Valentín Constans Fernández	-	Committee member	Independent

Delegate Committee

The Delegate Committee consists of the Executive Director, three nominee directors and one independent director. Similarly, a nominee director is the non-Board-member Secretary of the Delegate Committee. The composition of the Delegate Committee reflects the composition of the Board, and the balance established thereof between executive, nominee and independent directors. The Delegate Committee did not meet during 2016 because the frequency of Board of Directors' meetings was increased regarding the minimum number of meetings established in the internal regulations of the Company.

Delegate Committee

Name or company name of Committee member	Representative	Position on the Committee	Type of Director
Eloy Planes Corts	-	Executive	President
Aniol, S.L.	Bernat Garrigós Castro	Non-Committee-member Secretary	Nominee
Bansabadell Inversió Desenvolupament, S.A.	Carlos Ventura Santamans	Committee member	Nominee
Bernardo Corbera Serra	-	Committee member	Nominee
Juan Ignacio Acha-Orbea Echeverría	-	Committee member	Independent
Óscar Serra Duffo	-	Committee member	Nominee

REMUNERATION POLICY

[G4-51, G4-52, G4-53, G4-54, G4-55]

The remuneration of the members of the Board of Directors consists of a fixed annual remuneration and an allowance for attending Board of Directors meetings.

There is also an additional remuneration for those Directors who are part of any of the Board Committees, namely the Executive Committee, the Audit Committee and the Appointments and Compensation Committee.

The maximum remuneration amount that Fluidra can provide its Directors for such items is determined by the General Shareholders' Meeting, under the condition that the amount is a reflection of the effective professional performance of the same and of the benchmark with the market. A benchmark study on the remuneration of Fluidra's directors compared to the Spanish market to objectify their compensation took place in 2016.

In compliance with the international recommendations of Good Corporate Governance (proxy advisors), in 2012, it was decided to dissociate the remuneration of the Board from the performance of the organisation through variable remuneration, so there is currently no variable concept in the remuneration structure of the Board [G4-52], except the Executive President, who, together with his management team, have part of their remuneration linked to various economic performance indicators, and also to the strategic management objectives of company. (For additional information see p. 23 of the *Regulations of the Board of Directors*).

Annually, the Annual Report on remuneration of directors is subjected to a vote of the General Shareholders' Meeting; this report includes information about the remuneration policy of the Company for the current year and for future years, a comprehensive summary on how the remuneration policy was applied during the previous financial year and the breakdown of the individual remunerations earned by each of the directors.

In the last General Shareholders' Meeting held on 3 May 2016, the item on the agenda concerning the advisory vote of the aforementioned Annual Report on remuneration of directors (Item 5) was adopted with 88,622,517 votes in favour, that is, 99.9995% of the votes, representing 78.6857% of the share capital. [G4-53]

As for the wage gap between the highest paid member in the group (Executive President) and the average of the workforce in 2016, a ratio of 15 times was established. Wage increases in the group are set annually based on performance evaluation of individuals. [G4-54, G4-55]

5.3

ETHICAL FRAMEWORK

[G4-DMA, G4-56, G4-57, G4-58]

There are two pillars which support ethical management in the organisation of Fluidra group: the Code of Ethics, entitled People Values, and the Code of Ethics for Suppliers. The first inspires and defines the day to day conduct of all employees of Fluidra and the second works as guidelines for social responsibility and sustainability in the supply chain.

People Values

The Code of Ethics is a reflection of the values and principles that should guide the conduct of all companies which belong to the Fluidra group. The Code of Ethics was created by Fluidra in 2008 and was last updated in 2015.

Its implementation is binding on all persons and directors of the Fluidra Group, regardless of the position or role they hold (including administrative bodies, managerial positions and other supervisory bodies), ensuring a responsible ethical behaviour and compliance with the law.

The Code of Ethics does not replace or abrogate the existing legislation in each country or at the international level, whether in terms of administrative, civil, criminal, labour or commercial law, or the internal company regulations or binding collective agreements.

Fluidra encourages all its members to consult with their supervisors, or with the Committee set up to promote the use of the Code of Ethics or through the Confidential Channel, on any situation in which they may have questions about whether their own actions or that of third parties could infringe the ethical principles established.



COMMITMENTS ACQUIRED THROUGH PEOPLE VALUES



With society and Human Rights: commitment to respect the principles of the Universal Declaration of Human Rights.



With employees and governing bodies: commitment to implement and enforce existing labour laws, and create work environments where respect, equality and safety prevail, with particular emphasis on promoting transparency and fighting corruption and money laundering.



With stakeholders: commitment towards respectful behaviour and vocation to serve shareholders, consumers, suppliers, public authorities and competitors.



With the environment: commitment to environmental preservation and respect for the balance of natural systems, geared towards minimal and rational use of resources and in-depth knowledge of applicable regulations.



With current legislation: commitment to ensure that the company and its employees comply with current laws and regulations and to promote compliance thereof.

So that the 'People Values' Code of Ethics is not just a mere declaration of intent, there are several mechanisms that disseminate, promote and ensure its implementation and enforcement, namely: the Ethics Committee, the Confidential Channel, a training activity and a disciplinary system when failing to comply with the law and ethical principles.

Ethics Committee

The Ethics Committee consists of the Human Resources, Internal Audit and Legal divisions. The Ethics Committee receives, examines and responds to inquiries, complaints or allegations raised by employees, customers, suppliers or others. All requests or communications regarding incidents are handled with confidentiality and respect for all parties involved.

The Ethics Committee reports to the Audit Committee, the governing body reporting directly to the Board of Directors.

Confidential Channel [G4-58]

The **Confidential Channel** is available on the corporate website, at Fluidra's intranet in the Living Fluidra section and by email at peoplevalues@fluidra.com, which is available to all employees, customers, suppliers or other stakeholders. Through an online form or via email they can make inquiries, ask for advice or report an incident.

All communications are handled confidentially and care is taken when making any decision always respecting the people involved.

In 2016, nine queries were recorded through this channel. Once examined and evaluated, they did not lead to complaints on human rights violations, corruption or discrimination. [G4-HR3, G4-HR12, G4-S05]

There have not been any cases of violation of the rights of indigenous peoples. [G4-HR8]

Training

Fluidra conveys its 'People Values' Code of Ethics to all employees through a compulsory online training course, or attending training sessions where a physical copy of the document is handed out. The aim of this courses is to inform all employees about Fluidra's values and reflect on the importance of ethical standards that will help them in the development of their daily activities.

In addition, as permanent support for dissemination and clarification of doubts, a number of posters have been created and hung in several of the group's facilities. They also created several links that lead directly to the Code of Ethics or the Confidential Channel, both from the corporate website www.fluidra.com, como desde el portal de noticias www.livingfluidra.fluidra.com and from the intranet.



**Confidential
Channel
consultations**

Suppliers' Code of Ethics

The actions of suppliers and providers of materials operating outside the scope of the group's internal control are monitored by Fluidra. To this end, Fluidra has implemented a Supplier Code of Ethics since 2011 which is specific to its supply chain.

The provisions of this Code are present in the approval process of new suppliers, their membership is automatically implemented by the general clauses in all corporate agreements.

For those cases where there is no explicit agreement, an informative clause in the ordering system was included in 2015. In addition, a specific section containing the **Supplier Code of Ethics** has been created on Fluidra's website. Thus, any supplier can check it at any time, even before starting a commercial relationship with Fluidra.

Fluidra is aware that in addition to the commitment made by suppliers, it is necessary to implement control measures. In this sense, Fluidra is working to establish during next year protocols for action and appropriate follow-up to the high variability and types of providers. [Additional Information on the Supplier's section of this report]



Honesty
Transparency
Integrity

...as part of my daily routine!!

COMPLIANCE

Fluidra has spent several years developing a Corporate Compliance Programme whose main objective is to generate an ethical culture within the company and prevent any violation of the law, especially any such which may be classified under the Criminal Code or under applicable law at any given time and place.

Furthermore, the Corporate Compliance Programme contains the roles appearing in the Ethical Framework section of this report, with some other important roles worth noting:

- **Compliance Coordinating Committee:** This committee is composed of the Sales and Operations General Manager and by Human Resources, Internal Audit, and Legal Counsel representatives. Its main functions are: (i) to ensure that the Compliance Programme is properly developed, (ii) to promote the development of policy standards and procedures, (iii) to collaborate on any necessary research to support the Ethics Committee.
- **Policies, rules and procedures:** It refers to the regulatory body that defines and specifies the lines of conduct to be taken by employees of Fluidra Group. The group is developing new policies, rules or procedures that apply to all workers. A section on the intranet called "Policies and Procedures" has also been created. It contains all regulations that employees must follow.
- **Training plan:** Fluidra is developing a training plan to ensure that all employees are given sufficient training in all areas applicable to them, especially in relation to those areas where there is a greater risk of committing crimes.

PROGRAMME IMPLEMENTATION

Fluidra has developed an implementation plan of the Corporate Compliance Programme in the different group companies. The implementation shall be performed gradually, in stages and levels. The implementation plan will begin in Spain, Australia, the USA, France and the UK throughout 2017.

EXTERNAL VALIDATION

In September 2016, an external auditor (PricewaterhouseCoopers) issued an expert report certifying that Fluidra S.A. has a reasonable control environment to prevent crimes which imply criminal liability to the legal person. That is, Fluidra has a Corporate Compliance programme.

5.4

RISK MANAGEMENT

[G4-14, G4-44, G4-45,
G4-46, G4-47]

The efficient management of potential risks is essential for proper development, achieving objectives and the future plan of any company. Fluidra, as an international industrial group, understands that corporate risk management is one of the cornerstones of its business.

Corporate risk management falls to the Audit Committee as an advisory body and as representative of the Board of Directors.

The Risk Management System works in a comprehensive and continuous manner, consolidating such management through subsidiaries, geographical areas and supplementing it with corporate support areas. It includes the identification, analysis, assessment – both by activity and by the current environment –, controls and associated mitigation plans.

The duties of the Audit Committee regarding Risk Management include:

- Identifying the different types of risk (strategic, operational, financial, legal, reputational and accidental), including –among financial and economic risks– contingent liabilities and other off-balance risks.
- Identifying the measures in place to mitigate the impact of identified risks, should they materialise.
- Verifying and monitoring the Corporate Risk Map as a tool to identify, manage and follow up on risks with significant impact on the Group's objectives.

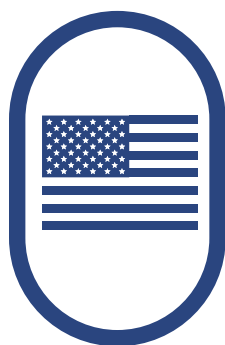
The different risks are identified and assessed based on an analysis of the events that may trigger them. The assessment is performed using metrics that calculate likelihood and impact. Existing controls are put in place in order to mitigate such risks and any additional necessary action plans are implemented if the above controls are deemed insufficient. Through this process, which is conducted annually and coordinated by Internal Audit, the Company's Risk Map may be outlined. The map provides the most significant risks, along with the main variations from the previous year, which are then presented to the Audit Committee for discussion and approval.

*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 definition of the scale of severity and the scale of likelihood is performed according to qualitative and quantitative criteria. Once critical risks are identified and reassessed, the Company's senior management officers devise specific measures, appointing those in charge of their implementation as well as the time frames allocated, so as to mitigate the risks' impact and likelihood, while reviewing the current controls in place on such risks.

The analysis of risks, controls and measures to mitigate their impact and likelihood is presented annually to the Audit Committee for supervision and approval. Subsequently, the Audit Committee reports the above to the Board of Directors.

Risks that materialised in 2016



Failure to comply with expectations in the US market.

In 2011, Fluidra acquired Aqua group, a leading company in the world of robotic pool-cleaners with presence in the US and Israeli market. Growth forecasts and penetration in the US market have not reached the levels initially expected. Likewise, the value in use of the cash-generating unit resulting from the acquisition of Aqua group does not cover the value of the net assets and goodwill assigned, so an impairment in the Goodwill resulting from the purchase ensued reducing it to EUR 1.5 million.



Referendum on the membership to the European Union held in the UK.

Following the outcome of the referendum on the membership to the European Union held in the UK on 23 June 2016, there have been immediate consequences such as the devaluation of the pound sterling. Although we find that Fluidra's operations in the UK have grown at double-digit in local currency, there is a drop in sales value and investments (assets and liabilities) when consolidated in EUR, while no significant impact has been observed at the moment thanks to the actions taken by Fluidra's Management team. The company continues to monitor both the UK's economy and the market and competitors to act in an appropriate manner given the current uncertainties.

TABLE OF MAIN RISKS I [G4-45]

Monitoring of and response plans for Fluidra's main risks.



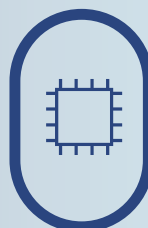
Development of new products.

Continuous analysis of sales of new strategic products and its comparison with that of competitors based on monitoring tools for market research, analysis of statistical databases by market and by product type. Conducting comparative studies to set themselves apart from the competition and updating the assessment dossiers of products with the information obtained. Specific action plans aimed at ensuring the adaptation of production capabilities to anticipate levels of demand for these new products.



Credit risks.

The Fluidra Group has a highly diversified portfolio of domestic and international clients, in which there is not one top customer that represents a significant percentage of the turnover of the year, so credit risk is also mitigated.



Technological risks.

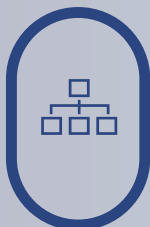
Given the activities carried out by the various business units of Fluidra, protecting technology and development is key to maintaining its competitive edge. To this end, the company has criteria and development policies in place together with legal protocols that ensure protection.



Financial risks.

Financial risks are subject to continuous monitoring for exposure to exchange rate risk or interest rate risk, among others, and policies and measures are suggested in this respect.

TABLE OF MAIN RISKS II [G4-45]



Subsidiaries management risk.

Fluidra is certain that bolstering and standardising the procedures and internal controls in the Group's subsidiaries is the way forward for early detection and eradication of irregularities in the management of subsidiaries. In this respect, the INVICTUS project is a valuable tool for achieving this goal.



Human capital risks.

Fluidra group companies have a variable remuneration policy linked to professional development and the achievement of personal goals so as to be able to identify and reward its best employees. The parent company has a reporting channel created by the Audit Committee under the collegial management of the corporate management of Human Resources, Internal Audit and the Legal department, so that any employee of the group can file a complaint about issues related to internal control, accounting or auditing. The company has an Internal Code of Conduct in place for matters relating to the stock market.



Implementation of new business activities.

Continuous assessment of new activities and organisation by Fluidra, which add more value to the group, culminated in 2016 with the acquisition and integration Sibbo in the Netherlands. Aware that any new activity involves an inherent risk, the company hired specialised external consultants who provided advice on the procurement processes and Fluidra has established the necessary controls to mitigate the risk associated with the development and integration of any new activity.



Risks relating to processes.

These risks are managed and monitored centrally by the Management and Control Department and verified by the Internal Audit Department. The processes of obtaining the consolidated economic and financial information are developed centrally and under corporate criteria, with the Financial Statement, both consolidated and individual, from the corresponding subsidiary, verified by external auditors.

Fluidra understands Corporate Social Responsibility (CSR) as an integral part of its management in search of greater value creation for all its stakeholders, in an open and frank relationship, which provides sustainable development for all and takes care of the physical environment in which it takes place. The company has a structure set up for the strategic and operational management of CSR.

Corporate Social Responsibility Committee [G4-37]

Corporate Social Responsibility (CSR) within Fluidra is managed through the CSR Committee as a cross-sectional element and driver of the policies and actions of corporate responsibility, responsible for channelling from the governing bodies to the base, and vice versa, everything that may affect the relationships with its stakeholders.



1. David Tapias 2. Rosa Rafecas 3. Joan Planes 4. Cristina del Castillo 5. Josep Tura 6. Arturo de las Heras 7. Bea Strebl 8. Xavier Tintoré

One of the functions of the committee is to collect and analyse the expectations and concerns of stakeholders

This committee is composed of:

- Honorary President of Fluidra and President of the Fluidra Foundation, Mr. Joan Planes
- Corporate General Manager; Mr. Xavier Tintoré,
- Director of HR and RSC, Mr. Josep Tura.
- Head of R&D&, David Tapias.
- Head of Communications and External Relations, Ms. Bea Strebl.
- Director of Investor and Shareholders Relations, Ms. Cristina del Castillo.
- Cepex SAU Environment Manager, Ms. Rosa Maria Rafecas.
- Technical Consultant for Corporate Responsibility, Mr. Arturo de las Heras.

The CSR Committee meets every three months to assess the planned progress and take appropriate decisions on the evolution of the results. In 2016, it is worth noting the incorporation as a member of the CSR Committee of the President of the newly created Fluidra Foundation, Mr Joan Planes, who is also the Honorary President of the Fluidra group.

One of the duties of the committee is to record the expectations and concerns of stakeholders, analyse and forward to the Corporate Committee all relevant issues that need to be addressed in higher bodies to respond to these demands. [\[G4-49\]](#)

From the materiality assessment process with our stakeholders, Fluidra has managed to understand their concerns and translate them into the Materiality Matrix defined in this chapter. [\[G4-50\]](#)

This committee is represented within the Corporate Committee by the Corporate General Manager. The liaising with the Group's daily operations is carried out by the Human Resources and CSR Department. From the materiality study and the dialogue with stakeholders, the 2020 CSR Master Plan has been developed and approved, which contains the actions to be carried out to meet the expectations of stakeholders. [\[G4-49, G4-50\]](#)

Occasionally, the CSR Committee invites to its meetings, periodically, the heads of the different stakeholders so they may communicate the latest news and developments in the entrusted actions. This helps the cross-sectionality and awareness of CSR in the value chain of the group.

6

2016 Financial year

Results for the year	68
Business areas in 2016	75
Shareholders	80
Human Resources	85
Innovation	99
Customers	107
Suppliers	114
Environmental management	120
Society	141

RESULTS FOR THE YEAR

6.1

[G4-DMA, G4-EC2, G4-EC4, G4-EC7, G4-S07, G4-S08]

Carlos Franquesa

Sales and Operations General Manager

Fluidra concentrated its efforts in 2016 on achieving the objectives of the 2018 Strategic Plan, with various milestones in the year to underpin the good progress of the plan. The main challenges the company faced during the year and their degree of compliance are detailed in the following table:

AREA	OBJECTIVE	SITUATION
Placing the focus on sales	Penetration, Pricing, FES and SAM	Sales growth by 6.8%
Placing the focus on operations	Improve service and achieve high levels of quality and timeliness of delivery	97% customer service
Return on capital	Divestitures programme and Net Working Capital management	Net financial debt at 1.8 X EBITDA
Environmental control and information technology	Implementation of INVICTUS	Compliance with standards
Organisation	Foster the talent of teams	Implementation of the talent management programme



Fluidra's financial strength has secured major investments during the year, such as those in Australia, South Africa and the acquisition of the Dutch company Sibio, while improving the profitability of the company"

2016 KEY MILESTONES FOR FLUIDRA

2016



FEBRUARY

Purchase of Somhidros' fountain business

The acquisition for EUR 1 million of the relevant branch of Somhidros' ornamental fountain business, involved the incorporation of the Spanish group leader in this sector and consolidated the leadership of Fluidra in commercial pools.



MARCH

Acquisition of EGT Aqua

Fluidra acquires the goodwill of French company EGT Aqua, market leader in the wooden pools sector. This acquisition, worth about EUR 1 million, allowed access to a new segment and reinforce the leading position in the pool sector.



JULY

Investments in Australia and South Africa

Fluidra invested approximately EUR 5 million in new facilities to transfer the activities of its subsidiaries in Australia and South Africa. These measures were aimed at increasing production capacity in response to growing demand in both market.

2016



JULY

Acquisition of Sibo

The company reached an agreement to buy 70% of the share capital of Sibo, a key player in the Benelux market in distribution of equipment and components for water gardens, natural pools and swimming pools. The total of the company was valued at EUR 13 million and the acquisition of 70% was held by a first payment of EUR 5.7 million and a second payment will be made in 2018 based on the results obtained by Sibo in 2017.



SEPTEMBER

Start-up of the Fluidra Foundation

The establishment of Fluidra Foundation has been a further step in the development of the company's commitments to society and culture. This institution will focus more efficiently on the initiatives and impacts developed by the group.



OCTOBER

29th Summer Universiade Project

Fluidra secured a contract worth EUR 5.1 million for the design, supply and installation of the Olympic-size competition pool and of the training pool for the 29th Summer Universiade, the university world championships to be held from 19 to 30 August in Taipei (Taiwan).



OCTOBER

Asian Games 2018 project

The company was chosen to run the installation of pools of the Asian Games 2018, a project worth EUR 4 million consisting of the renovation of Gelora Bung Karno sports facilities in Jakarta (Indonesia).

ECONOMIC PERFORMANCE

The Fluidra Group has a turnover at year-end 2016 of EUR 713.3 million with a growth of 10.2% over the previous year (+ 12.6% at constant exchange rates). The evolution of the turnover has been very positive on European markets, although it has been affected by the devaluation of the pound sterling. In the rest of the world, growth has also been remarkable, slowed only by China and supported by the acquisition of Waterlinx in South Africa, by the sales growth in the US and the strong performance in Australia.

By business areas, the main player of the good performance of the figures is residential pool, which has increased in sales by 16.4%, together with 13.6% of the water treatment family.

To contextualise the sales figures, we must take into account three events occurred during the year: the impact of Waterlinx, acquired in July 2015; the acquisition of Sibo in 2016, which has contributed EUR 7.5 million ; and disinvestment in November 2016 in Calderería Plástica del Norte, whose sales in December 2015 stood at EUR 0.2 million.

TURNOVER



Table of results

<i>(in EUR millions)</i>	2016	2015	Evolution
Turnover	713.3	647.3	10.2%
EBITDA	86.0	72.2	19.1%
Net profit	24.1	13.0	85.2%
Net Working Capital	184.0	170.0	8.3%
Free Cash Flow	27.4	26.5	0.9
Net Financial Debt	156.6	162.3	-3.5%

EBITDA totalled EUR 86 million in 2016, a figure 19.1% higher than the previous year, on the back of higher net sales and a higher gross margin. The improvement in EBITDA reflects a net profit attributable to the main company of EUR 24.1 million, almost double the EUR 13 million of 2015, which represents 3.4% on sales.

In 2016 investment in property, plant and equipment and intangible assets amounted, compared to 2015, by EUR 2.4 million , reaching a total of EUR 29.2 million. The growth is mainly due to an industrial reorganisation process launched in Australia and South Africa, as well as the implementation costs and licenses of the Invictus Project.

FINANCIAL SITUATION

Net financial debt (NFD) decreased by 3.5%, going from EUR 162.3 million to EUR 156.6 million due to cash flow generation from operations, which financed disbursements

Financial structure table

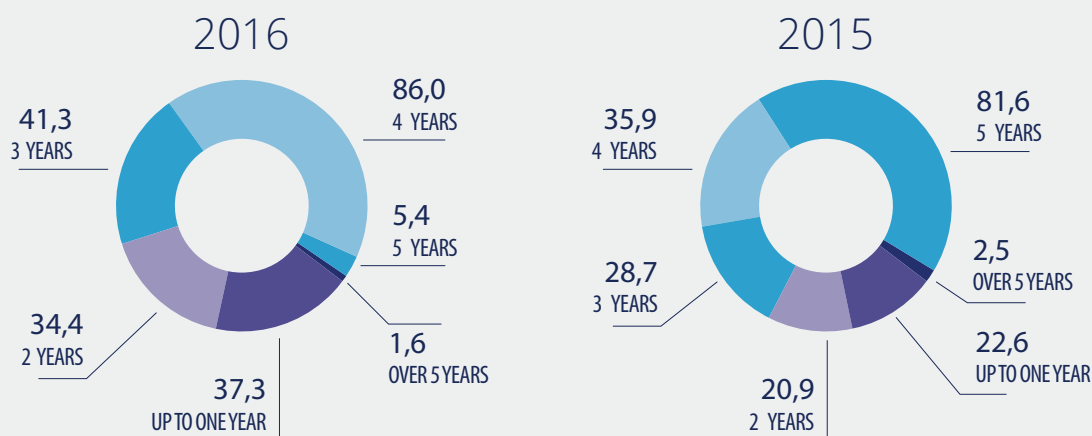
	2016	2015	2014	2013	2012
Net financial debt/ EBITDA	1.8	2.2	2.3	3.9	2.5
Net financial debt / consolidated net assets	0.47	0.49	0.47	0.62	0.54
ROCE (adjusted EBIT) *	9.8%	6.7%	3%	2.5%	7.4%
ROE	7.2%	3.9%	2.1%	-3.4%	4.4%

* Adjusted EBIT for impairment of goodwill and integration costs

Net financial debt (NFD) decreased by 3.5%, going from EUR 162.3 million to EUR 156.6 million

Maturity of loans with credit institutions at 31 December

(in EUR millions)



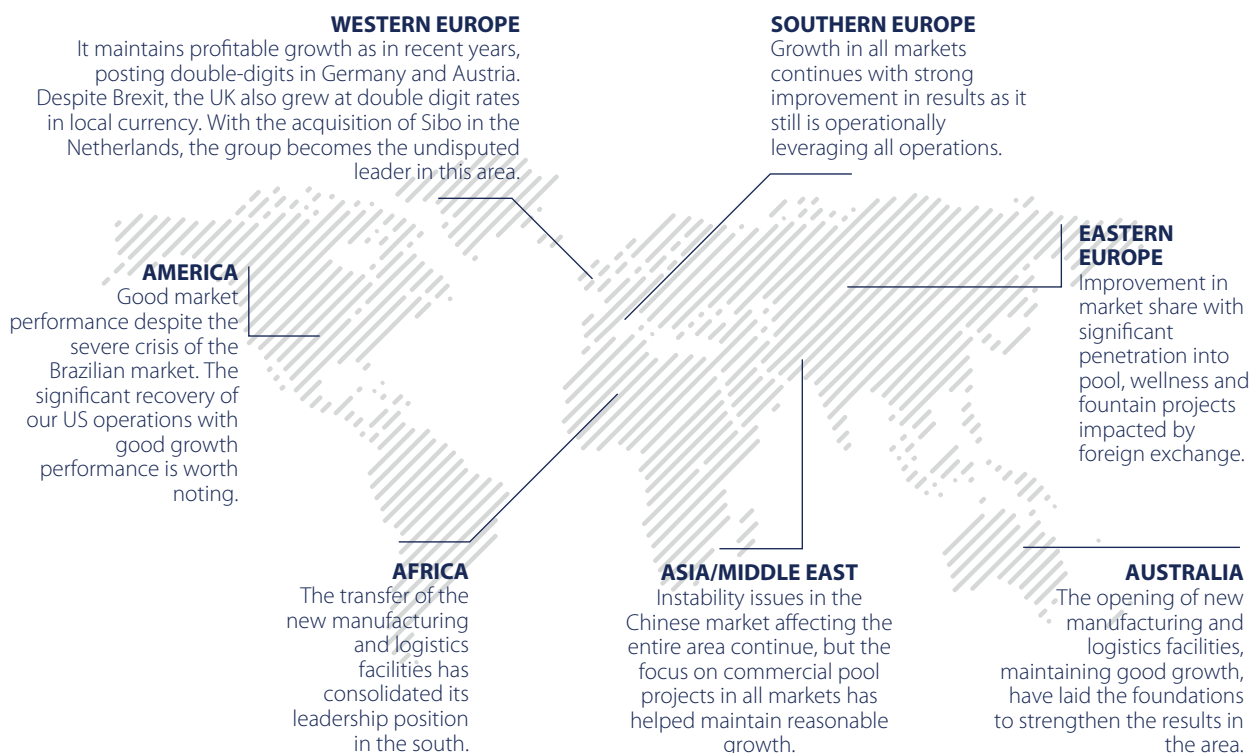
made following the purchase of Sibio. Therefore, Fluidra maintains its goal of keeping a NFD / EBITDA ratio below 2.2, as it closed 2016 with a ratio of 1.8.

