

ANALYSIS OF RISK AND OPPORTUNITIES DERIVED FROM CLIMATE CHANGE (ROCC)

GRIFOLS



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INTRODUCTION

In 2024, as part of the company's resilience analysis, Grifols undertook a **comprehensive climate risk and opportunity assessment**, incorporating the recommendations of the international scientific community alongside established criteria from reference frameworks such as TCFD, IFRS, CSRD, and the European Taxonomy, among others. This analysis has been updated in 2025.

In this context, a **pessimistic scenario from the IPCC (SSP5-8.5) was evaluated for physical risks**, while an optimistic scenario from the IEA (NZE - IEA Net Zero Emissions by 2050 Scenario) was considered for transition risks. Additionally, with a **strategic perspective**, the **analysis was conducted in alignment with TCFD recommendations**, factoring in an average temperature increase of 2°C (SSP2-RCP-4.5). A thorough examination of Grifols' direct operations, as well as the upstream and downstream stages of the value chain, was performed, assessing three time horizons and three climate scenarios. The potential financial impacts of each identified material risk and opportunity were also estimated.

Throughout this process, **27 potential risks and opportunities** stemming from climate change were evaluated, encompassing the entire value chain of the company: suppliers (upstream), operations and infrastructure, and the distribution and use of its products (downstream). Following this comprehensive analysis, 12 material risks and opportunities for Grifols were identified: 2 physical risks, 6 transition risks, and 4 opportunities.

This document aims **to detail both the methodology employed and the results obtained from the analysis and assessment of climate risks and opportunities** related to Grifols' activities. The findings from this analysis empower Grifols to evaluate the financial implications of the most significant risks and opportunities associated with climate change, thereby enhancing its ability to manage resilience in a low-carbon economy.

GOVERNANCE ON CLIMATE CHANGE

Climate change has unleashed several vast effects on all continents and oceans in recent decades, with varying degrees of risk depending on a region's vulnerability and exposure. Effectually responding to climate-related risks requires the ability to make decisions amid change and uncertainty regarding the timing and severity of environmental impacts and the effectiveness of adaptation.

Today, stakeholders are increasingly demanding companies to provide clear, comprehensive and high-quality information on how their activities affect the environment, including how they identify, assess and manage climate change-related risks and opportunities. Grifols recognizes the value of informing its stakeholders on the company's climate-change impact and the measures established to manage related risks and opportunities.

Grifols' Board of Directors establishes a range of commitments to minimize environmental and climate risks and oversees their management, in addition to approving the Corporate Risk Policy, Sustainability Policy and other policies related to the environment, climate action, energy and biodiversity. Given its strategic importance, the Environmental Policy is signed by Grifols' CEO.

The Executive Committee regularly monitors Grifols' environmental performance and public reporting, including key climate-change indicators and actions, as well as financial risk and impact assessments associated with climate change.

The Sustainability Committee, Sustainability Steering Committee and Environment Committee drive and direct the implementation of the environmental objectives defined in Grifols' Sustainability Master Plan and environmental programs.

The Chief Industrial Services Officer (CISO), a member of the Executive Committee and Environment Committee, reports regularly to the CEO on the status of Grifols' environmental performance. The CISO also approves the Energy Policy, environmental program and allocation of economic and human resources to meet established environmental objectives.

Finally, the Corporate Risk Committee, which reports to the Board of Directors, develops and oversees the risk management model, ensuring an integrated approach to managing environmental risks and promoting sustainable business practices.

With regard to the link between variable remuneration policy and climate change performance indicators, incentives are included linked to the increase in renewable energy consumption. Furthermore, a specific percentage of employees' variable remuneration is linked to ESG factors: 25% environmental, 40% social, and 35% governance. Specifically, the weighting of metrics related to the environment, including climate change, is 25%. In addition, Grifols has a long-term incentive plan based on the granting of stock options to a group of employees, including certain executive directors and members of senior management, which is subject to the achievement of objectives related to financial and non-financial (ESG) metrics.





STRATEGY AND MANAGEMENT OF CLIMATE RISKS AND OPPORTUNITIES

Climate risks and opportunities are integrated into the company's strategy and decision-making process on an ongoing basis. A climate risk and opportunity analysis is carried out annually to assess the risk management model and identify potential opportunities to improve climate resilience. The risks identified during this process are considered in the company's risk analysis carried out by the Risk Management department. This department reports regularly on the 'main risks'¹ to the CEO, the Executive Committee and the Audit Committee throughout the year.

At the same time, for physical risks, Grifols works with insurance companies, which regularly assess its key assets to identify adaptation measures. In line with its internal risk management procedure, Grifols diversifies its production, establishes contingency and emergency plans, selects resistant materials and designs new constructions in accordance with the recommendations of its main insurance companies to ensure that its facilities are well prepared to face any extreme event, including strong winds and floods, among others. These actions enable Grifols to manage the climate resilience of its business model.

With regard to climate change mitigation management, to ensure that Grifols' strategy and business model are compatible with the transition to a sustainable economy, as well as with limiting global warming to 1.5 °C, as established in the Paris Agreement, and with the aim of achieving climate neutrality by 2050, its efforts are focused on:

- 2023-2026 Environmental Programme
- Grifols 2030 Agenda, which integrates various corporate objectives aligned with the SDGs, including those related to climate action.
- Science-based short-term emission reduction targets approved by SBTi.

The company has also begun to work on a transition plan to achieve climate neutrality by 2050 and hopes to adopt it within the next two years.

For all these reasons, climate change is used as an input in operating cost planning and capital allocations, mainly in the implementation of adaptation and emission reduction measures. In addition, Grifols considers existing and future regulatory requirements and has established procedures to ensure compliance (EVSOP-00004 Compliance Obligations). These processes are audited every six months, and the relevant measures are taken by the Environment Committees.

Grifols effectively incorporates climate risk management into its strategic framework, evaluating both physical and transition risks through comprehensive qualitative and quantitative analyses. The company utilizes **scenarios from the IPCC (SSP5-8.5) and the IEA (NZE), aligning its practices with the recommendations from the CSRD**. Grifols has revised its climate risk and opportunity analysis to **align with TCFD guidelines and is consistent with a 2°C increase in average temperature (SSP2-RCP-4.5)**.

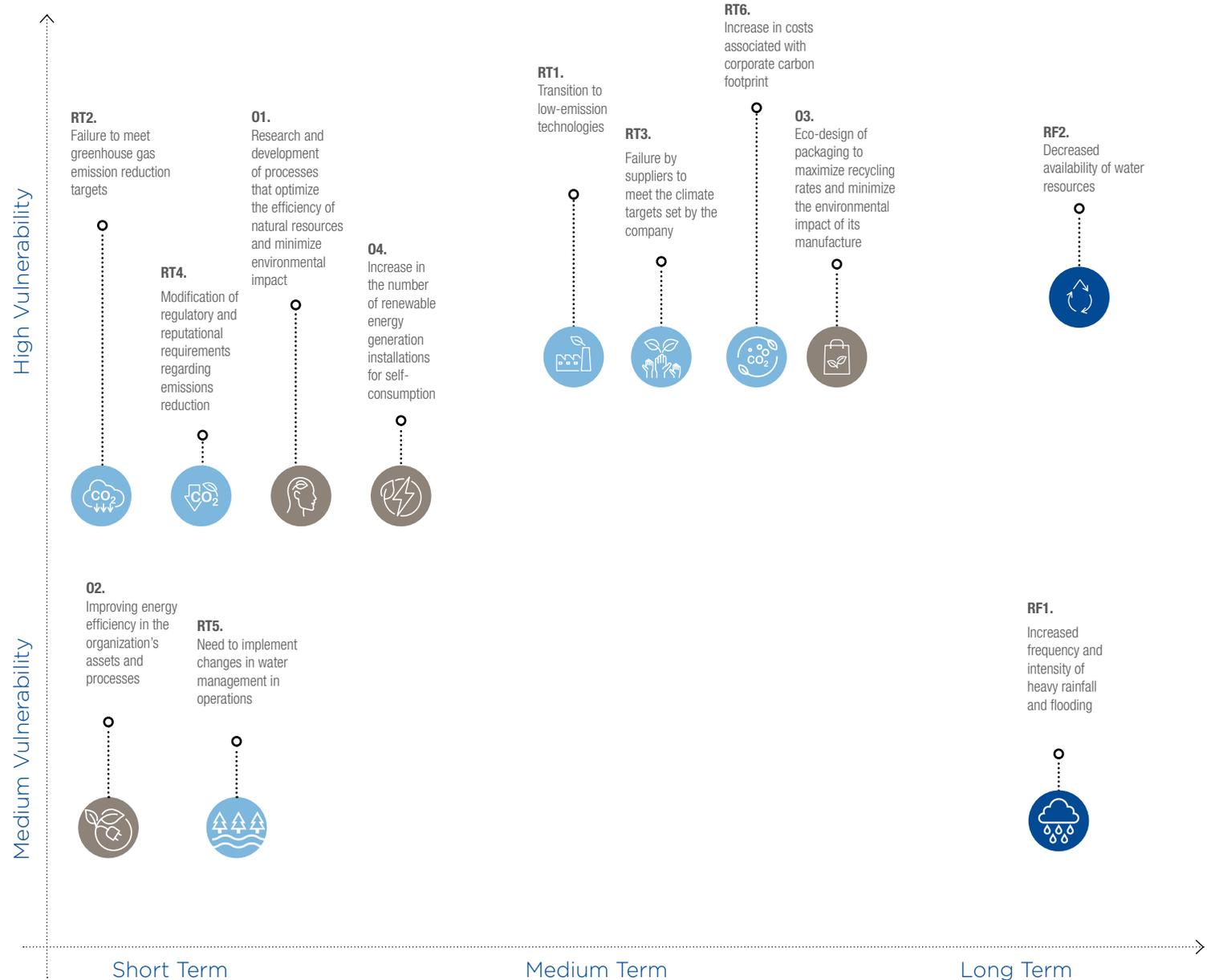
This proactive approach allows Grifols to effectively identify and prioritize climate-related risks and opportunities, ensuring compliance with regulations and adaptability to market dynamics.

