MORE THAN 100 YEARS OF HISTORY

“The right to live in society entails the duty to work to improve it.”

Josep Antoni Grífols i Roig, 1976
For more than 100 years Grifols has looked to the future, committed to continued, sustainable and ethical growth. We are convinced that only a job well-done, with integrity, rigor and honesty, will allow us to truly create value for patients and society beyond financial performance.

In 2019, based on our estimates, Grifols generated a socio-economic impact of EUR 8,500 million1.

In 1909, when Grifols’ founders laid the first bricks of what today is a global company, we didn’t measure our contributions or speak of social responsibility. Nonetheless, we always pursued the common good by enhancing the quality and safety of blood transfusions in order to benefit thousands of people worldwide. Back then, innovation was synonymous with ingenuity and our forerunners did their utmost to cultivate it. While no one spoke of sustainability, every step was taken with a clear long-term vision while maintaining the health and welfare of patients, donors and employees as the top priority.

More than 100 years have passed and we continue to evolve. Our history as a company and the progresses achieved all these years are displayed at the Grifols Museum in Barcelona, which we have reopened in 2019.

Now, we face new challenges. In light of increased life expectancy and new age-related diseases, it is our obligation and commitment to help respond to these new needs.

Inspired by this conviction, in 2004 we began our first research on Alzheimer’s disease. In 2019, we reached an important milestone with the unveiling of AMBAR (Alzheimer Management by Albumin Replacement) results, which confirmed the efficacy of plasma exchange with albumin and immunoglobulin to stabilize the progression of the disease in patients in the mild to moderate stages. It is a source of pride to know that AMBAR symbolizes one of the most important advances in recent years in the fight against Alzheimer’s. Encouraged by these results, we will continue to explore the potential of plasma proteins and plasma exchange.

Our research also includes conditions, such as liver diseases, and other new research lines that will allow us to continue generating and sharing value in our area of expertise so that people worldwide can enjoy longer and healthier lives.

There are also broader challenges for the planet. Global warming and its effects on climate change and the environment have multiple consequences that impact us all in one way or another – companies included. For this reason, we will continue our efforts to reduce atmospheric emissions and use natural resources and energy more rationally and efficiently. Our production plants in the United States, Spain and Ireland were explicitly designed to mitigate environmental impacts, and as a global company, we have implemented a range of initiatives to promote eco-efficiency in our value chain.

Ethics, health and environment must go hand in hand. Our business responds to the needs of society and embraces a sustainable approach in how it meets them. There is no other option and numerous people are involved to ensure it. This approach forms part of our corporate culture and the values instilled by our founders and as Grifols’ CEOs continue to uphold.

Thank you for your trust,

VÍCTOR GRÍFOLS ROURA
CHAIRMAN
GRIFOLS IS A COMPANY WITH A LONG-TERM VISION

As is the case every year, this report offers a frontline view of the details of our management with the objective of transparently showcasing the achievements made in 2019 in order to build on our commitment to sustainable growth and long-term vision.

Grifols has a unique business model that, inspired by a “One Grifols” spirit and guided by the Sustainable Development Goals (SGDs), combines an economic, social and environmental scope to create value and magnify the positive impact of our business.

For more than 100 years, we have pursued a business model based on solid corporate governance that interweaves integrity, ethics, safety, quality and innovations as key pillars to help people live longer and healthier lives.

In 2019, Grifols continued to promote job creation and economic progress. A robust strategy and effective implementation enabled us to generate an economic impact of EUR 8,500 million and 148,000 jobs – direct, indirect and induced – in our core countries of operation: the United States, Spain, Germany and Ireland.

In 2019, we made significant investments to bolster our organic growth, allocating more than EUR 660 million to production facilities and R+D+i. In recent years, this strategic effort has allowed us to expand and diversify our access to plasma and sustain our leadership position through a network of 295 plasma donation centers in the United States and Germany. We have also moved forward with capital investments. The plasma fractionation plant in Clayton, North Carolina (U.S.) – among the most advanced and innovative in...
the world – will soon become a reality, as well as the new albumin purification, dosage and sterile filling plant in Dublin (Ireland).

In the area of R+D, we completed an important milestone with the publication of results from the AMBAR (Alzheimer Management by Albumin Replacement) clinical trial on against Alzheimer’s. Additional AMBAR findings, presented at several international conferences throughout the year, confirmed the safety and efficacy of the treatment protocol in slowing down the progression of the disease in patients with mild to moderate Alzheimer’s. As announced, we will continue our work in the fight against Alzheimer’s with new studies and efforts to ensure that people can benefit from this treatment as soon as possible.

These milestones and other accomplishments highlighted in this report would not have been possible without the commitment and dedication of our talented Grifols staff. Our workforce of 24,000 employees – men and women who reflect more than 80 nationalities – are undoubtedly our greatest asset. In this regard, we are proud of our efforts to promote diversity, equal opportunities and talent development. As a result of the initiatives launched, we have created nearly 8,400 new direct jobs, 70% of which are occupied by women; important step forward to continue reducing the gender gap, which is 2.2% in the U.S. and 5.1% in Spain; and delivered 2 million training hours, 62% to women employees. We also remained steadfast in our commitment to creating stable employment. At Grifols, 98% of employees have permanent contracts and 93% work full-time.

In terms of our financial results, we generated record-high revenues of nearly EUR 5,100 million in 2019. All of our divisions and regions where we operate contributed positively to this growth, also reflected in our operational results, margins and profits. Our solid financial performance and long-term plans allowed us to quickly close and with strong acceptance our debt-refinancing process for EUR 5,800 million. This undoubtedly represents an important breakthrough since it optimizes our financial structure, while at the same time showcases the trust of our investors.

We have made significant strides in our manufacturing operations that are based on a sustainability model. Today, 75% of our production is carried out in plants with environmental management systems. Grifols also received the 2019 European Industrial Excellence Award, highlighting the company’s operational excellence. In the fight against climate change, we undertook six important environmental commitments for 2030. These include reducing greenhouse gas emissions by 40%, obtaining 70% of electricity consumption through renewable energy sources, reducing waste and protecting biodiversity.

We continued to drive a range of programs aimed at promoting health, education and nutrition in less privileged areas of the world and in the local communities where we operate. In 2019, we allocated nearly EUR 40 million to these causes, which were carried out both directly and through our foundations.

All of the initiatives developed – all of the achievements enable us to continue contributing – allow us to continue contributing to the sustainable development goals by combining economic value with social and environmental benefits. Furthermore, they demonstrate our capacity to make a positive impact and encourage us to continue our management along the same path.

We can confirm that 2019 was an exceptionally positive year for Grifols, a year marked by courageous decisions that will allow us to advance on our commitments to donors, patients, healthcare professionals, our workforce, shareholders and investors.

Grifols is a company with a long-term vision. We have defined solid lines of action for the upcoming years and are more than ready to face new challenges.

We hope to keep your confidence,
HIGHLIGHTS

GROWTH

- Revenues: $5,099 M, +13.6%
  - North America: $3,391 M, +14%
  - Europe: $857 M, +7%
  - ROW: $851 M, +19.5%

- Net Profit: $625 M, +4.8%
- EBITDA: $1,434 M, +17.3%

INVESTMENT AND INNOVATION

- Productive Investments: $332 M, +31.7%
- Net R+D+i investments: $329 M, +12.9%
  - 6.5% of revenues
- Plasma centers: 295
- People dedicated to R+D+i: 1,200
- Patents: 3,179
## TALENT & DIVERSITY

### Human resources
24,003

### Workforce growth
+13%
- 73% NORTH AMERICA
- 25% EUROPEAN UNION
- 2% ROW

### Direct jobs created
8,400
- 70% for women

## EQUAL OPPORTUNITY

### Permanent contracts
98%

### Full-Time contracts
93%

### Cultural diversity
+80 NATIONALITIES
- 60% 40%

## SUSTAINABILITY

### Environmental costs and investments M€
21.8

### WATER CYCLE
- 26%

### WASTE MANAGEMENT
- 66%

### ATMOSPHERIC, ENERGY EMISSIONS AND OTHERS
- 8%

### Destination of resources (expenses and investments)
- 7%

## RESPONSIBILITY

### Total economic impact M€
8,500

### Total job creation
148,000

### Community investment M€
38.9
MILESTONES

JANUARY
• Agreement with Rigel Pharmaceuticals to market fostamatinib in Europe and Turkey
• FDA approval of pretransfusion compatibility analyzer Erytra® Eflexis
• 5th Edition of the Ethics and Science Awards of Víctor Grífols i Lucas Foundation

FEBRUARY
• FDA approval of Babesia detection assay in blood (Procleix® Babesia)
• PharmacyKeeper application receives KLAS Category Leader award for innovation
• 1st International Bioethics Congress under the auspices of Victor Grifols i Lucas Foundation Chair

MARCH
• Announcement of strategic alliance with Shanghai RAAS to reinforce the growth of plasma-derived products and diagnostic solutions in China
• Presentation of additional results of the AMBAR clinical trial against on Alzheimer’s at AD/PD.
• Expansion of blood-typing solutions in Latin America and installation of the first Erytra® Eflexis system in Mexico

APRIL
• Grifols’ R+D+i efforts receive the top score of “Excellent” by Plan Profarma, an initiative of the Spanish Ministry of Industry, Commerce and Tourism
• New donation to the World Federation of Hemophilia Humanitarian Aid Program
• Grifols’ U.S. plasma centers collect more than 113 tons of food to serve people in need in their communities

MAY
• Announcement of EUR 1,400 million capital investment plan between 2018-2022 in General Shareholders’ Meeting
• The AMBAR project is included among the “Best 100 Ideas of the Year” by Actualidad Económica magazine

JUNE
• Voluntary release of transfers of value made in 2018 to healthcare professionals and organizations in Europe
• Annual Investor and Analyst Meeting
• Relocation of subsidiary headquarters in France and Czech Republic to two new office buildings
2019 EXECUTIVE REPORT | MILESTONES

**JULY**

- FDA approval of Xembify®, the new 20% subcutaneous immunoglobulin
- Presentation of additional results of the AMBAR clinical trial against Alzheimer’s at AAIC
- Grifols listed on the FTSE4Good Index for the second consecutive year
- First project in Africa: agreement to build a production line in Morocco for Soludia Maghreb

**AUGUST**

- Grifols Asia Pacific receives ISO 9001:2015 certification, an important milestone that recognizes the continuous efforts to improve quality management systems
- FDA approval for QNext® coagulometer and DG-PT reagent for hemostasis
- Agreement with diagnostic South Korean firm PCL for the supply of recombinant antigens

**SEPTEMBER**

- Healthcare-technology collaboration agreement signed with Mondragon
- Grifols Academy of Plasmapheresis Center Leadership Development Program (CLDP) accredited by the Institute for Credentialing Excellence (ICE) for its high standards of quality
- Production of blood bags begins in the new plant in Brazil

**OCTOBER**

- Procleix® Panther® System with Automated Ready Technology receives CE marking
- Two new Progenika Promonitor® kits receive the CE marking and approval in Canada and Australia
- Agreement with Sandoz to provide Promonitor® kits to Spanish physicians to monitor the pharmaceutical firm’s biologic medicines

**NOVEMBER**

- U.S. launch of AlphaID™, a bucal swab used to detect alpha-1 antitrypsin deficiency
- U.S. and Chinese regulatory authorities approve the strategic alliance between Grifols and Shanghai RAAS
- Debt refinancing process closed in record time and with strong acceptance

**DECEMBER**

- U.S. launch of Vistaseal™, Grifols’ first plasma-protein-based biosurgery solution.
- Presentation of additional results of the AMBAR clinical trial against Alzheimer’s at CTAD.
- U.S. launch of Xembify®, the first 20% subcutaneous immunoglobulin to treat primary immunodeficiencies
OUR SUSTAINABLE BUSINESS MODEL

OUR VALUES DRIVE OUR BUSINESS AND GUIDE “ONE GRIFOLS”

“One Grifols” gathers the solid corporate values established by the founders of Grifols in 1909.