Credit institutions are the main source of funding for Fluidra. In 2015, the company signed a new syndicated financing agreement worth EUR 210 million, with a duration of 5 years. The operation consists of a loan tranche worth EUR 155 million, with an average life of 4.125 years and a revolving credit line of EUR 55 million, for 5 years. This agreement made it possible to cancel a previous loan and led to a reduction in financial costs by over 50%. At year-end 2016, the outstanding capital on the loan tranche was EUR 147.25 million.

Capital grants for 2016 were of EUR 18,902, and no tax incentives were implemented.

[G4-EC4]

Results by business and geographic areas



The health of all Fluidra businesses in Europe stands out

Sales by geography

(in EUR millions)




	2016	2015	Changes
Spain	153.2	141.0	8.6%
Southern Europe - Other	164.6	143.1	15.1%
Central & Northern Europe	109.1	96.8	12.7%
Eastern Europe	32.3	32.0	1.1%
Asia & Australia	139.7	139.3	0.3%
Rest of the World	114.3	95.1	20.4%

BUSINESS AREAS IN 2016

Albert Lluís
Head of Marketing

Sales by business unit

[G4-4]

	(in EUR millions)	2016	2015	Variación
	Pool & Wellness	651.8	584.2	11.6%
	Residential	407.2	350.0	16.4%
	Commercial	81.7	88.6	-7.8%
	Pool water treatment	109.9	96.8	13.6%
	Fluid handling	53.0	48.8	8.6%
	Irrigation and domestic water treatment	39.8	40.2	-0.8%
	Industrial and other	21.6	23.0	-5.9%

“

The internet of things applied to pools is one of Fluidra's priorities, and as such, it already has several solutions that enable professionals and individuals to manage their facilities more efficiently”



POOL & WELLNESS



The Best Practices and the various acquisitions made during the year have strengthened Fluidra's leadership in the swimming pool industry, while opening some doors in specific segments such as natural pools and wooden facilities.

Fluidra continues to promote technological developments in the industry, especially with regard to the "internet of things", a concept which has been talked about for quite some time now. Currently, thanks to Fluidra, this idea has entered the world of pools with the introduction of the Internet of Pools. With the aim to adapt to a constantly evolving demand and covering all the needs of its customers globally, Fluidra has three solutions to control a pool remot:

- **Fluidra Connect**

The company has designed Fluidra Connect, a platform which enables remote control on the operation of all components involved in the maintenance of the pool: from the filtration system to lighting, from HVAC to chemical water treatment. Fluidra Connect works through a Wi-Fi connection to the internet and through the Connect Box device. The platform allows the user to check from their computer, tablet or smartphone all parameters and control data of the system, including control of outdoor lighting and watering. Thanks to the installation of Fluidra Connect, water and energy management becomes more efficient. This information is presented in a simple manner, with graphs and reports, highlighting any issues or indicator to be considered.

- **Viron Connect**

Viron Connect is the pool equivalent of what automation is to modern homes. The solution, focused on the Australian and US markets, consists of an LCD touch screen that allows the whole family to use the pool and spa at any time and in any condition, whatever the characteristics of the installation. It also has



a special feature that allows you to download the mobile app “Connect My Pool” to enable remote control of the pool anywhere in the world.

- **Poolstation**

It is an automation platform that enables easy and intuitive control of all functions of the elements of the pool and the garden. It is a product aimed at both professionals and regular users, it works with landline and mobile devices.

Commercial Pool: Engineering projects



In 2016 Fluidra signed, among many other installation projects, two projects with which it strengthens its presence in Asia and its commitment to growth in Commercial Pool through the sale of engineering solutions, one of the growth drivers of the Strategic Plan.

Fluidra won the tender for the design, supply and installation of the Olympic and training swimming pool for the 29th Summer Universiade championships to be held in Taipei (Taiwan) from 19 to 30 August 2017. The contract amounts to EUR 5.1 million and once the competition is over, both pools will be re-installed in their final location, in the south of Taiwan.

It has also been chosen to install the pools of the 2018 Asian Games in Jakarta in the renovation project of the Gelora Bung Karno sports facilities. The project, whose contract is worth EUR 4 million, includes the installation of four pools to be used for the water sports of the games in the Indonesian capital: competition pool, water polo pool, diving pool and training pool.





IRRIGATION AND HOUSEHOLD WATER TREATMENT



Aware that water is a valuable and scarce resource, Fluidra promotes efficient irrigation systems, thus avoiding water waste and integrating sustainable use.

Electro valves and controllers to manage irrigation and flow control are extremely efficient tools. Fluidra offers a full range of products consisting of sprinklers, diffusers, valves, pipes, filters, and so on, in addition to drip-irrigation and micro-irrigation systems used where water use is to be kept to a minimum.

Fluidra complements its Pool & Wellness core business with the provision of services, simultaneously in many cases, in the field of landscape irrigation as the facilities can be next to each other. In this market, Fluidra remains an international distributor of top brands, but is increasingly working on setting up its own brand (Cepex) with all the necessary products for residential installations, looking for new products and working with top manufacturers.

This year, Fluidra began introducing new technological solutions for irrigation control in the international market, creating a solution that did not exist in this market.





INDUSTRIAL AND OTHER



Fluid handling

Recently, through its brand Cepex, Fluidra decided to invest on its entry into the industrial fluid handling market, supplying valves for any chemical, water treatment, paint, cosmetics, food, mining or shipbuilding factory or plant, etc.

During this time, Cepex brand has been working on creating new and improving already existing products to meet the need of such facilities, as well as providing services and assisting in specific projects.

This year, in addition to standardising the full range of existing products, work has been carried out on some special and very rare products in this market for special facilities, such as the LUG type butterfly valve, the valve with inductive positioners or valves with special measurements (large and small).

Also, worked has continued on the distribution agreements with some of the major international companies in the industry.

Igniagreen

Igniagreen is the brand of products for the urban garden sector. It was released at national, European and South American level in 2016, and has expanded its range of products to meet the new challenge: "Designing and manufacturing solutions that respect the environment to create horizontal and vertical green spaces in urban environments, which are quick and easy to install and require minimal maintenance."

Ignialight

Ignialight is a brand specialised in manufacturing lighting products with LED technology that designs, develops and manufactures high-quality solutions and energy efficiency lighting for ornamental fountains, industrial and sports facilities, public street lighting and architectural and garden lighting.

SHAREHOLDERS

6.3

Cristina del Castillo
Head of Investor and
Shareholder Relations

REVIEW OF THE YEAR AND FUTURE CHALLENGES

During financial year 2016, Fluidra's share maintained a very positive performance staying away from the underlying market trends. Following the publication of the year-end results in late February 2015, the shares rocketed in the stock market marking a clear trend for the whole year. At the end of May, coinciding with the celebration of MedCap Forum organised by BME in Madrid, the shares posted new highs in the stock market reaching a verticality that far from scaring investors, led them to trust even more in the growth potential of Fluidra.

The share price suffered ups and downs throughout the year, both on the back of the news and the results published by the company, and the contagious effect of the general stock market movements and the markets in general. However, the level of EUR 4 per share underwent a strong consolidation. At year-end, as a result of a particular transaction of an investor, the share price dropped during several sessions, but quickly regained and exceeded the level of EUR 4 per share.

Analysts took advantage of that slight fall to reiterate their commitment to Fluidra, as by institutional investors who saw a new opportunity to enter and increase their positions on the shares.

The market as a whole generally appreciates the efforts made in the past by Fluidra to recover any drops in profitability as a result of the negative European environment. In financial year 2016, Fluidra's figures built trust for investors in the path ahead and the increases in share prices and contracting volume are the

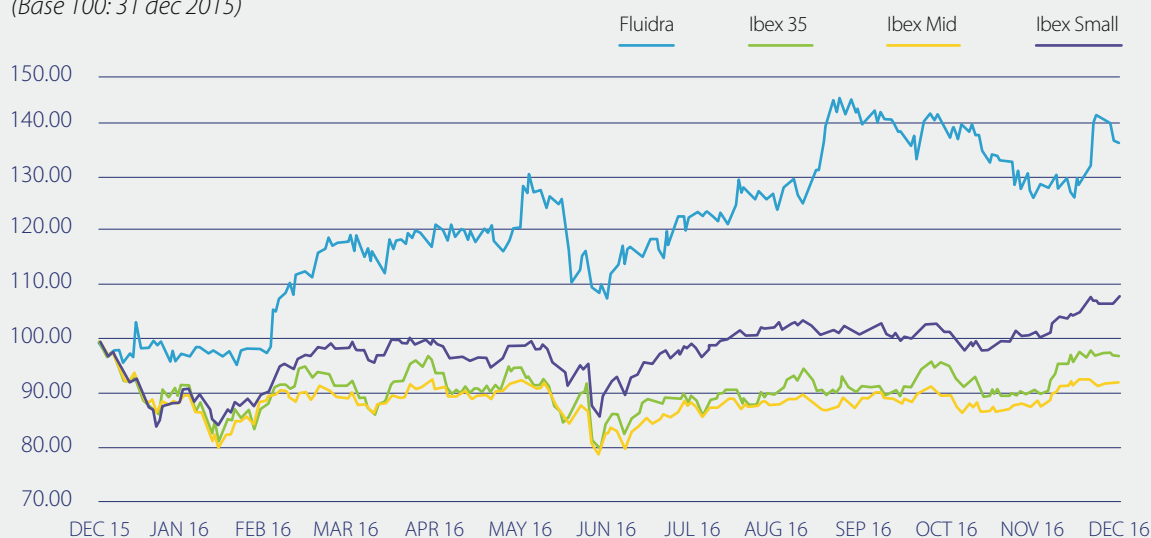
**“
During 2016, within the
framework of a complicated
geopolitical environment,
investors have relied on
Fluidra's value proposition”**

result of this trust. In addition, the fact of anticipating to achieve the targets set in the 2018 Strategic Plan in advance make the market rely on higher returns in the future and consider the possibility of investments and acquisitions of greater significance, as soon as Fluidra increases both its sale volume and efficiency and profitability ratios.

At year-end, the price of Fluidra's shares came to EUR 4.32 per unit, which represents a cumulative rise for of 38.02% in the year. The volume of shares traded during 2016 was 59.34% higher than the volume traded in 2015.

Share trends chart

(Base 100: 31 dec 2015)



	2016	2015	2014	2013	2012	2011	2010
Capitalisation (in EUR thousands)	486,558	352,529	345,771	306,351	250,600	215,122	260,173
Number of shares (x 1,000)	112,629	112,629	112,629	112,629	112,629	112,629	112,629
Last price of period (EUR)	4.32	3.13	3.07	2.72	2.235	1.91	2.31
Max. price of period (EUR)	4.6	3.675	3.68	2.93	2.64	3.13	3.5
Min. price of period (EUR)	2.95	2.82	2.385	2.025	1.82	1.76	1.95
Capitalisation (thousands of shares)	21,237	13,328	36,077	23,454	17,438	21,414	15,492
Dividends (EUR/share)	0.0901	0.059	n/a	0.071	0.071	0.072	0.036
Dividend yield (%)	2.09%	1.88%	n/a	2.60%	3.20%	3.80%	1.60%
Payout (%)	77.00%	101.00%	n/a	55.20%	53.10%	44.20%	n/a

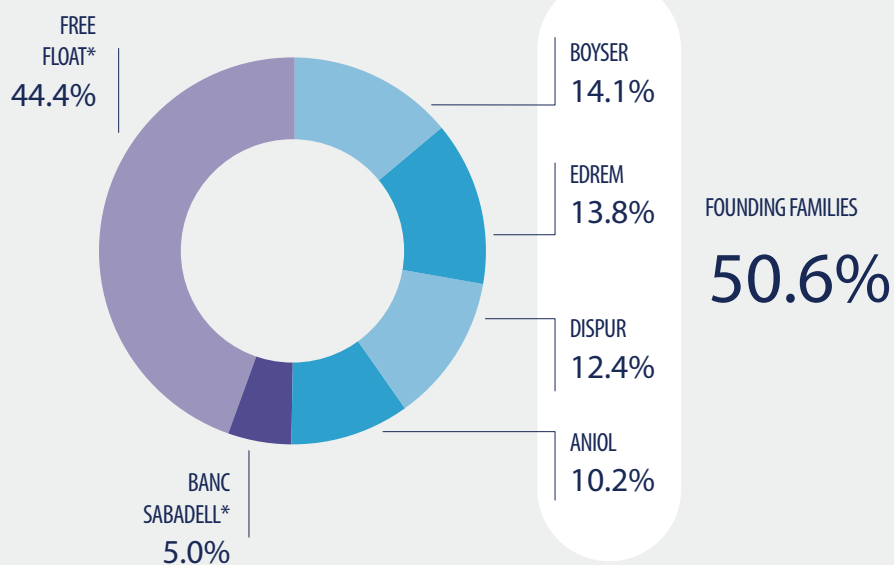
SHAREHOLDING STRUCTURE

At year-end, the shareholding structure of the company did not suffer any noteworthy variation regarding the segment of the founding partners. Therefore, the free float percentage on the stock market remained stable at 44.4%*.

- At the end of 2016, the Board of Directors controlled 55.6 % of the total share capital of the company.
- The remaining 44.4 % is free float on the stock market.

Table with shareholder structure (as of 31 December 2016)

(in percentage)



We create value for shareholders and investors

Fluidra is committed vis-à-vis its shareholders to distribute at least 45 % of consolidated profit in those years with positive results. In the past two years, the payout percentage has been much higher than this 45%.

(*) On 2 March 2017, Banco de Sabadell sold its 5% holding. So, as of that date the free float of the company stands at 49.4 %

INVESTOR RELATIONS

Investor relations maintained by Fluidra throughout the year were very intense, helping market value insight to be more deep, transparent and based on the true and fair view of the company, maintaining trust in the performance and development of Fluidra, while generating high expectations in the medium term.

Activity volumes from Investor Relations management in 2016 were higher than in previous years:

1. Financial analysts, including domestic and international ones, covering Fluidra's value represent a total of 17 between buy-side and sell-side analysts. This figure is clearly related to the good performance of Fluidra's value on the Spanish trading floor. A figure which, at the same time, is much higher than that of other listed companies that for various reasons do not have such a high number of active analysts.
2. Individual meetings, presentations to institutional investors (investment funds and pension funds, insurance companies and credit institutions) and participation in forums, seminars and conferences organised by buy-side and sell-side investment banks have increased by 33.5% compared to 2015. In the whole of 2016, the company arranged a total of 657 meetings with investors and 25 national and international roadshows, 19% more roadshows than in 2015.

The intense communication activity carried out by the division Investor Relations has fostered the participation of institutional investors in numerous seminars and forums, giving greater visibility to our activities and expanding recurrence and the basis for our communication. In many of them, Fluidra was one of the Top 10 companies with the highest number of meeting requests. This ensures our participation in these seminars and forums in future.

657



Meetings with investors

*The intense communication activity
has enabled participation in numerous
seminars and forums for investors*

ACTIVITIES FOR SHAREHOLDERS AND INVESTORS

Shareholder's Day

Continuing along our the lines of transparency and communication with our stakeholders, during 2016, the eight consecutive Fluidra Retail Shareholders' Day was held. The Executive President, the Corporate General Manager and the Head of Investor and Shareholder Relations told the shareholders in attendance of various aspects of interest both regarding the Fluidra Group and the macroeconomic and financial situation at the time. At this event, the different concerns and expectations were discussed in a friendly and positive atmosphere.

Thanks to this type of events, Fluidra builds value between individual shareholders and the group. Throughout the day, the shareholders shared with the CEO their views on business progress, company strategy and market trends, and also expressed their own concerns and opinions through open dialogue.



With this type of event, Fluidra brings the reality of the group and its business closer to the small investor through proximity actions between shareholders and senior management. These events are very important given the strategic development which Fluidra is undergoing. From the Investor Relations Department, all shareholders, current or potential, matter regardless of their size.

General Shareholders' Meeting

As usual, the Annual General Shareholders' Meeting of Fluidra was held on 03 May 2016 at the premises of the Sabadell Chamber of Commerce. The Board approved all items on the agenda, and everything went smoothly.



Among the items on the agenda, the approval of the 2015 financial statement was included. Since the results were positive that year, the Board agreed to distribute 77% of consolidated profit in dividends, with an absolute figure of EUR 10 million as dividend.

HUMAN RESOURCES

[G4-9, G4-10, G4-11, G4-DMA, de G4-LA1 hasta G4-LA16, G4-HR3, G4-HR4, G4-HR5, G4-HR6, G4-S03, G4-S04, G4-S08]

Josep Tura
HR/CSR Director

Fluidra implements corporate management policies that ensure the development of its staff and promote cultural integration.

The main asset of the Fluidra Group is its team of people, and their daily contribution and talent are essential to the success of the business and to the future of the company. Therefore, in order to provide the best working environment and conditions possible, Fluidra implements corporate management policies that ensure the development of its people and encourage gradual culture and values integration within the existing geographical and cultural diversity in the companies that make up the Group. [G4-DMA]



The people who make up Fluidra are the key to our success. We strive to provide the best working conditions, with a policy that seeks to motivate, involve and promote the development of our employees"

HUMAN RESOURCES POLICY

Fluidra's Human Resources policy aims to create an environment where the team feel motivated and committed. This policy is structured into five major areas:

A. Legal compliance:

- Ensuring compliance with existing labour legislation in all countries where Fluidra operates.

- Ensuring employee health and safety at work by fostering a culture of prevention across all levels of the organisational structure.
- Upholding the rights relating to freedom of association and collective bargaining.

B. Sourcing talent:

- Having a brand as an employer that promotes talent sourcing
- Running a selection process in line with our values
- Promoting equal opportunities as part of the company's recruitment process.
- Running a welcome plan to facilitate the integration of employees
- Respecting cultural, ethnic and social diversity.



C. Developing talent:

- Improving the talent of Fluidra staff, enhancing their strengths and developing their areas for improvement.
- Enhancing the role of the leader, a key element for the development of team talent.
- Developing the human and professional potential of all employees and providing opportunities for growth.
- Considering training as a continuous learning process and offering programmes, courses or seminars involving the practical transfer of knowledge, acquisition and development of skills and improving employment.
- Facilitating and promoting national and international mobility among Group companies.



D. Organisation:

- Aligning employees towards a common and comprehensive vision with corporate values shared by all.
- Organising the roles and responsibilities of the company so that everyone knows what is expected of their work and feels committed to it.
- Promoting open, clear and transparent communication within the organisation in order to foster a strong sense of loyalty.

E. Recognition:

- Paying remuneration that is both in line with the market in countries where Fluidra operates and which is internally equitable and transparent, taking into consideration the individual performance of workers.
- Having an attractive benefits policy.
- Fostering work-life balance initiatives for employees.

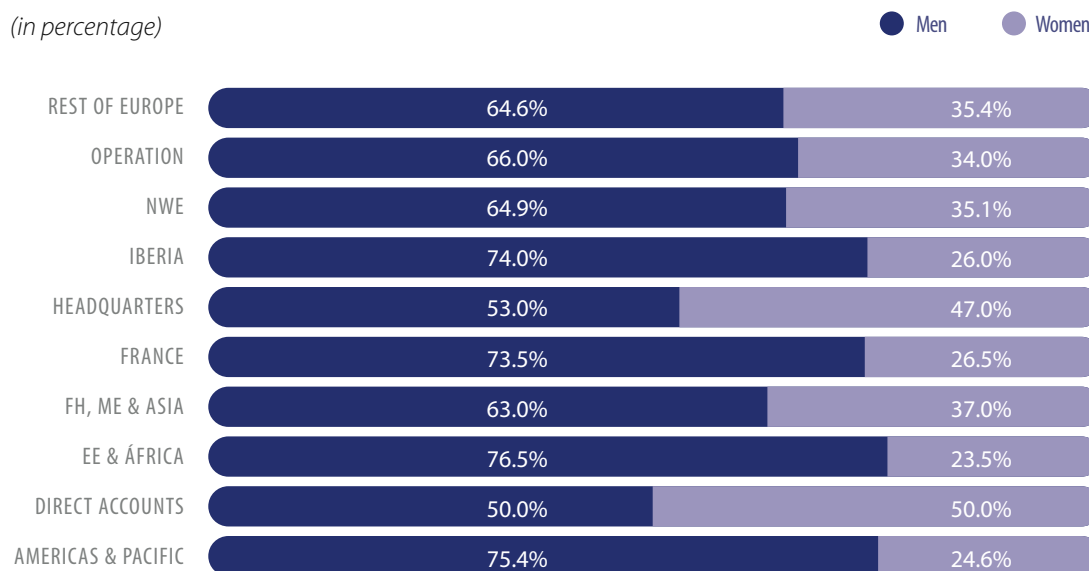
Workforce by gender

(in percentage)



Men and women in the workforce

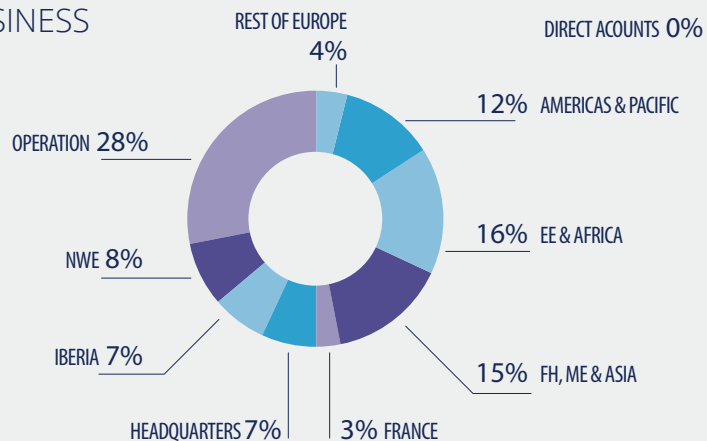
(in percentage)



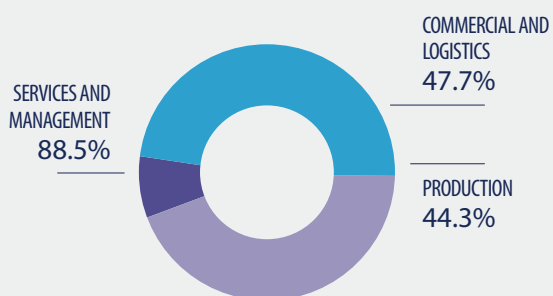
Workforce

(in percentage)

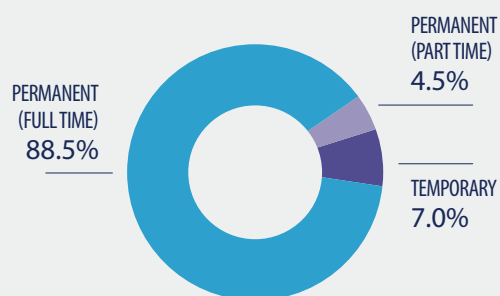
BY BUSINESS UNITS



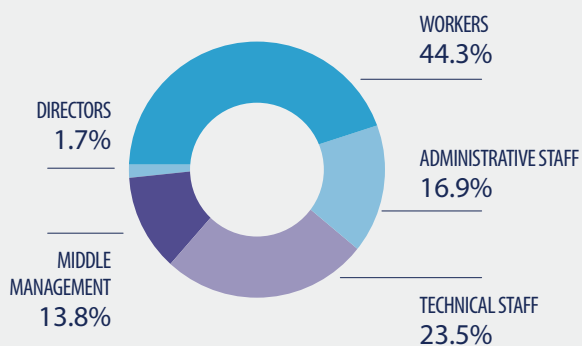
BY TYPE OF BUSINESS



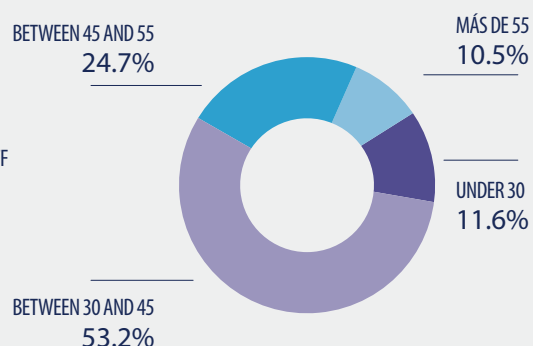
BY TYPE OF CONTRACT



BY PROFESSIONAL CATEGORIES



BY AGE



Workforce Rotation 2016 [G4-LA1]

	Men	%	Women	%	Total	%
New permanent contracts	60	66.7%	30	33.3%	90	24.7%
New temporary contracts	173	63.1%	101	36.9%	274	75.3%
Total New	233	64.0%	131	36.0%	364	
Voluntary redundancies (Perm contracts)	42	76.4%	13	23.6%	55	16.8%
Voluntary redundancies (Temp. contracts)	23	62.2%	14	37.8%	37	11.3%
Involuntary redundancies (Perm. contracts)	34	66.7%	17	33.3%	51	15.5%
Involuntary redundancies (Temp. contracts)	109	58.9%	76	41.1%	185	56.4%
Total Redundancies	208	63.4%	120	36.6%	328	
New contracts for over 45	48	82.8%	10	17.2%	58	15.9%
Redundancies for over 45	42	77.8%	12	22.2%	54	16.5%
Redundancies Perm. contracts	76	71.7%	30	28.3%	106	32.3%
Average workforce with Permanent Contract				2,233		
Structural rotation (fixed)				4.7%		

SUMMARY OF THE YEAR'S ACTIVITIES

Sourcing and retaining talent has become, due to an increasingly competitive labour and business environment, a key asset within any company. At this moment of positive developments within Fluidra, it is essential to develop human resources policies that bolster the business and add value to it, while meeting the training and development needs of people within the organisation, seeking mainly to strengthen the initiative and fostering the creativity of our team in order to successfully carry out Fluidra's projects.