1. For more information on Grifols' main risks, please refer to the "Risk management and control" section of the [2024 Integrated Annual Report](#).

Material climate risks and opportunities

The analysis carried out identified 27 potential risks and opportunities arising from climate change, considering the entire value chain of the company: suppliers (upstream), operations and own infrastructure, and distribution and use of its products (downstream). Following this analysis, 12 material risks and opportunities were identified for Grifols: 2 physical risks, 6 transition risks and 4 opportunities. Most of the risks identified affect Grifols' assets and operations, with the exception of the risks "Failure to meet greenhouse gas emission reduction targets", which affects the entire value chain of the company, and "Decreased availability of water resources", which affects Grifols' operations and upstream value chain.

- Physical Risks
- Transition Risks
- Opportunities



Financial impact and management

Physical Risks

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Acute</p>	 <p>Increased frequency and intensity of heavy rainfall and flooding (RF1)</p>	<p>Potential Impact</p> <ul style="list-style-type: none"> • According to the sixth IPCC report, anthropogenic climate change is expected to intensify extreme precipitation events, which are projected to become more frequent across many regions due to global warming. • Grifols operates facilities in areas that may be exposed to heavy rainfall and flooding. The potential financial impact under the most conservative climate scenarios reflects temporary business interruption at production sites with the highest exposure to this hazard. • Disruptions caused by restricted access to manufacturing plants or temporary shutdowns of laboratories could be partially mitigated by transferring plasma and production activities to alternative facilities. Based on internal modelling, the estimated financial impact of business interruption ranges from approximately €19 million in the medium term (2050) to around €20 million in the long term (2100) across the most exposed sites. <p>Risk Management</p> <ul style="list-style-type: none"> • Grifols has implemented adaptation measures at several production plants, including the facility in Parets del Vallès, and maintains mitigation capabilities designed to reduce losses during operational disruptions. • The company also incorporates physical climate risk assessments into its decision-making process when evaluating locations for new facilities, ensuring that exposure to extreme weather events is considered in long-term planning.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Chronic</p>	 <p>Decreased availability of water resources(RF2)</p>	<p>Potential Impact</p> <ul style="list-style-type: none"> • Grifols has facilities in areas where, under the simulated scenario, there could be a reduction in the availability of water resources, causing supply problems with impacts including increased water prices and production restrictions at industrial facilities. This risk could translate into increased expenditure associated with obtaining water resources (well water), cleaning and proper maintenance or use of water-dependent industrial infrastructure and processes. • The potential financial impact, in the most pessimistic scenario, considers the possibility of price increases per m³ of water in areas with negative price elasticity of demand. The estimated financial impact of these expenses is between €1.9 million in the short term and €9.9 million in the long term. <p>Risk Management</p> <ul style="list-style-type: none"> • According to the analysis, the Grifols facility in Barcelona (Spain) shows the highest exposure to water risk. To ensure supply, the plant utilizes multiple water sources: partially well water, municipal tap water, and the water transport network. This diversity of sources significantly minimizes the risk of supply shortages. • In the most unfavorable scenario, which would involve neither well water nor municipal tap water being available and relying exclusively on the water transport network, the associated cost is estimated at €240,000/year. Furthermore, the company considers this exposure when evaluating the location of any new production plant.

Transition Risks

Technological	 <p>Transition to low-emission technologies (RT1)</p>	<p>Potential Impact</p> <ul style="list-style-type: none"> Grifols is dedicated to meeting its 2030 decarbonization targets, which are based on the principles of technological neutrality and cost efficiency. This commitment necessitates significant investments in innovation and infrastructure. Notable advancements are being made in air conditioning and heating systems, boilers, and renewable energy installations, all aimed at reducing emissions and improving energy efficiency. Among these, fossil fuel boilers are the largest contributors to Grifols' carbon footprint. To mitigate their impact, it will be essential to replace them with lower-emission alternatives that can integrate various renewable fuels. The company anticipates investing €39.3million by 2030 to transition from its current boilers to more efficient options. <p>Risk Management</p> <ul style="list-style-type: none"> Grifols regularly evaluates alternatives on the market to replace its most polluting technologies, especially those that enable the company's climate resilience. At present, there is no consensus on a single technology capable of generating sufficient heat for Grifols' manufacturing processes that does not involve the use of fossil fuels. Renewable hydrogen could be a valuable and cost-effective energy vector for end uses, although it is still an emerging alternative. That said, Grifols is closely monitoring its development as a future option and its integration into its equipment. In the scenario analyzed, Grifols recognizes that in order to manage this risk in its entirety, it must progressively replace boilers and will depend on the progress and availability of these technologies on the market.
Market / Reputational	 <p>Failure to meet greenhouse gas emission reduction targets (RT2)</p>	<p>Potential Impact</p> <ul style="list-style-type: none"> Under an NZE scenario, failure to meet decarbonization targets could lead to the need to neutralize emissions that have not been reduced. To estimate the financial impact, the costs and expenditure on carbon credits that Grifols would have to bear to neutralize Scope 1 and 2 emissions not included in its science-based emission reduction targets (SBTi) have been considered. In other words, the costs of neutralizing 58% of Scope 1 and 2 emissions by 2030 have been estimated. Based on current targets, this scenario would have an estimated financial impact of €15.5 million by 2030 and €5.1 million by 2050, assuming a carbon price of between €120 and €231 per tone emitted (prices according to the IEA's NZE), respectively. <p>Risk Management</p> <ul style="list-style-type: none"> As part of its 2023-2026 Environmental Plan, Grifols aims to reduce its emissions by using electricity from renewable sources obtained through PPAs (Power Purchasing Agreements), implementing multiple specific energy efficiency measures, including the use of artificial intelligence, biomethane recovery and improved lighting systems, among others.

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Market / Reputational</p>	 <p>Failure by suppliers to meet the climate targets set by the company (RT3)</p>	<p>Potential Impact</p> <ul style="list-style-type: none"> Grifols depends on its supply chain to achieve its emissions reduction targets, as a considerable portion of its carbon footprint arises from indirect emissions (Scope 3). If suppliers do not comply with the decarbonization standards set by the company, Grifols could face greater difficulties in reducing its climate impact, which would affect its environmental commitments and targets. Non-compliance by suppliers could result in elevated costs due to the need to offset emissions through carbon credits. Six potential scenarios of non-compliance regarding the emissions generated by the company have been assessed, and the additional costs of offsetting have been estimated based on projections from the IEA (IEA, Net Zero by 2050 - A Roadmap for the Global Energy Sector) for the years 2025, 2030, 2040, and 2050, taking into account the company's capacity to reduce emissions by 0%, 20%, 40%, 60%, 80%, and 100% compared to the previous financial year. This assessment includes emissions from suppliers across various categories, such as 'Purchased goods and services', 'Capital goods', 'Fuel and electricity-related activities', 'Upstream transport and distribution', 'Upstream leased assets', 'Waste generated in operations', and 'Business travel'. In the worst-case scenario, where none of the suppliers meet the company's reduction targets, this risk could lead to an estimated financial impact of €140.0 million in 2030 and €269.3 million in 2050. <p>Risks Management</p> <ul style="list-style-type: none"> To mitigate this risk, Grifols is enhancing its purchasing policy by integrating ESG criteria and refining its supplier engagement strategy. The company is fostering transparency in emissions measurement and reporting while establishing sustainability criteria within its purchasing processes. Additionally, Grifols is actively developing collaborative initiatives aimed at promoting emissions reductions throughout the value chain, which includes adopting renewable energy sources, improving energy efficiency, and encouraging the use of materials with a lower environmental impact. As Grifols advances in these strategies and demands greater commitments from its suppliers, exposure to this risk is expected to decrease progressively.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Political-legal</p>	 <p>Modification of regulatory and reputational requirements regarding emissions reduction (RT4)</p>	<p>Potential Impact</p> <ul style="list-style-type: none"> The evolving regulatory landscape surrounding sustainability, particularly influenced by directives such as the Corporate Sustainability Reporting Directive (CSRD), requires Grifols to enhance its transparency and rigor in disclosing climate change-related information. This involves the collection, verification, and reporting of data with greater granularity, in accordance with standards like the European Sustainability Reporting Standards (ESRS). As a result, Grifols is expected to incur increased costs due to the need for consulting and auditing services to meet regulatory and reputational demands. Specifically, the total investment in these services is projected to reach approximately €1.7 million by 2030 and €5 million by 2050. <p>Risks Management</p> <ul style="list-style-type: none"> To mitigate this risk, Grifols is enhancing its internal reporting capabilities by digitizing data collection and implementing sustainability management systems. The company is collaborating with specialized consultants to ensure compliance with new regulatory frameworks and to anticipate future requirements. Additionally, Grifols is intensifying internal training on climate and sustainability regulations to facilitate efficient adaptation to emerging standards. The total cost associated with these actions is approximately €190,000. Furthermore, the company will continue to establish public environmental targets, such as emissions reduction (SBTi by 2050), and report on internationally recognized platforms like CDP and Dow Jones. As Grifols optimizes its reporting processes and consolidates its sustainability compliance strategy, exposure to this risk is expected to diminish.