These values promote teamwork, responsibility, innovation, sustainability, long-term value creation and strategic vision.

Inspired by these principles, Grifols creates wealth for its stakeholders by generating stable employment, driving frontline research, promoting development, and building trust with shareholders and investors. To this end, the company follows a sustainable growth strategy aligned with its mission of enhancing the health and well-being of people worldwide.

Grifols is the embodiment of these fundamental values, its commitments and a pioneering spirit in pursuit of scientific progress.

THE PRINCIPLES OF BIOETHICS GUIDE OUR OPERATIONS: THE VÍCTOR GRÍFOLS I LUCAS FOUNDATION

As part of Grifols’ commitment to scientific and social progress, we believe that science must be firmly committed to life in all of its facets. At its essence, scientific progress aims to improve the quality of life of human beings, both as individuals and humanity as a whole.

This principle has formed part of Grifols’ DNA since its beginnings. The fundamental tenets of bioethics guide the development, production and marketing of Grifols products in order to ensure the safety and dignity of patients and donors and effectively address the ethical questions raised by scientific advancements.

INTERNATIONALLY RECOGNIZED

For more information: http://www.fundaciogrifols.org/es/web/fundacio/mission-objectives
Based on bioethics principles and through a solid corporate governance, Grifols evaluates and manages its economic, social and environmental dimension, promoting talent, innovation, quality and safety as strategic priorities.

Grifols’ business model supports sustainable development goals (SDGs) promoted by the United Nations and oriented towards value creation.

It is a vertical integration model that promotes complementary products and services and global expansion.
GRIFOLS’ BUSINESS MODEL SUPPORTS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

WE ACTIVELY SUPPORT EFFORTS TO ACHIEVE SDGs

Adopted by the United Nations in 2015, the 2030 Agenda for Sustainable Development offers a shared global vision to promote peace and prosperity for people and the planet. The Agenda is grounded in 17 Sustainable Development Goals, which collectively advocate a holistic approach to address and manage critical global challenges such as the eradication of hunger and poverty, access to high-quality education, gender equality, decent work opportunities and the fight against climate change. The SDGs have been broken down into 169 concrete and measurable targets to help translate these global commitments into action.

Grifols is highly aware of the critical role that companies can play toward achieving sustainable development. For this reason, it partners with and supports the actions of numerous agents engaged in this global pursuit, reflecting its commitment to making a positive impact on society.

In order to effectively measure and communicate its contributions, Grifols has pinpointed and prioritized the SDGs in which it could make the maximum impact. This analysis has enabled the company to determine how it could create the most value and provide solutions in relation to its sector, operations and geographical scope.

Grifols carried out a materiality analysis to prioritize these objectives, selecting a total of five core SDGs where it could wield the greatest impact and four additional SDGs in which it could make a significant contribution. Grifols also supports the SDG17 – Partnerships to the Goals – by collaborating with different interest groups (social and educational institutions, governments, organizations, entities and other companies) to jointly spearhead initiatives in the fields of education, innovation and healthcare, among others.

The numerous actions by which Grifols supports these concrete SDGs are highlighted throughout this report.
A BUSINESS MODEL BASED ON VERTICAL INTEGRATION

GRIFOLS’ VERTICALLY INTEGRATED BUSINESS MODEL GUARANTEES MAXIMUM QUALITY AND CONTROL AT EVERY STAGE OF THE VALUE CHAIN OF ITS FOUR DIVISIONS

WE PUT DONORS AND PATIENTS AT THE CENTER OF OUR VALUE CHAIN

WE TRANSFORM DONORS’ GENEROSITY INTO LIFE-SAVING TREATMENTS FOR PATIENTS AROUND THE WORLD
A BUSINESS MODEL FOCUSED ON SUSTAINABLE VALUE CREATION

Grifols’ value creation is reflected in its four main divisions and its ongoing pursuit to offer cross-cutting services that bolster the organization and generate new opportunities.

**FOUR DIVISIONS**

**BIOSCIENCE**
Leaders in the production of plasma-derived medicines
78% of revenues

**DIAGNOSTIC**
Leaders in cutting-edge diagnostic solutions to analyze blood and plasma, including the development and production of reagents and medical devices
14% of revenues

**HOSPITAL**
Pharmaceutical specialty products for hospital use and innovative technology, software and service solutions to optimize hospital pharmacy operations.
3% of revenues

**BIO SUPPLIES**
Biological products for non-therapeutic use
5% of revenues

**GRIFOLS ENGINEERING**
Since its origins, Grifols has focused its efforts on in-house engineering as a lever to innovate and continuously improve its industrial productivity. Grifols Engineering is dedicated to designing and constructing specialty machinery, as well as providing specialized engineering solutions to optimize biotech processes and manufacturing systems.

**GRIFOLS TRAVEL AGENCY**
As an international company with a strong U.S. presence and subsidiaries in 30 countries, Grifols decided to establish its own travel agency – Grifols Viajes – in order to better manage the global mobility of its workforce. Grifols Viajes offers Grifols’ employees the flexibility they need to plan their trips and optimize work-life balance. The agency also coordinates corporate events, conferences and other internal meetings.
**2019 GRIFOLS’ SOCIOECONOMIC IMPACT**

GRIFOLS ESTIMATED THE SOCIO-ECONOMIC IMPACT OF ITS 2019 OPERATIONS IN TERMS OF WEALTH GENERATION AND JOB CREATION IN ITS CORE COUNTRIES OF OPERATION – UNITED STATES, SPAIN, GERMANY AND IRELAND.

### MAIN SOCIO-ECONOMIC IMPACTS

<table>
<thead>
<tr>
<th>Total economic impact</th>
<th>M€</th>
<th>Impact of economic growth 2019 vs 2018</th>
<th>Total job creation</th>
<th>Job creation growth 2019 vs 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,500</td>
<td></td>
<td>+15%</td>
<td>148,000</td>
<td>+15%</td>
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</table>

- GRIFOLS’ DIRECT ECONOMIC IMPACT AMOUNTS TO EUR 4.400 MILLION. ADDITIONALLY, GRIFOLS GENERATES AN INDIRECT AND INDUCED IMPACT OF EUR 4.100 MILLION
- 41% OF GRIFOLS’ IMPACT STEM FROM ITS PLASMA CENTER NETWORK
- GRIFOLS GENERATES 148,000 JOBS IN TOTAL, INCLUDING 125,000 INDIRECT AND INDUCED JOBS
- GRIFOLS GENERATES 5.4 JOBS FOR EVERY 1 JOB IT CREATES
- 60% OF JOBS ARE LINKED TO GRIFOLS PLASMA CENTERS
GRIFOLS OPERATES THE LARGEST NETWORK OF PLASMA CENTERS IN THE WORLD, WITH 295 CENTERS

**Plasma center network in the U.S.**

252

**Plasma center network in Europe (Germany)**

43

**U.S. and Canada**

3,391

66.5% of revenues
GRIFOLS’ GLOBAL SCOPE INCLUDES OPERATIONS IN MORE THAN 100 COUNTRIES, SUBSIDIARIES IN 30 COUNTRIES AND MANUFACTURING PLANTS IN 7 COUNTRIES

<table>
<thead>
<tr>
<th>Location</th>
<th>European Union (M€)</th>
<th>ROW (M€)</th>
<th>% of Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leipzig</td>
<td></td>
<td></td>
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<tr>
<td>Dublin</td>
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<tr>
<td>Düdingen</td>
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<td></td>
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<tr>
<td>San Sebastián</td>
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<td></td>
<td></td>
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<tr>
<td>Bilbao</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Zaragoza</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Murcia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barcelona</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Melbourne</td>
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<td></td>
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</tbody>
</table>

857
16.8% of revenues

851
16.7% of revenues
Grifols closed the 2019 financial year with record high revenues of EUR 5,099 million, a growth of 13.6% and 9.2% cc. The company’s long-term sustainable strategy led to growth in all of its divisions and geographic regions where it operates.

Over the last years, the company’s strategic investments to increase its access to plasma, as well as efforts to boost its sales activities and operations, all contributed to the group’s solid performance.

The Bioscience Division continued to serve as Grifols’ main engine for growth. The division increased revenues by 13.6% (8.9% cc) to EUR 3,994 million. Sales of immunoglobulins (including specialty immunoglobulins), were especially strong, growing by double digits, particularly in the United States. Also noteworthy was the recovery of albumin sales in China following the renewal of certain licenses and the upward trend in alpha-1 antitrypsin sales.

Diagnostic Division sales grew by 4.5% (1.1% cc) to EUR 734 million. The transfusion medicine line recorded higher sales, with NAT donor-screening solutions and recombinant proteins leading growth. The Hospital Division expanded by 12.5% (12.1% cc) to EUR 134 million, with growth in all business lines. The Bio Supplies Division achieved EUR 267 million in revenues, growing by 59.6% (54.1% cc).

The company attained higher operating margins throughout the fiscal year. As of December 31, the gross margin was 45.9% (45.7% in 2018), driven by solid demand of the main plasma proteins, enhanced production efficiencies and a stable cost of plasma. The underlying gross margin was 47.4% (46.4% in 2018).

Meanwhile, the reported EBITDA increased by 17.3% to EUR 1,434 million, denoting a 28.6% margin (27.3% in 2018). The underlying EBITDA margin represents 28.6% of revenues (27.7% in 2018).

In 2019, Grifols continued to promote innovation and productive investments as key drivers of its long-term, sustainable growth. Net R+D+i investments increased by 12.1% to EUR 329 million, including internal, external and investee-led projects. Grifols also advanced in its capital investments plan, allocating a total of EUR 332 million to expedite the expansion of the Bioscience Division’s production capacity and the growth of the other divisions.