It is worth mentioning the Group's effort to maintain the level of quality employment, with a high percentage of staff with permanent contracts. In 2016, the percentage of permanent staff was still 93% of the aggregate workforce according to the report. Fluidra continues to prioritise the hiring of staff based locally with regard to the geographical areas where the workplaces are located.

In 2016, organisational changes to further adapt the organisational structure of the workforce to the growth strategy under the 2018 Strategic Plan were implemented. Part of the sales growth plan comes from acquisitions. Halfway through 2016, a company in northern Europe called SIBO was acquired, based in the Netherlands. Moreover, at

4,336



**Average
workforce**

ESTRUCTURAL ROTATION

4.7

%



the end of 2016 there was a divestment with the sale of the company Calderería Plástica del Norte.

The overall number of Fluidra employees greatly increased to a total of 4,273 employees at the end of 2016, with an average workforce of 4,336.

At year-end, the total number of company employees included in this report was 2,400, of which 68% are men and 32% women. The average age of Fluidra's workforce is close to 41 years of age. The age range with the largest number of employees is 30-45, representing 53% of the total. [\[G4-LA1\]](#)

There were a total of 328 staff redundancies throughout the year according to the report, of which 16.5 % were people over 45 years of age (of whom 22.2 % are women). In 2016, the rate of structural rotation (permanent staff), including amortised and unamortised redundancies, stood at 4.7%, significantly lower than last year, which indicates that the company is growing in terms of employment. [\[G4-LA1\]](#)

As for the minimum periods of notice for operational changes, there is no specific agreement with workers thus current legislation is applicable in each centre. [\[G4-LA4\]](#)

Organisational Structure

In order to adapt the organisation to the growth targeted by the company, during 2016 the so-called G-30 governing body remained operational. This body consists of key directors who implement the 2018 Strategic Plan.

When analysing the age pyramid of our staff we see that the group Millennials represents 11.6 % of the total. This group compels us to rethink our policies to further adapt them to the interests and expectations of the group.

Remuneration policy

In 2016, the alignment of the remuneration system for the group of managers called G-100 began, incorporating the overall results of the group within the annual incentives system.

The management policy by salary level, which helps improve internal equity and wage external competitiveness for remuneration matters, continued to be implemented. For yet another year, the minimum wage of newly recruited staff stood at around 30% above the minimum wage set for Spain in 2016, using as reference the lowest salary at Fluidra's Spanish companies that represent most companies included in report. [\[G4-EC5\]](#)

Employee benefits

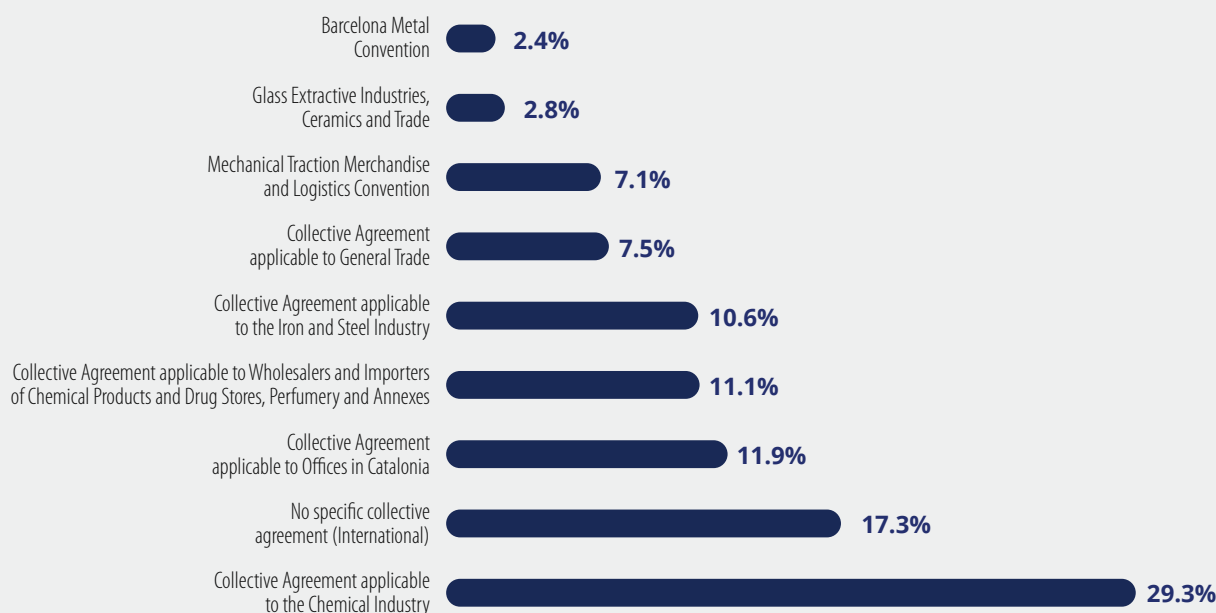
More than half of the employees have life and accident insurance compared to the total companies mentioned in the report. Among the benefits offered, Fluidra Flex, the flexible remuneration programme implemented in Spain since 2012, provides tax and economic incentives when taking out products such as food vouchers, children care vouchers, education, transportation and health insurance adapting the remuneration to the personal needs of the employee.

In 2016, the number of companies with flexible remuneration came to a total of 22 (Spain), namely 95% of all the companies covered. This year, the percentage of adherence has increased significantly after having extended the programme to all the workforce, with 25% of employees taking out some type of product; health insurance being one of the most sought-after benefits. [\[G4 –LA2\]](#)

The company shows the utmost respect for the rights of workers and enables freedom of association and representation activities in all its centres. During 2016, no risk situation whatsoever was detected in this regard. [\[G4-HR4\]](#)

Participation in agreements

(in percentage)



Talent sourcing [G4-LA10, G4-LA11]

Sourcing and retaining talent has become, due to an increasingly competitive labour and business environment, a key asset within any company. This is the reason why Fluidra's HR promotes the creation of their brand as a benchmark employer in the major markets where it operates.

In addition, most employment proposals are launched through internal channels to enable employees to grow professionally.

In 2016, the use of the new Predictive Index (PI.) tool was adopted with the aim of finding and promoting talent. PI. tool provides the best match for employees in their workplace by identifying the motivational factors of people for a specific professional challenge.

Talent assessment [G4-LA10, G4-LA11]

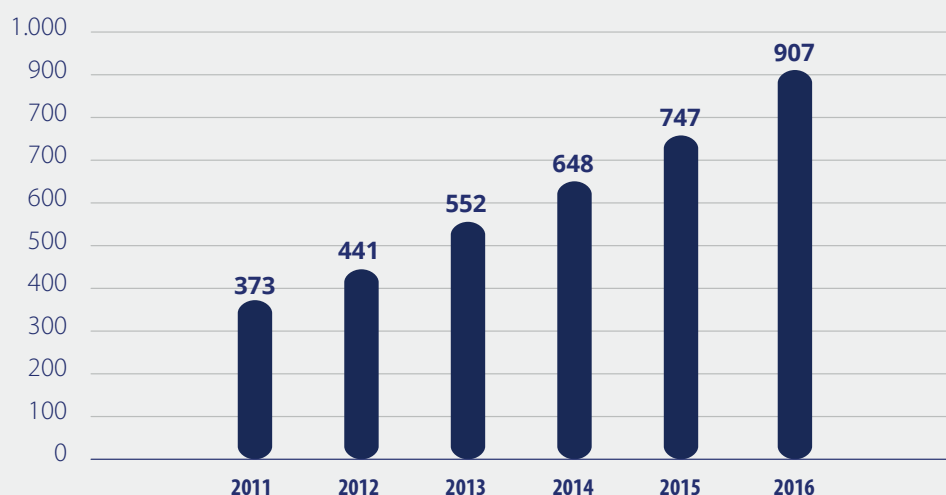
The e-cloud platform called Fluidra Talent, launched for performance assessments purposes in 2013, has continued its development. The scope was expanded in 2016 to reach more people in the organisation. The system assesses both individual targets and key competencies for each role.

In order to help new arrivals, a face-to-face training programme took place to introduce them to the system and to take advantage of the annual assessment process called One 2 One.

In 2016, 37.8% of the workforce included the report had participated in this programme, with a 21.4% increase in the number of assessments over the previous year.

This tool (called One 2 One) serves the purpose of encouraging dialogue between managers and employees by helping prioritise objectives and identifying training and career plans.

Performance assessment



Fluidra Talent

In 2016, the management modules in the Human Resources platform, called Fluidra Talent, have been extended. In the first quarter, the design and production of the corporate Training module (Fluidra Academy) took place, and the Succession module was implemented during the second. The forecast for 2017 is to implement the remaining two modules: Selection and Connection.

The objective of this platform is to help managers streamline their team of collaborators and the employees have their own employee portal. During 2017, the platform will continue to be implemented in other companies outside Spain.

TRAINING

In 2016, 802 courses were conducted for a total of 1,954 employees, with an average ratio of 16 hours per employee, above the 13-hour average of the previous year. The final number of hours devoted to training was 32,040, 72 % higher than the previous year. [\[G4-LA9, G4-LA10\]](#)

In 2016, language training was reinforced along with the maintenance and production functional areas.

Training by Professional Category

	Courses	Hours	Employees	Cost (€)	Average H.
Directors	39	1,739	58	19,809	30
Middle management	171	5,757	274	109,871	21
Technical staff	278	15,503	710	195,909	22
Administrative staff	132	2,993	198	46,820	15
Workers	182	6,048	714	57,678	8
Total	802	32,040	1,954	430,087	16

Training by functional areas

	Courses	Hours	Employees	Cost (€)	Average H.
General Management / Top Management	31	2,130	119	39,247	18
Finance / Administration	51	759	54	19,386	14
Sales / Marketing	69	2,775	132	41,487	21
Languages	181	10,609	196	112,965	54
Other Services (IT, RH...)	87	1,507	112	36,513	13
Production / Maintenance	171	5,794	574	64,511	10
Logistics / Purchases	31	667	158	21,859	4
Technical / R&D / Quality	181	7,799	609	94,128	13
Total	802	32,040	1,954	430,087	16

Corporate training

The FluidrAcademy school, with its motto Where you work, where you learn, remains a benchmark for training and development at the corporate level and maintains its aim of becoming the future corporate university of the group, with the aim of Fluidra becoming not only a place of work, but also a place where people learn and share knowledge and experiences.

Managerial Skills Programme

During the year, the Managerial Skills Programme for two groups of managers –one Spanish and one international– and middle managers continued.

The same programme also kicked-off for middle management, in which two groups participated in 2016. This programme received very positively feedback from the participants.

Business School

This programme aims to improve the performance of Fluidra's sales team and is based on three pillars:

- Product knowledge through online courses.
- Improved business skills with face-to-face sessions and experiential training.
- Individual coaching for business managers.

In 2016, the training course "Sales Skills" was provided to five commercial groups: one in Asia, one in Germany, one in the Middle East and India and two in Spain (Bilbao and Barcelona). As a result of this, 12% of Fluidra's sales team has already been trained.

In addition, six online product training pills were designed and published during the year for the commercial team to improve their knowledge about the different products Fluidra sells:

- Viron
- HVAC
- Chemical - Disinfection
- Chemical - Water Treatment
- Robots
- Swimming pools

802



Training courses



There is a total of 434 sales representatives registered in the Commercial School.

Lean Management

The 2016 training plan for Lean Management trained 180 new people in Lean concepts, reaching the figure of 1,300 employees trained since the programme's inception.

The training plan was carried out through the following modules:

- Talleres Lean
- Introducción al Lean
- Lean G30
- Auditorías Lean

Training in "People Values" (Code of Ethics) [G4-S04]

In 2016, 100% of the newly recruited staff, both managerial and other, were trained in anti-corruption policies and procedures through the Fluidra Code of Ethics course.

OCCUPATIONAL HEALTH AND SAFETY [G4-LA7, G4-LA8]

The health and safety of Fluidra's employees is a priority for the company. The Group companies' policies on quality, safety and the environment place particular emphasis on the prevention of occupational hazards.

In 2016, participating companies developed different training methods in safety and prevention. While commercial and corporate service companies have placed more focus on prevention of risks in offices and firefighting, training, industrial companies' training has revolved around issues more specific to their commercial activity, namely courses on safety in freight transport, safety in the use of raised platforms, safety for work at heights and the use of electric pallet trucks, emergency planning, first aid, as well as conducting health and safety campaigns on their premises. In addition, an information and prevention policy whereby the results on accident monitoring and on internal safety inspections are notified through information boards has been implemented.



Each Group company in Spain has its own Risk Prevention Plan which provides regular risk assessments suited to its activity and job positions, and provides the necessary training to all staff, both internal and external.

Prevention plans are usually rolled out through an external prevention service which is implemented by the Prevention coordinators, the Prevention delegates and the Health and Safety Committees of each company. Thus, proper detection and control of risks as well as compliance with prevention plans and monitoring of the corrective measures being implemented are ensured.

As for the staff relocated abroad, although the international mobility policy does not make specific reference to risks, diseases and serious accident training, it provides information and advice on these issues in a specific and direct manner.

Employees who travel frequently have emergency health insurance policies and those in long-term assignments abroad have health insurance policies that cover medical contingencies for the duration of the stay.

EQUALITY, DIVERSITY AND WORK-LIFE BALANCE

Fluidra has an equality and diversity policy that contains the objectives, principles and responsibilities at the corporate level. In addition, each company adapts the general guidelines to its specific reality to its own processes and regulations. There are, for example, various Group companies that have their own Equality plans such as Fluidra Comercial España and Fluidra S.A. The goal for the coming years is to establish a Corporate Equality Plan linked to the Equality and Corporate Diversity Policy based on Fluidra's S.A. Equality Plan.

These policies ensure equal treatment between men and women, not differentiating between employees who perform the same functions and according to categories and positions. During 2016, records show that 47 and 30 people went on paternity and maternity leave respectively, all of whom returned at the end of their leave. [\[G4-LA13\]](#)

Fluidra seeks to help its employees achieve work-life balance within a positive work environment and it does so by implementing measures tailored to the needs of the organisation and the staff. All employees enjoy the rights enshrined in the applicable labour regulations on flexible working hours, maternity leave, paternity leave and other labour rights. [\[G4-LA3\]](#)

COMMUNICATION CHANNELS

Fluidra offers its employees several communication tools:

- The 'Confidential Channel' is available on Fluidra's website and intranet and is accessible to all employees. Employees can make inquiries, ask for advice or report an incident through an online form. All communications are handled confidentially and care is taken when making any decision always respecting the people involved.
- 'Living Fluidra' is a platform which presents global news of the company's various aspects.
- Fluidra's workers have suggestion boxes at their disposal located in the different companies in which to hand in their proposals on how to improve certain aspects of the company
- Information boards, placed in high-visibility locations within the companies, provide the workers with succinct and accurate information about specific company news.



With all of this in mind, there were no complaints or claims in 2016 about labour practices being inconsistent with the rules and values of the Group. [\[G4-LA16\]](#)

No cases of discrimination that violate human rights were reported either, and no production centres were identified as using child labour or violating the right to collective bargaining. [\[G4-HR3, G4-HR4, G4-HR5\]](#)

6



**Communication
channels**

2016 EMPLOYEE-FOCUSED ACTIVITIES

Fluidra has an active and dynamic workforce. The company takes it upon itself to foster their involvement in activities of their interest, by encouraging them to take part in recreational, family-related, volunteering and sports activities.

2016 General Sales Meeting in Sitges



More than 400 people, attended a four day sessions consisting of presentations and technical training. Fluidra's marketing department hosted more than 30 workshops and solutions to make swimming pool maintenance easier and enhance user experience.

'Living Fluidra' is an increasingly popular online information portal

This digital environment enables all those interested in Fluidra's news and events, especially employees in various companies of the Group, to easily learn about the overall situation of Fluidra across the board.



Instagram photography contest

Fluidra has organised a summer photography contest for employees for eight years. This year, it was opened to the general public and was launched through the social network Instagram.



Fluidra's solidarity: Fluidra's Day 2016

Coinciding with World Water Day, Fluidra's Day takes place on 22 March. For the fourth consecutive year, the campaign

was entitled 'With your help, they win'. The aim is to encourage active participation of Group employees by choosing solidarity projects. Three of which were chosen in this year's event, each of which received a donation of EUR 3,000.



9th Fluidra Futsal Tournament



The 11th futsal tournament hosted by the Fluidra Group took place on 16 April. The company Poltank was the winner of the internal championship

and represented Fluidra in the Catalonia Intercompany games held in May, finishing fifth among more than 20 participating companies.

App for new slogan

The company organised a competition via a mobile app so that employees could suggest a new slogan for the group. More than 1,000 proposals were submitted from 42 countries, and the winner was

'Enjoying Water' by Xavier Pujol Boada (Sacopa), which has been chosen as Fluidra's new motto as of 2017.



A portrait of David Tapias, a middle-aged man with short grey hair, wearing a grey blazer over a white shirt. He is standing with his arms crossed. The background is a light blue gradient.

6.5

INNOVATION

[G4-PR6]

David Tapias
Head of R&D&I

Developments generated in 2016

25 new designs

49 new inventions

Portfolio as of 31/12/2016

483 patents in force

12 designs

131 patents being reviewed



We have a team of over a hundred people working across 15 facilities who spend half of their time developing innovative products"

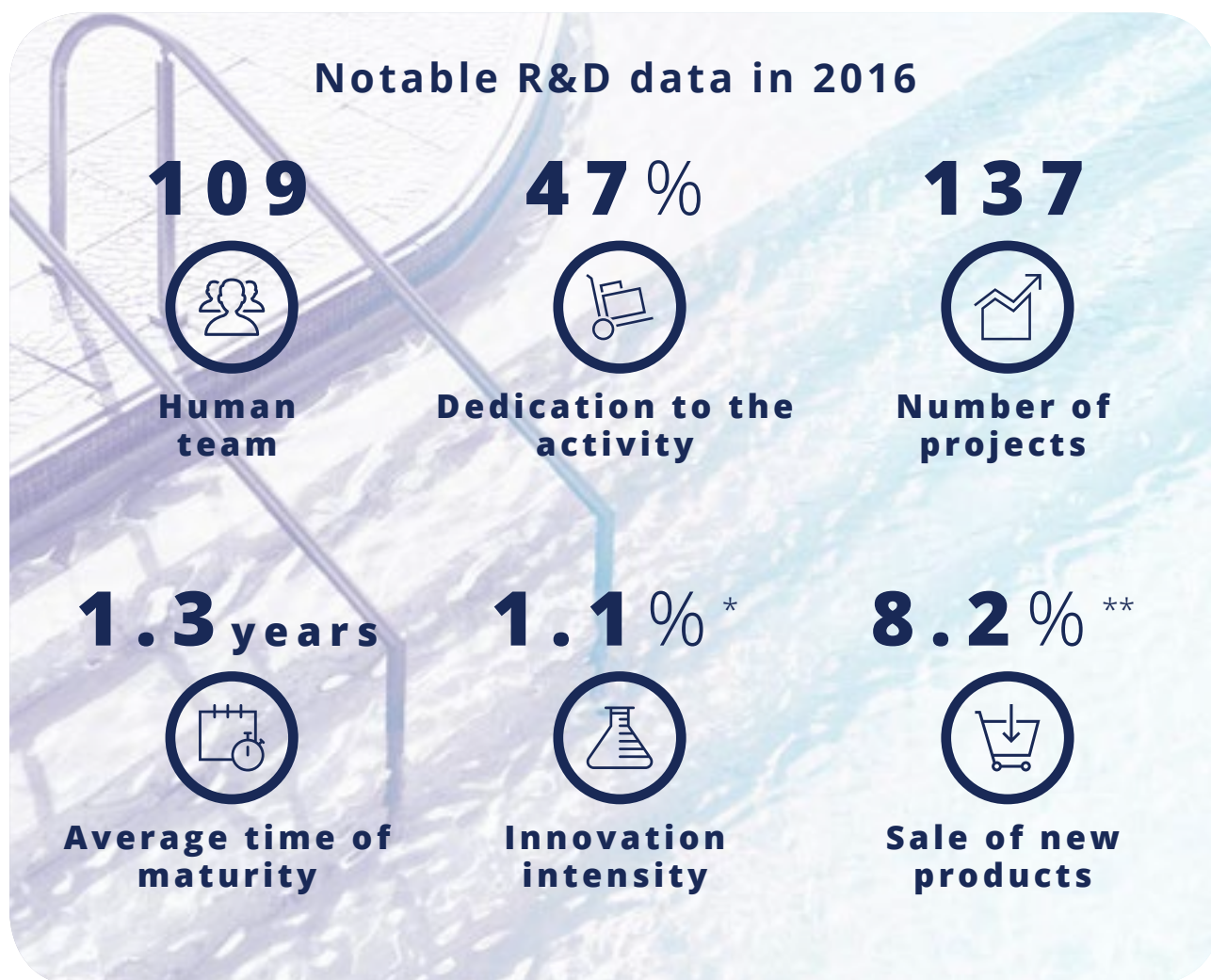
INNOVATION POLICY

Research and development is one of the core activities of Fluidra's strategy. The company is clearly focused on developing products and solutions that meet market needs.

To do this, Fluidra has an R&D structure consisting of 15 Centres of Excellence (CoE in Spanish) and Technical Centres (CT in Spanish) located in 8 countries: Spain, France, the United States, Israel, Australia, Chile, South Africa and Brazil, with an approach on technological specialisation, coordinated from Central Services

R&D&i located in Polinyà (Barcelona). A total of 109 people spend on average 50% of their time working on product R&D.

The Innovation Committee is the body responsible for establishing Fluidra's innovation strategy and for defining the corporate guidelines whose objective is to serve as a guide for all CoEs in the product development process. A second level involves the Product Committees coordinating R&D&i for each of the CoEs. The multidisciplinary approach of these committees is essential to ensure that the actions undertaken by the CoEs are aligned with the needs of Fluidra.



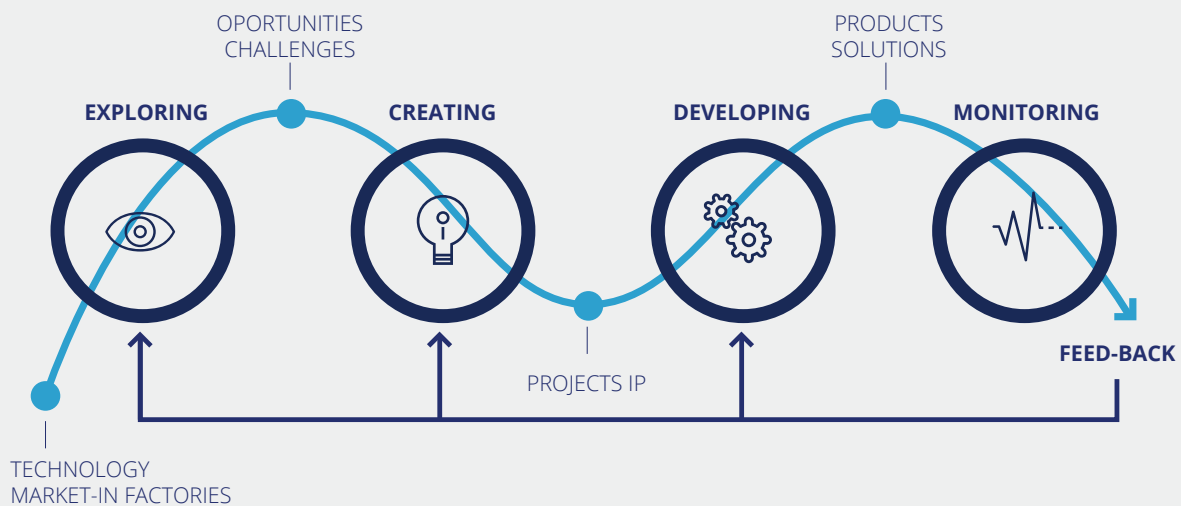
Proper protection of the knowledge generated is one of the objectives of the R&D&i, coordinating efficiently and proactively the patent portfolio of the group, the technology monitoring actions and promoting the creation of added value patents.

INNOVATION CULTURE

Fluidra aims to create a culture of innovation with a view to becoming the most innovative company in its sector. Therefore, innovation is one of the fundamental pillars of the future strategy of the company, designed to identify and meet current and future customer needs as well as those of its stakeholders, through cost-effective, efficient and sustainable innovation. In 2016, Fluidra invested 1.5% of total sales in R&D&I.

Fluidra's innovation model uses technological and market exploration to identify challenges and opportunities for innovation. Creativity and the generation of ideas enable opportunities in terms of knowledge which is protected or in specific projects that move on to the development stage, to finally be transformed into products and/or solutions that meet the needs of our customers. Monitoring the performance of products in the market is, in turn, an important source of information that feeds the different phases of the model.