Political-legal



Need to implement changes in water management in operations (RT5)

Potential Impact

- Access to and efficient use of water is crucial for Grifols' operations, especially given the increasing regulatory pressures and the rising incidence of water shortages. The evolution of environmental regulations may impose stricter limits on industrial water consumption and discharge quality, necessitating investments in new technologies for resource reuse and optimization. Additionally, the company operates in regions where water stress is an escalating challenge, which could lead to supply restrictions, higher operating costs, or even disruptions to certain activities.
- Grifols anticipates a cumulative investment of €62.4 million through 2030, along with an additional €30.8 million for the period from 2030 to 2050. This investment will be directed towards the installation of new purification and optimization equipment, as well as the enhancement of existing facilities.

Risks Management

- To mitigate this risk, Grifols is implementing initiatives aimed at optimizing water consumption. These initiatives include improving processes to reduce consumption, investing in purification and reuse systems, and exploring more efficient technological alternatives. A notable example is the new purification plants that are set to be installed in Parets del Vallès and Clayton.
- As Grifols advances in integrating innovative water solutions, its exposure to this risk is expected to diminish, thereby reinforcing its commitment to sustainable water management and enabling adaptation to future regulatory requirements that may arise in this area.



Increase in costs associated with corporate carbon footprint (RT6)

Potential Impact

- Failing to achieve decarbonization targets may result in substantial cost increases due to the necessity of neutralizing residual emissions. As climate regulations and commitments tighten, reliance on carbon credits and other offsetting mechanisms could impose a growing financial burden, especially in Scope 3, where emissions reductions largely depend on third parties. Furthermore, pressure from investors, customers, and regulators may heighten the need to allocate resources toward additional reduction and mitigation initiatives.
- The potential financial impact has taken into account the increased costs of carbon credits to neutralise residual emissions, both direct and indirect. In other words, considering that the SBTi reduction targets of scope 1 and 2 (42%) and 3 (25%) are achieved by 2030 and 90% by 2050, offsetting the remaining emissions to be carbon neutral from 2030 would entail an estimated financial impact of €117 million in 2030 and €38 million in 2050 with a carbon price of between €120 and €231 per tonne emitted respectively. (Prices according to the IEA's NZE).

Risks Management

- To mitigate these costs, it is crucial to expedite effective emissions reductions through process optimization, the adoption of renewable energy, and collaboration with all stakeholders to lessen the impact across the value chain. Integrating efficiency and early decarbonization strategies can diminish reliance on offsetting mechanisms, thereby limiting financial exposure to carbon credit market volatility and potential future increases in carbon prices.

Opportunities

Resources efficiency



Research and development of processes that optimize the efficiency of natural resources and minimize environmental impact (01)

Potential Positive Impact

- Enhancing the efficiency of natural resource utilization while minimizing environmental impact presents a significant opportunity to bolster operational sustainability and achieve long-term cost reductions. This opportunity encompasses three primary areas: the eco-design of packaging aimed at maximizing recycling rates and minimizing manufacturing impacts; improved water management practices to reduce consumption and mitigate water-related risks; and the establishment of increased renewable energy generation facilities for self-consumption. These three material opportunities have been further analyzed by Grifols, as detailed below.
- The anticipated positive financial impact is derived from the aggregation of the projected benefits associated with each initiative, reflecting cumulative savings through 2030 and a decrease in long-term operating costs.

Opportunity Management

- Grifols is actively implementing measures to realize these benefits, evaluating the technical and economic feasibility of each initiative while analyzing its impact on sustainability objectives. Furthermore, continuous monitoring is conducted to identify new optimization opportunities and to enhance the integration of environmental criteria into production and design processes.



Improving energy efficiency in the organization's assets and processes (02)

Potential Positive Impact

- In a time of rising prices, companies must prioritize enhancing energy efficiency and reducing water consumption more than ever. These advancements not only help alleviate inflationary pressures but also play a crucial role in the decarbonization and sustainability strategies within the regions where Grifols operates. Beyond simply lowering emissions, the company's success in optimizing energy and water usage represents a significant opportunity to strengthen its operational resilience and competitiveness.
- The company projects accumulated savings of €50 million by 2030 and €100 million by 2050, based on forecasts for electricity and natural gas demand—the primary energy sources for its manufacturing facilities—along with a steady reduction in water consumption, considering the limitations and dependencies associated with this resource.

Opportunity Management

- As part of its environmental objectives for 2030, Grifols aims to improve its energy efficiency per unit of production by 15%. The systematic adoption of eco-efficiency measures in new projects and facilities, combined with the growing trend towards the digitalization of manufacturing processes, is expected to revolutionize energy management.
- In this context, the 2023-2026 environmental program includes various initiatives, such as the integration of artificial intelligence, which is anticipated to generate energy savings exceeding 4,000 MWh/year, among numerous other strategies. The 2023-2026 Environmental Programme outlines environmental goals related to energy efficiency, backed by an investment of 26.5 million euros over four years.

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Resource efficiency</p>	 <p>Eco-design of packaging to maximize recycling rates and minimize the environmental impact of its manufacture (03)</p>	<p>Potential Positive Impact</p> <ul style="list-style-type: none"> Eco-friendly packaging design aims to enhance recycling rates while minimizing packaging material consumption, ultimately reducing the environmental footprint of Grifols' manufactured products. This initiative aligns with the established goals of SIGRE, the organization responsible for overseeing the collection and recycling of pharmaceutical packaging in Spain. Based on these projections, Grifols anticipates material and cost savings of €1.6 million by 2030, potentially accumulating to €4.6 million by 2050. <p>Opportunity Management</p> <ul style="list-style-type: none"> The company is actively working to refine its packaging strategies to lessen environmental impact and boost recyclability. As advancements in design and material selection are adopted, the economic and environmental advantages of these efforts are expected to manifest. Grifols remains vigilant about emerging trends and products in the packaging sector, consistently aiming to innovate its methods and decrease material usage along with its related environmental consequences.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Resilience</p>	 <p>Increase in the number of renewable energy generation installations for self-consumption (04)</p>	<p>Potential Positive Impact</p> <ul style="list-style-type: none"> The expansion of renewable energy generation facilities for self-consumption reduces dependence on the electricity grid while optimizing energy costs. Considering the limitations on installing renewable energy systems for self-consumption, the economic advantages associated with Power Purchase Agreements (PPAs) have been evaluated. The cost differential reveals significant savings potential within the framework of the goal to achieve a 100% renewable energy supply by 2030. Furthermore, despite the challenges in implementing renewable energy for self-consumption, Grifols has commenced plans to build three solar plants in Murcia and Biotest, which will contribute to reaching this objective. These facilities are expected to generate cumulative savings of €3.6 million by 2030. <p>Opportunity Management</p> <ul style="list-style-type: none"> The company is actively engaged in integrating these facilities and progressively adopting renewable PPAs. Additionally, alternatives are being explored to enhance their performance and evaluate new investment opportunities in renewable generation, subject to technical feasibility and existing regulations at the locations of its production centers.

Identification and assessment methodology





01 Selection of scenario and time horizon

In light of the recommendations from the international scientific community and the general criteria established by reference frameworks like the CSRD, we analyze a pessimistic IPCC scenario for physical risks (SSP5-8.5) alongside an optimistic IEA scenario for transition risks (NZE). Additionally, with a strategic approach, Grifols has revised its climate risk and opportunity analysis in line with TCFD recommendations, aligning it with a 2°C average temperature increase (SSP2-RCP-4.5).