The company grew by 4.8% in 2019, achieving EUR 625 million in net profits.
## In millions of euros except % and EPS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET REVENUES</strong></td>
<td>5,098.7</td>
<td>4,486.7</td>
<td>13.6%</td>
</tr>
<tr>
<td><strong>EBITDA UNDERLYING</strong></td>
<td>1,406.9</td>
<td>1,218.4</td>
<td>15.5%</td>
</tr>
<tr>
<td>% Net revenues</td>
<td>28.6%</td>
<td>27.7%</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA REPORTED</strong></td>
<td>1,433.8</td>
<td>1,222.7</td>
<td>17.3%</td>
</tr>
<tr>
<td>% Net revenues</td>
<td>28.1%</td>
<td>27.3%</td>
<td></td>
</tr>
<tr>
<td><strong>GROUP PROFIT</strong></td>
<td>625.1</td>
<td>596.6</td>
<td>4.8%</td>
</tr>
<tr>
<td>% Net revenues</td>
<td>12.3%</td>
<td>13.3%</td>
<td></td>
</tr>
<tr>
<td><strong>ADJUSTED GROUP PROFIT</strong></td>
<td>718.3</td>
<td>680.5</td>
<td>5.6%</td>
</tr>
<tr>
<td>% Net revenues</td>
<td>14.1%</td>
<td>15.2%</td>
<td></td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>332.2</td>
<td>252.2</td>
<td>31.7%</td>
</tr>
<tr>
<td><strong>R+D NET INVESTMENT</strong></td>
<td>329.0</td>
<td>291.4</td>
<td>12.9%</td>
</tr>
<tr>
<td><strong>EARNINGS PER SHARE (EPS) REPORTED</strong></td>
<td>0.91</td>
<td>0.87</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

### December 2019 December 2018 % Var

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>15,542.6</td>
<td>12,477.0</td>
<td>24.6%</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>6,845.8</td>
<td>4,696.6</td>
<td>45.8%</td>
</tr>
<tr>
<td><strong>CASH &amp; CASH EQUIVALENTS</strong></td>
<td>742.0</td>
<td>1,033.8</td>
<td>(28.2%)</td>
</tr>
<tr>
<td><strong>LEVERAGE RATIO</strong></td>
<td>4.17/(4.14cc)(3)</td>
<td>4.32/(4.19cc)(3)</td>
<td></td>
</tr>
</tbody>
</table>

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1. Excludes the impact of plasma sold to third parties from Haema and Biotest.
2. Excludes non-recurring items and associated with recent acquisitions, amortization of deferred expenses associated to the refinancing, amortization of intangible assets related to acquisitions, assets reassessment and IFRS 16.
3. Constant currency (cc) excludes exchange rate fluctuations over the period.

### INCREASED PROFITABILITY

- **Underlying EBITDA margin**: 28.6%
- **Underlying gross margin**: 47.4%

### A SOLID MANAGEMENT

**Net profit**:

- 625

**EBITDA reported**:

- 1,434

### ENHANCED INVESTMENT EFFORTS

**R+D+I and capital investments**:

- 661

**Net leverage ratio reduction**:

- 4.17x

### REVENUE GROWTH IN ALL REGIONS

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2018</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>14%</td>
<td>7%</td>
<td>19.5%</td>
</tr>
<tr>
<td>EU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROW</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### REVENUE GROWTH IN ALL DIVISIONS

<table>
<thead>
<tr>
<th>Division</th>
<th>2019</th>
<th>2018</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bioscience</td>
<td>+13.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diagnostic</td>
<td>+4.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital</td>
<td>+12.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bio Supplies</td>
<td>+59.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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2019 EXECUTIVE REPORT | SUSTAINABLE GROWTH
CAPEX AND INDUSTRIAL ACTIVITY

In 2019, Grifols intensified its capital expenditures to expand and enhance its divisions’ production facilities. The company allocated EUR 332.2 million to CAPEX in 2019, a 31.7% increase over the EUR 252.2 million invested in 2018. Within the framework of its long-term sustainable growth strategy, the company announced plans to invest EUR 1,400 million over 2018-2022. Investments highlights in 2019 include the following:

**LARGER CAPACITY FOR PROTEIN FRACTIONATION AND PURIFICATION**

Construction of a new plasma fractionation plant on the North Carolina (U.S.) complex continued as planned. With a fractionation capacity of 6 million liters per year, the plant will allow the complex to double its current capacity. Expected to be operational by 2021, it will include the installation of two parallel plasma fractionation and grouping lines to maximize flexibility and efficiency.

Construction also continues on the world’s first purification, dosing and sterile filling plant of immunoglobulins in flexible bags. The plant will have an annual production capacity of 6 million equivalent liters of plasma and is expected to be operational in 2022.

The construction of a new albumin purification, dosing and sterile filling plant in Dublin (Ireland) continues according to plan. The plant will have an annual production capacity of 6 million equivalent liters of plasma and incorporate state-of-the-art filling technology. In 2019 the installation of the first filling line of albumin out of the two planned was completed.

Expansion of the fibrin and topical thrombin sealant production plant is underway at the Barcelona industrial complex. Upon completion of the new purification and dosing installations, this extension will increase production capacity to 3.3 million equivalent liters of plasma equivalent and also include a packaging and finishing plant.

**INVESTMENT TO INCREASE ACCESS TO PLASMA**

As of December 31, 2019, Grifols operated the largest plasma center network in the world, with 295 centers. Thanks to its capital investments, the company increased its capacity to 45,000 average daily donations and total volume of plasma obtained for fractionation to nearly 13.5 million liters. This volume represents a 12.5% increase compared to 2018.

**BIOSCIENCE DIVISION**

**DIAGNOSTIC DIVISION**

The San Diego (California, U.S.) installations were renovated to boost production of the NAT product line.

The Brazil plant, dedicated to the collection, separation, storage and production of transfusion bags for blood components, has become operational. The installation has a production capacity of 2 million units per year, scalable to 4 million units.

**HOSPITAL DIVISION**

**EXPANSION OF INTRAVENOUS SOLUTIONS PRODUCTION**

This division’s capital investments are focused on increasing capacity and productivity of its intravenous solutions, manufactured in its industrial complexes in Barcelona and Murcia. These improvements will enable the division to meet expected growth in this product segment, as outlined in its internationalization plan.
ACQUISITIONS AND CORPORATE TRANSACTIONS

STRATEGIC ALLIANCE AGREEMENT WITH SHANGHAI RAAS

In 2019, Grifols and Shanghai RAAS announced a strategic alliance agreement to manufacture, market and develop plasma products and transfusion diagnostic solutions in China in compliance with international quality and safety standards.

Grifols will be the second-largest shareholder in Shanghai RAAS, with a 26.2% stake (economic and voting rights) in exchange for the non-majority share (40% voting rights and 45% economic rights) in Grifols Diagnostics Solutions (GDS), a 100% Grifols subsidiary.

This transaction will represent the first share swap made in China with shares of a foreign company (GDS) and a non-state-controlled Chinese listed company.

Over the past 35 years, Grifols has progressively built its presence in China, which is currently its third-largest sales market. Grifols has operated in the Chinese market since the 1980s. In 2019, the company had 28 registered products: five (5) Bioscience Division products and 23 from the Diagnostic Division, eight (8) of which are NAT donor-screening solutions and 15 blood-typing products. Grifols plans on expanding its portfolio of registered products in the coming years.

At present, China leads sales of albumin and is third in sales for the Diagnostic Division, as it is the country with the highest sales for gel cards (DG-Gel®) and second in sales for NAT technology solutions (Procleix® NAT Solutions).

For Grifols, this transaction will represent a singular opportunity to continue its global expansion and bolster its position in China, one of the markets with the highest growth potential for plasma products and transfusion diagnostics.

COLLABORATION AND LICENSE AGREEMENT WITH RIGEL PHARMACEUTICALS

In January 2019, Grifols signed an exclusive license agreement with the U.S.-based biotechnology company Rigel Pharmaceuticals to commercialize fostamatinib in all potential future indications in Europe and Turkey. This drug is used as a second line of treatment for chronic immune thrombocytopenia (ITP).

INTERSTATE BLOOD BANK INC.

In the second quarter of 2019, Grifols exercised its call option on the remaining 51% capital of Interstate Blood Bank Inc (IBBI) and its subsidiaries for USD 100 million. Grifols had controlled a 49% stake since 2016.

This operation forms part of Grifols’ strategic plan to expand and diversify its access to plasma. Through this transaction, Grifols incorporated 35 FDA-approved centers (26 plasma centers and 9 blood donation centers), as well as an analytical laboratory.

AGREEMENT WITH SOLUDIA MAGHREB

In January 2020, Rigel Pharmaceuticals received market approval from the European Commission for TAVLESSE® (fostamatinib). The market launch of this product, expected in the second quarter of 2020, reinforces Grifols’ sales strategy and reflects its commitment to enhance its product portfolio for patients and offer more therapeutic options for healthcare professionals.
OUR COMPETITIVE ADVANTAGES

LEVERAGE SYNERGIES ACROSS DIVISIONS

A LEADER IN PROMOTING COMPLEMENTARY PRODUCTS AND SERVICES

Over the years, Grifols has been an industry reference for its capacity to successfully leverage synergies among its divisions’ products and services. Keenly aware of the potential of its global workforce, the company has progressively promoted cross-functional work teams that collaborate to identify needs and promote new initiatives. This forward-thinking strategy has paved the way for a number of high-impact projects.

DIAGNOSTIC SOLUTIONS

Development of diagnostic solutions to better identify and treat conditions that benefit from plasma products

In 2019, Grifols launched AlphaID™, a free bucal swab to detect alpha-1 antitrypsin deficiency (AADT) developed jointly by the Bioscience and Diagnostic Divisions. AADT treatment includes infusion of alpha-1 antitrypsin, one of Grifols’ main plasma proteins. Thousands of patients worldwide can benefit from early diagnosis and treatment, if required.

ENSURING SELF-SUFFICIENCY

Ensuring self-sufficiency of physiological saline and anticoagulant

The infusion of physiological saline post-donation is an additional preventative measure that Grifols has adopted to help replace fluids and restore circulatory volume in plasma donors. In the U.S., demand for this type of serum continues to rise. With the aim of achieving self-sufficiency, Grifols worked to obtain FDA approval for its physiological saline manufactured in its Murcia plant. At present, the company is able to serve its own network of U.S. plasma-donation centers without relying on market fluctuations.
GRIFOLS’ PLASMA-DERIVED MEDICINES CAN BE PRODUCED INTERCHANGEABLY IN ITS PLANTS IN SPAIN AND THE U.S.

Most Grifols’ protein fractionation, purification and dosing plants are licensed by diverse regulators, offering the company the flexibility to perform these processes interchangeably in any of one of them. The result is a leading-edge production system aimed at maximizing efficiency and optimizing profitability per liter of plasma, while guaranteeing the highest standards of quality and safety.

CONTROLLING THE VALUE CHAIN ENSURES QUALITY, SAFETY AND SUPPLY

Grifols’ vertically integrated business model guarantees quality and control at every stage of its divisions’ value chains. This model also adds value by ensuring continuity of supply and reducing transactional costs, among other benefits. Grifols is a leading global manufacturer of plasma-derived medicines, with a solid reputation built on its ability to compete in dynamic, fast-paced environments.

GRIFOLS ENGINEERING, ON THE CUTTING EDGE OF INNOVATION

The production process to obtain plasma products requires advanced technology and ongoing innovation. The company relies on Grifols Engineering to spearhead its diverse manufacturing projects and installations. Specialized in engineering solutions for pharmaceutical and biotechnology processes, this company represents a differential value in terms of costs, project execution and the quality of integrated innovations, including trailblazing technologies to reduce environmental impacts.

ADDING TALENT TO MULTIPLY RESULTS

Inorganic growth has been a cornerstone of Grifols’ success. Since its origins, the company has successfully integrated acquisitions as drivers of its corporate growth, providing access to new markets, expanding production and supply capabilities, promoting innovation and offering new technologies. The company also has proven experience in integrating people. By promoting teamwork, Grifols has been able to install a robust corporate culture and capitalize on its global talent pool. The acquisitions of Talecris (2011), Novartis’ transfusion diagnostic divisions (2014), Hologic’s share of NAT donor screening unit (2017), Haema (2018), Biotest (2018) and IBBI (2019) are recent examples of this pioneering strategy.