Stages of the Innovation Process in Fluidra



In 2016, a new tool was launched to help consolidate and standardise the innovation process in a cross-sectional manner within the organisation. This project aims to ensure that product development activities are fully aligned with market needs and the strategy of the company. Just as Fluidra strives to improve the quality of its products, it should also reduce time to market and improve business impact. This is a project that began in 2016 with three pilot cases and will continue during 2017 and 2018 until its implementation across all Fluidra Centres of Excellence and Technical Centres.

One of the projects rolled out in 2016 was the review of the Strategic Plan for R&D&i to adapt it to the future needs of Fluidra. The aim is to adopt the new plan within the first four months of 2017 and begin its implementation immediately.

External collaborators

Another key element of the innovation structure is the extensive network of external collaborators made up of technology centres, universities and companies specialising in technology, among others, making it possible to promote the development of new products and solutions, to enable access to the latest technologies.

Similarly, the participation of Fluidra in clusters such as the Catalan Water Partnership or sports industry cluster Indecat, and the Cluster for Advanced Materials (MAV) encourages contact with companies and related entities and bolsters innovation as well as the development of new products and solutions. For several years now, Fluidra has been a permanent member of the Eurecat Club for Innovation.





(For further details, check the Society section)

Fluidra Accelera

In its commitment to promoting innovation, Fluidra Accelera looks for projects related to the water industry, and for technologies with high growth potential, to carry out the necessary actions to attract investors and transform a start-up into a profitable company.

Activities and workshops

As part of its goal of becoming the most innovative company in its industry, Fluidra promotes activities and workshops which use tools that foster creativity, identifying opportunities and challenges so that new solutions, products and services can be created. Specifically, a workshop to identify macro trends that may significantly impact the company's business has been conducted, with the aim of exploring opportunities for innovation that can give birth and identify new innovation projects.

Another activity that was launched during 2016 is to involve society in Fluidra's innovative process. To this end, we have set in motion a contest called "Inventem el Futur de les Piscines" (Inventing the Future the Pools) which consists in involving educational centres in the innovation of the company. It specifically aims to foster creativity in primary education students and the innovation skills of vocational training students. Different educational centres have been selected, most notably those centres that are part of the Xarxa d'Escoles Creatives (Creative Schools Network), whom have been presented with an innovative challenge related to the needs of the company. In the first phase, the challenge is presented to primary schools so that the teams of students suggest ideas related to this challenge. In the second phase, the ideas selected are passed on to the teams of students from vocational training centres who will turn them into product proposals to be presented to Fluidra for evaluation.

*A workshop was conducted to identify
**macro trends that may significantly
impact the company's business***

Innovative products [G4-4]

In 2016, new products and solutions were launched as a result of the activity of the Centres of Excellence: Specifically, during the 2016 Lyon Fair the following developments were presented, launched on the market during the year:



Nanofiber

A highly efficient filtration system devised by Astralpool, for residential pool of up to 90 m².



Sel Blue y Sel Blue Evo

The new range of Sel Blue and Sel Blue Evo salt electrolysis, by Astralpool: equipment for water treatment for pools up to 160 m³ specially designed to be easily installed and easy to use.



Victoria Plus Silent

Victoria Plus Silent is a self-priming filtration pump available for all types of pools with a sound level of less than 70dBA and a useful life longer than any conventional pump, as it is made from cutting-edge thermoplastic materials.



LumiPlus

The new lighting range of LED LumiPlus which maximises energy efficiency and has been developed by Astralpool for maximum underwater lighting performance and maximum energy efficiency.

Technology

Complying with all safety and quality standards related to the swimming pool industry implies a major effort by Fluidra. An example of this effort is the construction of a facility in Poltank that will allow all Fluidra companies that may be interested to test and verify that the filters meet the European standard EN 16713, which defines the filtration requirements for residential pool, and demands that the filter performance is measured, among other parameters.

For over 14 years, Fluidra has actively participated in various standardisation committees in which the different rules that apply to the sector and affect both the product and the facilities are discussed and defined.

A project for Industrial Doctoral Students was launched in 2016 jointly with the UPC's CIM Foundation, and with the support of Catalonia's Department of Economy and Knowledge development of a design methodology for manufacturing in-demand high-variability pieces with additive technologies.

Throughout 2016, several pilot projects were developed, which have involved different Fluidra Centres of Excellence with the aim of proving the feasibility of integrating Additive Manufacturing technologies, both in production processes and in product development. Among the projects that have been initiated, it is worth mentioning those related to the following:

- *Rapid tooling*: design and manufacture of moulds and tools for short ranges and mould validation.
- *Rapid manufacturing*: design and manufacture of final parts of low demand, complex geometry parts and product customisations.



In recent months, Fluidra has continued the process of improving usability, energy efficiency and reducing noise level in its range of pumps, with solutions already applied in KIVU and Victoria Plus Silent. The product improvements are the result of working with new materials, using the latest plastic that allow better dimensional stability, and use of mechanical and hydraulic calculation programmes by finite element, reducing friction and failures due to dimensional errors. Similarly, Fluidra continues to work closely with engine suppliers to improve the product and use new technologies in drives, as well as in quality control processes.

Thanks to its redesign processes, Fluidra has managed to increase the energy efficiency of the pumps by up to 15%. [\[G4-EN7\]](#)

Industry 4.0

Fluidra has started the path towards Industry 4.0: integrating Additive Manufacturing technologies, along with digitisation and intensive use of internet, among other technologies, which will lead to smarter and more eco-friendly industrial plants and processes, and to supply chains and markets that are much better interconnected.

Protection of Intellectual Property (IP)

From corporate R&D&i monitoring and scouting of technology are coordinated together with the management and protection of the portfolio of intangible assets (patents and trademarks), and training for the different CoEs on issues concerning the protection of such intangible assets throughout the value chain.

For the development and launch of new products, the group has implemented a number of internal processes that incorporate the review of the potential risks of infringement of third party rights. In addition, regular monitoring of the specific technologies that are of interest to the group as well as those of the main competitors are carried out for any possible IP protection application that may be relevant. The group also has various internal processes such as creation and alignment of policies so that group policies are aligned to the legal changes regarding trade secret regulations.

Fluidra has a Trademark Committee, consisting of the heads of marketing, communication and intellectual property who meet once a month to discuss the strategy for the group's trademarks, optimising the current portfolio and other issues related to trademarks and domains.

In 2016, there were no litigation or sale bans against Fluidra products. [\[G4-PR6\]](#)

CUSTOMERS

6.6

[G4-DMA, G4-PR1, G4-PR2, G4-PR3, G4-PR4, G4-PR5, G4-PR7, G4-PR8, G4-PR9]

Albert Lluís
Head of Marketing

Fluidra's business focuses on design and marketing of products for those in the pool and wellness, water treatment, irrigation and fluid handling industries. Fluidra provides these customers not only with advice during project development, purchase and after-sales, but also with training to share its know-how on sector innovation.

Customers in Fluidra are divided into three types, depending on their intended use of the product:

- **Industry Channel**, which has increased around 5%
- **Professional Channel**, the most important one, which accounts for approximately 80% of the total and shows a tremendous growth in retail and online customers of nearly 6 % in both profiles.
- **Mass Market Channel**, the most improved channel posting a growth of over 10% in general wholesale.

At the end of 2016, Fluidra had around 52,000 customers mainly distributed in Europe (39,000). The increase in the number of customers over last year was 17%, as it is broken down in the corresponding table.

	Total	New
TOTAL	52,672	7,428
EUROPE	39,070	5,351
ROW	13,602	2,077



The number of customers increased by 17% last year, with European markets being specially active"



Fluidra supplies our more than 90 stores throughout France on a weekly basis. That, combined with a broad product portfolio covering all consumer demands, makes them the ideal partner to grow in the retail market"



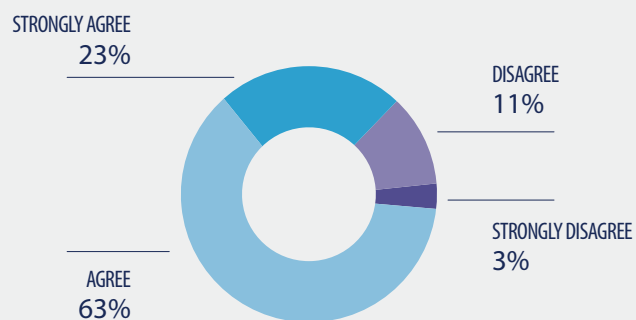
Laurent Gros
Irrijardin
(France)

CUSTOMER SATISFACTION SURVEYS [G4-PR5]

In 2016, satisfaction surveys were sent to 3,421 customers, with a 5.56% response ratio (as of 18 January 2017), with the results displayed in the following charts.

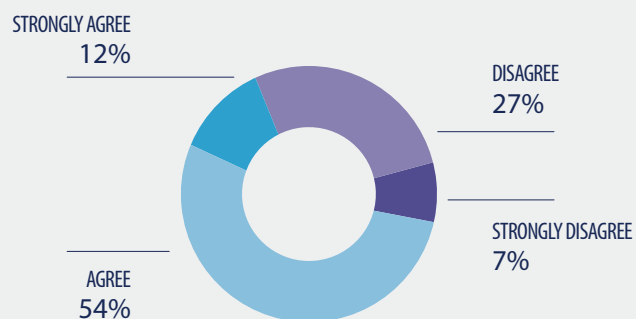
Customer Care Service staff resolve inquiries on the call

(in percentage)



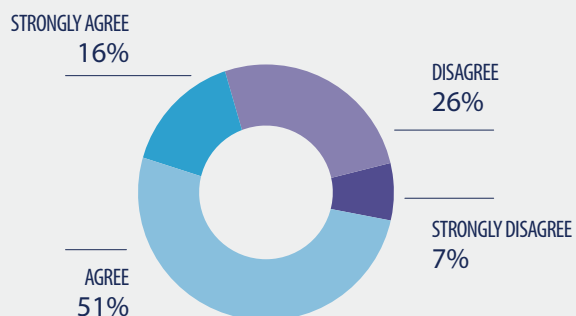
Stock availability has improved over 2015

(in percentage)



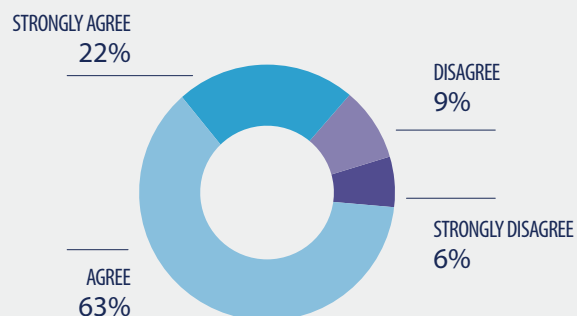
There has been an improvement in delivery times compared to 2015

(in percentage)



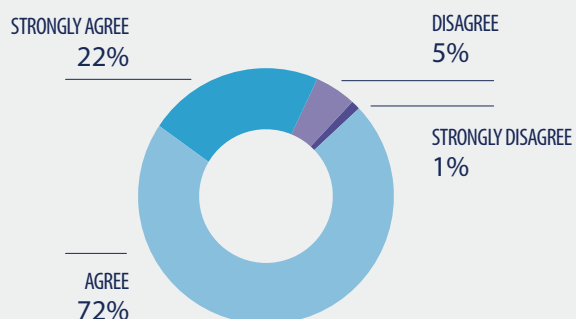
Delivery of goods is carried out in excellent conditions without any damage to the packaging or product

(in percentage)



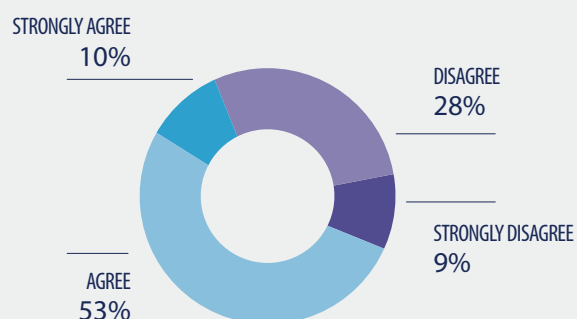
Fluidra has high quality products to offer its customers

(in percentage)



I have observed improvements in the Repair and Returns Service compared to 2015

(in percentage)



In 2016, there were no complaints for violation of privacy and leakage of customer data, or for breach of regulations or voluntary codes concerning the impacts of products on health and safety. [\[G4-PR2, G4-PR8\]](#)

Likewise, no fines were issued for violating the regulations and legislation relating to the provision and use of products and services. [\[G4-PR9\]](#)



I have many suppliers, but Fluidra's commercial support in the swimming pool market is unmatched. They provide technical expertise, service, transparency, enthusiasm and even resourcefulness, these are the qualities that today, like yesterday, excite me about this brand"



Michelangelo Truglia
Blugarden Piscines
(Italy)

CUSTOMER TRAINING

Fluidra is aware that customer training is an essential way to, on the one hand, achieve shared goals more effectively, and, on the other, better understand their expectations and achieve greater interactivity and loyalty with them. For this reason, in 2016 the company held more than 100 training sessions for their customers with the aim of improving their product knowledge and sales skills.

Factory tours 2016

Abiding by the principle that Fluidra is not only a distributor but also a manufacturer, the company arranges visits to the main production units with a dual purpose: to show the production capacity of the facilities and to improve their knowledge about Fluidra products thanks to the participation of factory experts in the provision of training. In 2016, 20 tours with a duration of 2 to 3 days were carried out, and attended by more than 375 customers in 20 countries around the world.

In addition to purely educational initiatives, Fluidra promotes numerous meetings to enter into contact relevant industry partners such as meetings, fairs, incentive trips, events or specific campaigns to launch new products.



Labelling [G4-PR3, G4-PR4]

Fluidra complies with current legislation as regards the level of information provided on and labelling of their products. The company has created a work group which includes the main productive actions to improve any inconveniences that may arise in markings on packaging, export documentation, etc.

Product information manuals are translated into the language of the country where they are sold.

100% of the products are labelled. Due to the wide range of products, each of the categories was labelled based on features and functionality. The information included in the label is included in the data sheet for each product, which is accessible on public products databases on the website of each trademark of the group.

Loyalty programmes

In order to reward loyalty, the programmes to encourage the use of Fluidra products have been ramped up, especially those aimed at sustainable use. These programmes include, among others, the Official Partner Programme (Astralpool), Aquaspecialist, Duty (CTX) and Alliance in Australia - and receive advertising support on POS and access to exclusive products.

Boosting e-commerce

In order to promote and introduce new information technologies among customers, Fluidra is expanding its B2B platforms in different markets (<http://b2b.fluidra.es>; <http://pro.fluidra.fr/>; etc.).

The strategy to promote the online channel is supported by the use of specific profiles on major social networks (YouTube, Twitter and LinkedIn). During 2016, the companies FCE and GRE launched a new loyalty programme for customers of the internet channel. This programme aims to reward good practices in the marketing of the product through this channel and to support the @partners who contribute the most to the strategic brands AstralPool, CTX and GRE.

Progress has also been made in the preparation of various product configurators to help professionals make the right choice within the wide range of Fluidra's products according to the needs of each installation and customer.

As a result of our efforts to boost e-commerce, in 2016 e-sales increased 6% over those recorded in the previous financial year.



A portrait of Marc Albajar, a man with short dark hair and a beard, wearing a dark blue suit, white shirt, and light-colored tie. He is smiling and looking towards the camera.

Marc Albajar
Head of Lean & Quality

“

Fluidra's commitment to quality added a new milestone in 2016 with the definition of the role of the Group Quality Manager”

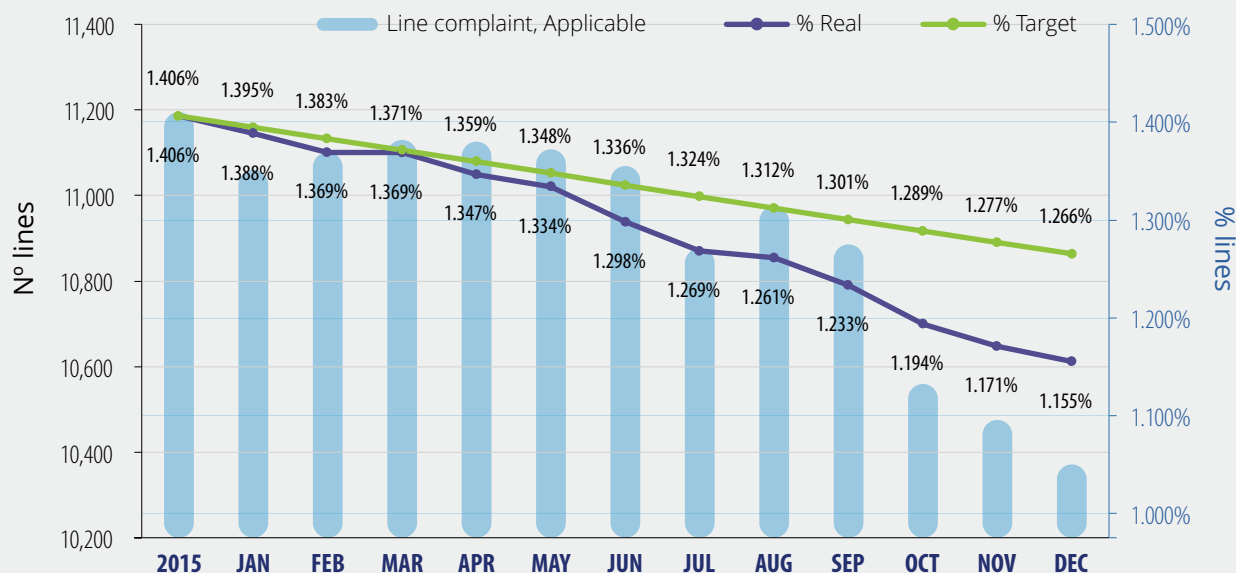
QUALITY

Product quality is one of the main pillars of Fluidra's strategy, a principle for which, in 2016, the new role of Group Quality Manager was defined. In close coordination with the quality managers of each company and the after sales department (SAT) its mission is to develop a quality management system and to standardise methodologies, with the ultimate goal of reducing quality incidences for customers and internal groups.

During the past financial year, the priority for the area responsible for quality has been the consolidation of Quality Monitoring Committees by company and by strategic product where the issues with the greatest impact are discussed. The target proposed for 2016 had been a 10% reduction of customer complaints over the previous year. Thanks to the measures taken this year and in previous years, a 17% reduction of customer lines complaints was achieved at year end compared to last year, as it is displayed in the chart below.

[G4-PR1]

Accumulated Customer Line Complaints 2016



To achieve such a significant improvement in the variables analysed, the work performed in this area has focused on two main targets this year:

CUSTOMERS: The monitoring of customer complaints is performed through indicators and through Quality Committees that perform such action by company and by product, depending on the impact and criticality thereof. In 2016, this was carried out for the Robots, Poolmac and Led products. To consolidate indicators to follow through companies that are integrated into the Integrated Quality Management platform (IQM).

PRODUCTS: FMEA (Failure Mode and Effects Analysis) for Design and Process is a tool that works in the detection, assessment and prevention of possible failures inherent to product design and process. The use of the application has enabled Fluidra to achieve more solid product designs and processes. In 2016, this tool was applied to the following products: Victoria Plus pump, Leds, Chlorinator, Valves, Hydroton and Hercules robots.



Being an Official Astralpool Partner provides greater visibility and brand awareness to Palhágua"



João Palha
Palhágua
(Portugal)

SUPPLIERS

[G4-12, G4-13, G4-EC9, G4-EN32, G4-EN33, G4-LA14, G4-LA15, G4-HR1, G4-HR9, G4-HR10, G4-HR11, G4-S09, G4-S010]

6.7

Carlos Picola
Head of Procurement

YEAR REVIEW AND FUTURE CHALLENGES [G4-12]

Financial year 2016 was globally characterised by an increased purchase volume of around 5%, slightly below the business growth of the group. The year was marked by a decline in world prices of listed commodities (oil, gas, metals), especially in the first few months of the year.

However, other factors such as the gradual recovery of demand as well as the OPEC agreement in November which limited oil production, have raised the price of these commodities. For example, the price of the Brent barrel rose from \$ 28 a barrel in January to \$ 56 a barrel in late December.

Likewise, electricity and gas prices followed a similar trend, decreasing for the first three months of the year to reach all-time lows in March-April, then rebounding gradually the rest of the year. The closure of some nuclear power plants in France in September, together with an unfavourable weather, caused stressed in the European electricity market in the last quarter of the year, which continued in early 2017.

Low prices for oil and metals in the first half favoured improvements in derivative product costs, especially resins (ABS, PP, PE), engines and steel, without any stress caused by the supply side as it happened in 2015.

After the sharp weakening of the euro exchange rate in 2015, 2016 witnessed a strengthening of the US dollar, with an

“

In 2016, we changed the power supplier for 55 supply points of the group in Spain for one who certified that the energy provided comes from 100% renewable sources”

additional appreciation of 3% against the euro and 6% against the yuan. This led to improved prices for raw materials and products imported from China.

From the point of view of procurement of electricity supply, Fluidra entered into a power supply agreement with a new provider company for the 2016-2018 period. The new supplier supplies type **A green energy**, certified by the Comisión Nacional de los Mercados y la Competencia (National Commission on Financial Markets and Competition) from **100% renewable sources**, to the 55 supply points of the group in Spain, which will contribute significantly to reducing the carbon footprint of the Fluidra group in the coming years.

In terms of energy, Fluidra has continued to improve the efficiency of most plants and consumption points of the group in Spain, where energy consumption growth was below production growth. This improvement is the result of the measures and investments implemented from energy audits conducted in 2014. As a key milestone for 2016, Royal Decree 56/2016 on energy efficiency, forced companies that met certain volume and consumption requirements to conduct energy efficiency audits. Fluidra, as a business group, fell within the specific conditions of the Royal Decree, and so met all required energy audits to cover 85% of total consumption.

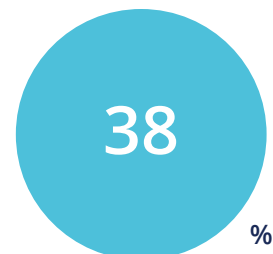
The implementation of the Group's policy on vehicles continues to generate reductions in emissions as the vehicles with maturity in the financial year are renewed for vehicles with lower emission levels than the previous ones. Improving the sustainability of the vehicle fleet is one of the points to be addressed within Fluidra's CSR Master Plan.

An important aspect worth highlighting in 2016 is that, from the agreements with the corporate travel management company, the group incorporated in the calculation the carbon footprint emissions attributable to Fluidra as a result of the movement of its employees.

Purchase and approval policy

Fluidra has continued to develop the suppliers policy in line with the commitments of honesty and integrity that define the group. The new Purchase policy has been approved and is scheduled for dissemination and implementation during 2017.

**PURCHASES UP TO
1,000,000 EUROS**



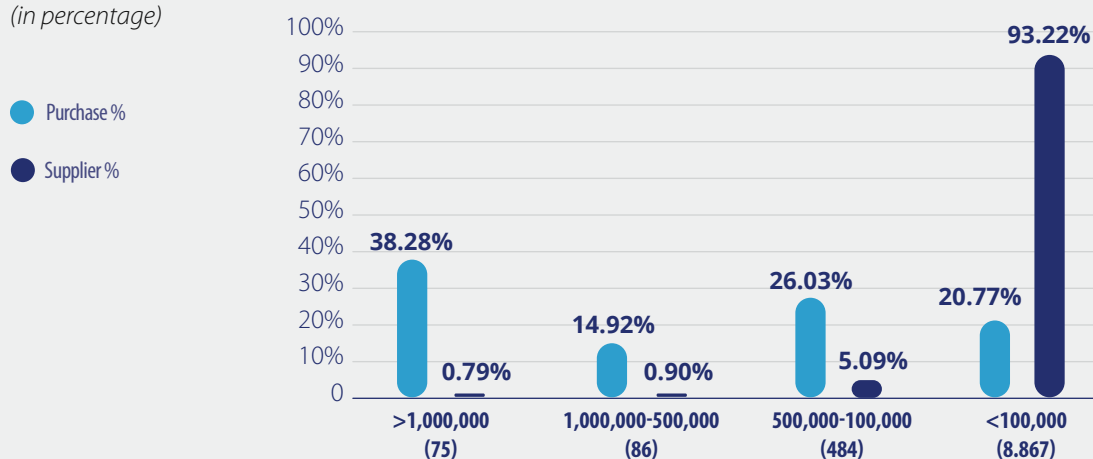
*The carbon footprint emissions attributable to Fluidra by the **movements of their employees** have been incorporated in the calculation*

SUPPLY CHAIN [G4-12, G4-13]

The chart displays the distribution of our panel of product and service suppliers in relation to the volume of purchases made.

Purchases from suppliers

(in percentage)

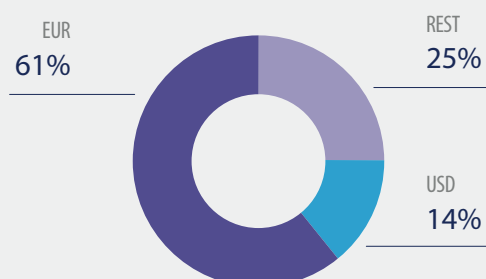


We continue working on the progressive centralisation of the different companies common to the various suppliers, so that the maximum possible synergies are achieved. Chemical products are an example of this approach.

A key milestone within this progressive centralisation is the creation of the company Fluidra Global Distribution under the Invictus project. FGD comprises most of the finished product purchases from third-party suppliers outside the group, with a progressive increase in its turnover. This trend will continue in future years, following the roll-out of the Invictus project.

Most used currencies

(in percentage)



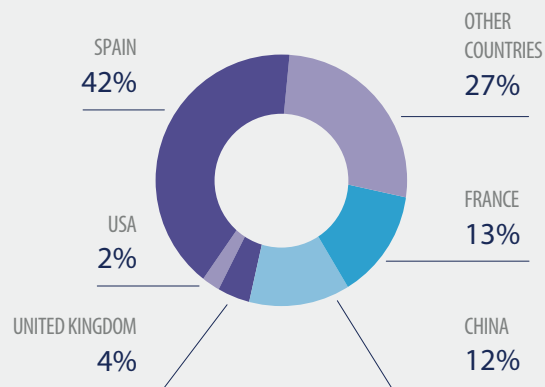
Local suppliers

Given the close relationship and knowledge of our suppliers, 42% of the group's purchases are carried out in Spain. The remaining 58% are imported products or products used in the same productive areas where they are manufactured. Thus, the purchase impact for local suppliers is significant, avoiding unnecessary movements of goods while promoting the local economy. [\[G4-EC9\]](#)

It is important to note that the volume of purchases from China is strongly affected by the purchase of chemicals, as China is the only manufacturer of many of these products in the world.