According to section 80 of Annex I - NEIS E1 on climate change of the CSRD, companies are permitted to adopt time frames other than those suggested in section 77, as long as these are based on sector-specific circumstances, such

as financial planning horizons, the useful life of the activity, or the anticipated duration of capital investments, among other factors. Time horizons have been chosen to be sufficiently close for the climate scenario to remain plausible (considering the increased uncertainty of climate models towards the end of the century), while also being distant enough for significant climate changes to occur and affect the business. Consequently, for Grifols' context, time horizons have been established that align with the time frames set by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the requirements of the European Taxonomy³.

Dimension analyzed	ROCC Typology	Selected Scenarios ⁴	Short Term	Medium Term	Long Term
Assets, business model (all economic activities) and supply chain	Physical risks	SSP5-8.5 (IPCC) SSP24.5 (IPCC)	2021-2040	2041-2060	2061-2100
	Transition risks and opportunities	NZE ² (IEA)	2030	2050	2100
Taxonomic activities	Physical Risks	SSP5-4.5 (PCC) SSP24.5 (PCC)	2021-2040	2041-2060 ³	

2. The Net Zero Emissions by 2050 Scenario: regulatory scenario showing a path for the global energy sector to achieve zero net CO₂ emissions by 2050, with advanced economies achieving net zero emissions before others.

3. For taxonomic economic activities of more than 10 years, the assessment is carried out using the latest climate projections, including, as a minimum, climate projection scenarios for 10 to 30 years.

4. Information on climate scenarios see pg 26 of the report.



02 Construction of the ROCC universe

The first step in constructing the universe of risks and opportunities was to define the scope of the analysis according to the relevance of Grifols' assets and activities and its geographical presence, selecting the facilities and activities on which to focus the analysis based on turnover and the strategic value of the assets and

operations. A comprehensive analysis of the elements that make up the company's value chain has also been carried out, providing a picture of the peculiarities of the sector's supply chain, infrastructure and services offered.

606 assets

With a global footprint, most assets are situated in major cities and their adjacent industrial zones. A variety of asset types include:

- Urban buildings housing multiple retail outlets (laboratories and production facilities)
- Corporate offices and commercial headquarters
- Plasma Donation centers

26 countries

With a global presence, especially in Europe and America, and to a lesser degree in Asia.

392 cities

With a strong presence across Europe and North America, especially in Central Europe and along both coasts of the United States.

Physical Risks

Following the definition of the scenario and scope of analysis, Grifols identified key physical risks for its business model's climate resilience, based on taxonomic requirements⁵. The six physical climate risks identified for the reality of Grifols are presented below:

Risk	Type	Definition	Time horizon ⁶
Acute and chronic phenomena related to temperature increase	Acute/Chronic	Increase in the frequency of extreme events affecting operations and personnel throughout Grifols' value chain	
Decrease in water availability in operations and supply chain	Chronic	Difficulties in accessing water in different elements of Grifols' value chain.	
Increase in the frequency and intensity of heavy rainfall and flooding	Acute	Increase in the frequency and intensity of extreme rainfall and flooding that could endanger assets and operations linked to Grifols' value chain.	Short, Medium and Long Term
Increase in the frequency and magnitude of fires in the regions where the organization operates and in its supply chain		Increase in the frequency and magnitude of fires in the regions where the assets and operations implicit in Grifols' value chain are located.	
Increase in the intensity of snowfall and frost		Increase in the intensity of snowfall and frost, which could affect the integrity of assets located throughout Grifols' value chain and the normal course of operations related to those assets.	
Extreme weather events related to wind that affect the organization's infrastructure and operations.		Increase in the frequency and intensity of extreme wind-related events that could affect operations and assets linked to Grifols' value chain.	

To align the ROCC analysis with Grifols' existing climate risk identification, we also considered reports from the organization's insurers. These reports provide insights into the exposure to physical climate risks and the economic value of the assets at risk.

5. For more information, see page 30 of the report,

6. The short-term time horizon corresponds to the period 2021–2040, the medium term to the period 2041–2060, and the long term to the period 2081–2100, in accordance with the IPCC,

Transition Risks

Transition risks⁷ have been thoroughly analyzed in line with reference scenarios (e.g., IEA, NGFS), considering the regulatory framework and market trends relevant to Grifols. Drawing from the transition events highlighted by the TCFD, along with reference sources such as Climate Watch Data and Climate Action Tracker, and specific documentation for

each region (including legislative proposals, climate reports, etc.), we have identified the following 13 transition risks associated with Grifols' operations:

Risk	Type	Definition	Time Horizon ⁸
Increase in costs associated with corporate carbon footprint		Increase in costs due to the rise in the price of carbon offsets. This may lead to changes in the supply chain and operations to reduce expenses or make it more difficult to obtain financing, as investors will tend to decarbonize their portfolios.	
Need to implement demanding and strict changes in climate change reporting		New regulatory requirements for sustainability reporting (CSRD) and possible reputational risks arising from failure to meet stakeholder expectations.	
Need to implement changes in waste management in operations	Political-legal	Investments needed to ensure the proper management of waste generated in the organization's production process, reducing generation as far as possible and applying treatment methods that minimize environmental impact.	
Need to implement changes in water management in operations		Investments needed to optimize the water cycle in the organization's processes and facilities, from improving consumption efficiency to perfecting the purification process and, as far as possible, reusing the resource.	
Increase in raw material costs due to new regulations (e.g. CBAM)		Increase in the import costs of CBAM products as a result of the inclusion of new products under this legislation and the increase in the price of carbon certificates linked to the import of products affected by the CBAM.	
Transition to low-emission technologies	Technological	Implementation of low- or zero-emission technologies in the company's processes and facilities.	
Failure by suppliers to meet the climate targets set by the company		Potential failure by Grifols' suppliers to meet the emission reduction targets necessary for the company to meet its own targets (scope 3 of the carbon footprint).	Short, Medium and Long Term
Changes in insurance conditions for reasons related to the transition to a decarbonized economy	Market / Reputational	Changes in insurance policies, both in terms of scope and rates, as a result of increased climate risks and potential non-compliance with the required sustainability and decarbonization standards.	
Damage to the corporate image due to greater awareness and climate expectations on the part of stakeholders		Reputational impact on the company as a result of potential failure to meet emission reduction targets and lack of ambition on climate issues.	
Reduction in exports due to the implementation of carbon markets and tariffs abroad	Political-legal	Reduction in cross-border sales as a result of the implementation of carbon markets and taxes on products with higher emissions.	
Significant and unexpected increases in energy prices	Market / Reputational	Drastic changes in the price of energy consumed by Grifols, which could affect the company's competitiveness and operations.	
Failure to meet greenhouse gas emission reduction targets		Failure to meet the scope 1 and 2 decarbonization targets set by Grifols	
Changes in regulatory and reputational requirements regarding emissions reduction	Political-legal	Costs arising from the necessary consulting work and audits related to new regulatory requirements on sustainability and emissions reduction	

7. For more information, see pages 31-32 of the report.

8. The short-term time horizon corresponds to the period 2021–2040, the medium term to the period 2041–2060, and the long term to the period 2081–2100, in accordance with the IPCC.

Opportunities

After assessing both physical and transitional risks, we explore the opportunities that climate change presents, specifically the potential for positive impacts on the organization as a direct or indirect result of climate change. These climate opportunities can be evaluated through the list of the TCFD⁹ regulatory framework, as well as the IEA climate

scenarios, which consider current and future regulatory frameworks alongside global market trends. The 8 climate opportunities identified for the reality of Grifols are outlined below:

Opportunity	Type	Definition	Time Horizon ¹⁰
Improving energy efficiency in the organization's assets and processes	Resource efficiency	Optimizing energy consumption in Grifols' facilities and processes, which would reduce operating costs, increase the company's resilience to potential energy price volatility and reduce the carbon footprint generated in Grifols' facilities.	
Increase in the number of renewable energy generation facilities for self-consumption	Resilience	Progressive incorporation of self-generation energy systems and renewable energy contracts. With the aim of decarbonizing Scope 2 emissions by 2030.	
Access to new lines of financing and sustainable capital.	Markets	Possibility of subscribing to financing programs and subsidies linked to the development of sustainable projects (e.g. green bonds).	
Improvement in the adaptation to climate risks in the organization's assets and their environment through nature-based solutions (NBS).	Resilience	Development of nature-based solutions (e.g., green roofs) to reduce the potential impact of climate risks on Grifols' assets.	Short, Medium and Long Term
Improvement of insurance conditions due to the implementation of adaptation measures in the organization's assets		Improvement of insurance conditions and premiums thanks to climate change adaptation actions that reduce the impact of climate change risks on Grifols' assets.	
Circular economy and reuse of waste generated in operations	Resource efficiency	Possibility of improving waste management towards a more sustainable model, promoting circularity and reuse, while also reducing costs.	
Research and development of processes to optimize the efficiency of natural resources and minimize environmental impact		Development of actions and processes to maximize resource consumption efficiency, which would reduce Grifols' environmental impact and carbon footprint, as well as improving the competitiveness of the processes developed by the company.	
Eco-design of packaging to maximize recycling rates and minimize the environmental impact of its manufacture		Optimization of the consumption of packaging materials, which would reduce expenditure on the purchase of materials and reduce Scope 3 emissions. Design of packaging products with sustainability criteria that facilitate recycling and waste management for buyers.	