PREPARED FOR CONTINUED GROWTH

Grifols has the necessary infrastructure and experience in planning future needs to maintain a path of sustainable growth based on continuous improvement and the optimization of processes and costs. Its solid manufacturing presence in the United States, Spain, Ireland and Germany has enabled a scaled global expansion with a distinctly global dimension. Today, the company markets its products in more than 100 countries, with plans to bolster its presence in China through its strategic alliance with Shanghai RAAS.

AN ESSENTIAL COMPONENT OF GRIFOLS’ DNA SINCE 1909

Pioneers pave the way and actively create processes that drive change. This quest for ongoing innovation has formed part of Grifols’ DNA since 1909. In alignment with its pioneering spirit, the company is committed to exploring the therapeutic properties of blood, plasma and proteins; serving as an industry leader; continued growth; and supporting science, scientific projects and those who make them possible. For this reason, Grifols’ R+D+i strategy is far-reaching, encompassing both internal and external resources to contribute to the advance of science and social progress.

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For global organizations, a solid corporate governance structure is critical to create long-term value for both shareholders and society. Integrity, honesty, transparency and compliance to the highest ethical standards are the cornerstones of Grifols' corporate culture, as well as the pillars of its corporate governance.

The General Shareholders Meeting serves as Grifols’ governing body. It represents all shareholders and is the final decision-making authority in all matters that correspond to it. Grifols encourages shareholders to participate, with no minimum number of shareholdings required to attend.

The Board of Directors is Grifols’ highest decision-making body, with the exception of matters that belong to the exclusive domain of the General Shareholders’ Meeting. Among its core responsibilities, the Board of Directors establishes general policies, corporate strategy and basic management guidelines, as well as supervises and monitors the actions of Grifols management to ensure the company reaches its objectives and meets stakeholder expectations.

The roles of President and CEO are separate at Grifols. Víctor Grifols Roura serves as the non-executive chairman, offering his strategic vision and vast experience to ensure the long-term interests of shareholders. As of January 1, 2017, co-CEOs Raimon Grífols Roura and Víctor Grífols Deu share the group’s top executive and management responsibilities.

Once a year, Grifols publishes the Annual Corporate Governance Report, which is subject to approval by the Board of Directors. This report outlines Grifols’ ownership structure, management configuration, related transactions, risk control systems, General Shareholders Meeting, and internal control and risk management systems with regard to the disclosure of financial information (SCIIF), degree of compliance with corporate governance recommendations and other relevant information.

Visit the corporate website for more information: www.grifols.com
**SHAREHOLDER STRUCTURE**

- Class A, 62%
- Class B, 38%
- Free Float, 56.7%
- Related or Associated Shareholders and Board of Directors, 31.2%
- Treasury Stock, 0.5%
- Blackrock, Inc., 4.4%
- Capital Research and Management Company, 3.0%
- Fidelity International Limited, 1.0%
- Invesco Limited, 3.2%

Source: 2019 Annual Corporate Governance Report

**CORPORATE STRUCTURE**

- General Shareholders Meeting
- Board of Directors
- Appointments & Remuneration Committee
- Audit Committee
- Lead Independent Director
- CO-CEOs
- Executive Team
During the last General Shareholders Meeting, held on May 24, 2019, Dr. Enriqueta Felip Font was elected as an independent director in replacement of Anna Veiga Lluch. In addition, Raimon Grífols Roura, Tomás Dagá Gelabert, Carina Szpilka Lázaro and Íñigo Sánchez-Asiain Mardones were re-elected as members of the Board of Directors.
The main responsibility of the executive team is to manage the company in accordance with the strategy approved by the Board of Directors. This includes a continuous quest for long-term growth, value creation for stakeholders, and maintaining effective risk management structures and robust internal controls.

Grifols’ executive team boasts an extensive and proven experience in promoting organic growth, as well as a proven track record in identifying opportunities and integrating successful acquisitions, which have been key to transforming Grifols.

The team convenes mainly around the Executive Management Board, which holds at least one meeting per month led by Grifols’ co-CEOs. Grifols’ executive team met 43 times in 2019.
SAFETY & QUALITY IN THE BIOSCIENCE DIVISION

DONATION

DONOR SELECTION > > > ANALYSIS OF DONATED PLASMA > > > 60-DAY INVENTORY HOLD

Grifols only uses plasma from qualified donors (for more information, see the "Donor Profile" section) collected in centers approved by the relevant health authorities. Donors are subject to annual medical exams and routine health screenings before every donation. The company does not discriminate against potential donors on the basis of ethnicity, gender or socioeconomic status. It only accepts healthy donors who are committed to the donation process, have proof of a permanent local residence and meet rigorous health and safety criteria. Grifols plasma centers are also subject to regular inspections.

All units of donated plasma are analyzed in FDA-licensed laboratories to guarantee the safety and quality of source plasma. More than 10 analyses are performed on each unit of plasma, including tests for hepatitis A, B or C, HIV and parvovirus B19, using highly sensitive techniques such as NAT (Nucleic Acid Testing) to detect pathogens and ELISA (Enzyme-Linked Immunosorbent Assay) to detect viral antigens or antibodies. Once the plasma units are in production, every batch is tested at various stages during the production process. In total, 18 different analyses are performed.

All plasma units that pass the initial viral testing are subject to a 60-day inventory hold before being released into production. The results of the hold sample are verified against the new donation to reconfirm the absence of viruses and pathogens.

MAIN RELEVANT REGULATIONS

• WHO: recommendations for the production, control and regulation of human plasma for fractionation (WHO Technical Report Series, No. 941)
• Directive 2002/98/CE that sets the standards for the quality and safety for the collection, testing, processing, storage and distribution of human blood and blood components
• EMA Guideline on plasma-derived Medicinal products
• 21CFR Part 640: additional standards for human blood and blood components
• Local regulations in countries where hemoderivatives are distributed
• PPTA standards adhered to voluntarily by Grifols
• European Pharmacopoeia
After plasma has been approved for production, the manufacturing process begins. This process mainly entails the fractionation or protein separation process; purification; specific viral-inactivation processes; sterile filling; and secondary packaging. All operations are carried out in accordance with Global Manufacturing Practices (GMP).

All of Grifols’ manufacturing plants have a Pharmaceutical Quality System and a strict quality assurance system.

Grifols’ manufacturing processes are also subject to a rigorous internal quality-control program to guarantee the quality, safety and efficacy of every batch produced.

During the production phase, approved plasma undergoes rigorous testing and purification processes, including several pathogen-elimination steps, viral inactivation and viral-removal techniques to guarantee the highest possible levels of safety. Depending on the product, the manufacturing process may include heat treatment, pasteurization, solvent/detergent treatment and/or nanofiltration.

After purification, the product is sterilized using a proprietary sterile-filling process process developed in-house by Grifols Engineering and considered an industry standard.

Grifols’ manufacturing facilities are not only subject to inspections by the relevant authorities but also have never been closed due to regulatory incompliance.

Before releasing any plasma-derived medicine, Grifols identifies product vials with a unique code, which includes a laser etching of the lot number to ensure traceability. Moreover, all products include a holographic seal to verify their inviolability and authenticity.

Grifols also implemented a system to assign unique, traceable numbers to product units in accordance with the applicable rules and regulations of the global markets where it operates as part of its total commitment to regulatory authorities to prevent counterfeits. Its pledge to patient safety includes a robust pharmacovigilance system.

In addition, Grifols voluntarily rolled out the PEDIGRI® system, which provides healthcare professionals detailed information on the plasma used to manufacture a specific unit of product, as well as a certificate of the testing performed. For more than 20 years, Grifols has been the only company to offer information on the source and traceability of its plasma.
SAFETY & QUALITY
IN THE DIAGNOSTIC DIVISION

SUPPLIER CONTROLS

The Diagnostic Division defines requirements to assess, approve and monitor suppliers, and classifies them according to their importance in the production process. Results are documented in a supplier evaluation registry, and potential new suppliers are accepted or rejected depending on the results of this analysis.

To ensure quality compliance at all times, Grifols re-evaluates its quality system and standards for key suppliers every three years, and every five years in the case of important suppliers. The division also regularly evaluates its quality markers.

SAFETY AND CONTROL STANDARDS IN PRODUCTION

The Diagnostic Division ensures the safety, efficacy and quality of its products through a range of production, quality and R+D+i management processes.

The division also implements project-management techniques, agile software development, GMP, automation, continuous improvements and ongoing validation of its integrated IT systems. Moreover, the division’s employees take part in continuous training initiatives to reinforce their technical skills.

PRODUCT LICENSES

The production, marketing and sale of Diagnostic Division products are registered with relevant authorities in applicable countries.

MAIN RELEVANT REGULATIONS

- ISO 13485:2016 Sc. 7.4.1 “Purchasing process”

MAIN RELEVANT REGULATIONS

- EN ISO 14971:2012
- ISO 13485:2016 “Medical devices – Quality management systems – Requirements for regulatory purposes”
- Regulations under the Medical Device Single Audit Program (MDSAP)
- ISO 14971 “Medical devices – Application of risk management to medical devices”
- IEC 62304:2006 “Medical devices software – Software life cycle processes”

MAIN RELEVANT REGULATIONS

- Local country-specific regulations
SAFETY & QUALITY IN THE HOSPITAL DIVISION

Grifols has developed a quality system to approve, track and evaluate service providers and manufacturers of materials used during the production process. The Hospital Division’s quality system includes two main components:

Quality Assurance (QA)
This department registers relevant quality documentation for internal information systems, including GMP and ISO certifications, among others that are always kept updated.

Supplier Quality Committee
The committee holds at least one meeting every six months to verify the quality of suppliers and manufacturers.

The committee includes QA leaders, technical directors from the Barcelona and Murcia plants and senior managers from R+D+i, purchasing, production and quality assurance.

Grifols adheres to the highest standards of quality and safety in its manufacturing facilities to guarantee that its product and services comply with all applicable guidelines. This continuous quest for improvement allows the company to boost the quality and efficacy of its production processes and anticipate the safety needs of patients and healthcare professionals. Several committees – quality standards, suppliers, production quality, change control and R+D+i – oversee the evaluation system, placing particular emphasis on quality, KPIs and quality objectives planning.

Grifols uses a change management system to ensure the traceability and safety of any modifications in the product, process or facilities. The impact of every change is analyzed and assessed from regulatory, quality, validations, documentary, normative, occupational health and safety perspectives. A risk assessment is carried out to evaluate the impact of this change on these areas. Next, the Change Control Committee analyzes and assesses the information and when appropriate, authorizes the change and its implementation.

The production, marketing and sale of a range of products are subject to registration with the competent authorities in the countries where they are sold.

MAIN RELEVANT REGULATIONS

- Applicable regulations GMP environment for medicines and 13485 certification for medical devices
- Applicable regulations according to local jurisprudence for obtaining the product license.
INNOVATION IN GRIFOLS

GRIFOLS PROMOTES A LONG-TERM INTEGRATED STRATEGY THROUGH ITS OWN PROJECTS AND BY PARTICIPATING IN RESEARCH COMPANIES AND THIRD-PARTY INITIATIVES.