Suppliers by origin

(in percentage)



CSR in the supply chain

One of the cornerstones of Fluidra in its relationship with suppliers of raw materials and services is the [Supplier Code of Ethics](#). This Code is present in the approval process and its membership is automatically implemented by the general clauses in all corporate agreements and automatic ordering system.

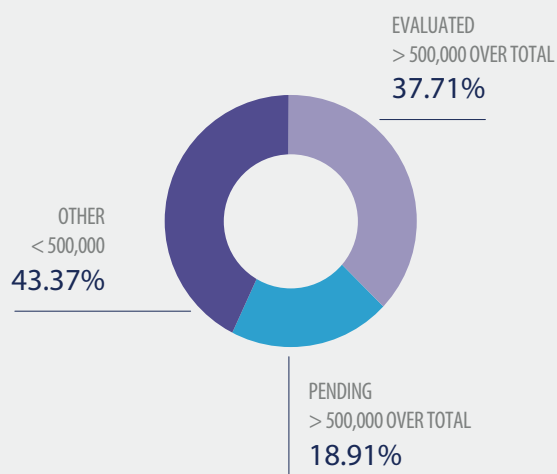
The Code is inspired by the United Nations Global Compact, advocating human rights and fighting corruption are both essential and paramount.



Billing rate assessment on suppliers

(criticality base > € 500,000)

(in percentage)



EVALUATION OF SUPPLIERS

[G4-LA14, G4-LA15, G4-HR10, G4-HR11, G4-EN32, G4-EN33]

Following the lead of the previous year, Fluidra is implementing a systematic process of social risk assessment for suppliers categorised as critical for the company.

The criticality of suppliers is determined by their purchase volume and degree of involvement in the business. In this respect, all suppliers of materials and services with purchasing volumes above € 500,000 are considered critical and must therefore be assessed regarding their ethical, social and environmental behaviour.

In 2016, continuing with last year's assessment process and the criticality criteria in place, the number of suppliers exceeded 170, which together represent a purchase volume of around 57% of the total.

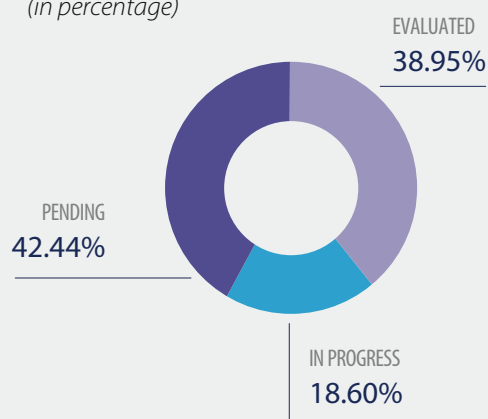
The objective for 2017 is to cover all critical suppliers and move forward with other suppliers based on their purchase volume.

Social risk assessment of our suppliers allows us to manage our risk against third parties and thus be able to establish preventive and corrective measures ahead of possible contingencies of social and environmental nature.

Based on the assessment results, the level of social risk of suppliers is satisfactory, without any reports of unsatisfactory labour and human rights practices. Only 7.1% of assessments detect room for improvement without determining a serious violation of rights. [G4-LA14, G4-LA15, G4-HR10, G4-HR11]

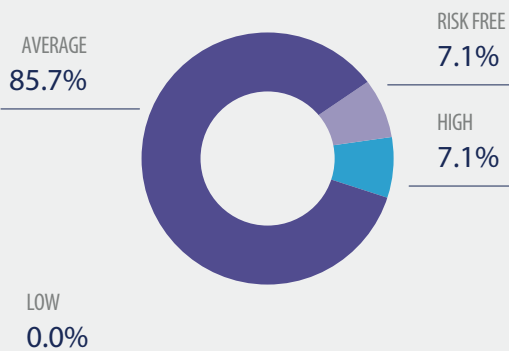
Percentage of suppliers being assessed

(in percentage)



Corporate responsibility risk level in Suppliers

(in percentage)



However, none of the suppliers were found at risk of child exploitation nor were any of the organisations found to have violated the worker's rights to collective bargaining. [\[G4-HR4, G4-HR5\]](#)

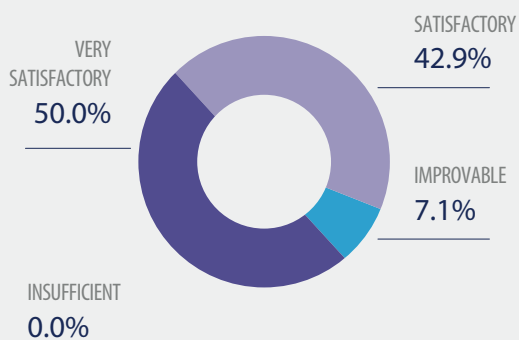
Regarding the environmental assessment of Fluidra's suppliers, there is an analysis procedure in place on 100% of suppliers over a 3-year cycle in all production plants through the implementation of ISO14001 and EMAS environmental certificates. Such procedures set monitoring and compliance references in environmental matters of suppliers, establishing mechanisms for a possible operational veto of the provider in case of serious breach of the environmental legislation.

No serious incidents of breach of the environmental legislation were found in suppliers and therefore all contracts remain in place. [\[G4-EN32, G4-EN33\]](#)

Following the analysis of suppliers and production centres carried out, no significant risks of forced labour were detected. [\[G4-HR6\]](#)

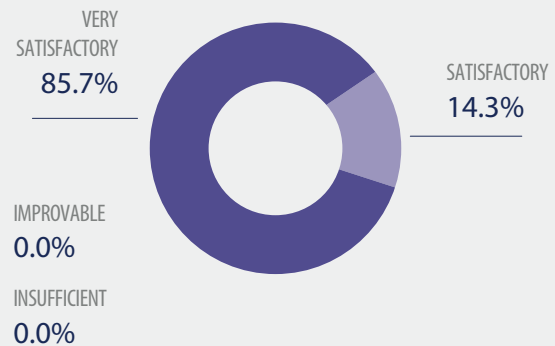
Work practices

(in percentage)



Human Rights

(in percentage)



A portrait of Jaume Carol, a middle-aged man with grey hair and glasses, wearing a dark suit, white shirt, and a patterned tie. He is smiling and looking towards the camera. The background is a solid light blue.

6.8

ENVIRONMENTAL MANAGEMENT

[G4-DMA, G4-EN1, G4-EN2, G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN8, G4-EN9, G4-EN10, G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN20, G4-EN21, G4-EN22, G4-EN23, G4-EN24, G4-EN25, G4-EN26, G4-EN29, G4-EN30, G4-EN31, G4-EN34]

Jaume Carol
COO

Fluidra, aware of the importance of environmental protection, sets in its corporate guidelines the Mission, Vision and Values, and its commitment to promote responsible use of water and apply rigorous sustainability criteria. Fluidra's activity refers mainly to water. Respect for the environment, promoting the use of clean technologies and sustainable use, treatment and recycling of resources are an integral part of the company's day-to-day activities. Fluidra's activities generate environmental impacts and its management aims to minimise the environmental impacts of this activity, focusing on the commitment of the efficient use of raw materials, energy and water use and the correct treatment of emissions, waste and discharges. [G4-DMA]

“

Caring for the environment is part and parcel of our mission and our corporate commitments, it is intrinsic to the essence of Fluidra, so we strive to efficiently manage the impact of all our activities”

FLUIDRA'S COMMITMENT TO THE ENVIRONMENT

1. **To prevent pollution by eliminating and/or minimising significant environmental impact.**
2. **To properly manage natural resources, avoiding exploitation, optimising its consumption and promoting use of reusable and/or recyclable materials.**
3. **To provide training and motivation to and raise awareness among employees and other stakeholders to ensure minimal environmental impact.**
4. **To engage all Fluidra suppliers, contractors and providers through the Supplier Selection Policy in the commitment to care for the environment (Fluidra's Code of Ethics).**
5. **To comply with the existing legislation and base our management system on continuous improvement.**

Environmental Certifications

Companies	ISO 14001	EMAS
Cepex	2005	
GRE	2008	
Inquide	2006	
Metalast	2011	
Poltank	2004	2004
Sacopa	2008	2007
Talleres del Agua	2010	

The Group companies detailed in the table below have certificates such as ISO 14001 or EMAS environmental management systems, audited by external companies that verify compliance with environmental requirements set in ISO 14001 or EMAS standards. [\[G4-14\]](#)

Group companies define their environmental objectives in a particular and independent way based on significant environmental aspects, in compliance with ISO 14001 or EMAS standards, but always in line with the general environmental guidelines of the group. A significant level of environmental responsibility falls to the management or senior management of each of the companies, and it is operationally delegated to the corresponding environmental, safety and quality managers depending on the organisational structure of each company.

No environmental complaints were filed in 2016 (or in previous years) through either formal or informal communication mechanisms. [\[G4-EN34\]](#)



ENERGY EFFICIENCY, ENERGY CONSUMPTION AND ENERGY-EFFICIENT PRODUCTS

The power supply of Fluidra comes from 100% renewable sources. Green energy contributes to reducing the carbon footprint of the Fluidra group. [\[G4-EN19\]](#)

Fluidra decreased consumption of electricity from the public grid and from cogeneration by 35.86%. This year's diesel consumption increased by 31.91%. Regarding consumption of natural gas, there was an increase of 17.58%. [\[G4-EN3, G4-EN6, G4-EN19\]](#)

Fluidra promotes energy efficiency among businesses and in 2016 the following actions in energy efficiency were carried out:

- Acquisition of energy-efficient equipment and machinery: energy-efficient injection machines (one machine in Cepex, three new machines in Sacopa and one in Prelast), a servomotor press (Prelast, SA) and two items of free-cooling refrigeration equipment (Cepex).
- Installation of energy-efficient lighting by replacing fluorescent lights and projectors by LED lighting (Sacopa, Cepex SAU) and use of natural light (Fluidra Portugal, LDA).
- Implementation of energy control system through Metalast analysers in 2016 and from 2015 in Cepex.
- Staff awareness campaigns in order to make everybody aware of the need to use energy efficiently and reduce consumption (ATH, Idegis, Cepex, Sacopa, Metalast).
- Promoting the use of good environmental practices: always turning off lights and air cooling systems when the rooms are not in use and at the end of the day, the use of centralised systems or thermostats that allow users to set the temperature thus reducing energy consumption and preventing unnecessary consumption, turning off screens and computers at the end of the day (ATH, Cepex, Fluidra, S.A.U., Metalast, Poltank, Sacopa, Talleres del Agua and Fluidra Portugal).
- In relation to energy-efficient products, companies like AstralPool, Fluidra Australia PTY, Ltd. focus on developing and selling energy-efficient products (for example Viron Pumps). Sacopa, with Ignialight, engages in the manufacture of lighting for fountains, street lighting, industrial architectural lighting and sports facilities that facilitate energy efficiency.
- Sacopa, through the app FESEEDIT, encourages the use of shared transport between workers reducing the use of private transport.

CEPEX - Injector at Cepex Centre, SAU in Granollers.



CEPEX - Cepex remodelling refrigeration plant in La Garriga by incorporating two free cooling equipment.



SACOPA - Injector of the new Clean Room and expansion of Sacopa 8 (Begudà).



Energy consumption [G4-EN3]

SOURCE	2014	2015	2016	Changes
Natural gas consumption (Gj) [G4-EN3]	36,990.00	39,050.20	45,917.11	+17.58 %
Diesel consumption (Gj) [G4-EN3]	32,235.71	34,291.73	45,232.82	+31.91 %
Cogeneration (Gj)	5,791.64	9,078.11	5822.26	-35.86 %
Grid power (Gj) [G4-EN3]	115,122.93	110,591.64	121,709.96	+10.05 %

Energy intensity (Coverage) [G4-EN5, G-EN6]

	Total energy		By raw materials used		By usable area		Per person		Business figures (in EUR million)	
	Gj	% Var.	Gj/TnMP	% Var.	Gj/m ²	% Var.	Gj/Per.	% Var.	Turnover	% Var.
2014	190,140.30	15.6%	3.00	0.4%	0.60	15.6%	7.23	15.8%	593.80	0.2%
2015	193,011.65	1.5%	3.28	9.3%	0.61	1.5%	6.88	-4.8%	647.30	9.0%
2016	218,682.15	13.3%	3.73	13.8%	0.61	-0.1%	7.43	8.0%	713.30	10.2%



EMISSION OF AIR POLLUTANTS

The Fluidra Group companies do not release significant amounts of substances into the atmosphere which may be harmful to the ozone layer as part of their activities. However, preventive and control measures are in place. One of the risks monitored at the corporate level is the weather, as it is an element that can affect the business as a whole. [\[G4-EC2\]](#)

During financial year 2016, the amount of nitrogen oxides, sulphur oxides, carbon monoxide, volatile components (VOCs), Chlorine and Hydrochlorofluorocarbon emissions decreased during 2016. [\[G4-EN20, G4-EN21\]](#)

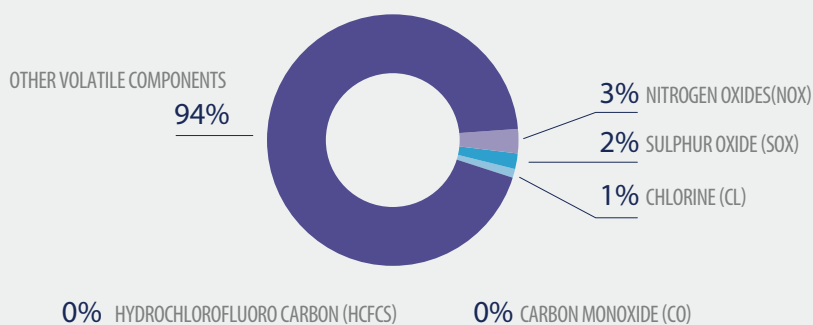
Inquide's plant performs monitoring and control of emissions through direct measurement. The data obtained from VOCs are gathered through mass balance.

Air pollutants [\[G4-EN20, G4-EN21\]](#)

Tn	Nitrogen oxides (NOx)	Sulphur oxide (SOx)	Carbon Monoxide (CO)	Other volatile components (VOCs)	Chlorine (Cl)	Hydrochloro-fluorocarbons (HCFCs)
2014	0.19	0.40	0.22	43.00	3.52	0.55
2015	1.68	1.53	0.29	48.00	0.58	0.52
2016	1.20	1.09	0.20	46.00	0.37	0.00

Components 2016

(in percentage)





Fluidra companies make use of the Group's logistics warehouse, in which measures for the optimisation of transport are taken using full loads and efficiently managing shipments to customers. In 2016, on the back of increased coverage and production, the number of kilometres increased by 24.6%. The figures for transport-related emissions are enclosed in the table attached. [\[G4-EN30\]](#)

Freight transport

(Km)



-18.3%

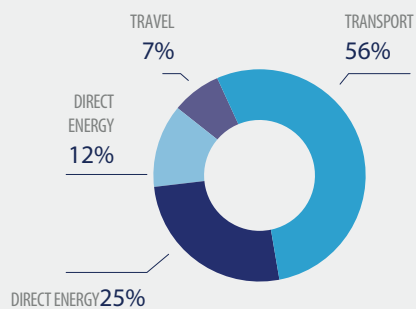


**GEI emissions
decrease**

Within Fluidra, the total greenhouse gas (GHG) emissions generated in 2016 from production processes and transport of vehicles and trucks was 25,378 Tn/CO₂ representing a decrease of 18.3% compared to the previous year. Fluidra's transport emissions account for 56% of the total, of which 12% correspond to indirect energy, 25% to direct energy and 7% to trips. The emission values have been calculated from data provided by the International Energy Agency. [\[G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN20, G4-EN21\]](#)

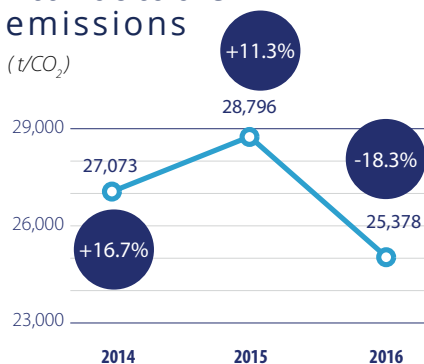
CO₂ emissions in 2016

(in percentage)



Attributable emissions

(t/CO₂)



The main steps taken to reduce GHG emissions were as follows:

- Use of the Trace Logistics Group's logistics warehouse by all companies to concentrate truckload shipments, optimising the number of shipments and reducing emissions.
- Replacing face-to-face meetings and training with videoconferences and online software to avoid the need for domestic and international travel.
- Contracting green electricity in Spain, 100% renewable.

Training and awareness campaigns

The Induction Manual is given to every person who joins Fluidra in order to convey the mission and values of the company. Fluidra's Code of Ethics also includes the business conduct standards and is provided to all employees of the Group.



Fluidra raises awareness on optimisation and responsible use of natural resources such as water, promoting the participation of employees in competitions and community activities.

Workplaces raise awareness on environmental conservation such as how to sort waste properly, efficient use of energy, responsible use of water, proper handling of chemicals and steps to be taken in emergency situations. A clear example of this type of training is the training courses held in 2016 in Inquide (environmental emergencies such as fire situations) and Cepex (training in accidental spills and handling of chemicals) that illustrate these pages.



MINIMISATION OF PACKAGING WASTE

Fluidra is aware of the waste the packaging of its products generates: mostly paper, cardboard and plastic, since the packaging is made in grouped and palletised cardboard boxes or, depending on the product, in plastic or metal containers. Due to environmental legislation demands, some of the Group companies must submit Waste Reduction Plans on packaging to the regional authority's competent body. Among the measures implemented to minimise the environmental impact generated by the product, the following stand out:

- Reduction of the amount of single-use packaging waste on the market, increasing the proportion of recyclable packaging in relation to non-recyclable ones and using, –as far as possible– recycled materials and containers whose physical properties or characteristics provide for recovery and recycling. (Sacopa)
- Reusable plastic boxes replacing cardboard boxes and internal transport of components between warehouses (Prelast, Cepex).
- Reuse of wooden pallets of raw materials for internal use. (Poltank, Cepex)
- Reuse of cardboard boxes that are received with equipment from suppliers and customers which are used to pack and ship. (Idegis, Cepex)
- Reduction of the packaging size (cardboard, etc.). (Manufacturas GRE).
- Increasing the number of boxes per pallet in the shipments of some items. (Manufacturas GRE).

*Fluidra works continuously to reduce
**waste generated by the packaging of
its products***



WATER CONSUMPTION

Fluidra's mission is to bolster society's development and progress through sustainable use of water in its leisure, domestic and industrial applications. The group is especially concerned about saving water and despite the fact that overall consumption is not high and that processes do not require a large amount of water, companies carry out consumption controls for detecting and repairing leaks in the network and misuse or unnecessary use caused by poor practices, and also carry out continuous awareness internal campaigns for the team on the importance of appropriate use.

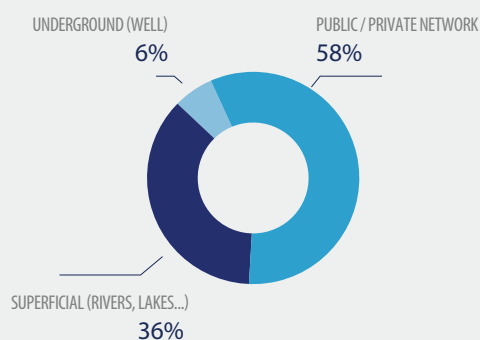
During 2016, 76,722 m³ were consumed, a figure that was reduced by 9.4% over the previous year: 84,709 m³. There is a clear 10.1% reduction of reused water.

Water by source [G4-EN8, G4-EN9, G4-EN10]

	Sources					Reused	
	Public or Private network	Underground (well)	Surface (rivers, lakes...)	Total sources			
	m ³	m ³	m ³	m ³	% Var.	m ³	% Ratio
2014	43,409	4,156	38,807	86,372	19%	7,246	7.7%
2015	39,564	5,229	39,916	84,709	-2%	11,212	11.7%
2016	44,453	4,367	27,902	76,722	-9%	8,666	10.1%

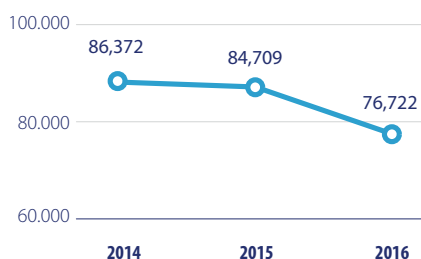
Water by source

(in percentage)



Water consumption

(m³)



Neither in 2016 nor in previous years were the water abstraction sources significantly affected, always under the concession granted. [\[G4-EN9\]](#)

In 2016, water use minimisation and optimisation actions were also carried out, among which the following stand out:

- Many workplaces use closed-mould cooling circuits (Cepex, Poltank, Sacopa, Prelast) while others contain water tanks or reservoirs to test products (ATH). These tanks allow water consumption to be optimised. Similarly, other companies reuse water for production purposes, these waters often come from water for cleaning equipment, water recovered from decanters or press filters, among others (Inquide) or they reuse the water for pool testing (Manufacturas GRE).
- Inquide reuses water for cleaning machinery for production, water from decanters, water recovered from the press filter Wastewater Treatment Station (WWTS) and water from the evaporation plant (condensed). In 2016, water consumption was reduced given that only 2,800 hours of work were completed at ATCC compared to 3,900 hours of work in 2015.
- Following the saving and environmental sustainability policy of the company, ATH has a water tank with a pressure pump to perform hydraulic tests on the product. With this initiative, ATH achieves estimated savings for each hydraulic test of around 150-300 litres.
- Poltank continues to perform consumption checks to detect leaks.
- Cepex reused decalcification water for toilet cisterns.
- Although there were leaks in some of the circuits this year (Prelast) as well as an increase in consumption (Cepex), this has not significantly influenced the final result, which has been reduced.

Inquide, located in Monzón, is the only Group company that holds a special system of surface water intake from the Ebro river basin for sanitation, domestic and industrial use. Industrial demand for the Ebro basin is 470 Hm³, of which 258 correspond to industries not connected to municipal networks. During 2016, Inquide channelled 0.0279 Hm³ representing 0.0059%. During 2015, it channelled 0.0399 Hm³, which represents 0.0084%. This decrease is due to the fact that working hours at the ATCC plant were 2,800, compared to 3,900 hours of work in 2015. [\[G4-EN9\]](#)

-9%



**Reducción del
consumo de agua**



OPTIMISATION OF NATURAL RESOURCES: CONSUMPTION OF MATERIALS

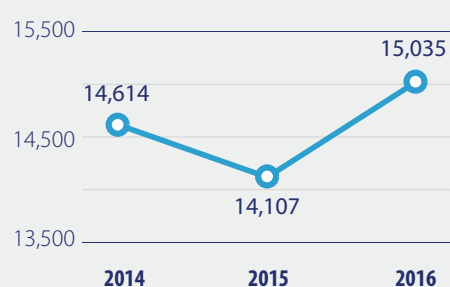
Fluidra aims to reduce the underselling of raw materials, avoiding exploitation, optimising consumption and minimising waste and disposals, from design, procurement and production, applying best environmental practices. **[G4-EN1, G4-EN2]**

Consumption of plastic materials

	Tn			% Var.
VIRGEN	2014	2015	2016	15/16
Polyvinyl chloride (PVC)	5,141	4,907	5,273	7.5%
Polypropylene (PP)	4,009	3,997	4,298	7.5%
Acrylonitrile butadiene styrene (ABS)	1,772	1,734	1,934	11.6%
Polyester resin	1,167	1,298	1,250	-3.7%
Polyethylene (PE)	1,141	746	659	-11.6%
Ion exchange resin	323	354	363	2.5%
Polyphenylene oxide (PPO)	192	185	197	6.5%
Polystyrene (PS)	201	210	256	21.7%
Polyamides (PA)	166	177	234	32.3%
Polycarbonates (PC)	161	148	158	7.1%
Synthetic rubber	123	138	145	5.1%
Acrylonitrile Styrene Acrylate (ASA)	58	67	83	23.2%
Copolyester	37	39	49	25.6%
Polyurethane (PUR)	63	53	73	37.3%
Acetal	33	31	32	3.2%
Ethylene Vinyl Acetate (EVA)	23	19	26	36.8%
Methacrylate	6	6	6	0.3%
TOTAL PLASTIC MATERIALS	14,614	14,107	15,035	6.6%
INTERNALLY RECOVERED				% Rec.
Polyvinyl chloride (PVC)	1,219	1,227	1,188	7.9%
Polypropylene (PP)	0	0	45	0.3%
Acrylonitrile butadiene styrene (ABS)	0	0	14	0.1%
EXTERNALLY RECOVERED				% Rec.
Polyvinyl chloride (PVC)	1	62	12	0.1%
Polypropylene (PP)	116	86	110	0.7%
Acrylonitrile butadiene styrene (ABS)	9	12	11	0.1%
TOTAL RECOVERED	1,345	1,387	1,380	
PERCENTAGE TOTAL RECOVERED	9.2%	9.8%	9.2%	

Consumption of plastic materials

(Tn)



En 2016 se aprecia una disminución del material químico y de otros materiales. Esto es debido a la optimización de la producción, logística y la revisión de stocks en la aplicación de medidas de reducción y, por último, a la disminución de la fabricación de productos que se componen de este material. En cambio se observa un incremento de consumo de materiales plásticos asociado al incremento de ventas de productos asociados a plásticos.