9. For more information, see page 33 of the report.

10. The short-term time horizon corresponds to the period 2021–2040, the medium term to the period 2041–2060, and the long term to the period 2081–2100, in accordance with the IPCC.



03 Risk and opportunity assessment

Once the 18 risks (6 physical and 12 transitional) and 8 opportunities had been identified, along with the assessment scales for the time horizon, each risk and opportunity was evaluated to determine its materiality. The following variables were considered during this evaluation process¹¹:



The approach taken to assess the previously mentioned variables in relation to Grifols was as follows::

Exposition	Inherent Sensitivity	Residual Sensitivity	Vulnerability
Physical Risks			
<p>To obtain the exposure of each physical risk, the different IPCC variables (CMIP6 model, due to the company's expansion) that cause each risk have been considered. Once the variables for each risk were defined, GIS was used to extract and combine weighted values for each asset to determine final vulnerability.</p> <p>For value chain exposure (upstream and downstream), we considered the geographical locations of the company's main suppliers and the destination geographies of its products, respectively.</p> <p>As two climate scenarios (SSP2-4.5 and SSP5-8.5) were evaluated, this entire process was carried out twice.</p>	<p>To determine the inherent sensitivity of each risk (across our operations, activities, and value chain), we assigned a value based on potential impact and consequences using Grifols' global risk methodology's four criteria: financial, reputational, operational, and legal/compliance. Financial and operational impacts were weighted slightly higher.</p> <p>For our own operations and activities, we also considered the characteristics and country of each asset, with greater weight given to 'main locations' and assets in countries with higher turnover.</p>	<p>To determine the residual sensitivity—the sensitivity after considering the adaptation measures Grifols has already implemented—we consulted with Grifols' Insurance Department.</p> <p>They provided the necessary information for all geographical areas where the company operates.</p>	<p>Finally, we multiplied the exposure and residual sensitivity to determine the final vulnerability of each risk.</p> <p>To designate material risks, a high or very high materiality threshold was defined based on the value of the final vulnerability.</p>

11. For more information on the meaning of each variable and its scales, please refer to pages 33-35 of the report.

Exposition	Inherent Sensitivity	Residual Sensitivity	Vulnerability
Transition Risks			
<p>To assess transition risks, we first determined the exposure of each risk based on the IEA's Net Zero scenario projections and market trends towards a decarbonized economy.</p> <p>This process was replicated to assess the value chain, both upstream and downstream, considering the probability of occurrence of each risk in the supply chain and downstream, i.e., the interaction with the end customer and other stakeholders.</p>	<p>For the sensitivity of each transition risk, a value has been assigned to each one based on the potential impact it could have on the company. To do this, the criteria considered in Grifols' global risk methodology have been taken into account: financial impact, reputational impact, operational impact and legal/compliance impact. In this case, greater weight has also been given to financial and reputational impact values. This process has been replicated for the other two parts of the value chain (upstream and downstream).</p>	<p>Once the inherent sensitivity has been established, the applicable adaptation measures have been applied to each one based on the progress or measures implemented by the company to mitigate climate change and promote a decarbonized economy that could lessen the impact.</p>	<p>Finally, exposure and residual sensitivity have been combined to calculate the vulnerability of each risk. As with physical risks, a materiality threshold has been defined for high or very high vulnerability values.</p>
Opportunities			
<p>To determine the exposure of the opportunities identified, values have been assigned based on the probability of occurrence according to the IEA's Net Zero scenario and the potential capabilities to realise each opportunity based on the nature of the company and market trends. This exercise has been replicated for the upstream and downstream parts of the value chain, taking into account how these opportunities could be transferred along the supply chain and towards the sale of the product to the end customer and the relationship with the latter.</p>	<p>The same criteria were used to assign the sensitivity value to each opportunity: financial impact, reputational impact, operational impact and legal/compliance impact. Similarly, greater weight was given to financial and operational impact.</p> <p>This process was replicated for the other two parts of the value chain (upstream and downstream).</p>	<p>In the case of opportunities, the residual sensitivity is equal to the inherent sensitivity because the adaptation measures cannot be assessed.</p>	<p>As in the other sections, to obtain the final vulnerability of each opportunity, i.e. its positive impact, exposure and final sensitivity have been combined.</p>

Once the vulnerability index for each risk and opportunity has been obtained, we proceed to determine which ones are material for Grifols. To identify the climate risks and opportunities that are considered material (i.e., those that could potentially impact Grifols), we select the risk and opportunity scores with the highest climate vulnerability score.

Subsequently, the risks and opportunities are classified according to Grifols' Risk Control and Management Policy, which determines their materiality as illustrated in the following tables.

Climate Risk		
Vulnerability Index	Numerical Range	Materiality
Very low	1.0 – 1.5	Not material
Low	1.5 – 2.5	To Monitor
Medium	2.5 – 3.5	To Monitor
High	3.5 – 4.5	Material
Very High	4.5 – 5.0	Material

Climate Opportunity		
Opportunity Index	Numerical Range	Materiality
Very low	1.0 – 1.5	Not material
Low	1.5 – 2.5	To Monitor
Medium	2.5 – 3.5	To Monitor
High	3.5 – 4.5	Material
Very High	4.5 – 5.0	Material

The results of this analysis have been presented above in the section entitled 'Material climate risks and opportunities' in this report.



04 Quantification of financial effects

After identifying the material risks and opportunities relevant to Grifols, we have calculated the estimated financial impact of each risk or opportunity. The methodology for these estimates varies based on the specific risk or opportunity. Additionally, we have assessed the potential financial impacts of both physical and transition risks in key areas such as operating costs, capital investments, and business sustainability.

For further details on the financial implications of each material risk and opportunity, please refer to the section titled 'Financial Impact and Management of Risks and Opportunities' in this report.



METRICS AND TARGETS FOR CLIMATE CHANGE

For years, Grifols has calculated and tracked key metrics related to material climate risks and opportunities, focusing on their financial and operational impact. This analysis includes indicators such as greenhouse gas (GHG) emissions, energy efficiency and water consumption.



Grifols participates annually in the Carbon Disclosure Project (CDP), a process that assesses the organization’s strategy and transparency and its performance on climate change.

Metric	FY2024	3rd Party Assured
Energy (kWh)		
Renewable electricity	191,742,905	✓
Non-renewable electricity	237,840,131	✓
Natural Gas	500,584,184	✓
Diesel	3,333,981	✓
Propane	675,054	✓
Gasoline	299,998	✓
Biogas	101,995	✓
Greenhouse Gas Emissions (t CO₂e)		
Scope 1	106,289	✓
Scope 2 (location-based)	84,343	✓
Scope 2 (market-based)	73,876	✓
Scope 3	1,051,606	✓
Water (m³)		
Water Withdrawal	3,587,357	✓
Water Withdrawal (in areas with high or extremely high water risk)	21%	✓
Wastewater Discharged	2,479,466	✓
Water Discharge (in areas with high or extremely high water risk)	20%	✓
Water Consumed	1,107,891	✓
Water Consumed (in areas with high or extremely high water risk)	24%	✓

This report was prepared and published prior to the release of Grifols' 2025 Integrated Annual Report. For data corresponding to the 2025 fiscal year, please refer to the Integrated Annual Report, which will be published by the end of February 2026 on Grifols' Sustainability website.

Climate goals

In 2021, the company set corporate objectives that align with the UN Sustainable Development Goals (SDGs) as part of its sustainability strategy. These goals were updated as part of the new Sustainability Strategy Plan for 2025–2027. Among these specific and measurable objectives are those focused on climate change and decarbonization.

SBTi-approved emission reduction targets

In 2024, Grifols' science-based short-term emission reduction targets received approval from the Science Based Targets initiative (SBTi). SBTi assessed Grifols' scope 1, 2, and 3 targets, confirming their alignment with global climate action and supporting the Paris Agreement's goal of limiting global warming to 1.5°C this century.

In accordance with SBTi criteria, Grifols publishes detailed annual progress reports that clearly describe its targets, including information such as target type, coverage, baseline year, and target year. The report also highlights progress made since the baseline year, showcasing emission reductions, increased use of renewable electricity, and commitments with business partners, along with implemented or planned actions to achieve these targets. Grifols' GHG emissions inventory encompasses all scopes (1, 2, and 3) and categories, adhering to the GHG Protocol and covering all company activities.

The company will review its targets every five years or whenever significant changes occur in its structure, inventory, or baseline data, which may necessitate recalculating and revalidating the targets.