GRIFOLS BOOSTED ITS NET R+D+i INVESTMENTS IN 2019.

GRIFOLS’ ALLOCATIONS TO R+D+i INCREASED BY 12.9% TO EUR 329 MILLION, WHICH EQUAL TO 6.5% OF REVENUES.

TOTAL INVESTMENT IN R+D+i

329 EUR million
6.5% of revenues
+12.9% increase

HUMAN RESOURCES

1,029 people dedicated to R+D+i
+100 external researchers complement Grifols’ R+D+i efforts

RESEARCH CENTERS

U.S.
- Emeryville, Los Angeles and San Diego: Bioscience and Diagnostic
- Research Triangle Park: Bioscience
- Denver: Hospital

Spain
- Barcelona: Bioscience and Diagnostic
- Bilbao and Zaragoza: Bioscience and Diagnostic

Switzerland
- Düdingen: Diagnostic
GRIFOLS’ INNOVATION ECOSYSTEM

AN OPEN INNOVATION ECOSYSTEM THAT PROMOTES KNOWLEDGE AND TALENT BEYOND THE LIMITS OF THE COMPANY

INVESTEEES

AlbaJuna Therapeutics – Spain: Development of a new treatment strategy based on antibodies with a high potential to neutralize HIV and viral reservoirs at the cellular level

Alkahest – United States: Research on the benefits of plasma proteins to treat age-related cognitive impairment

Araclon – Spain: Specialized in diagnostic tests and the development and research of new treatments for Alzheimer’s

GigaGen – United States: Research and development of new recombinant immunoglobulins using immune-system cells from donors

VCN Biosciences – Spain: Research and development of oncolytic viruses to treat solid tumors
AMBAR is an international and multicenter clinical trial designed by Grifols in collaboration with Fundació ACE in Barcelona (Spain) and the Alzheimer’s Disease Research Center in Pittsburgh (U.S.). Following a successful pilot study and completion of phases I and II, phase IIb/III aimed to evaluate the efficacy and safety of plasma exchange to stabilize the disease progression of Alzheimer’s (AD).

The clinical trial lasted for 14 months and was split into two phases: an initial phase common to all patients, followed by a second phase in which different volumes and concentrations of albumin were administered to different groups. In some cases, the albumin was alternated with intravenous immunoglobulin to correct a possible endogenous immunoglobulin decrease. The plasma exchange in the placebo-controlled group was simulated in both phases.

Data analysis was performed on the total study population compared to the placebo group and included the following study arms: a) comparison of each of the three treatment groups. All three groups received plasma exchange with different doses of albumin and immunoglobulin; b) an arm that included all patients treated with plasma exchange; and c) an arm that included all patients treated with plasma exchange analyzed by disease severity: mild AD and moderate AD.

Throughout 2019, Grifols presented the findings of its AMBAR clinical trial at several international congresses. All results point to the positive effects of the treatment to slow down the progression of the disease in patients in the mild to moderate stages. Grifols concluded its AMBAR clinical trial after unveiling the latest findings at the 2019 Clinical Trials on Alzheimer’s Disease Congress (CTAD), held in December 2019 in San Diego (U.S.). The company plans on launching an AMBAR II study.

The result of 15 years of rigorous scientific research, these promising findings reinforce Grifols’ research on plasma protein replacement therapies.
CONGRESSES AND FINDINGS PRESENTED

11TH CLINICAL TRIALS ON ALZHEIMER’S DISEASE (CTAD) CONGRESS
Barcelona (Spain)
December 2018
Primary efficacy endpoints – the ADAS – Cog1 and ADCS-ADL2 scales

14TH INTERNATIONAL CONFERENCE ON ALZHEIMER’S AND PARKINSON’S DISEASES
Lisbon (Portugal)
March 2019
Secondary endpoints such as memory, language and processing speed

ALZHEIMER’S ASSOCIATION INTERNATIONAL CONFERENCE (AAIC) 2019
Los Angeles (U.S.)
July 2019
Other relevant secondary endpoints to evaluate functional and cognitive capacity (CDR-Sb and ADCS-CDGC).

12TH CLINICAL TRIALS ON ALZHEIMER’S DISEASE (CTAD) CONGRESS 2019
San Diego (U.S.)
December 2019
Neuroimaging and biomarkers

PRIMARY ENDPOINTS
Evaluate treatment efficacy with different scales measuring changes in cognitive function and the ability to carry out daily activities

61% REDUCTION IN DISEASE PROGRESSION IN PATIENTS WITH MODERATE ALZHEIMER’S.
Measured by ADS-Cog + ADS-ADL scales

SECONDARY ENDPOINTS

Neuropsychological Test

71% REDUCTION IN CLINICAL DECLINE WITH RESPECT TO PLACEBO IN ALL TREATED PATIENTS
Measured by CDR-Sb scale

POSITIVE IMPACT in memory and quality of life in patients with moderate Alzheimer’s

POSITIVE IMPACT in language and processing speed in patients with mild Alzheimer’s
(Measured by RAVLT, SDMT, PVF, QoL-AD scales)

Neuroimaging and biomarkers

PATIENTS TREATED WITH BOTH ALBUMIN AND IMMUNOGLOBULIN (IG) had less REDUCTION OF BRAIN GLUCOSE METABOLISM, SUGGESTING LESS PROGRESSION IN NEURONAL DAMAGE (Measured by FDG-PET technique)

LEVELS OF ABETA 42 AND P-TAU PROTEINS REMAINED STABLE in cerebrospinal fluid in all treated patients
In 2019, Grifols’ workforce was made up of 24,003 employees, growing more than 13% over the previous year (21,230 employees in 2018). Notably, the number of women in the category of top management increased to 193 (+12.2%); senior management to 226 (+10.2%); and professional to 1,773 (+28.6%).

The workforce also grew across all geographic areas where the company operates. There was significant growth in U.S. personnel, which increased 14% to 17,450 following the expansion in the number of U.S. plasma centers. In 2019, Grifols once again confirmed its commitment to job creation.

**DEVELOPMENT OF THE TALENT POOL**

**TOTAL STAFF**

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**WE CONTINUE TO WORK TO PROMOTE EQUALITY BETWEEN MEN AND WOMEN**

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<tr>
<td>of professionals are women</td>
<td></td>
</tr>
<tr>
<td>1,773</td>
<td></td>
</tr>
</tbody>
</table>
TALENT MANAGEMENT

Professional development is key to compete in fast-paced globalized markets, which is why Grifols places emphasis on continuously enhancing the capabilities of its talent pool.

In 2019, the company focused its efforts on developing leadership competencies, promoting Grifols’ corporate culture, and maintaining its high standards trademark of quality, safety and technical excellence.

As a whole, Grifols’ workforce completed 1.99 million training hours* in 2019, reflecting more than 112 hours of training per employee. Women received 63% of the training hours provided and men received 37%.

* Reported data related to 84.4% of employees.

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**PROFESSIONAL DEVELOPMENT AT A GLANCE AT GRIFOLS**

- **Total training hours**: 1,993,380
- **Average hours of training per person**: 112
- **Women**: 63%
- **Men**: 37%

**GEOGRAPHY**

- **U.S.**: 1,712,109 hours
- **Spain**: 234,106 hours
- **ROW**: 47,165 hours

Grifols established the Grifols Academy in 2009 as part of its longstanding dedication to employees and other stakeholders.
Grifols reaffirms its commitment to effective equality, which regardless of gender provides the same opportunities and the same pay for work of equal value. As part of Grifols’ continued efforts to promote equal pay, the company, advised by PwC as an external consultant, carried out an adjusted and unadjusted gender wage gap calculation project in 2019 giving continuity to the project initiated in 2018. In addition, this analysis also allows Grifols to identify the underlying factors in order to implement actions for improvement.

The unadjusted gender pay gap is calculated as the percentage difference between the total gross salary received for each hour worked by men and women. On the other hand, the adjusted gender pay gaps are calculated using econometric models which allow isolate the effect on wages of the differences between men and women, both in their socio-economic characteristics (age, seniority, educational level or academic or professional attainment), and in their job post (working hours, sectors in which they work or type of occupation, among others). In this way, the adjusted gender pay gaps represent a more reliable indicator to measure whether men and women receive the “same pay for the same job”.

Grifols provides gender pay gap information corresponding to its team in Spain and in the U.S., the two most relevant countries for the company that together represent more than 90% of the group’s workforce. Grifols is committed to effective equality, which includes equal opportunities and equal pay for work of equal value. The results of Spain and the U.S. are shown separately, in order to avoid applying a currency exchange rate that could distort the results. Furthermore, U.S. results are shown separated by plasma centers and other activity (non-plasma), since they are two very different operations.

The 2019 study concludes that there is no problem with equal remuneration, although the differences observed from the study indicate that additional measures are needed to boost the number of women in leadership roles. Grifols is committed to gradually improving these figures and plans to deepen its understanding of the root causes of these differences. Based on this analysis, the action plan will be updated to implement solutions that are practical and beneficial for Grifols’ talented staff.
GRIFOLS’ PROGRESSES TOWARDS GENDER EQUALITY

According to the latest report published by the World Economic Forum, the gender equality wage gap improved globally last year, although, on average (population-weighted) an estimated 31.4% gap remains.

Grifols’ commitment to diversity and equal opportunities encompasses various initiatives aimed at improving equality, including efforts to promote women and address the wage gap. Additionally, the company takes other measures to prevent discrimination based on race, religion, sexual orientation, disabilities and other personal characteristics.

GRIFOLS IN SPAIN: EQUALITY AND WAGE GAP

The adjusted pay gap of Grifols in Spain stands at 5.1% (17.5 unadjusted) and when compared to the wage gap at the country level, shows that the remuneration policies in Grifols are designed to ensure that men and women receive the same treatment for the same role.

In this context, Grifols’ commitment to equal-opportunity employment is reflected by an upturn in several equality indicators compared to national averages.

Gender equality in the workplace has improved in Spain. Nonetheless, despite improvements in all aspects of economic participation, the country still has a 44.2% wage gap and a 52.7% gap related to women in managerial positions. Only 22% of board members in Spanish firms are women and female labor participation lags far behind that of men, an indication of strong cultural and business barriers that prevent women from accessing the same opportunities as men. The portion of women in Grifols’ board of directors amounts to 31%.

GRIFOLS IN THE U.S.: EQUALITY AND WAGE GAP

In the U.S. Compensation policies and plans are designed according to the job position and the best market practices, without gender influences or other socio-economic factors.

The adjusted wage gap of Grifols in the U.S. stands at 2.2% (28.9% unadjusted) and when compared to the overall U.S. wage gap, puts Grifols’ compensation policy at a higher value. Salary differences between men and women reflect the organizational structure as it proportionally employs more women than men in its plasma collection centers and, proportionally, more men in its senior leadership team.

According to the World Economic Forum, the United States in its progression towards gender equality has stagnated, maintaining a 27.6% closing gap. Progress towards wage equality has not advanced and the U.S. has only closed 69.9% of its wage gap. Although economic disparities are the main source of gender inequality in the workplace, participation in the workforce improved to 47%. However, further efforts are still required to bolster the presence of women in senior management positions.