Consumption of other materials

		Tn			% Var.	Renewable
		2014	2015	2016	15/16	
Metal	Steel	3,627	3,246	3,348	3.1%	
	Iron	537	422	291	-30.9%	
	Copper	138	68	73	8.4%	
	Aluminium	249	57	65	13.5%	
	Titanium	8	8	8	-0.4%	
	Cables	166	88	103	17.0%	
Glass	Recycled glass	9,004	5,701	4,236	-25.7%	Yes
	Fibreglass	659	760	767	0.9%	
Packaging	Wooden pallets	2,526	2,805	2,886	2.9%	Yes
	Cardboard boxes	2,036	2,360	2,594	9.9%	
	Plastics (film, bags, containers, etc.)	1,072	977	1,314	34.6%	
	Other (cork, foam, etc.)	2	4	4	0.7%	
	Drums	3	4	73	1801.3%	
Other	Pigments	16	75	40	-46.9%	
TOTAL OTHER MATERIALS		20,043	16,573	15,802	-4.7%	

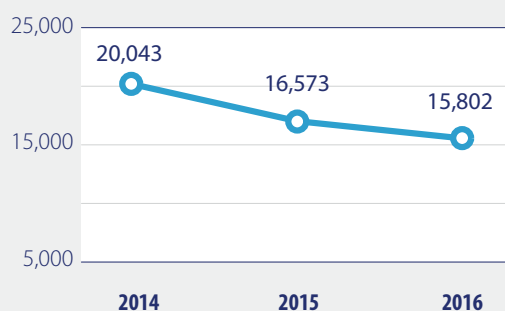
-4.7%



**Reducing
consumption of
other materials**

Consumption of other materials

(Tn)



-1.2%



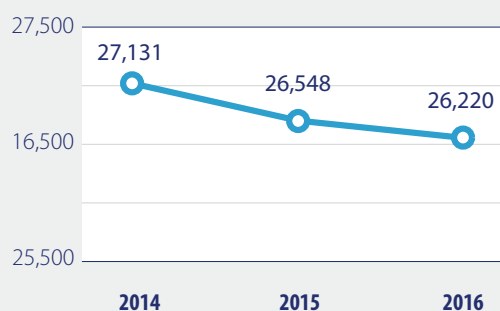
**Reduction
of chemical
materials**

Consumption of chemical material

	Tn			% Var.
	2014	2015	2016	15/16
Sodium hydroxide	7,035	6,389	4,525	-29.2%
Chlorine	4,565	4,175	2,915	-30.2%
Trichloroisocyanuric acid	3,687	4,438	5,067	14.2%
Dichloroisocyanuric acid	2,415	1,907	3,058	60.4%
Cyanuric Acid (Isocyanuric)	2,400	2,200	2,000	-9.1%
Sulphuric acid	2,043	2,447	2,888	18.0%
Sodium thiosulphate	1,196	1,201	850	-29.2%
Sodium bisulphate	1,016	1,008	1,005	-0.3%
Sodium hypochlorite	811	831	1,633	96.5%
Dense Sodium Carbonate	790	764	846	10.7%
Aluminium polychloride	730	713	981	37.6%
Boric acid (EP)	311	347	302	-13.0%
Peroxides (acetylacetone + MEK)	20	22	23	4.5%
Phosphoric acid	14	15	16	4.0%
	Tn			% Rec.
Int. Reused Acetone	27	32	32	-1.3%
Ext. Recovered Acetone	72	59	80	35.6%
TOTAL CHEMICAL MATERIAL	27,131	26,548	26,220	-1.2%

Consumption of chemical material

(Tn)



All data for raw materials and other materials are recorded based on sales invoices.



ENVIRONMENTAL PROTECTION

Fluidra Group companies are located in industrial estates or urban areas outside natural areas of special protection. For this reason, biodiversity is protected only through conservation of native species in neighbouring gardens of the perimeter of the facility.

Minimisation of wastewater [G4-EN22]

Black water is mostly discharged directly to the public network, although some Group companies incorporate them into their production processes.

In 2016, discharges were 9% less than in 2015. The following actions taken during the year are worth highlighting:

- Inquide Monzón has a biological treatment plant where grey water is treated. This system discharges treated water through filtration wells in the absence of public sewers in the area. The remaining wastewater in Monzón generated from production processes is managed internally as waste, and deposited in storage reservoirs for natural evaporation.
- Metalast has a physical-chemical water treatment system to treat processed waters. During this year, Metalast built a tank for regulating the flow rate and inlet concentrations of water in the plant. All other group companies have closed water circuits which allow reuse and, thus, savings.

During financial year 2016, no significant spills in Fluidra Group companies occurred, nor did any impacts on biodiversity due to discharges of treated water. Wastewater discharges comply with environmental legislation. [G4-EN24,G4-EN26]

-9%



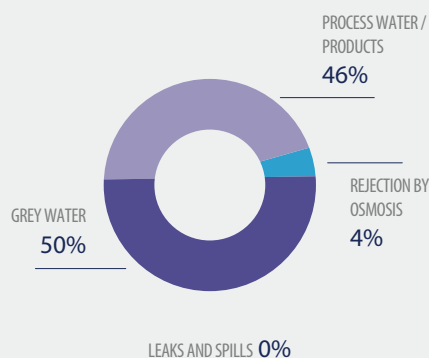
**Reducing
wastewater**

Type of discharge [G4-EN22,G4-EN24]

	Sanitary water	Process water / Product	Rejection by osmosis	Leaks and spills	Total discharges	
	m ³	m ³	m ³	m ³	m ³	% Var.
2014	25,777	58,772	1,371	452	86,372	19%
2015	34,764	47,556	1,445	944	84,709	-2%
2016	38,104	35,196	2,928	494	76,722	-9%

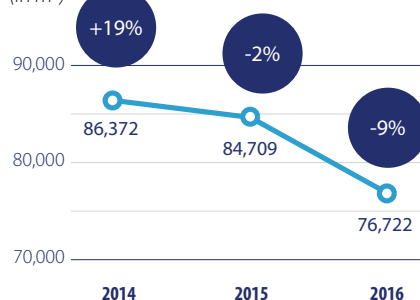
Type of discharge 2016

(in percentage)



Discharges

(in m³)



Optimising the management and treatment of waste

[G4-EN22, G4-EN23, G4-EN25]

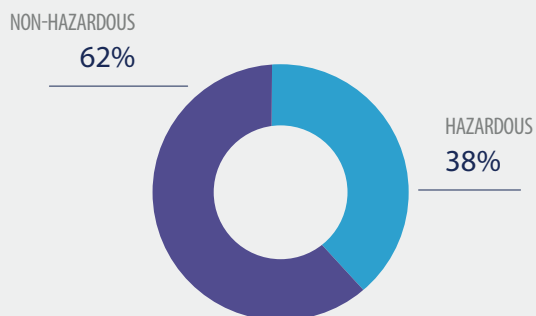
The waste generated is sorted and treated in compliance with current legislation. Its management is aimed at reducing, reusing and recycling both at origin and through authorised processing companies and as a by-product. Of the waste generated by Fluidra in 2016, 38% was hazardous waste and the remaining 62% non-hazardous waste.

In 2016, workplaces managed, by recovery at source, recovery and management of the by-product, 70.8% of the waste generated, while 29.2% was managed by treatment or disposal. In 2015, it was managed by management at source, recovery and management of the by-product, 76.9% of the waste generated, while 23.1% was managed by treatment or disposal.

Fluidra Group companies do not transport or treat waste internationally classified as hazardous, in compliance with Annexes 1, 2, 3, and 8 of the Basel Convention; all treatment or transportation that may result from such waste is performed in the country.

Type of waste 2016

(in percentage)



-28.9%



Reducing total waste

Waste Management (tons)

Type	Treatment Method	Hazardous		Non-hazardous	
		2015	2016	2015	2016
Internal Management/ at origin	Recovery of own waste Recovery of waste at own facility	96.47	33.48	16,481.89	9,964.27
	Treatment, disposal and/or energy recovery of own waste	5,507.59	4,795.2	0.00	0.00
External management	Recovery at management facilities	134.07	120.8	1,863.69	1,877.59
	Treatment of disposal for waste	300.05	348.26	1,087.33	1,046.1
By-product management	Issue as by-product	4,008.30	2,681.9	316.05	328.09
TOTAL		10,046.48	7,979.64	19,748.96	13,216.05

* Law 10/98 defines hazardous waste as "Waste outlined as per the list of hazardous waste, as adopted under Royal Decree 952/1997, as well as bottles and containers in which such waste has been stored. Waste classified as hazardous under EU legislation, which may be approved by the Government in accordance with European laws or international conventions to which Spain is a party."

Environmental investments and costs

In 2016, management costs and waste treatment expenses increased, and environmental investment over the previous year also increased. The details on costs and environmental investments can be found in the accompanying tables and charts.

In 2016, no administrative penalties or fines for breach of environmental legislation were received. [\[G4-EN29, G4-EN31\]](#)

+33.2%



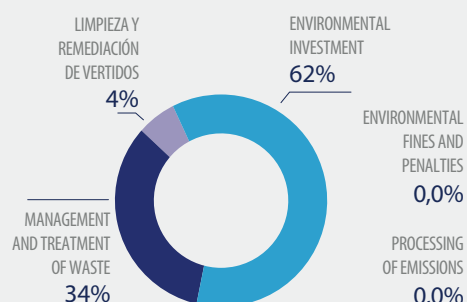
Environmental investments and costs

Environmental cost distribution

	Expenses			Regulation	Investments	Total Environmental Costs	
	Cleaning and clearing of discharges	Management and treatment of waste	Processing of emissions (filters, chemicals, ...)	Environmental fines and penalties	Environmental Investment	TOTAL	
	Euros	Euros	Euros	Euros	Euros	Euros	% Var.
2014	60,102	318,411	432	0	451,080	830,025	93.4%
2015	70,171	405,141	499	0	677,210	1,153,021	38.9%
2016	69,597	518,599	725	0	946,755	1,535,676	33.2%

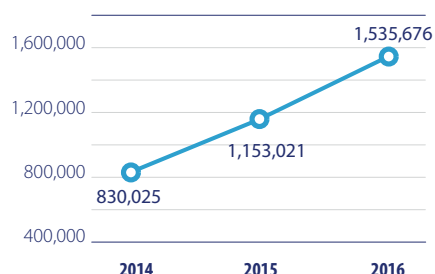
Environmental cost distribution in 2016

(in percentage)



Environmental investments and costs

(in EUR)



YEAR REVIEW AND FUTURE CHALLENGES

Monitoring of 2016 Targets

- During 2016, those companies with environmental management systems based on ISO 14001 or EMAS have successfully passed maintenance environmental audits.
- Water consumption was reduced by 9%, which demonstrates Fluidra's goal of making responsible use of water in its facilities.
- Regarding the optimisation of waste management, Sacopa improved from 81% (2015) to 89% (2016) on the recovery of waste, a 10% increase. Cepex went from a 90.4% recovery in 2015 to 91.4% of the waste generated by internal recycling, recovery and management of by-products. Talleres de Agua discarded the objective of reducing waste casings in 2016 (aluminium profile, aluminium sheet and stainless steel sheet) by 5%. In 2016, Metalast began a pickling and electropolished optimisation process of steel that will continue in 2017.
- Throughout 2016, the purchasing department responsible for the procurement of energy purchases of the Fluidra Group carried out several actions: purchase of 100% renewable green energy, optimisation of the power installed in the workplace in collaboration with the manager and environment managers of Fluidra companies, and also promoted the implementation of an energy management system, currently installed in Cepex.
- The energy consumption of GRE increased by 4% (from 223,404 kwh to 232,942 kwh) and failed to reduce consumption by 3%. Cepex reduced power consumption by 3%, from 1.43 kw/kg to 1.48 kw/kg of raw material, thanks to monitoring power consumption and the new refrigeration installation. Poltank did not manage to reduce power consumption by 3%, as it increased power consumption for processed materials from 0.61 kw/raw material to 0.65 kw/raw material posting a 7% increase. Metalast carried out the implementation of the electricity consumption monitoring system which will be consolidated by 2017.
- In the process of improving the control of emissions, Inquide invested in neutralising gases by scrubber and increased its aspirations.
- In relation to the objectives of reducing the environmental impact of raw materials and products, Talleres de Agua was able to reduce consumption of wood and plastic raw materials. Poltank did not manage to reduce acetone as a cleaning agent by 5%, which rather increased by 26%.
- Regarding environmental training to promote environmental awareness and educate staff on good environmental practices derived from environmental aspects – such as energy consumption, proper waste management, responsible water consumption, handling chemicals and environmental emergency actions (fire and discharges) – please refer to the section on training (p. 128).

ENVIRONMENTAL OBJECTIVES 2017

In 2016, the Master Plan (2017-2020) was drafted with environmental objectives to progressively implement the ISO 14001 management systems and the deployment of the environmental policy in our group.

ISO 14001: 2004 certified companies began to adapt their management systems to be certified according to the new ISO 14001: 2015 before September 2018.



Consuming water in a sustainable manner. Making responsible use of water within our facilities by preventing leaks and optimising reuse processes. Immediate repair of leaks should they occur. Preventing leaks and spills in our facilities whether by associated consumption or by any possible environmental impact of wastewater.



Optimising waste management by properly managing prevention, minimisation, reuse and recycling.



Applying energy efficiency criteria to optimise energy consumption within our activities and the acquisition of new equipment. Reducing energy consumption and improving energy efficiency.



Reducing our emissions and optimising logistics of shipments in order to minimise the environmental impact of our activities, products or services.



Promoting education and environmental awareness with the aim of educating the staff on environmental aspects such as energy consumption, proper waste sorting, responsible consumption of water, handling of chemicals and training activities on environmental emergency (fire and accidental spills).

6.9

SOCIETY

[G4-15, G4-16, G4-DMA, G4-S01, G4-S02, G4-S011]

Bea Strebl

Head of Communications and External Relations



Once again we have proved our commitment to society by promoting solidarity projects and by participating in cultural, academic and sports activities"

Fluidra is a responsible and socially committed company. The company works on a daily basis to engage in the reality of the countries where it operates. Its growing relationship with the environment enables it to engage in closer dialogue with communities, with an increasingly active contribution towards sustainable development and the welfare of society. [SO-DMA]

Part of that commitment to society is reflected in the company's adherence to the Global Compact Principles and subsequent involvement in respect for human, labour and environmental rights and the fight against corruption. [G4-15]

Many employees are actively involved in associations related to water management and other activities such as the development of guidelines and standards, with the aim of promoting a sustainable environment around the activity of the products.



Fluidra managers are responsible for conveying the message to employees on the responsibility that their actions have on the day-to-day with their colleagues, external organisations with which they interact in the development of their work, with the public administration, the environment and, in general, with society and the community around them.

Companies work transparently and independently for the community and public entities to provide the best services, without conflicting with the interacting parties. None of the companies that are part of the Fluidra Group are related to political parties or lobbying groups.

There have been no fines or penalties for non-compliance with laws and regulations in 2016. [\[G4-S08\]](#)

The audit department carries out general assessments based on the Risk Assessment practices of the centres. In 2016, 16 production centres were assessed. [\[G4-S03\]](#)

Many professionals are actively involved in associations linked to water management

MILESTONES IN 2016

Fluidra's Day - "With your help, they win"

Coinciding with World Water Day, Fluidra's Day takes place on 22 March. For four years now, the group's workforce has been given one month to suggest solidarity projects related to water, childhood and sustainability. The three projects selected by the CSR Committee receive a donation of EUR 3,000, and in 2016 the winners were:



- "Swimming Programmes for Israeli Arabs," by Shoshana Mueller (Aquatron Robotic Technology Ltd., Israel), which promotes understanding between young victims of the Arab-Israeli conflict.
- "Paralympic Swimming Open Competition of Castile and Leon," by Leopoldo González Alonso (Fluidra Comercial España), who suggested a swimming competition for children and young people with mental disorders.
- "Aquatic Physiotherapy" by María José Rey (Fluidra Comercial España), with the aim of organising water activities to foster psychomotor development of children with physical and mental disabilities.

Song "Fluidra in your hands" (Fluidra a les teves mans)

With the title "Fluidra in your hands", Juan Martínez Rillo (Cepex) composed a song dedicated to the company which was the motto for the eighth edition of the children's contest for Fluidra families. The winner was Júlia Cosp, the ten-year-old daughter of a Sacopa employee (see drawing on p. 142).



Fluidra photo contest on INSTAGRAM

In 2016, Fluidra launched a public photo contest on Instagram with the hashtag #WaterfulSummer2016. The contest had previously taken place for eight years in the summer among employees of the group. In 2016, the general public participated, contributing with high-quality photos, and it was a great success. The winner was awarded a GoPro camera.



Strategic Cluster Change Conference

In 2016, Public agency Acció and IESE Business School acknowledged Fluidra as a business success case within the framework of the Strategic Cluster Change Conference held in Barcelona. This acknowledgement was based on the company's adaptive capacity to trends, embodied in the newly launched pool system based on the internet of things.

SPONSORSHIPS AND PATRONAGE

Fluidra collaborates with different organisations which work in four main areas: water and environment, sports, society and culture (music). The assignments are geared towards projects that generate greater value for society and, at the same time, enable the company to participate in the communities and countries where the Group operates its business. Fluidra has allocated EUR 340,000 to the Fluidra Foundation to carry out social actions and sponsorship deals during 2016 and 2017. **[G4-EC1]**

Water and environment



- Fundación MAR - Fluidra collaborates with this Foundation which works for the conservation and improvement of coastal and marine environment in order to maintain biodiversity. Since 2013, the solidarity projects have been put forward by the employees themselves.
- Catalan Water Partnership - The Catalan Water Cluster (Catalan Water Partnership) chaired by Jaume Carol, COO, is a strategic cluster in which consultants, knowledge centres, equipment manufacturers, engineering companies and other entities related to the water cycle work together to promote multi-level collaborations aimed at achieving, using a sustainable approach, innovative solutions meet to the global needs of water quality solutions, anywhere in the world. With an innovative approach, 3,000 qualified professionals, of whom more than 100 are dedicated to R&D&i, operating in more than 190 countries.
- Business and Climate Foundation - Fluidra, as an active part of sustainable development of the society in which it operates, is a contributor to this foundation which offers businesses the necessary tools to meet the commitments and challenges posed by climate change, as well as the guidelines necessary to improve efficiency in reducing emissions.

Sports area



- AstralPool Sabadell water polo team - The company, through its brand AstralPool, renewed for three more years the sponsorship deal with the first teams of the Sabadell Swimming Club, with whom it has been collaborating for a decade and whose women's team is making history in women's water polo. In 2016, CN Sabadell AstralPool won its fourth European Championship, a title already conquered in 2014, 2013 and 2011, when it became the first Spanish club to win this cup.
- Sponsorships in France - Fluidra sponsors three French swimming, football and rugby teams.



• Solidarity Business Olympics - Once again, Fluidra took part in the Solidarity Business Olympics organised by A32 Events in order to enhance cohesion and team spirit while financially contributing to a charity project.



Social area

- 'Creativation' Foundation - Collaboration as founding company in this initiative whose mission is to develop and disseminate creativity and innovation in education with the aim of providing new generations with the capacity and motivation to contribute to the change and transformation of society and personal fulfilment.
- Multiple Sclerosis Foundation (FEM) - Since 2003, Fluidra has actively collaborated with the annual awareness campaign known as 'Get Wet for Multiple Sclerosis', held in 800 pools throughout Spain. Its aim is to show the social commitment of the population with the 40,000 people who currently suffer from this disease in Spain.
- Josep Carreras Foundation against Leukaemia - Collaboration as a partner company of the foundation created by tenor Josep Carreras. The resources managed by the Foundation are intended to support research and scholarships in the field of leukaemia, donor registration, social services and help in hospitals.
- IESE - Fluidra collaborates with IESE to promote educational activities and training for both young people and adults.
- Technical College of International Commerce (ESCI) - Fluidra collaborates with this university centre, affiliated to Pompeu Fabra University, in order to encourage and promote the training of new professionals in the field of trade and international business management.
- ESADE - Through the collaboration with ESADE, Fluidra is involved with institutions that promote educational activities and training of young people and adults.

It is worth noting the multiple actions and donations made by Fluidra companies to local social entities and communities where it operates: local hospitals for treatment of diseases such as cancer, associations for the inclusion of people with mental disabilities, among other projects.



Cultural area

- Gran Teatre del Liceu theatre - For several years, Fluidra collaborates as sponsor of the Gran Teatre del Liceu, one of the main icons of cultural and artistic life of Barcelona.
- Palau de la Música Catalana music hall - As a Supporting Member of the Fundació Orfeo Català-Palau de la Música Catalana, Fluidra helps to foster music.
- Church of Sant Vicenç in Estamariu - Fluidra contributes to the maintenance and visits of the mural paintings found on the inside of the church of Sant Vicenç d'Estamariu, a Romanesque building from the early 11th century.
- Local partnerships - Fluidra also makes financial contributions to local associations to promote festivals, as well as sports organisations and cultural associations in the towns or areas where its workplaces are located.

ASSOCIATIONS WITH WHICH FLUIDRA COLLABORATES [G4-16]

- ACEMA Catalan Association of Environmental Engineering and Consulting
- AEDYR Spanish Association of Desalination and Reuse
- AFESE Salt Electrolysis Manufacturers Association Spain
- Aqua España Spanish Association of Water Treatment and Control
- ASOFAP Manufacturers Association of Equipment, Chemicals and Swimming Pool Builders
- ATECYP Spanish Technical Association of Air Conditioning and Refrigeration
- Barcelona Chamber of Commerce
- CEAM Metallurgical Studies and Advice Centre
- CEP Spanish Plastics Centre
- ECOEMBES Eco-packaging Spain
- EUSA European Union of Swimming Pool Associations
- Fluidex Spanish Association of Exporters of Fluid Handling Equipment
- Foment del Treball (Work Support)
- FPP Federations des Professionels de la Piscine
- Swimming Pool and Spa Association NSW Pty Ltd
- SPATA The Swimming Pool and Allied Trades Association

2016 LECTURES AND CONFERENCES



february

- 1 Round Table at Barcelona International Business Club
Barcelona International Business Club
Eloi Planes

may

- 2 Presentation of the Strategic Plan
Eloi Planes



june

- "Responsible Board of a Directors"
IESE Madrid
Eloi Planes
- Commercial Strategies to operate in European markets
CECOT (Tarrassa)
Pere Ballart

september

- Conference on Fluidra & Japan
Foment del Treball
Pere Ballart



october

- 3 "Protecting R&D&i results in the water and environment industries"
Catalan Water Partnership
Erika Jiménez
- 4 Why does Fluidra choose Google Apps?
Fábrica Moritz
Roberto Carbajal



november

- 5 Fluidra Presentation
ESCI-UPF
Cristina Roca
- Conference on Strategic Change
Acció / IESE
David Tapias
- Presentation of the Strategic Plan
UAB
Carlos Franquesa
- The internationalisation of Fluidra in the USA
IE Cambra Terrassa – BBVA
Ignacio Elburgo
- Symposium on intangible assets
ESADE
Erika Jiménez
- Roundtable on EU legislative reforms
Pan-European LESI Young Members Event
Erika Jiménez



A portrait of Andrés Botella, a middle-aged man with grey hair, wearing a dark suit, white shirt, and a striped tie. He is smiling slightly and looking towards the camera.

Andrés Botella

Head of Tax, Legal and
Compliance

TAX CONTRIBUTION AND COMMITMENT

Fiscal commitment

Fluidra permanently upholds its commitment to good governance, transparency and integrity, which, together with the creation of value for shareholders and investors, are part of its management and business ethos. Compliance with the current tax legislation at any time and place is one of the principles underlying the corporate responsibility of the Fluidra group.

Fluidra has defined a fiscal strategy that includes, among its objectives, compliance with current tax legislation, adopting a reasonable interpretation thereof based on the principles of transparency, mutual trust, good faith and loyalty. Similarly, the objectives of the company: not using opaque or artificial structures or which are outside the activity of the company established with the sole purpose to lessen the tax burden, not operating in jurisdictions deemed as tax havens for purposes other than the usual running of business operations of Fluidra and working so that transactions with related parties are governed by a principle of free competition.

Following the publication of the 15 measures of the OECD BEPS plan, the group has launched reviewed draft recommendations issued with the aim of adapting the regulatory changes to the countries in which it operates.

“

Fluidra's contribution to the societies in which it is present is implemented, among other things, through the responsible payment of its taxes

Tax contributions [G4-EC1]

Fluidra's business activity generates wealth in the areas where it has a presence, both through its own impact on local economies and tax contributions. Fluidra is aware of the importance of its contributions to the local economy and therefore maintains a strict policy in terms of tax contributions in the countries where it operates.

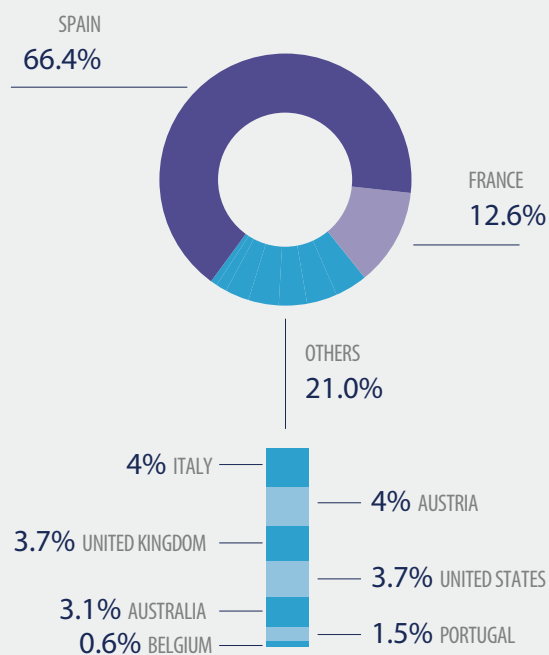
Fluidra's tax contributions in 2016 amounted to EUR 32.5 million in direct taxes. That amount includes the expense for corporate income tax accrued in 2016 and the payment of employer social security contributions.

The breakdown of the overall amount by geographic area reveals that Fluidra contributed 66.4% of the total direct tax contribution in Spain, 12.6% in France, 3.7% in the UK, 3.1% in Australia, 3.7% in the United States, 4% in Italy, 4% in Austria, 1.5% in Portugal and 0.6% in Belgium. Fluidra pays these taxes directly to the Tax Authorities of the aforementioned countries.

The business activity that Fluidra carries out in these regions generates significant revenue for the countries' treasury. The total indirect taxes channelled by Fluidra for these institutions in 2016 amounted to EUR 28.7 million.