Goals

Based on the Grifols 2030 Agenda

- Reduce absolute Scope 1 and Scope 2 GHG emissions by 42% (baseline 2022).
- Reduce absolute Scope 3 GHG emissions by 25% (baseline 2022).
- Achieve a 15% reduction in water consumption and waste generated per unit of production
- Source 100% of electricity from renewable energy

Based on the 2023-2026 Corporate Environmental Program

- Cut CO₂ e emissions by 60,000 t/year through increased renewable energy production and eco-efficiency measures (scope 1 and 2)
- Decarbonization initiatives for business travel, employee transportation, and waste management
- Promote decarbonization in business travel and work commutes

Achieve net-zero emissions by 2050 (scopes 1 and 2)

Based on SBTi:

- Reduce absolute scope 1 and 2 GHG emissions by 42% by 2030, using 2022 as the baseline year
- Grifols also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energyrelated activities, and upstream transportation and distribution 25% within the same timeframe.

*The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

Applicability of climate risk and opportunity analysis

With the climate risk and opportunity study as a foundation, Grifols is well positioned to integrate these metrics and targets into its future strategic management, ensuring that corporate decisions are aligned with the climate challenges and opportunities identified.

APPENDIX

TCFD RESPONSE INDEX

CSR

CLIMATE SCENARIOS

TCFD Response Index

Topic	Description	Recommended disclosure	Response
Governance	Disclose the organization's governance regarding climate-related risks and opportunities. Disclose the actual and potential impacts of climate-related risks and opportunities.	<ul style="list-style-type: none"> a. Describe the Board of Directors' oversight of climate-related risks and opportunities. b. Describe the role of management in assessing and managing climate-related risks and opportunities. 	4
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning, where such information is relevant.	<ul style="list-style-type: none"> a. Describe the climate-related risks and opportunities that the organization has identified in the short, medium and long term. b. Describe the impact of climate-related risks and opportunities on the organization's activities, strategy and financial planning. c. Describe the resilience of the organization's strategy, taking into account different climate-related scenarios, including a 2°C or lower scenario. 	5 - 21
Risk Management	Disclose how the organization identifies, assesses and manages climate-related risks.	<ul style="list-style-type: none"> a. Describe the organization's processes for identifying and assessing climate-related risks. b. Describe the organization's processes for managing climate-related risks. c. Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management. 	3, 6 - 21
Metrics and objectives	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is relevant.	<ul style="list-style-type: none"> a. Disclose the metrics used by the organization to assess climate-related risks and opportunities, in line with its strategy and risk management process. b. Disclose Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions and related risks. c. Describe the objectives used by the organization to manage climate-related risks and opportunities, as well as performance against those objectives. 	22 - 23

Compliance with CSRD requirements

The following table provides a breakdown of the sections included in the report, together with the identification of the specific points of the Corporate Sustainability Reporting Directive (CSRD), specifically section E1, which are addressed in each section. This approach aims to provide a clear overview of how the content of the report aligns with the requirements established by the regulations, ensuring transparency and consistency in the reporting of information relating to ROCCs.

Details of the section of the ROCC report	References for compliance with ESRS E-1 [DPs covered]
Selection of scenarios and horizons for physical risks, transition and opportunities	IRO-1 [20b(i), 20c(i), 21, AR11(a,b,d), AR12(a,c), AR13(a-d), AR14, AR15] SBM-3 [AR7b, 19 (b,c) in relation to climate scenarios]
Construction of the ROCC universe	IRO-1 [20b, 20c], AR11 (a,d)]
Definition of the analysis methodology	IRO-1 [21] SBM-3 [19 (a,b,c), AR 7 in relation to climate risk and opportunity analysis]
Resultados: Valoración y ponderación de los ROCC	IRO-1 [20b(ii), 20c(ii), AR11a, AR11c, AR12b, AR12d] SBM-3 [18]
Financial quantification of material ROCCs	E1-9 [64(a-c), 66(a-d), 69(a), AR67, AR68, AR69 (a), AR70(a,b,c, except for the economic valuation and monetary amount of assets), AR72(a), AR75, AR80]
Adaptation and mitigation measures for material CORCs	SBM-3 [AR7c] E1-3 [26 (if the proposed adaptation measures are implemented)] E1-9: [66(b), 67(b), AR70(d), AR73(c) with regard to the proportion of total assets at risk of transition, the list of assets and the proportion of those at risk of transition shall be indicated]

Scenario selection

A scenario describes a hypothetical but possible development path. Grifols considered various scenarios, with a wide range of possible futures. After weighing the pros and cons of different scenarios (public and in-house), current public scenarios were used as a benchmark since they help shed light on areas in need of more research; offer a blueprint

to develop a more customized and company-specific scenario process; and provide a broader contextual framework. Public scenarios fall into five main categories:



Climate scenarios

Focused on changes in future climatic conditions (temperature, precipitation and other climate aspects) caused by greenhouse gas concentrations, emissions and other atmospheric conditions. These alternative trajectories, or representative concentration pathways (RCPs), are used by the Intergovernmental Panel on Climate Change (IPCC) Assessment Report 5.

Emissions scenarios

Possible trajectories for greenhouse gases, aerosols, and other pollutants based on assumptions about global trends such as economic and population growth, energy consumption, land exploitation and technologies. Established by the IPCC Assessment Report 4, they serve as the foundation of climate scenarios in the fifth report.

Vulnerability scenarios

Vulnerabilities and impacts arising from diverse demographic, economic, political, cultural and institutional factors to assess the impact of climate change, and how economic development patterns and social shifts might affect exposure and adaptive capacity.

Environmental scenarios

Focused on changes in environmental conditions as a result of climate change or for other reasons. These factors include water availability and quality, the rise in sea levels, land cover and land use. In addition to climate impact, this area also assesses other factors like air and water pollution.

Socioeconomic scenarios

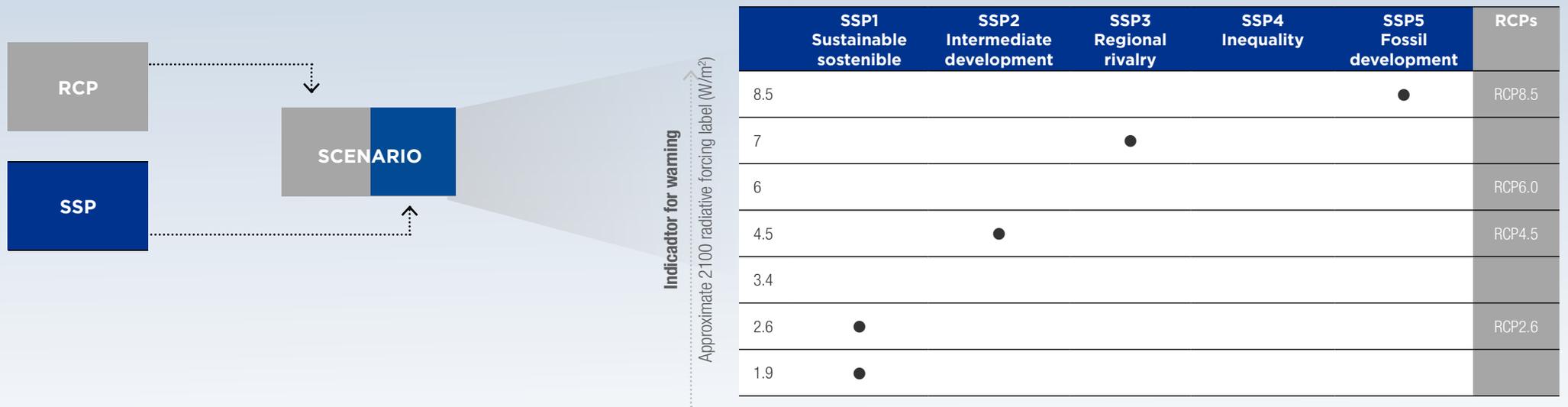
Centered on plausible socioeconomic development trajectories under different assumptions for population trends, demographic changes, technological advances, policies, economic growth and other factors. These shared socioeconomic pathways (SSPs) are used in IPCC Assessment Report 6 (AR6) to complement the aforementioned RCPs.

Basic Concepts about scenarios

How to define a climate scenario?

Defining climate change scenarios starts with differentiating between “pathways” (RCPs and SSPs) and “scenarios”, which combine the latter with other types of information such as emissions and climate projections, among others. A blend of pathways, rather than RCPs and SSPs on their own, should be used to perform climate change analyses.

Published in August 2021, the AR6¹² offers the five most appropriate SSP-RCP combinations based on the latest climate models to explore the most probable climate futures. To this end, the report considers population growth, urbanization, technological advances and other factors intrinsically linked to climate change.