<table>
<thead>
<tr>
<th></th>
<th>SPAIN*</th>
<th>GRIFOLS IN SPAIN</th>
<th>U.S.*</th>
<th>GRIFOLS IN THE U.S.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay equality for similar jobs / % closing gap</td>
<td>44.2%</td>
<td>5.1% (adjusted)**</td>
<td>30.1%</td>
<td>2.2% (adjusted)**</td>
</tr>
<tr>
<td>Workforce - % women</td>
<td>45%</td>
<td>17.5% (unadjusted)***</td>
<td>47%</td>
<td>28.9% (unadjusted)***</td>
</tr>
<tr>
<td>% of women on the Board of Directors in listed companies</td>
<td>22%</td>
<td>45%</td>
<td>21.7%</td>
<td>64%</td>
</tr>
</tbody>
</table>

** Methodological note and comments on its calculation are available in Chapter 9 “About This Report.”
*** Difference between men’s and women’s salaries, calculated as the percentage differential between the average gross salary per hour worked by men and women.
Grifols’ Social Commitment

Grifols has been dedicated to improving the health and well-being of people around the world for more than a century. As part of its longstanding commitment to social progress, the company promotes and participates in a range of social outreach initiatives.

Grifols’ dedication to society is guided by four core principles whose scope extends to its diverse stakeholder groups.

Beyond the economic impact of its business activity, Grifols advocates a social-investment framework modeled on the following lines of action: access-to-treatment programs; educational and social welfare initiatives; support for local communities and patient associations; initiatives and awards to advance scientific, research and educational projects; special initiatives and projects to enhance healthcare and humanitarian aid; and collaborations with non-profit entities to stimulate social progress.

Initiatives in 2019

38.9 M€

Allocated to Social Outreach Initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Amount (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient organizations</td>
<td>15.4</td>
</tr>
<tr>
<td>Foundations, NGOs and local communities</td>
<td>17.2</td>
</tr>
<tr>
<td>Research awards and education</td>
<td>3.4</td>
</tr>
<tr>
<td>Special projects and others</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Includes donations of more than 31 million international units of clotting factor the World Federation of Hemophilia and EUR 5 million to Probitas Foundation.
Grifols’ continuous research, development and production of life-saving plasma-derived medicines, together with its diagnostic systems and hospital-pharmacy solutions, all reflect its overriding mission of enhancing the health and well-being of patients.

The company works closely with patients and patient associations as part of this commitment. In 2019, Grifols channeled more than EUR 15 million in resources (a 22% increase over the previous year), earmarking most funds for product donations to facilitate access to treatment.

Grifols complements these efforts with numerous educational, awareness and patient advocacy initiatives.

**SUPPORTING PATIENTS AND PATIENT ORGANIZATIONS**

**COLLABORATION CORNERSTONES**

Grifols supports patient advocacy groups (PAGs) by collaborating with their product-donation programs and other initiatives focused on promoting access to treatment. Its PAG collaborations always respect applicable transparency principles and country-specific regulations, which stipulate public disclosures of information. Grifols follows standard operating procedures (SOPs) to serve as a framework for the eligibility, compliance, ethics and transparency of diverse collaboration agreements, contributions and donations to patient organizations.

Grifols observes and complies with all relevant legislation and regulations that govern interactions between the pharmaceutical industry and patient organizations. These provisions include the Open Payment Program or Transparency Reports and Reporting of Physician Ownership or Investment Interest (Sunshine Act), the EFPIA Code of best practices, and various legal transparency obligations that regulate these relationships at the national level. Grifols strongly upholds and voluntarily complies with the most stringent industry’s transparency requirements in all regions where it operates.

**COMMITMENTS**

- Serve as a reliable source of knowledge for patients.
- Promote and provide access to Grifols treatments.
- Maintain and provide the history, passion and pioneering spirit that sets Grifols apart.
- Engage and support patient-focused educational programs and activities.

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**GRIFOLS IS FULLY TRANSPARENT IN ITS INTERACTIONS WITH THE PHARMACEUTICAL INDUSTRY AND PATIENT ORGANIZATIONS**

- Serve as a reliable source of knowledge for patients.
- Promote and provide access to Grifols treatments.
- Maintain and provide the history, passion and pioneering spirit that sets Grifols apart.
- Engage and support patient-focused educational programs and activities.
SUPPORTING DONORS

Plasma donors play a pivotal role in the plasma industry. There is no such thing as synthetic or lab-created plasma, which is why donors are so critical in the production of life-saving plasma-derived medicines. Grifols recognizes the generosity of plasma donors and compensates those based in the U.S. and Germany for their time and commitment to making regular plasma donations.

Hundreds of donations are needed to produce enough plasma-derived medicine to treat one patient for one year.

• Respect for the dignity and inherent rights of donors is an indispensable obligation for Grifols, which endorses, upholds and supports the Universal Declaration of Human Rights (1948), the Helsinki Declaration (1964) and UNESCO’s Universal Declaration on Bioethics and Human Rights (2005).

• Grifols does not discriminate donors based on their gender, race, ethnicity or socioeconomic status, although it only uses plasma from qualified donors to produce its plasma-derived medicines.

• Grifols compensates donors for their time and commitment to the donation process, which includes undergoing a complete health screening at each donation. Compensation serves as an incentive and fosters altruism. Thanks to its donor compensation policy, Grifols is able to sustainably collect enough plasma to meet the growing demand for these essential life-saving medicines.

• Grifols’ compensation policy applies equally to all donors. No distinction is made in terms of the volume of plasma collected or donors’ weight, although they must weigh at least 50 kg.

• Plasma donors in the U.S. also have the option of contributing all or part of their compensation to support a variety of charitable organizations through the Grifols Plasma Possibilities program. Initiated in 2017, this program offers donors the chance to “give back twice” if they so desire. Since its launch, Plasma Possibilities has helped raise over USD 45,000 for more than 30 U.S. non-profit charity organizations. Additionally, in 2019, the most successful Plasma Possibilities campaign attracted over 7,000 plasma donors, who contributed part of their compensation to raise over USD 18,000 - out of the total USD 33,000 for the year - for the United Services Organization (USO), an initiative that helps keep deployed U.S. military personnel connected to home during their service.

• Grifols plasma donor centers create value for the community by generating employment and boosting the local economy including tax contributions, employee payroll and donor compensation. For more information on the socioeconomic impact of Grifols’ plasma centers, see the chapter titled “About Grifols.”

COLLABORATION CORNERSTONES

<table>
<thead>
<tr>
<th>Primary Immunodeficiencies</th>
<th>Alpha-1 Antitrypsin Deficiency</th>
<th>Hemophilia</th>
<th>CIDP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>130 DONATIONS</td>
<td>900 DONATIONS</td>
<td>1,200 DONATIONS</td>
<td>465 DONATIONS</td>
</tr>
</tbody>
</table>

*Chronic inflammatory demyelinating polyneuropathy
SUPPORTING THE SUSTAINABILITY OF PUBLIC HEALTHCARE SYSTEMS

ACCESS TO TREATMENT: COMMITMENT

Grifols is committed to providing patients with the plasma therapies they need today and in the future. In order to fulfill this pledge, the company leads infrastructure investments with a dual objective: first, to increase its access to plasma and second, to enhance its production facilities, including fractionation and purification plants.

Today, more patients than ever are being treated with immunoglobulin. In 2018, the global immunoglobulin market grew by approximately 10%, compared to the historical trend of 6-8%. To cope with this greater demand, Grifols has provided more immunoglobulin to patients than at any other time in its history.

This trend has been maintained since 2018, when Grifols supplied more immunoglobulin in the U.S. than any other manufacturer and represented approximately 66% of the country’s immunoglobulin growth. Moving forward, the company will continue delivering on its long-term plan to help patients receive the care they need.

PRICE-SETTING POLICY

The manufacturing of plasma-derived medicines is a long, complex and highly regulated process that lasts between 7 and 9 months. Increasing product availability is a gradual process that involves the increase in plasma and the expansion of both testing infrastructure and production capacities.

Grifols has made industry-leading investments in both its plasma-collection and manufacturing infrastructure as part of its unwavering commitment to patients, physicians, hospitals and other stakeholders.

The company’s price-setting policy is grounded in two core principles: first, cost should never be an obstacle to receiving optimal patient care and treatment, and second, pricing should guarantee the firm’s long-term sustainability and reinforce its commitment to researching and developing new therapies.

CONTRIBUTING TO REDUCING HEALTHCARE COSTS: INDUSTRIAL FRACTIONATION PROGRAMS

Plasma contains proteins of great therapeutic value that, once separated and purified, can be used to produce plasma-derived medicines. The United States is the only country that collects sufficient plasma to produce the plasma-derived medicines its population requires.

The World Health Organization (WHO), the Council of Europe and other institutions spearhead measures to help European countries achieve self-sufficiency, including strategies to encourage blood and plasma donations. For this reason, donation centers freeze surplus plasma from donations to industrially process it and produce plasma-derived medicines.

Grifols offers its facilities, technology expertise and technical team to public donation centers and health public health organizations to process its plasma, purify the proteins and return them in their entirety as plasma-derived medicines. Regulated by fractionation service agreements, these collaborations lead to considerable cost savings for public healthcare systems. In the case of Spain, the public healthcare system saved an estimated EUR 65 million thanks to this collaboration. The company also offers this service in the Czech Republic, Slovakia and Canada.

THE WORLD HEALTH ORGANIZATION AND THE COUNCIL OF EUROPE ALERT ALL COUNTRIES TO ADVANCE THEIR SELF-SUPPLY OF PLASMA-DERIVED MEDICINES
Grifols strives to reinforce its ties in the communities where it operates through both company-led activities and donations, with particular attention to the educational sector. The company also shares its expertise and reinforces community relations through its collaboration with Probitas Foundation and Aigües de Vilajuïga.

**NEW MOMENTUM FOR EDUCATION**

Grifols strives to ensure access to education and equal opportunities for young people by generating shared value and bringing students closer to the scientific world to spur interest in STEM fields (Science, Technology, Engineering and Mathematics).

Grifols’ Community Relations Grant Committees in Los Angeles, Emeryville and Clayton ensure that all of the company’s non-healthcare-related donations and in-kind services are coordinated and aligned with our corporate mission and social responsibility framework. This support is generally for civic, social and educational programs that strengthen Grifols’ bond with the local communities and address their concrete needs. Grifols considers the following criteria to determine eligibility for its charitable donations:

- The recipient must be considered a charitable organization. In the U.S., entities must be tax-exempt under section 501(c)(3) of the Internal Revenue Service Tax code for schools and academic institutions.

**DONATIONS TO SOCIAL OUTREACH PROGRAMS IN THE U.S.**

- Their primary mission includes efforts to encourage education and STEAM vocations, alleviate homelessness and hunger and improve the natural environment.
- They positively impact communities where Grifols has a permanent office or project site.

In 2019, Grifols examined opportunities in which the company could make the greatest impact. Based on this analysis, the Grifols Community Relations Grant Committees dispersed over USD 200,000 to our local communities. Some of these initiatives include:
SOCIAL INITIATIVES THROUGH FOUNDATIONS AND NGOs

PROBITAS FOUNDATION: IMPROVE HEALTH OF MOST VULNERABLE POPULATION WORLDWIDE

Created in 2008, the Probitas Foundation leverages Grifols’ vast expertise in the global healthcare sector to improve medical care in areas with limited resources. Grifols shareholders approved an annual allocation of 0.7% of corporate profits before taxes to support this private foundation.