Direct tax contribution chart by country

(in percentage)



DIRECT TAXES

32.5

M €

INDIRECT TAXES

28.7

M €

Joan Planes

President of Fluidra Foundation

Fluidra Foundation

In 2016, Fluidra created the Fluidra Foundation, a logical step in its commitment to society, to better focus its corporate social responsibility initiatives and achieve greater impact.

The Fluidra Foundation selects and optimises grants and sponsorship deals that had, to date, been applied from Fluidra and also takes the lead in conducting its own actions which are aligned with its commitments:

- **Social commitment:** projects aimed at accessibility, awareness and education on water use.
- **Cultural commitment:** to disseminate music as a tool for personal growth and to promote personal dignity.

The Fluidra Foundation will carry out projects related to water access for disadvantaged groups and will promote culture, specifically music. Joan Planes, founder and honorary president of Fluidra will chair this institution.

“

At Fluidra, we have always believed in sustainable water use and in democratising its access to all groups of people. We value culture in general and music in particular as a way to ensure dignity for people”

FUNDACIÓ
FLUIDRA
LLEGAT JOAN PLANES





Through Fluidra Accelera we encourage innovation and entrepreneurship in the areas where we operate"

Xavi Servat
Manager of Fluidra Accelera

Fluidra Accelera



Fluidra has a start-up accelerator to support entrepreneurs and stimulate innovation.

The goal of Fluidra Accelera is to transform start-up companies related to the water world into innovative, profitable and future companies. Fluidra Accelera provides highly qualified advice with the aim of providing viability and visibility to projects.

Senior Managers, production experts, marketing and sales, are the mentors of the projects. The accelerator provides networking and visibility by advertising the project to the major market players analysed by placing the focus on optimal scalability of the initiative.





7

Annexes

Principles for determining the
content and quality of the report 153

About this report 154

External verification 161

Performance indicators 162

GRI G4 contents 171

Annual Corporate Governance
Report directory 179

PRINCIPLES FOR DETERMINING THE CONTENT AND QUALITY OF THE REPORT

In the preparation of this integrated report, Fluidra followed the GRI principles that determine its content through the participation of groups of interests defined in its Mission, understanding sustainability in a broad sense, performing the materiality study as a cornerstone of its sustainable development and following the principle of comprehensiveness in the presentation of indicators and data.

Following the GRI guidelines in determining quality, this report presents balanced and transparent information, although comparability with previous reports is hampered by the incorporation of new companies in the coverage of information which may, in some cases, distort comparability.

A computerised system for reporting corporate information enables Fluidra to obtain accurate data without abusing estimates in the calculations.

This report, following the principle of timeliness, is exclusively presented every year on the day of the General Shareholders' Meeting of Fluidra as part of the documentation for shareholders.

By basing the contents of the report on international standards of the Global Reporting Initiative (GRI) and the Integrated International Reporting Council (IIRC), the company is able to abide by the principle of clarity and facilitate access to any information that stakeholders may request.

Finally, Fluidra is responsible for the reliability of the data reported by external and independent verification, and makes available to stakeholders contact details in order to answer any questions and requests for information.



ABOUT THIS REPORT

[G4-6, G4-22, G4-23, G4-28, G4-29, G4-30]

This annual report covers the business activity of Fluidra in 2016 and has been drafted and structured according to the IR framework of the International Integrated Reporting Council (IIRC). For reporting on non-financial aspects, the drafting guide of the Sustainability Report Global Reporting Initiative (GRI) version 4 has been followed, in line with the Exhaustive criteria.

Approval of the report is performed by the CSR Committee as the regulatory body for sustainability issues. [G4-48]

One aspect on which more work was carried out in 2016 is the materiality matrix. While in 2015 Fluidra's materiality was determined by the relationship with stakeholders, this year a specific study was carried out on 500 people representing the various Fluidra stakeholders. The results of the study are presented in the corresponding materiality section.

Another new aspect in this report is the expansion of the GRI coverage. While financial data are consolidated for the entire group, non-financial information, in many respects, corresponds to the consolidation of companies covered in the report. This year, coverage has been extended to all companies in the UK and France, including Belgium, as well as to the companies in Austria, Italy and Portugal. Therefore, information coverage reaches 69% of the consolidated turnover of the group with a substantial 54% increase over the previous year. Notably, increasing coverage directly affects the comparability of the report compared to data from previous years.

The following table identifies all companies consolidated in the financial statements, identifying the type and coverage of the companies. Companies marked with (*) are new companies included in the coverage this year. [G4-22, G4-23]



Company coverage by type I [64-17]

Company	Country	Type	Cov.	Observations
APLICACIONES TECNICAS HIDRAULICAS, S.L.	Spain	Commercial and logistics	Yes	
FLUIDRA AUSTRALIA PTY LTD	Australia	Production	Yes	Integrates data from PRICE CHEMICALS PTY LTD
ASTRALPOOL UK LIMITED (*)	United Kingdom	Commercial and logistics	Yes	
CEPEX, S.A.U.	Spain	Production	Yes	
CERTIKIN INTERNATIONAL, LTD	United Kingdom	Commercial and logistics	Yes	
CERTIKIN PORTUGAL, S.A. (*)	Portugal	Production	Yes	
FLUIDRA COMERCIAL ESPAÑA, S.A.U.	Spain	Commercial and logistics	Yes	
FLUIDRA COMMERCIAL FRANCE S.A.S.	France	Commercial and logistics	Yes	
FLUIDRA COMMERCIALE ITALIA S.P.A. (*)	Italy	Commercial and logistics	Yes	
FLUIDRA EXPORT, S.A.U.	Spain	Commercial and logistics	Yes	
FLUIDRA INDUSTRY FRANCE S.A.R.L. (*)	France	Production	Yes	
FLUIDRA PORTUGAL, LDA. (*)	Portugal	Commercial and logistics	Yes	
FLUIDRA SA SAU	Spain	Services and management	Yes	
FLUIDRA SERVICES ESPAÑA, S.L.U.	Spain	Services and management	Yes	
FLUIDRA SERVICES FRANCE, S.A.S. (*)	France	Services and management	Yes	
FLUIDRA SERVICES ITALIA, S.R.L.	Italy	Services and management	Yes	
I.D. ELECTROQUÍMICA, S.L.	Spain	Production	Yes	
INDUSTRIAS MECANICAS LAGO, S.A.U.	Spain	Production	Yes	
INQUIDE, S.A.U.	Spain	Production	Yes	
MANUFACTURAS GRE, S.A.U.	Spain	Production	Yes	Merged with Swimco Corp., SLU
METALAST, S.A.U.	Spain	Production	Yes	Merged with Astramatic, SA
POLTANK, S.A.U.	Spain	Production	Yes	
FLUIDRA GLOBAL DISTRIBUTION, S.L.U.	Spain	Commercial and logistics	Yes	Formerly Pool Supplier, S.L.U.
PRODUCTES ELASTOMERS, S.A.	Spain	Production	Yes	
SACOPA, S.A.U.	Spain	Production	Yes	
TALLERES DEL AGUA, S.L.	Spain	Production	Yes	
TOGAMA, S.A.	Spain	Production	Yes	
TRACE LOGISTIC, S.A.U.	Spain	Commercial and logistics	Yes	
UNISTRAL RECAMBIO, S.A.U.	Spain	Commercial and logistics	Yes	
AQUA PRODUCTS, INC	USA	Production		
AQUATRON ROBOTIC TECHNOLOGY, LTD	Israel	Production		
ASTRAL BAZENOVE PRISLUSENTSVI, S.R.O.	Czech Republic	Commercial and logistics		
ASTRAL INDIA PVT, LTD.	India	Commercial and logistics		
ASTRAL POOL CYPRUS, LTD	Cyprus	Commercial and logistics		
ASTRAL POOL HONGKONG, CO. LIMITED	China	Commercial and logistics		
ASTRAL POOL SWITZERLAND, S.A.	Switzerland	Commercial and logistics		
CERTIKIN SWIMMING POOL PRODUCTS INDIA PRIVATE LTD	India	Commercial and logistics		
FLUIDRA ADRIATIC D.O.O.	Croatia	Commercial and logistics		
FLUIDRA BALKANS JSC	Bulgaria	Commercial and logistics		
FLUIDRA BELGIQUE, S.R.L.	Belgium	Commercial and logistics		
FLUIDRA BRASIL INDUSTRIA E COMÉRCIO LTDA	Brazil	Commercial and logistics		
FLUIDRA CHILE, S.A.	Chile	Commercial and logistics		
FLUIDRA COLOMBIA, S.A.S	Colombia	Commercial and logistics		
FLUIDRA DEUTSCHLAND, GMBH	Germany	Commercial and logistics		

Company coverage by type II [64-17]

Company	Country	Type	Cov.	Observations
FLUIDRA EGYPT, EGYPTIAN LIMITED LIABILITY COMPANY	Egypt	Commercial and logistics		Integra WIT EGYPT, Egyptian Limited Liability Company
FLUIDRA ENGINEERING SERVICES, S.L.U.	Spain	Services and management		
FLUIDRA HELLAS, S.A.	Greece	Commercial and logistics		
FLUIDRA INDONESIA PT	Indonesia	Commercial and logistics		
FLUIDRA KAZAKHSTAN LIMITED LIABILITY COMPANY	Kazakhstan	Commercial and logistics		
FLUIDRA MAGYARORSZAG KFT.	Hungary	Commercial and logistics		
FLUIDRA MALAYSIA SDN BHD	Malaysia	Commercial and logistics		
FLUIDRA MAROC, S.A.R.L.	Morocco	Commercial and logistics		
FLUIDRA MEXICO S.A. DE C.V.	Mexico	Commercial and logistics		
FLUIDRA MIDDLE EAST FZE	Dubai	Commercial and logistics		
FLUIDRA MONTENEGRO D.O.O.	Montenegro	Commercial and logistics		
FLUIDRA POLSKA, SP. Z.O.O.	Poland	Commercial and logistics		
FLUIDRA ROMANIA S.A.	Romania	Commercial and logistics		
FLUIDRA SERBICA D.O.O. BEOGRAD	Serbia	Commercial and logistics		
FLUIDRA SINGAPORE PTE, LTD.	Singapore	Commercial and logistics		
FLUIDRA SOUTH AFRICA PTY LTD	South Africa	Commercial and logistics		
FLUIDRA NORDIC AB	Sweden	Commercial and logistics		Formerly Fluidra Sverige AB
FLUIDRA THAILANDCO, LTD.	Thailand	Commercial and logistics		It includes ASTRALPOOL (THAILAND) CO., LTD.
FLUIDRA TR SU VE HAVUZ EKIPMANLARI AS	Turkey	Commercial and logistics		It includes TURCAT POLYESTER SANAYI VETICARET A.S.
FLUIDRA USA LLC	USA	Production		
FLUIDRA VIETNAM, LTD	Vietnam	Commercial and logistics		
FLUIDRA YOU LI FLUID SYSTEMS WENZHOUCO, LTD.	China	Production		It includes FLUIDRA JV YOU LI, SLU
INQUIDE ITALIA, S.R.L.	Italy	Production		
LOITECH NINGBOHEATING EQUIPMENT CO, LTD	China	Production		
NINGBO DONGCHUAN SWIMMING POOL EQUIPMENTS CO. LTD	China	Production		
NINGBO LINYA SWIMMING POOL & WATER TREATMENT CO., LTD	China	Production		
SSA FLUIDRA ÖSTERREICH GMBH	Austria	Commercial and logistics		
TECHNICAL POOL SERVICE, S.L.	Spain	Commercial and logistics		
VEICO.COM.BR, INDUSTRIA E COMERCIO LTDA	Brazil	Production		
ZAO ASTRAL SNG	Russia	Commercial and logistics		
FLUIDRA HOLDINGS SOUTH AFRICA PTY LTD	South Africa	Production		Formerly Waterlinx Pty Ltd
INNODRIP, S.L.U.	Spain	Services and management		
SIBO FLUIDRA NETHERLANDS B.V.	Holland	Commercial and logistics		

Your opinion matters

The opinion of stakeholders is crucial for the evolution of Fluidra as a business group. Hence, the company provides a questionnaire to the readers of this Integrated Report to assess its usefulness and suggest improvements. You may access it on the following link:

Rate this report

http://bit.ly/Survey_Integrated_Report_2016

With regard to the assessment of the past 2015 Integrated Report, the response level has been below expectations. In general terms, respondents have expressed a highly satisfactory assessment, which encourages us to follow along the same lines and continue to develop. As for the question as to whether Fluidra is well positioned compared to other listed companies in relation to the quality of the report, the answers were affirmative in all cases.

This INTEGRATED REPORT refers to certain content, documents and information which are fully available online. In these cases they are marked with the following icon:



To check audiovisual content, please click on the following icon:



MATERIALITY STUDY

[G4-18, G4-19, G4-20, G4-21]

Fluidra is a multinational business group integrated both vertically and horizontally, a key feature which adds complexity when defining the materiality of the group.

From the perspective of vertical integration, we define groups of companies based on:

- **Production companies**, whose aim is the manufacture of finished products from raw materials.
- **Commercial and logistic companies**, which specialise in distribution and placing the finished product on the market.
- **Service and management companies**, which support Group companies and, in some cases, other companies outside the scope of Fluidra.

From a horizontal integration perspective, Fluidra companies are defined based on their sector of activity: plastics, chemical, metallurgical, glass, product assembly and technology, commercial, transport and logistics and management services companies. Due to this complexity, in order to determine the materiality of Fluidra, a comprehensive approach must be adopted.

This year, Fluidra carried out a study among its stakeholders in order to further analyse the materiality of the group. The process consisted of a round of random surveys to shareholders, customers, suppliers, employees and associations in the social field: a total of 500 were sent with a response rate of 28%.

The study focused on aspects related to the environment, the economy, good working practices and decent work, human rights, society and product responsibility. The questionnaire was distributed as follows: firstly, respondents were asked on the degree of relevance they gave to certain aspects, in particular within each of the major areas of sustainability; secondly, they were asked to indicate whether they thought that Fluidra should take more measures in its action on specific issues in each area.

From the score of those issues that the stakeholders identified as highly relevant, along with the corporate valuation of the material aspects for the Fluidra Group, a threshold of 50 points was established to determine the material aspects reflected in the materiality table next to the score matrix of the issues analysed.

Materiality table

Aspect	Topic	Section
Economy	Economic performance	Results for the year
Economy	Acquisition practices	Results for the year
Environment	Materials	Environmental management
Environment	Energy	Environmental management
Environment	Water	Environmental management
Environment	Emissions	Environmental management
Environment	Effluent and waste	Environmental management
Environment	Regulatory Compliance MA	Environmental management
Environment	Transport	Environmental management
Environment	General MA	Environmental management
Environment	MA assessment of suppliers	Suppliers
Environment	Complaint mechanisms in MA	Environmental management
Work	Employment	Human Resources
Work	Employees-Management Relationship	Human Resources
Work	Health and safety at work	Human Resources
Work	Skills and training	Human Resources
Work	Diversity and equal opportunities	Human Resources
Work	Equal pay for women and men	Human Resources
Work	Assessment of Internship in Sup.	Suppliers
Work	Complaint mechanisms of work practices	Human Resources
Human Rights	Non-discriminatory	Human Resources
Human Rights	Right of association and collective bargaining	Human Resources
Human Rights	Child labour	Ethical Framework / HR
Human Rights	Forced labour	Ethical Framework / HR
Human Rights	Rights of Indigenous People	Ethical Framework / HR
Human Rights	Evaluation of suppliers	Suppliers
Human Rights	Complaint mechanisms	Ethical Framework / HR
Company	Fight against corruption	Ethical Framework / HR
Company	Public policy	Ethical Framework / HR
Company	Regulatory compliance	Ethical Framework / HR
Liability over the product	Health and safety for customers	Customers
Liability over the product	Product Labelling	Customers
Liability over the product	Marketing communication	Customers
Liability over the product	Privacy with customers	Customers
Liability over the product	PR Regulatory Compliance	Innovation

Materiality matrix



EXTERNAL
VERIFICATION

[G4-32, G4-33]

This report was drafted according to the sustainability reporting guide GRI (Global Reporting Initiative) in its G4 version at the **exhaustive** level of compliance, audited by the independent entity TÜV Rheinland Group.



PEOPLE

	GRI	Unit	2014	2015	2016	Var. 15-16
Coverage staff (31/12/2015)	G4-LA1	No. of employees	1,925	2,037	2,4	17.82%
Permanent staff	G4-LA1	No. of employees	1,83	1,892	2,233	18.02%
Temporary staff	G4-LA1	No. of employees	95	145	167	15.17%
Full-time staff	G4-LA1	No. of employees	1,741	1,787	2,125	18.91%
Part-time staff	G4-LA1	No. of employees	89	95	108	13.68%
% foreign staff	G4-LA1	%	4.83%	4.32%	3.80%	-0.52
Self-employed staff	G4-LA1	No. of employees	5	5	5	0
Average workforce	G4-LA1	No. of employees	1,946.3	2,053.9	2,238.6	185
Turnover rate	G4-LA1	Redundancy of permanent staff x 100 over the average workforce	9.92%	4.53%	4.74%	0.21
New Staff	G4-LA1	No. of employees	372	347	364	17
Staff redundancies	G4-LA1	No. of employees	358	299	328	29
Permanent staff redundancies	G4-LA1	No. of employees	193	93	106	13
New Staff > 45	G4-LA1	No. of employees	22	33	58	25
Staff Redundancies > 45	G4-LA1	No. of employees	46	32	54	22
Paternity leave	G4-LA3	No. of employees	--	20	47	27
Maternity leave	G4-LA3	No. of employees	--	18	30	12
Returns to work	G4-LA3	No. of employees	--	38	72	34
Workers' Committees	G4-LA5	No.	10	10	11	1
People in Workers' Committees	G4-LA5	No. of employees	66	54	62	8
Staff Representatives	G4-LA5	No. of employees	28	26	28	2
Health and Safety Committees	G4-LA5	No. of companies	12	12	17	5
People in Health and Safety Committees	G4-LA5	No. of employees	70	79	98	19

	GRI	Unit	2014	2015	2016	Var. 15-16
Number of Prevention Delegates	G4-LA5	No. of employees	54	45	51	6
Participation in emergency drills	G4-LA5	No. of employees	242	411	604	193
Absence rate	G4-LA6	Hours of absence from work x 100, over total theoretical hours	3.10%	3.30%	3.98%	0.68
Absence hours	G4-LA6	No. of hours	107,151	116,778	146,866	25.77%
Days missed	G4-LA6	No. of days	6,66	13,946	32,939	136.19%
Theoretical hours worked	G4-LA6	No. of hours	3,455,302	3,534,709	4,252,960	20.32%
Accidents resulting in medical leave	G4-LA6	No.	57	68	173	105
Accidents not resulting in medical leave	G4-LA6	No.	83	102	78	-24
Occupational sick leave	G4-LA6	No.	2	0	1	1
Deaths	G4-LA6	No.	0	0	0	0
Workers with high risk	G4-LA7	No.	11	14	1	-13
Accident Index	G4-LA6	No. accidents x 100 over the average workforce	7.19	8.28	11.21	35.47%
Frequency Index	G4-LA6	Accidents at work x 1,000,000 over total theoretical work hours	40.52	48.09	59.02	10.92
Severity Index	G4-LA6	Days missed x 1,000 over total theoretical work hours	1.93	3.95	7.74	3.80
External Training on Prevention	G4-LA5	No. of people	325	132	197	65
Internal Training on Prevention	G4-LA5	No. of people	609	334	476	142
First aid training	G4-LA5	No. of people	122	115	120	5
Internal Awareness Programmes Training	G4-LA5	No. of people	191	82	83	1

Training hours by professional categories

Directors	G4-LA9, G4-LA10	No. of hours	716	1,413	1,739	23.07%
Middle management	G4-LA9, G4-LA10	No. of hours	4,189	4,636	5,757	24.18%
Technical staff	G4-LA9, G4-LA10	No. of hours	10,047	8,462	15,503	83.21%
Administrative staff	G4-LA9, G4-LA10	No. of hours	2,738	2,263	2,993	32.26%
Workers	G4-LA9, G4-LA10	No. of hours	2,753	1,867	6,048	223.94%

	GRI	Unit	2014	2015	2016	Var. 15-16
--	-----	------	------	------	------	------------

Training hours by functional area

Management	G4-LA9, G4-LA10	No. of hours	1,941	1,606	2,13	32.63%
Administration / Finance	G4-LA9, G4-LA10	No. of hours	1,428	432	759	75.69%
Commercial	G4-LA9, G4-LA10	No. of hours	4,457	2,539	2,775	9.29%
Languages	G4-LA9, G4-LA10	No. of hours	6,356	5,314	10,609	99.64%
Other (HR, IT, etc.)	G4-LA9, G4-LA10	No. of hours	851	1,134	1,507	32.89%
Production / Maintenance	G4-LA9, G4-LA10	No. of hours	2,154	1,712	5,794	238.43%
Logistics / Purchases	G4-LA9, G4-LA10	No. of hours	691	1,264	667	-47.23%
Technical / R&D&i/ Quality	G4-LA9, G4-LA10	No. of hours	2,565	4,64	7,799	68.08%

Average training hours per employee and professional category

Directors	G4-LA9, G4-LA10	No. of hours	51	44	30	-32.10%
Middle management	G4-LA9, G4-LA10	No. of hours	21	14	21	45.03%
Technical staff	G4-LA9, G4-LA10	No. of hours	23	19	22	14.05%
Administrative staff	G4-LA9, G4-LA10	No. of hours	20	14	15	6.88%
Workers	G4-LA9, G4-LA10	No. of hours	7	4	8	117.78%
Investment in training activities	G4-LA9, G4-LA10	EUR	EUR 361,527	EUR 224,817	€ 430,09	91.31%
Appraisals	G4-LA11	No. of people	651	750	907	157
% Women	G4-LA11	%	31.58%	32.40%	32.40%	0.00%
% Women on Board of Directors	G4-LA12	%	0%	0%	10%	10.00
% Over 45 years of age	G4-LA12	%	32.15%	32.74%	35.20%	2.46

	GRI	Unit	2014	2015	2016	Var. 15-16
% Over 45s on Board of Directors	G4-LA12	%	60%	60%	60%	0.00
% Foreign staff on Board of Directors	G4-LA12	%	20%	20%	20%	0.00
% Women in managerial positions	G4-LA12	%	8.33%	13.80%	17.50%	3.70

Staff by functional areas

General Management / Top Management	G4-LA12	No. of employees	31	29	34	5
Production / Logistics	G4-LA12	No. of employees	1,231	1,291	1,449	158
Commercial / Marketing	G4-LA12	No. of employees	334	340	436	96
Administration / Finance	G4-LA12	No. of employees	155	149	253	104
Other (HR, IT, etc.)	G4-LA12	No. of employees	193	228	228	0

Staff by professional category

Directors	G4-LA12	No. of employees	36	32	40	8
Middle Management	G4-LA12	No. of employees	225	242	330	88
Technical staff	G4-LA12	No. of employees	493	514	563	49
Administrative staff	G4-LA12	No. of employees	294	327	405	78
Workers	G4-LA12	No. of employees	896	922	1062	140

Staff by age range

Under 30	G4-LA12	No. of employees	213	235	279	44
Between 30 and 45	G4-LA12	No. of employees	1106	1135	1277	142
Between 46 and 55	G4-LA12	No. of employees	455	473	593	120
Over 55	G4-LA12	No. of employees	170	194	251	57

ENVIRONMENT

GRI

Unit

2014

2015

2016

Var. 15-16

Plastic materials used

Polyvinyl chloride (PVC)	G4-EN1	Tn	5,141.3	4,906.6	5,272.8	7.5%
Polypropylene (PP)	G4-EN1	Tn	4,008.7	3,997.2	4,297.9	7.5%
Acrylonitrile butadiene styrene (ABS)	G4-EN1	Tn	1,772.0	1,733.5	1,934.4	11.6%
Polyester resin	G4-EN1	Tn	1,167.0	1,298.0	1,250.0	-3.7%
Polyethylene (PE)	G4-EN1	Tn	1,140.6	745.7	659.1	-11.6%
Ion exchange resin	G4-EN1	Tn	323.3	353.7	362.5	2.5%
Polyphenylene oxide (PPO)	G4-EN1	Tn	192.2	184.9	196.9	6.5%
Polystyrene (PS)	G4-EN1	Tn	200.6	210.4	256.1	21.7%
Polyamides (PA)	G4-EN1	Tn	165.6	176.6	233.6	32.3%
Polycarbonates (PC)	G4-EN1	Tn	160.6	147.9	158.4	7.1%
Synthetic rubber	G4-EN1	Tn	123.0	138.0	145.0	5.1%
Acrylonitrile Styrene Acrylate (ASA)	G4-EN1	Tn	58.0	67.0	82.6	23.2%
Copolyester	G4-EN1	Tn	37.4	39.0	49.0	25.6%
Polyurethane (PUR)	G4-EN1	Tn	62.5	52.8	72.5	37.3%
Acetal	G4-EN1	Tn	32.9	31.0	32.0	3.2%
Ethylene Vinyl Acetate (EVA)	G4-EN1	Tn	22.9	19.0	26.0	36.8%
Methacrylate	G4-EN1	Tn	5.9	5.9	5.9	0.3%

Plastic materials recovered

Polyvinyl chloride (PVC)	G4-EN2	Tn	1.3	61.9	11.9	-80.7%
Polypropylene (PP)	G4-EN2	Tn	115.6	86.5	110.4	27.6%
Acrylonitrile butadiene styrene (ABS)	G4-EN2	Tn	9.1	11.6	11.1	-4.2%

	GRI	Unit	2014	2015	2016	Var. 15-16
--	-----	------	------	------	------	------------

Metal materials used

Steel	G4-EN1	Tn	3,626.9	3,246.1	3,347.6	3.1%
Iron	G4-EN1	Tn	536.7	421.9	291.5	-30.9%
Copper	G4-EN1	Tn	137.8	67.6	73.3	8.4%
Aluminium	G4-EN1	Tn	248.6	56.9	64.5	13.5%
Titanium	G4-EN1	Tn	8.3	8.0	8.0	-0.4%
Cables	G4-EN1	Tn	166.0	88.0	103.0	17.0%