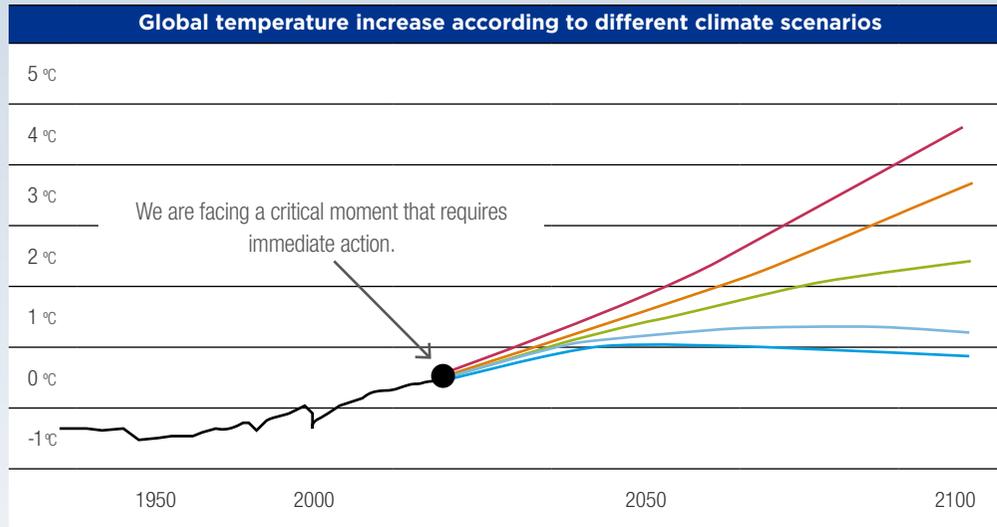


12. AR6

Scenarios SSP-RCP from the IPCC

With regard to the possible climate scenarios defined in the IPCC's AR6, the team of 234 experts from 66 countries (who reviewed more than 14,000 scientific studies) predicts that the temperature of the planet will rise by 2050 in

all scenarios considered, exceeding the barriers of 1.5 and 2 °C increase during this century if there is no drastic reduction in GHG emissions.



SSP5 - 8.5

This represents the highest warming scenario, with a temperature increase of 4.5°C (3.3–5.7°C) of the possible trajectories studied. It is one of the 'no climate policy' scenario.

SSP3 - 7.0

It has lower GHG emissions than SSP5-8.5, but CO₂ emissions almost double by 2100 compared to current levels. Non-climate-policy scenario, with a temperature increase of 3.7°C (2.8–4.6°C).

SSP2 - 4.5

It represents scenarios in line with the upper limit of the Paris Agreement targets, resulting in an estimated warming of around 2.7°C (2.1–3.5°C) by the end of the 21st century.

SSP1 - 2.6

It represents scenarios with greater climate change mitigation. It is designed to limit warming to below 2°C (1.3–2.4°C) and involves achieving net zero CO₂ emissions by 2050.

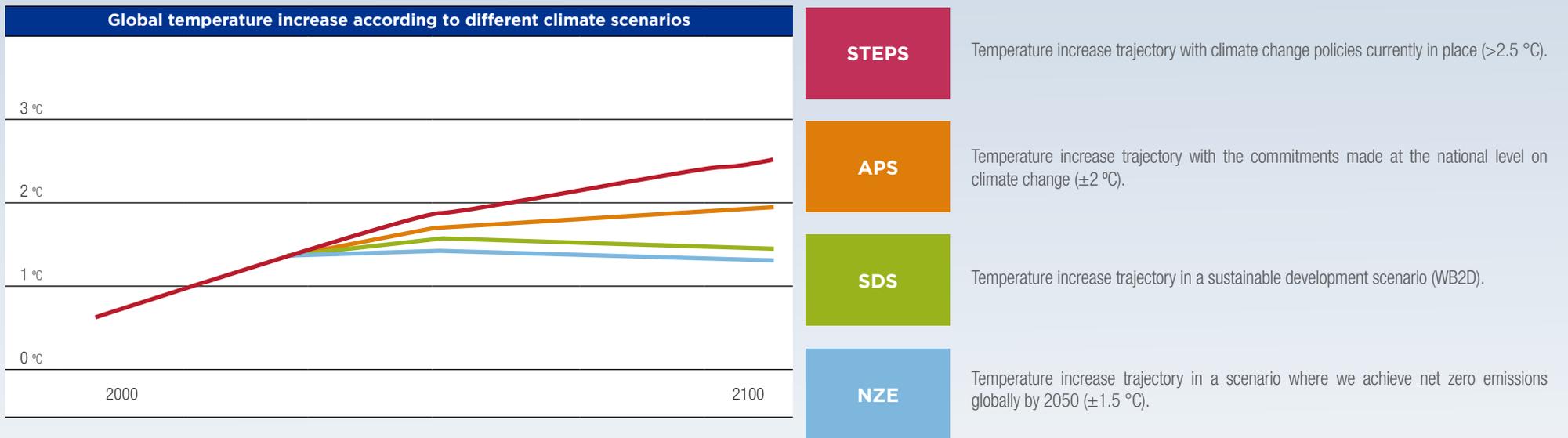
SSP1 - 1.9

It keeps warming to approximately 1.5°C (1.0–1.8°C) above 1,900 in 2100 and involves achieving net zero CO₂ emissions by 2050.

Scenarios from the IEA

The International Energy Agency (IEA) has developed several climate scenarios to assess the risks and opportunities arising from the transition to a low-carbon economy. The IEA considers scenarios that describe energy transition pathways that are consistent with the climate goals of the Paris Agreement (1.5°C), achieving a significant reduction

in GHG emissions. This objective is achieved through ambitious climate change policies. On the other hand, the IEA has also designed scenarios where no additional measures are taken to reduce GHG emissions, resulting in a global temperature increase of more than 3°C by the end of the century.



Construction of the ROCC universe

The European Taxonomy identifies and classifies physical hazards into the following types:

	Related to temperature	Related to wind	Related to water	Related to solid mass
Chronic¹³	<ul style="list-style-type: none"> • Temperature variations (air, fresh water, sea water) • Heat stress • Temperature variability • Permafrost thaw • Increased UV radiation¹⁴ 	<ul style="list-style-type: none"> • Changes in wind patterns 	<ul style="list-style-type: none"> • Sea level rise • Changes in precipitation types and patterns • Precipitation or hydrological variability • Saltwater intrusion • Water stress • Ocean acidification 	<ul style="list-style-type: none"> • Soil erosion • Soil degradation (desertification) • Coastal erosion • Solifluction
Acute¹³	<ul style="list-style-type: none"> • Heat wave • Cold wave/frost • Forest fire with the latter 	<ul style="list-style-type: none"> • Cyclone, hurricane, high-impact storms, explosive cyclogenesis and DANAs (cold drops) • Storm (rain, snow, Saharan dust or sand and supercells) • Tornado, wet and dry blowouts, waterspouts downstream). 	<ul style="list-style-type: none"> • Drought • Heavy precipitation in liquid form (rain) • Heavy precipitation in solid form (hail, snow or ice) • Floods (river, rain, coastal and groundwater) • Glacier overflow • Cyclonic storm surge¹⁴ 	<ul style="list-style-type: none"> • Land subsidence • Landslides • Avalanches

13. Chronic physical hazards are characterized by their gradual and long-lasting nature. In contrast, acute physical hazards are short-lived and abrupt in nature.

14. Additional climate hazards, not included in the European Taxonomy, considered relevant to Grifols. According to the European Taxonomy, it is also possible to expand and modify the definition and number of physical hazards that could potentially affect the company and are not covered by the Taxonomy. The table below shows the climate hazards identified for Grifols in Appendix A of Delegated Regulation 2021/2139 of the European Taxonomy, as well as their adaptation to the organization's geographical areas, where relevant, such as the inclusion of high-impact storms and DANAS (extremely adverse weather events) under the hazard of hurricanes and cyclones, or the intrusion of Saharan dust or sand under the hazard of storms.

Since the scope of the analysis is limited to areas with little or no assets in high mountain and non-urban environments, climate hazards such as avalanches, glacier overflows, landslides and subsidence are excluded from the analysis. Similarly, certain marine climate hazards such as ocean acidification, storm surges and sea level rise are also excluded due to the absence of the organization's assets in areas close to the coast. The following are the physical risks associated with Grifols' situation:

Classification of taxonomic hazards	Associated Climate Risk
Temperature variations (air, fresh water, sea water)	Climate phenomena (acute and chronic) related to the increase in temperature
Heat stress	
Temperature variability	
Heat waves	Decrease in water availability in operations and supply chain
Precipitation variability or hydrological variability	
Salt intrusion	
Variations in precipitation types and patterns (rain, hail, snow or ice)	
Water stress	
Drought	Increase in the frequency and intensity of heavy rainfall and flooding
Variations in precipitation types and patterns (rain, hail, snow or ice)	
Precipitation variability or hydrological variability	
Floods (rain, coastal and groundwater)	
Cyclones, hurricanes, explosive cyclogenesis, high-impact storms, DANA (Isolated Depression at High Levels)	Increase in the frequency and magnitude of fires in the regions where the organization operates and in its supply chain
Storm (rain, snow, Saharan dust or sand, and supercells)	
Temperature variability	
Variations in temperature (air and sea water)	
Heat wave	
Drought	Increase in the intensity of snowfall and frost
Heavy precipitation in solid form (hail, snow or ice)	
Cold wave/frost	
Cyclone, hurricane, explosive cyclogenesis, high-impact storm and DANA (Isolated Depression at High Levels)	Extreme weather events related to wind that affect the infrastructure and operations of the organization
Storm (rain, snow, Saharan dust or sand, and supercells)	
Tornado, wet or dry blowout and waterspout	