The foundation combines in-house programs — such as the Global Laboratory Initiative and the Child Nutrition Support Programme — with external collaborations, including entities with experience in the social and healthcare sectors, international NGOs (Red Cross, Save the Children, AMREF Health Africa, etc.) and United Nations agencies such as UNICEF, ACNUR, UNRWA (United Nations Relief and Works Agency for Palestine Refugees in the Near East) and the World Food Programme, among others.

CHILD NUTRITION SUPPORT
Aim: to improve the health & nutrition of children at risk
Since 2012
195 schools
80,000 beneficiaries
3.8 million meals

SIT, HEALTH, INNOVATION & THERAPIES
Aim: improving the health of children and their families who are not covered by their national health system
Since 2018
7 organizations
2,000 beneficiaries

ICP, INTERNATIONAL COOPERATION PROGRAM
Aim: to support projects developed by international aid organizations working in the health sector
Since 2010
41 countries
100 organizations
2.9 million people

GLI, GLOBAL LABORATORY INITIATIVE
Aim: strengthening the capacities of clinical diagnostic laboratories in different regions of the world
Since 2010
10 countries
28 laboratories
1.7 million people

SUPPORT FOR THE BASIC PRINCIPLES OF WORLD HEALTH ORGANIZATION

Through its local programs, during 2019 the Foundation has promoted the healthy development of the most vulnerable children and youth in their physical, psychical and emotional well-being, offering comprehensive support with nutritional, socio-educational, psychosocial and health resources for those children at social risk. It has been working with schools, local authorities and social organizations to offer children and youth the option of having a healthy meal a day together with socio-educational activities and free time in a safe space. The healthy habits, nutrition, physical activity, hygiene, rest and emotional well-being, have been implemented in all programs.

The Foundation has also collaborated with research centers, hospitals, foundations and other partners in the mental health field, supporting services not included in the public health system, to reinforce awareness about the reality of kids affected by mental disorders and to encourage good practices to reduce stigma, improve early detection and social inclusion.

Probitas international health programs aim to improve access to health for the most vulnerable populations living in remote regions of the globe with scarce resources. In 2019, the the Foundation endorsed sustainable health projects and it did not limit itself to the role of a funding entity, but coordinated, guided, and trained the local partners so that they could become self-sufficient in the near future.

Probitas Foundation has once again reiterated its support for the WHO’s core principles of primary healthcare: universal access to care and coverage on the basis of need; commitment to health equity as part of development oriented to social justice and community participation in defining and implementing health agendas and intersectoral approaches to health.

To learn more about Probitas and its core programs, please visit http://www.fundacionprobitas.org
For information on Grifols’ foundations, see Chapter 5: Innovation.
“European Foundation for the Study of Chronic Liver Failure”
Grifols’ commitment to local communities in which it operates extends to its workforce. Hundreds of Grifols employees around the world volunteer their time on a range of projects and collaborations that help meet the real needs of their communities.

**VOLUNTEER INITIATIVES IN THE U.S.**

### HABITAT FOR HUMANITY

Grifols has collaborated with Habitat for Humanity in the U.S. since 2014. This NGO organizes efforts to build simple yet dignified homes to improve the living conditions of those most in need and strengthen the fabric of local communities. In 2019, the company donated USD 235,000 toward new homes and materials in California, Wake County, North Carolina, and Austin, Texas. Approximately 180 of Grifols’ U.S.-based employees volunteered 1,596 hours of their time to help build new homes.

### DRESS FOR SUCCESS

Grifols collaborated with Dress for Success for the first time in 2019. Founded in 1997, this global non-profit organization helps low-income women achieve economic independence by helping them in their job-search and interview process. Beneficiaries are offered professional attire, a support network, and personal and professional development tools to help them thrive at work and in life. Last year, 45 employees at Grifols Triangle Park (North Carolina) volunteering 90 hours of their time for a clothing sale. In addition, USD 2,500 were donated by the company for this cause.

### DIRECT RELIEF

In 2019, Grifols’ U.S.-based employees collaborated with Direct Relief to manage corporate donations for tetanus and diphtheria vaccinations for people impacted by Hurricane Dorian in the Bahamas. For more than three years, Grifols has collaborated with this global charity dedicated to providing medical supplies in areas of natural disasters.

### ADDITIONAL VOLUNTEER ACTIVITIES

- Collaborations and volunteer activities to raise funds for several food banks. Noteworthy, were the fundraising efforts and donations of USD 25,000 for the Los Angeles Food Bank and USD 5,000 for the Alameda Community Food Bank.
- Supported the Cypress Assistance Ministries Food Pantry with a USD 2,500 donation and an additional in-kind donation of furniture for people at risk of social exclusion.
- Donation of instrumentation material to University of Southern California, valued at EUR 9,000.
- Participation to provide support and USD 5,000 donation to the Paralympic Games in Clayton.
- Participation in clean-up activities in communities throughout the U.S. In 2019, 30 volunteers collectively dedicated 124 hours of their time.
- Collaboration with Read Across America Week and USD 2,000 donation. Eighteen volunteers invested 36 hours of their time to foster reading among students at several California schools (Farmdale, Cesar Chávez, Multnomah and Sierra Vista).
- Collaboration with Girls in STEM Day in Cleveland, Ohio, to inspire girls to become interested in the science, technology, engineering, and mathematics fields.

**CORPORATE VOLUNTEER ACTIVITIES IN SPAIN**

### BARCELONA MAGIC LINE

A team of 176 Grifols employees took part in the 6th Magic Line Solidarity Walk, organized by the Obra Social of the Sant Joan de Deu Hospital in Barcelona. Volunteers organized several initiatives that raised EUR 11,546, which were matched by the company. These funds will be allocated to a number of projects, including laboratory materials for research on childhood diseases, home visits for people at risk of social exclusion, and therapies for people with mental-health conditions or dependency issues.

### SANTANDER CORPORATE RUN

A team of 56 Grifols employees participated in the “Santander Cursa de les Empreses,” held in December 2019 in Barcelona. The initiative was part of the CORREAMBMI Project, an organization that fosters sports, integration and solidarity.
Aigües de Vilajuïga is a century-old firm with one of Spain’s two natural water springs. Grifols ensured the continuity of the business, which was on the verge of closing its doors. In 2019, the company celebrated the inauguration of new manufacturing facilities as well as its market launch. Grifols’ commitment has brought new momentum to the project, which has a significant impact on the region’s social fabric.

The company traces its roots to the small village of Vilajuïga, where a modest well was said to supply water with exceptional properties. On July 15, 1904, Aigües de Vilajuïga was declared a mineral water fit for medicinal purposes. Its popularity soon grew and it became a reference for renowned personalities such as author Josep Pla, artist Salvador Dalí and celebrity chef Ferran Adrià.

When Víctor Grífols Deu heard that Aigües de Vilajuïga was going to cease operations after 114 years of history, his family ties and emotional connection to the region compelled him to do everything possible to make sure the people of Vilajuïga and enthusiasts of this unique carbonated water could continue to enjoy it.

The company established the Grifols Museum over 20 years ago to showcase its rich intellectual, scientific and industrial heritage, as well as advances in the fields of hematology throughout the 20th century. The museum honors previous generations while reaffirming the company’s origins. Driven by its spirit of innovation, Grifols has become a forerunner in global healthcare and a trailblazer in new industry standards that today guide the production of plasma medications worldwide.

Preserving and spreading knowledge on the historical evolution of blood-related diseases and their treatment is the primary objective of this singular museum, which features engaging audiovisual displays to appeal to visitors of all ages.

In this way, the new Grifols Museum provides insights into the company’s history while highlighting the important collective progress made over the years, which today allow us to receive safe blood transfusions, discover our blood type, access plasma-derived medicines, understand the critical role of donors who make them possible and further explore the benefits of the plasmapheresis technique.

Viewed from this perspective, the social dimension of the Grifols Museum spotlights the company’s role as a wellspring of knowledge and a key driver of scientific and social progress.
Grifols does its utmost to minimize the potential impact of its operations on the environment, striving to efficiently manage resources as part of its commitment to sustainable development. In this regard, it has various policies and guidelines that define its environmental management, which are approved by senior management and shared throughout the organization:

**ENVIRONMENTAL POLICY**
- Defines company-wide principles and commitments aimed at monitoring and improving Grifols’ environmental impact

**ENERGY POLICY**
- Defines company-wide principles and commitments to optimize energy resources and promote the use of renewable resources

**ENVIRONMENTAL PROGRAMS**
- Defines specific action lines for each business area.
  - The 2017-2019 Environmental Plan is finalized and the 2020-2022 Environmental Plan is in development

**CORPORATE ENVIRONMENTAL MANUAL**
- Reference manual applicable to most manufacturing facilities and other ISO-14001-certified centers on Grifols’ environmental performance. It is the framework for the environmental performance of the entire organization.

**ENVIRONMENTAL COMMITTEES**
- Involvement of senior management from each ISO-14001-certified company (or in the process of obtaining certification)
- Control and follow-up of environmental system
- Proposal, follow-up and supervision of environmental goals
- Review of follow-up indicators, application of corrective measures and compliance with current legislation
- Identification of opportunities for improvement

**ENVIRONMENTAL POLICY**
Grifols’ environmental policy contains the following commitments:

- Promote awareness and train employees to adopt good environmental practices in the workplace.
- Minimize the environmental impact of new products and processes during stages of design, manufacturing, transportation, usage and disposal.
- Identify and comply with applicable legal requirements and other principles to which the organization adheres.
- Establish environmental objectives and targets according to company activities, in order to continuously improve performance.
- Implement pollution prevention techniques in order to minimize the environmental risks involved in company activities, taking into account the effects of climate change.
- Organize a system to engage stakeholders in communication and dialogue on company environmental issues.
- Set up programs for the protection and conservation of nature areas that belong to the company and to protect those areas over which it has a direct influence.
GRIFOLS’ CIRCULAR ECONOMY

Grifols’ environmental management is based on the concept of a circular economy, highlighting an efficient use of material resources, water and energy and waste reduction in consideration of the life cycles of the company’s various products and services. This strategy incorporates the transition toward a low-carbon economy aimed at minimizing the impact of climate change.

- Good environmental practices in the procurement process
- Certification of raw-material suppliers
- Certification of transport companies
- Optimization of routes and means of transportation
- Proximity of suppliers
- Residual waste recovery
- Energy recovery from waste
- Anaerobic digestion
- Zero Waste to Landfill initiative
- In-house treatment of wastewater
- Minimization of atmospheric emissions
- Recycling of recoverable waste
- Internal reuse of ethanol
- Recovery of intermediate products
- SIGRE
  - Collection and management of electric and electronic equipment place in the market
- Water recovery systems
- Optimized water consumption
- Energy efficiency
- Renewable energy consumption
- Cogeneration installation
- LEED/Green globe building certification
- Optimization of packaging
- Recycled/recyclable packaging materials
- Certification of transport companies
- Optimization of routes and means of transportation
- Reuse of ethanol in production processes
- Intermediate products: PEG + sorbitol
- Grifols Engineering machine manuals
- Equipment manuals (diagnostic)
SIX COMMITMENTS FOR 2030

IN ADDITION TO ITS TRIENNIAL ENVIRONMENTAL PLANS, GRIFOLS HAS ESTABLISHED SIX CORE ENVIRONMENTAL COMMITMENTS FOR 2030 COMPARED 2018 LEVELS

**EMISSIONS REDUCTION**
Reduce greenhouse gas emissions per unit of production by 40%.

**ENERGY EFFICIENCY**
Increase energy efficiency per unit of production by 15% by systematically integrating eco-efficiency measures in new projects and existing installations.