Chemicals used

Sodium hydroxide	G4-EN1	Tn	7,035.3	6,389.0	4,525.0	-29.2%
Chlorine	G4-EN1	Tn	4,565.1	4,175.0	2,915.0	-30.2%
Trichloroisocyanuric acid	G4-EN1	Tn	3,686.9	4,438.0	5,067.0	14.2%
Dichloroisocyanuric acid	G4-EN1	Tn	2,414.6	1,907.0	3,058.0	60.4%
Cyanuric Acid (Isocyanuric)	G4-EN1	Tn	2,400.0	2,200.0	2,000.0	-9.1%
Sulphuric acid	G4-EN1	Tn	2,042.7	2,446.9	2,888.0	18.0%
Sodium thiosulphate	G4-EN1	Tn	1,195.7	1,201.0	850.0	-29.2%
Sodium bisulphate	G4-EN1	Tn	1,016.3	1,008.0	1,005.0	-0.3%
Sodium hypochlorite	G4-EN1	Tn	810.6	831.0	1,633.0	96.5%
Dense Sodium Carbonate	G4-EN1	Tn	790.0	764.0	846.0	10.7%
Aluminium polychloride	G4-EN1	Tn	729.6	713.0	981.0	37.6%
Boric acid (EP)	G4-EN1	Tn	311.0	347.0	302.0	-13.0%
Peroxides (acetylacetone + MEK)	G4-EN1	Tn	20.4	22.0	23.0	4.5%
Phosphoric acid	G4-EN1	Tn	13.8	15.0	15.6	4.0%
Int. Reused Acetone	G4-EN2	Tn	27.2	32.0	31.6	-1.3%
Ext. Recovered Acetone	G4-EN2	Tn	71.7	59.0	80.0	35.6%

Other materials

Recycled glass	G4-EN1	Tn	9,004.0	5,701.0	4,236.0	-25.7%
Fibreglass	G4-EN1	Tn	659.4	760.0	767.0	0.9%

	GRI	Unit	2014	2015	2016	Var. 15-16
Pigments	G4-EN1	Tn	16.2	74.8	39.8	-46.9%

Containers and packaging

Wooden pallets	G4-EN1	Tn	2,526.1	2,804.7	2,885.9	2.9%
Cardboard boxes	G4-EN1	Tn	2,035.9	2,359.5	2,594.2	9.9%
Plastics (film, bags, containers, etc.)	G4-EN1	Tn	1,072.5	976.7	1,314.2	34.6%
Other (cork, foam, etc.)	G4-EN1	Tn	1.6	4.3	4.3	0.7%
Drums	G4-EN1	Tn	3.0	3.8	72.8	1801.3%

Environmental certification

EMAS		No. Emp.	2.0	2.0	2.0	0.0%
ISO 14001		No. Emp.	7.0	7.0	7.0	0.0%

Energy

Natural Gas Consumption	G4-EN3	Gj	36,990.0	39,050.2	45,917.1	17.6%
Diesel consumption	G4-EN3	Gj	32,235.7	34,291.7	45,232.8	31.9%
Cogeneration	G4-EN3	Gj	5,791.6	9,078.1	5,822.3	-35.9%
Electricity consumption	G4-EN3	Gj	115,122.9	110,591.6	121,710.0	10.1%
Energy intensity - MP	G4-EN5	Gj/TnMP	3.0	3.3	3.7	13.8%
Energy intensity - m ²	G4-EN5	Gj/m ²	0.6	0.6	0.6	-0.1%
Energy intensity - Per.	G4-EN5	Gj/Per.	7.2	6.9	7.4	8.0%

Water

Total water consumption	G4-EN8	m ³	86,372.0	84,709.0	76,722.0	-9.4%
Public / Private network	G4-EN8	m ³	43,409.0	39,564.0	44,453.0	12.4%
Underground	G4-EN8	m ³	4,156.0	5,229.0	4,367.0	-16.5%
Surface	G4-EN8	m ³	38,807.0	39,916.0	27,902.0	-30.1%
Reused/recycled water	G4-EN10	m ³	7,246.0	11,212.0	8,666.0	-22.7%

Emissions

NOx	G4-EN21	Tn	0.19	1.68	1.20	-28.6%
SOx	G4-EN21	Tn	0.40	1.53	1.09	-28.8%

	GRI	Unit	2014	2015	2016	Var. 15-16
CO	G4-EN21	Tn	0.22	0.29	0.20	-31.0%
COVs	G4-EN21	Tn	43.0	48.0	46.0	-4.2%
Cl Particles	G4-EN21	Tn	3.52	0.58	0.37	-36.2%
Other (HCFC, HCl particles)	G4-EN21	Tn	0.55	0.52	0.00	-100.0%
Direct CO2 emissions - A1	G4-EN15	tCO2	4,753.12	5,036.49	6,273.57	24.6%
Indirect CO2 emissions - A2	G4-EN16	tCO2	12,314.63	12,377.46	3,061.48	-75.3%
Indirect CO2 emissions - A3	G4-EN17	tCO2	10,016.16	11,391.71	16,049.51	40.9%
Total attributable CO2 emissions.		tCO2	27,072.7	28,795.9	25,378.2	-11.9%
Intensity of em. CO2 - MP	G4-EN18	tCO2/TnMP	0.4	0.5	0.4	-11.5%
Intensity of em. CO2 - m ²	G4-EN18	tCO2/m ²	0.1	0.1	0.1	-22.3%
Intensity of em. CO2 - Per./year	G4-EN18	tCO2/Per.	12.4	12.4	10.6	-14.8%

Discharges

TOTAL DISCHARGES		m ³	86,372	84,709	76,722	-9.43%
Public / Private Network	G4-EN22	m ³	25,777.0	34,764.0	38,104.0	9.6%
Process water / Product	G4-EN22	m ³	58,772.0	47,556.0	35,196.0	-26.0%
Rejection by osmosis	G4-EN22	m ³	1,371.0	1,445.0	2,928.0	102.6%
Leaks	G4-EN22	m ³	452.0	944.0	494.0	-47.7%

Waste

TOTAL NON-HAZARDOUS WASTE	G4-EN23	Tn	12,336.4	19,749.0	13,216.1	-33.1%
Internal management / at source	G4-EN23	Tn	9,289.3	16,481.9	9,964.3	-39.5%
External management (without sub-product)	G4-EN23	Tn	2,735.3	2,951.0	2,923.7	-0.9%
Recovery of own waste, recovery of waste at own facility	G4-EN23	Tn	1,679.5	1,863.7	1,877.6	0.7%
Treatment, disposal and/or energy recovery of own waste	G4-EN23	Tn	1,055.7	1,087.3	1,046.1	-3.8%
Issue as by-product	G4-EN23	Tn	311.8	316.1	328.1	3.8%
TOTAL HAZARDOUS WASTE	G4-EN23	Tn	12,550.3	10,046.5	7,979.6	-20.6%
Internal management / at source	G4-EN23	Tn	8,035.5	5,604.1	4,828.7	-13.8%

	GRI	Unit	2014	2015	2016	Var. 15-16
Recovery of own waste, recovery of waste at own facility	G4-EN23	Tn	96.3	96.5	33.5	-65.3%
Treatment, disposal and/or energy recovery of own waste	G4-EN23	Tn	7,939.2	5,507.6	4,795.2	-12.9%
External management (without sub-product)	G4-EN23	Tn	359.4	434.1	469.1	8.0%
Recovery of own waste, recovery of waste at own facility	G4-EN23	Tn	62.6	134.1	120.8	-9.9%
Treatment, disposal and/or energy recovery of own waste	G4-EN23	Tn	296.8	300.1	348.3	16.1%
Issue as by-product	G4-EN23	Tn	4,155.5	4,008.3	2,681.9	-33.1%

Transport

Freight transport	G4-EN30	Km	14,703,704.0	16,722,998.0	20,830,164.0	24.6%
-------------------	---------	----	--------------	--------------	--------------	-------

Investments and costs

Cost of fines and sanctions	G4-EN29	EUR	0.0	0.0	0.0	--
Total environmental investments and costs	G4-EN31	EUR	830,025.0	1,153,021.0	1,535,676.0	33.2%

GRI G4 CONTENTS

[G4]

GRI G4 CONTENTS

	STRATEGY AND ANALYSIS	Page	Comments	Verified (Yes / No)
G4-1	A statement from the main decision-maker of the organisation (the person holding the position of Executive Director, President or similar) about the relevance of sustainability to the organisation and strategy thereof with a view to addressing this issue is to be included.	13		Yes
G4-2	Describe the main impacts, risks and opportunities.	13		Yes
	PROFILE OF THE ORGANISATION	Page	Comments	Verified (Yes / No)
G4-3	Name of the organisation	10, 179		Yes
G4-4	Brands, products and important services of the organisation.	75, 104		Yes
G4-5	Location of the headquarters of the organisation.	10, 179		Yes
G4-6	Please indicate how many countries the organisation operates in and the name of the countries where the organisation conducts significant operations or has a specific relevance to the sustainability mentioned herein.	10, 26, 154		Yes
G4-7	Nature of ownership and legal form.	10		Yes
G4-8	Please indicate which markets are served (with geographical breakdown by sector and type of customer and end user).	26		Yes
G4-9	Please determine the size of the organisation	5, 6, 8, 85		Yes
G4-10	Please determine the structure of the workforce	8, 85		Yes
G4-11	Percentage of employees covered under collective bargaining agreements.	8, 85		Yes
G4-12	Please describe the supply chain of the organisation	114, 116		Yes
G4-13	Please report any significant changes that have taken place during the reporting period regarding size, structure, equity ownership or supply chain of the organisation	114, 116		Yes
G4-14	Please indicate how the organisation handles, where appropriate, the precautionary principle.	61, 121		Yes
G4-15	Please make a list of letters, principles or other external initiatives of economic, environmental and social nature that the organisation supports or has adopted.	22, 141		Yes
G4-16	List of national or international associations and organisation to which the organisation belongs and controls	141, 145, 146		Yes

	MATERIAL ASPECTS AND COVERAGE	Page	Comments	Verified (Yes / No)
G4-17	Please make a list of the entities included in the consolidated financial statements of the organisation and other equivalent documents. Please indicate whether any of the entities included in the consolidated financial statements of the organisation and other equivalent documents are not listed in the report	155, 156		Yes
G4-18	Please describe the process followed to determine the contents of the report and coverage of each aspect. Please explain how the organisation has applied the Principles of preparation of reports to determine the contents of the report.	158		Yes
G4-19	Please make a list of material aspects identified during the process of defining the contents of the report.	158		Yes
G4-20	Please indicate the coverage within the organisation of each material aspect	158		Yes
G4-21	Please indicate the coverage outside the organisation of each material aspect	158		Yes
G4-22	Please describe the effects of reformulations of information provided in earlier reports and their causes.	154		Yes
G4-23	Please indicate any significant changes in the scope and coverage of every aspect compared to previous reports.	154		Yes
	PARTICIPATION OF STAKEHOLDERS	Page	Comments	Verified (Yes / No)
G4-24	Please make a list of stakeholders linked to the organisation.	20, 27		Yes
G4-25	Please indicate the principles guiding the selection process for the stakeholders with whom you work.	20, 27		Yes
G4-26	Please describe the organisational focus on the participation of stakeholders, including the collaboration frequency with the various types and groups of stakeholders, or indicate whether the participation of a group was specifically made in the process of drafting the report.	27		Yes
G4-27	Please indicate what key issues and problems have arisen from the participation of stakeholders and describe the assessment by the organisation, among other things through its report. Please specify which stakeholders raised each of the key issues and problems.	27		Yes
	PROFILE OF THE REPORT	Page	Comments	Verified (Yes / No)
G4-28	Reporting period (e.g. fiscal year or calendar year).	154		Yes
G4-29	Date of last report (if applicable).	154		Yes
G4-30	Reporting cycle (annual, biennial, etc.).	154		Yes
G4-31	Provide contact details in case of any queries that may arise regarding the contents of the report.	179, 180		Yes
G4-32	Please indicate which option is 'Compliant with' with the Guidelines the organisation has chosen.	161		Yes
G4-33	Please describe the policy and practices of the organisation with respect to the external verification of the report.	161		Yes
	GOVERNANCE	Page	Comments	Verified (Yes / No)
G4-34	Please describe the governance structure of the organisation, including the highest governing body committees. Please indicate which committees are responsible for making decisions on financial, environmental and social issues.	40		Yes

	GOVERNANCE	Page	Comments	Verified (Yes / No)
G4-35	Please describe the process by which the highest governing body delegates authority to senior management and to certain employees in financial, environmental and social matters.	40, 65		Yes
G4-36	Please indicate whether there are any executive positions or managerial positions in financial, environmental and social fields, and if the holders are directly accountable to the highest governing body.	40, 65		Yes
G4-37	Please describe the consultation process among stakeholders and the highest governing body.	65		Yes
G4-38	Please describe the composition of the highest governing body and its committees	41, 42, 51		Yes
G4-39	Please indicate if the chairperson the highest governing body also holds an executive position. If so, please describe his/her executive duties and the reasons for this appointment.	42, 44		Yes
G4-40	Please, describe the appointment and selection process of the highest governing body and its committees, and the criteria on which the appointment and selection of members of the former is based	42, 44		Yes
G4-41	Please describe the process by which the highest governing body prevents and manages potential conflicts of interest. Please indicate whether conflicts of interest are notified to stakeholders	50		Yes
G4-42	Please describe the functions of the highest governing body and senior management in the development, approval and updating of the values or mission statements, strategies, policies and objectives relating to economic, environmental and social impacts of the organisation	42, 43		Yes
G4-43	Please indicate what measures have been taken to develop and improve the collective knowledge of the highest governing body in relation to economic, environmental and social issues.	42, 46		Yes
G4-44	Please describe the performance assessment processes of the highest governing body in relation to the governance of financial, environmental and social issues.	42, 45, 61		Yes
G4-45	Please describe the role of the highest governing body in the identification and management of impacts, risks and opportunities of financial, environmental and social nature.	42, 61, 63, 64		Yes
G4-46	Please describe the role of the highest governing body in the analysis of the effectiveness of risk management processes of the organisation in relation to financial, environmental and social issues.	42, 43, 61		Yes
G4-47	Please indicate how often the highest governing body analyses impacts, risks and opportunities of financial, environmental and social nature.	42, 61		Yes
G4-48	Please indicate which is the highest committee or position that reviews and approves the sustainability report of the organisation and ensures that all material aspects are duly covered.	42, 154		Yes
G4-49	Please describe the process to notify major concerns to the highest governing body.	65, 66		Yes
G4-50	Please indicate the nature and number of main concerns that were conveyed to the highest governing body; also describe the mechanisms used to address and assess them.	65, 66		Yes
G4-51	Please describe the remuneration policies for the highest governing body and senior management.	55		Yes

	GOVERNANCE	Page	Comments	Verified (Yes / No)
G4-52	Please describe the processes by which remuneration is determined.	55		Yes
G4-53	Please explain how the opinion of the stakeholders is requested and taken into account with respect to remuneration.	55		Yes
G4-54	Please calculate the ratio between the total annual remuneration of the highest paid person within the organisation in each country where they carry out significant operations with the average annual remuneration of the whole workforce (not including the highest paid person) in the corresponding country.	55		Yes
G4-55	Please calculate the percentage increase between the total annual remuneration of the highest paid person of the organisation in each country where they carry out significant operations with the average annual remuneration percentage increase of the whole workforce (not including the highest paid person) in the corresponding country.	55		Yes
	ETHICS AND INTEGRITY	Page	Comments	Verified (Yes / No)
G4-56	Please describe the values, principles, standards and rules of the organisation, such as codes of conduct or codes of ethics.	56		Yes
G4-57	Please describe internal and external advisory mechanisms towards ensuring an ethical and lawful conduct, and to consult matters related to the integrity of the organisation, such as helplines or counselling.	56		Yes
G4-58	Please describe the internal and external mechanisms for reporting unethical or illegal conduct and matters relating to the integrity of the organisation, such as tiered notification to managers, whistleblowing mechanisms or helplines.	56, 58		Yes
	ECONOMIC PERFORMANCE INDICATORS	Page	Comments	Verified (Yes / No)
G4-DMA	Financial management approach	68		Yes
G4-EC1	Direct economic value generated and distributed	9, 144, 149		Yes
G4-EC2	Economic effects and other risks and opportunities for the activities of the organisation arising from climate change	125		Yes
G4-EC3	Coverage of obligations of the organisation arising from its benefit plan		Fluidra has no pension schemes or other types of coverage.	
G4-EC4	Financial aid granted by government authorities	73		Yes
G4-EC9	Percentage of expenditure in areas with significant operations corresponding to local suppliers	117		Yes
	ENVIRONMENTAL PERFORMANCE INDICATORS	Page	Comments	Verified (Yes / No)
G4-DMA	Environmental management approach	120		Yes
G4-EN1	Materials by weight or volume	120, 132, 167, 168		Yes
G4-EN2	Percentage of materials used that are recycled materials	120, 132, 167, 168		Yes
G4-EN3	Domestic energy consumption	9, 120, 122, 124, 168		Yes

	ENVIRONMENTAL PERFORMANCE INDICATORS	Page	Comments	Verified (Yes / No)
G4-EN4	External energy consumption		At present, Fluidra has no data on external energy consumption.	
G4-EN5	Energy intensity	120, 124, 168		Yes
G4-EN6	Reduction in energy consumption	120, 122		Yes
G4-EN7	Reductions in energy requirements of products and services	106		Yes
G4-EN8	Total water abstraction by source	9, 120, 130, 168		Yes
G4-EN9	Water sources significantly affected by water abstraction	120, 130, 131		Yes
G4-EN10	Percentage and total volume of recycled and reused water	120, 130, 168		Yes
G4-EN15	Direct emissions of greenhouse gases (scope 1)	120, 126, 169		Yes
G4-EN16	Indirect emissions of greenhouse gases when generating energy (scope 2)	120, 126, 169		Yes
G4-EN17	Other emissions of greenhouse gases (scope 3)	120, 126, 169		Yes
G4-EN18	Intensity of greenhouse gases emissions	9, 120, 126, 169		Yes
G4-EN19	Reducing emissions of greenhouse gases	120, 122, 126, 169		Yes
G4-EN20	Emissions of ozone-depleting substances	120, 125, 126		Yes
G4-EN21	NOx, SOx and other significant atmospheric emissions	120, 125, 126, 168, 169		Yes
G4-EN22	Total water discharge by quality and destination	120, 135, 136, 169		Yes
G4-EN23	Total weight of waste by type and treatment method	9, 120, 136, 169, 170		Yes
G4-EN24	Number and total volume of significant spills	120, 135, 136		Yes
G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous under Annexes 1, 2, 3 and 8 of the Basel Convention, and percentage of waste transported internationally	120, 136		Yes
G4-EN26	Identification, size, protected status and biodiversity value of water bodies and related habitats significantly affected by discharges and runoffs from the organisation	120, 135		Yes
G4-EN29	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with laws and environmental regulations	120, 138, 170		Yes

	ENVIRONMENTAL PERFORMANCE INDICATORS	Page	Comments	Verified (Yes / No)
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the activities of the organisation, as well the transport of personnel	120, 126, 170		Yes
G4-EN31	Breakdown of costs and environmental investments	9, 120, 138, 170		Yes
G4-EN32	Percentage of new suppliers that were assessed based on environmental criteria	118, 119		Yes
G4-EN33	Significant negative environmental impact, both actual and potential, in the supply chain and steps taken	119		Yes
G4-EN34	Number of environmental complaints that have been filed, addressed and resolved through formal complaint mechanisms	120, 121		Yes
	COMPANY AND LABOUR PERFORMANCE INDICATORS	Page	Comments	Verified (Yes / No)

WORK PRACTICES

G4-DMA	Management of labour practices approach	85		Yes
G4-LA1	Number and rate of recruitment and average employee turnover, broken down by age range, gender and region	85, 89, 90, 162		Yes
G4-LA2	Social security benefits for full-time employees not available for temporary or part-time employees, broken down by significant locations of activity		All employees have the same rights to obtain social benefits	
G4-LA3	Rates of return to work and retention rates after maternity or paternity leave, broken down by gender	85, 96, 162		Yes
G4-LA4	Minimum periods of notice of operational changes and possible inclusion of the same in collective bargaining agreements	85, 90		Yes
G4-LA5	Percentage of workers who are represented in formal joint health and safety committees for management and employees, established to help monitor and advise on safety programmes and occupational health	162, 163		Yes
G4-LA6	Type and rate of injury, occupational diseases, days missed, absence rate and deaths related to work by region and gender	163		Yes
G4-LA7	Workers whose profession has a high incidence or risk of disease	85, 95, 163		Yes
G4-LA8	Health and safety covered under formal trade union agreements	85, 95		Yes
G4-LA9	Average hours of training per year per employee by gender and job category	85, 93, 163, 164		Yes
G4-LA10	Skills management and lifelong learning programmes that promote employability of workers and help them manage the end of their careers	85, 92, 93, 163, 164		Yes
G4-LA11	Percentage of employees receiving performance and career development assessment on a regular basis, broken down by gender and professional category	85, 92, 164		Yes
G4-LA12	Composition of governance bodies and breakdown of employees by professional category and gender, age, belonging to a minority group and other indicators of diversity	85, 164, 165		Yes

	COMPANY AND LABOUR PERFORMANCE INDICATORS	Page	Comments	Verified (Yes / No)
G4-LA13	Ratio of basic wages comparing men's to women's, broken down by professional category and significant location of activity	85, 96		Yes
G4-LA14	Percentage of new suppliers that were assessed based on labour practices criteria	114, 118		Yes
G4-LA15	Significant negative environmental impact, both actual and potential, in work practices and the supply chain, and steps taken	118		Yes
G4-LA16	Number of working practices complaints that have been filed, addressed and resolved through formal complaint mechanisms	85, 97		Yes

HUMAN RIGHTS

G4-DMA	Human rights management approach	56		Yes
G4-HR3	Number of discrimination cases and corrective steps taken	58, 85, 97		Yes
G4-HR4	Identification of centres and significant suppliers in which freedom of association and the right to collective bargaining may be violated or threatened, and steps taken to defend such rights	85, 91, 97, 119		Yes
G4-HR5	Identification of centres and suppliers with a significant risk of child labour cases, and steps taken to contribute to the abolition of child labour	85, 97, 119		Yes
G4-HR6	Centres and suppliers with a significant risk of forced labour, and steps taken to contribute to the eradication of all forms of forced labour	85, 119		Yes
G4-HR8	Number of cases of violations of the rights of indigenous peoples and steps taken	58		Yes
G4-HR10	Percentage of new suppliers that were assessed based on human rights criteria	114, 118		Yes
G4-HR11	Significant negative impacts, actual or potential, on human rights in the supply chain, and steps taken	114, 118		Yes
G4-HR12	Number of human right complaints that have been filed, addressed and resolved through formal complaint mechanisms	58		Yes

SOCIETY

G4-DMA	Society management approach	141		Yes
G4-S03	Number and percentage of centres in which the risks related to corruption and significant risks identified have been assessed	85, 142		Yes
G4-S04	Communication policies and procedures and anti-corruption training	85, 95		Yes
G4-S05	Confirmed cases of corruption and steps taken	58		Yes
G4-S06	Value of political contributions, by country and recipient		Fluidra does not make contributions to political entities.	
G4-S08	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with laws and regulations	85, 142		Yes

COMPANY AND LABOUR PERFORMANCE INDICATORS

Page

Comments

Verified (Yes / No)

PRODUCT LIABILITY

G4-DMA	Product liability management approach	107	Yes
G4-PR1	Percentage of significant product categories and services whose impact on health and safety has been assessed so as to promote improvements	107, 112	Yes
G4-PR2	Number of incidents due to non-compliance with regulations or voluntary codes concerning the impacts of health and safety products and services during their life cycle, broken down by type of result of such incidents	107, 113	Yes
G4-PR3	Type of information required by the organisation procedures relating to information and labelling of its products and services, and percentage of significant product categories and services subject to such requirements	107, 111	Yes
G4-PR4	Number of cases of non-compliance with the regulation and voluntary codes concerning information and labelling of products and services, broken down by type of result	107, 111	Yes
G4-PR5	Survey results to measure customer satisfaction	107, 108	Yes
G4-PR6	Selling of prohibited or contested products	99, 106	Yes
G4-PR7	Number of cases of non-compliance with the regulation or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, broken down by type of result	107	Yes
G4-PR8	Number of complaints based on the breach of privacy and loss of customer data	107, 109	Yes
G4-PR9	Cost of significant fines for violating the regulations and legislation relating to the provision and use of products and services	107, 109	Yes

General Management of the Fluidra Group**Fluidra S.A.**

Torre Millenium
Avda. Francesc Macià 60, planta 20
E-08208 Sabadell (Barcelona)
Tel. +34 93 724 39 00
Fax. + 34 93 724 29 92
info@fluidra.com

Address for Fluidra's Industrial Division**Fluidra Industry**

C/ dels Ametllers, 6
E-08213 Polinyà (Barcelona)
Tel. +34 93 713 37 18
Fax. + 34 93 713 33 84

Logistics Operator of the Fluidra Group**Trace Logistics**

P. I. Puig Tió, Calle B, Parcela 19
E-17412 Maçanet de la Selva (Girona)
Tel. + 34 972 87 93 00
Fax + 34 972 87 93 20

Shareholders' Office**Fluidra S.A.**

Torre Millenium
Avda. Francesc Macià 60, planta 20
E-08208 Sabadell (Barcelona)
Tel. +34 93 724 39 00
accionistas@fluidra.com

Analysts and Investors**Fluidra S.A.**

Torre Millenium
Avda. Francesc Macià 60, planta 20
E-08208 Sabadell (Barcelona)
Tel. +34 93 724 39 00
investor_relations@fluidra.com

Information on aspects related to the 2016 Integrated Report

[G4-31]

CSR Department

Torre Millenium
Avda. Francesc Macià 60, planta 20
E-08208 Sabadell (Barcelona)
Tel. +34 93 724 39 00
rsc@fluidra.com

Corporate Governance Annual Report

Financial Statement

Published by: Fluidra S.A.
Avda. Francesc Macià 60, planta 20
E-08208 Sabadell (Barcelona) Spain
www.fluidra.com

Texts and coordination: ***Deva***
Design: ***Una Pareja como la Nuestra***
Photography: © ***Shutterstock and Fluidra's library***