**RENEWABLE ENERGIES**
Consume 70% of electricity from renewable sources.

-40%  +15%  70%
## Environment and Climate Change

### Circular-Economy

Continue to implement circular-economy measures in every stage of the operational life cycle as part of Grifols’ environmental efforts to minimize and reuse waste and optimize the consumption of water, raw materials and intermediate products.

### Decarbonization

Facilitate the decarbonization of transport in business trips and employee commutes by reducing air travel, carbon offsetting, encouraging teleworking, among others.

### Protect Biodiversity

Protect biodiversity on Grifols properties through the Grifols Wildlife Program, promoting CO₂ capture.
Grifols recognizes the importance of informing its interest groups on the company’s climate-change impact and the measures in place to manage associated risks and opportunities. In 2019, Grifols analyzed its management of climate-related risks and opportunities following the guidelines established by the Task Force on Climate-Related Financial Disclosures (TCFD), which focus on four main areas: governance, risk management, strategy and establishment of metrics and objectives.

The Board of Directors is responsible for approving the corporate risk policy, corporate responsibility policy and environmental policy. These integrate the management of environmental risks associated with regulatory changes and the establishment of commitments to mitigate climate risks. The Board of Directors approved this report, which includes climate-change objectives and performance markers.

The Executive Committee regularly supervises Grifols’ performance with regard to the Environmental Plan, including indicators and lines of action linked to climate change. It also supervises this report, which includes information on Grifols’ performance in regards to climate issues.

The Chief Industrial Officer (CIO), in addition to serving on the Executive Committee, is a member of the Environmental Committee. The CIO is responsible for regularly updating the CEOs on the company’s environmental performance, including climate-change issues. The CIO also approves the Environmental Plan and the economic and human resources required to meet the objectives. In addition to approving the Grifols Energy Policy, the CIO oversees the Global Facilities Department, which is responsible for the approval of investments related to energy efficiency projects and control of energy expenditures and atmospheric emissions.

Finally, the Risk Committee, which reports to the Board of Directors, is responsible for developing the risk management model and supervising the most relevant risks, including those related to climate.
In 2019, Grifols adapted its system for identifying climate risks and opportunities to reflect the TCFD framework. Based on its internal risk management procedure and Task Force recommendations, the company prioritized its risks and opportunities (both physical and transitory), taking into account their probability of occurrence and financial impact on previously defined time horizons. To this end, the following physical risks and their financial impact were determined as relevant:

<table>
<thead>
<tr>
<th>Relevant climate risk</th>
<th>Associated financial impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe physical risk: Increase in frequency and severity of extreme weather events</td>
<td>Increase in costs due to unexpected losses due to damage to facilities</td>
</tr>
<tr>
<td></td>
<td>Decrease in revenues due to lower production capacity (transportation difficulties or supply chain interruptions)</td>
</tr>
<tr>
<td>Chronic physical risk: Changes in weather patterns</td>
<td>Increase in operational costs due to variability in available resources, e.g. water scarcity</td>
</tr>
</tbody>
</table>

In line with its internal risk management procedure, Grifols decided to diversify its production, establish contingency and emergency plans, design facilities to withstand extreme weather events and reduce water consumption in its manufacturing processes to effectively manage these risks.

Using the same aforementioned method, Grifols defined the following opportunities as relevant and estimated their associated financial impacts:

<table>
<thead>
<tr>
<th>Relevant climate opportunity</th>
<th>Associated financial impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>More efficient production and distribution processes</td>
<td>Reduction in operational costs due to lower energy and water expenditures</td>
</tr>
<tr>
<td>Circular economy</td>
<td>Reduction in operational costs by taking the complete life cycle into consideration</td>
</tr>
<tr>
<td>Access to new markets</td>
<td>Increase in revenues due to access to new and/or emerging markets</td>
</tr>
<tr>
<td>Resilience</td>
<td>Increase in market value through resilience and/or adaptive capacity</td>
</tr>
</tbody>
</table>

In order to manage these relevant opportunities, Grifols integrated eco-efficiency and circular economy objectives into its Environmental Plan 2020-2022. It also predicts access to new markets through new diagnostic solutions to address the possible emergence of new needs arising from climate change. Lastly, the company manages its resilience or adaptive capacity by continuously promoting innovation and development, including the design of high-efficiency technologies.
As mentioned in the “About Grifols” section, the company’s corporate strategy includes business excellence and innovation as two of its fundamental pillars. Both rely directly on climate-change objectives that are outlined in the Environmental Plan and are driven by the risk and energy policy. In this way, climate-related risks and opportunities are interwoven into Grifols’ strategy and decision-making framework.

Climate risks and opportunities affect Grifols’ business and financial strategy and planning, particularly in the areas of operations, products and services. For this reason, climate change is used as an input in operational cost planning and capital allocations, especially when implementing eco-efficiency measures and strategies to reduce atmospheric emissions. Grifols’ Environmental Committee also considers existing and future regulatory requirements. Since the risks determined as relevant are physical, Grifols’ climate strategy also includes a qualitative analysis of future physical scenarios in Spain and the United States.

Taking into account the worst-case physical scenario provided by Spain’s State Meteorology Agency (RCP 8.5 2046-2065), Grifols has a robust strategy with respect to its current management model. Nonetheless, this scenario could increase the relevance of risks in the Murcia plant, where the associated financial impact of water scarcity could rise. Grifols currently manages these risks and specifically designed the plant to enhance its water consumption efficiency. That said, the company is aware that it must pay particular attention to this region to increase its strategic resilience.

Using the World Resources Institute’s risk mapping tool, WRI Aqueduct Water Risk Atlas, Grifols also considers future physical scenarios in the United States. These scenarios indicate that the variables in 2040 would not be substantially affected in North Carolina or California. As mentioned in previous yearly reports, Grifols is aware that its California plants are located in regions with high levels of water stress. As a result, it makes concerted efforts to reduce water consumption as part of a robust and resilient long-term strategy.

Grifols continuously measures and monitors the degree of fulfillment of its environmental programs, allowing the company to mitigate its relevant physical risks and leverage transitional opportunities. These programs include both qualitative and quantiative objectives aimed at reducing atmospheric emissions (currently measured in reduction of tons of CO₂e) and decreasing water consumption to manage risks associated with water shortages. Within the framework of the European Union objective, Grifols also commits to using 70% of renewable electric energy by 2030.

In regards to the link between the remuneration policy and performance indicators, it should be noted that the Energy Manager has incentives tied to energy-efficiency improvements in Grifols’ production processes. Finally, it is worth noting that the company is not subject to an emission trading scheme, nor does it have an internal carbon price.

Grifols is analyzing its areas of improvement with respect to the TCFD recommendations in its four main areas: governance, risk management strategy, metrics and objectives. That is why it plans on designing an action plan to continue improving its performance and communication initiatives on climate-related issues.

Every year, Grifols participates in the Carbon Disclosure Project (CDP), which assesses the firm’s corporate strategy and performance related to climate change. The questionnaire for CDP2019 was submitted in June. In 2019, Grifols earned a “B” management rating. These results underline Grifols’ efforts to effectively reduce atmospheric emissions; measure and manage their impact, risk and opportunities; and develop a solid policy and strategy to carry out steps to minimize the negative impacts of climate change.

Grifols has reduced the intensity of its CO₂ emissions by 10.5% since 2016.
Grifols calculated its carbon footprint to identify the greenhouse gas emissions generated by its operations and their impact on climate change. Calculations follow the Greenhouse Gas Protocol (GHG Protocol) methodology, the international standard to measure and report greenhouse gas emissions.

Globally, Grifols’ efforts have allowed to reduce the intensity of its CO₂ emissions by 10.6% since 2016. Within the framework of its current environmental program, the company works to achieve its goal of reducing CO₂ emissions in 32,360 metric tons by 2022.

Total emission in 2019 was 330,521 tons of CO₂ equivalent, an 11.7% increase from the previous year. This increase stems mainly from higher electricity consumption associated with the integration of nearly 40 plasma donation centers (Bioscience Division) in the U.S. and Germany, which caused an rise in all consumption indicators associated with this division and these countries. The expansion in the plasma-donation network had similar repercussions in other aspects such as daily commutes or waste generation.

On the other hand, despite the reduction in electricity consumption in the Bioscience Division’s facilities in Spain, the emission factor associated with the distribution company’s electricity mix led to higher levels of carbon dioxide emissions with respect to the previous year.

Refrigerant gas leaks rose by 11% compared to 2018 as a result of a greater number of plasma centers in the U.S. and Germany, whose freezers for collected plasma require refrigerant gases. For this reason, the 2020-2022 Environmental Plan includes specific objectives to replace the Bioscience Division’s current refrigerant installations in Spain and Germany with systems whose refrigerant gas has a lower or zero Global Warning Potential (GWP), depending on the equipment.

Additional energy-related objectives in the upcoming plan include the implementation of a photovoltaic plant in the Hospital Division’s facilities in Murcia (Spain) and the purchase of 18 million kWh in 2021 through Power Purchase Agreements.

Atmospheric emissions of other pollutants such as NOx, CO and SO2 are generated by the combustion of natural gas in Grifols’ production facilities, as well as by the fuel used in the generators. The emissions of these compounds in its production plants are below the limits established by the corresponding environmental authorities.
Grifols is cutting back on air travel to reduce the environmental footprint caused by aircraft emissions. Despite its growing employee base, the company’s air travel only increased by 5.5% compared to 2018. The company is committed to using video conferencing, which increased by 115% during 2015-2018, and other online collaborations to decrease its frequency of air travel.

Grifols signed an agreement with Air France, KLM and Delta Airlines to offset its travel-related carbon footprint. This accord — a groundbreaking initiative for a company in the healthcare sector — is important given the global reach of Grifols’ production, industrial and commercial operations. As part of this commitment, CO₂ emissions generated by employee travel via these airlines are calculated and offset by projects aimed at mitigating CO₂ emissions, such as reforestation efforts and the generation of renewable energy.

As a result of this agreement, accredited by the Gold Standard Global Goals, in 2019 1,500 tons of CO₂ were offset in a reforestation project in Panama. The company plans on rolling out similar agreements with other airlines in the coming years.

Grifols also launched an initiative to offset CO₂ emissions generated by corporate car rentals. Grifols Viajes joined several sustainability programs in collaboration with Enterprise Rent-a-Car. In 2019, 369 tons of CO₂ emissions were offset in projects to reduce greenhouse gas emissions, including the capture of gases generated by landfills, agricultural energy, clean energy and forest-management projects.

The Grifols Wildlife program has continued its efforts to promote biodiversity to help mitigate the effects of global warming and encourage absorption of CO₂. Highlights in 2019 included the installation of bat houses, the extension of a network of trails and the construction of four bridges made out of recycled plastic from Grifols’ empty plasma bottles. The setting for these projects was the natural area in Clayton, where the company owns more than 121 hectares of forest certified by Wildlife at Work and Corporate Lands for Learning, an initiative of the Wildlife Habitat Council.