We also analyzed the possible **transition events** of climate change. To do so, we started with the list of transition events described in the regulatory framework of the TCFD (Task Force on Climate-Related Financial Disclosures) and the trends in the markets in which Grifols operates. The transition events towards a low-carbon economy are then broken down by type:

Political and legal

- Increase in GHG emission prices
- New GHG emission reporting requirements
- New legal requirements relating to the technical specifications of products and services
- Targets set for GHG emission reductions
- New legal requirements relating to climate risk management
- New legal requirements relating to waste and/or discharge management
- Costs associated with importing goods from countries outside the EU (CBAM – MAFC)
- Increased costs and/or reduced demand for products and services resulting from fines and court rulings

Technological

- Transition to low-emission technologies
- Replacement of products and services with less polluting alternatives
- Unprofitable investment in new technologies
- Costs of transitioning to low-emission technologies
- Amortization and early withdrawal of existing assets
- Research and development (R&D) expenditure on new and alternative technologies
- Costs of adopting/implementing new practices and processes

Market

- Changes in user behavior/preferences
- Increase in prices or decrease in insurance coverage
- Increase in the cost of raw materials
- Sudden and unexpected changes in energy costs
- Difficulties in obtaining financing
- Failure of suppliers to meet GHG reduction targets

Reputational

- Changes in consumer preferences
- Stigmatization of the sector
- Increased investor concerns and/or negative comments from stakeholders



Based on TCFD-indicated transition events, the following transition risks related to Grifols' activity have been identified.

	Classification of transition events	Transition risk associated
Political and legal	<ul style="list-style-type: none"> • Increase in GHG emission prices • New GHG emission reporting requirements • New legal requirements relating to technical specifications for products and services • Targets set for GHG emission reductions • Political and legal • New legal requirements relating to climate risk management • New legal requirements relating to waste and/or discharge management • Costs associated with importing goods from countries outside the EU (CBAM – MAFC) • Increased costs and/or reduced demand for products and services resulting from fines and court rulings 	<ul style="list-style-type: none"> • Increase in costs associated with the corporate carbon footprint • Need to implement demanding and strict changes in climate change reporting • Need to implement changes in waste management in operations • Need to implement changes in water management in operations • Increase in raw material costs due to new regulations (e.g. CBAM) • Failure to meet greenhouse gas emission reduction targets • Changes in regulatory and reputational requirements regarding emission reduction • Reduction in exports due to the implementation of carbon markets and tariffs abroad
Technological	<ul style="list-style-type: none"> • Transition to low-emission technologies • Unprofitable investment in new technologies • Costs of transition to low-emission technologies • Technological • Depreciation and early withdrawal of existing assets • Research and development (R&D) expenditure on new and alternative technologies • Costs of adopting/implementing new practices and processes 	<ul style="list-style-type: none"> • Increase in costs associated with the corporate carbon footprint • Transition to low-emission technologies • Need to implement changes in waste management in operations • Need to implement changes in water management in operations
Market	<ul style="list-style-type: none"> • Increase in prices or decrease in insurance coverage • Increase in the cost of raw materials • Sudden and unexpected changes in energy costs • Difficulties in obtaining financing • Failure of suppliers to meet GHG reduction targets 	<ul style="list-style-type: none"> • Changes in the terms and conditions of insurance due to reasons related to the transition to a decarbonized economy • Significant and unexpected increases in the price of energy • Supplier non-compliance with company's climate targets. • Increase in raw material costs due to new regulations (e.g. CBAM) • Reduction in exports due to the implementation of carbon markets and tariffs abroad
Reputational	<ul style="list-style-type: none"> • Increased investor concerns and/or negative comments from stakeholders 	<ul style="list-style-type: none"> • Degradation of the corporate image due to greater awareness and expectations regarding climate change on the part of stakeholders • Modification of the regulatory and reputational requirements in relation to emissions reduction

We also analyze potential **opportunities** presented by climate change. To do so, we start with the list of climate opportunities outlined in the TCFD framework and the trends in the markets where Grifols operates. These low-carbon economy opportunities are then categorized by type:

Efficiency of resources	<ul style="list-style-type: none"> • Use of more efficient modes of transport • Use of more efficient production and distribution processes • Use of recycling • Use of more efficient buildings • Reduction in water use and consumption
Energy sources	<ul style="list-style-type: none"> • Use of energy sources with lower emissions • Use of supportive policy incentives • Use of new technologies • Participation in the carbon market • Shift towards decentralized generation
Products and services	<ul style="list-style-type: none"> • Development and/or expansion of low-emission goods and services • Development of adaptation solutions and risk insurance • Development of new products or services through R&D and innovation • Ability to diversify business activities • Change in consumer preferences
Markets	<ul style="list-style-type: none"> • Access to new markets • Use of public sector incentives • Access to new assets and locations requiring insurance coverage
Resilience	<ul style="list-style-type: none"> • Participation in energy efficiency programs and adoption of energy efficiency measures • Substitution/diversification of resources

Variables analyzed

Exposure: The possibility of a risk or opportunity materializing. It represents the presence of people, livelihoods, species, ecosystems, environmental functions and services, or elements of economic, social, or cultural heritage in areas susceptible to climate impacts from physical risks. For physical risks, exposure is determined by projected climate variables across different time horizons and scenarios. For transition risks and opportunities, political and market behavior is examined based on the scenarios used. These variables and logic are detailed in the working document.

Exposure		
Level	Description	Probability of occurrence
1	Very Low	The event will only occur in exceptional circumstances during the current period.
2	Low	The event is unlikely to occur during the current period.
3	Medium	The event may occur at some point during the current period.
4	High	The event is likely to occur at some point during the current period.
5	Very High	The event is expected to occur in most circumstances during the current period.

Note: The rating scale for the different variables is aligned with that reflected in Grifols' ERM Risk Valuation Model document to facilitate the integration of ROCCs

Sensitivity: Degree to which a system is affected, positively or negatively, by the impact of climate change risks and opportunities.

Sensitivity

Level	Description	Financial impact (% of sales)	Operations	Reputational	Legal/Compliance Impact
1	Very Low	0% - 0.1% (€0M – €5M Loss)	<ul style="list-style-type: none"> No measurable operational impact on the company No management intervention required 	<ul style="list-style-type: none"> Absence of media coverage Little or no interest from stakeholders 	<ul style="list-style-type: none"> No regulatory penalties/fines
2	Low	0.1% - 0.3% (€5M – €15M Loss)	<ul style="list-style-type: none"> Minor temporary disruption to the operations of a division or business unit Limited management intervention 	<ul style="list-style-type: none"> Less adverse attention from local media. Reputation negatively affected with a small number of people. 	<ul style="list-style-type: none"> Minor fines
3	Medium	0.3% - 1% (€15M – €50M Loss)	<ul style="list-style-type: none"> Operational disruption that could compromise the achievement of a business unit's strategic objective. Substantial management intervention required 	<ul style="list-style-type: none"> Negative repercussions in local media and/or increased concern in the regional community. Impact on the reputation of some stakeholders. 	<ul style="list-style-type: none"> Fines imposed and risk of prosecution. Possible product withdrawal.
4	High	1% - 10% (€50M – €500M Loss)	<ul style="list-style-type: none"> Operational disruption that could compromise the achievement of the strategic objective of a relevant division or business unit. Senior management involvement required 	<ul style="list-style-type: none"> Significant adverse media or public attention Reputation affected among a significant number of stakeholders. 	<ul style="list-style-type: none"> Significant fines and prosecution. Likely product withdrawals.
5	Very High	> 10% (> €500M Loss)	<ul style="list-style-type: none"> Operational disruption that could compromise the achievement of the strategic objectives of the company/group. Immediate involvement of senior management and the board of directors required 	<ul style="list-style-type: none"> Widespread public or media outrage Reputation affected among mostkey stakeholders 	<ul style="list-style-type: none"> Significant fines, prosecution and imprisonment. Permanent product withdrawal.

Note: The rating scale for the different variables is aligned with that reflected in Grifols' ERM Risk Valuation Model document to facilitate the integration of ROCCs.

Climate risk inherent/opportunity: The potential for a hazard or opportunity related to physical or transitional changes caused by climate change to occur and result in adverse or positive consequences for a given system.

Capacity to adapt or level of management: The ability of a system affected by a physical climate risk to cope with the resulting damage and leverage arising opportunities. This variable is excluded from the opportunity analysis. The working document details the logic used during interviews to score each risk.

Climate vulnerability or residual risk: The susceptibility to risk after applying the company's adaptive capacity. The IPCC defines climate vulnerability as the limited capacity of a system or social group to cope with the adverse effects of climate change.

Inherent climate risk / Opportunity	
Index	Numerical Range
Very Low	1.0 – 1.5
Low	1.5 – 2.5
Medium	2.5 – 3.5
High	3.5 – 4.5
Very High	4.5 – 5.0

Adaptation capacity		
Index	Range	Criterion
Very Low	1.0 – 1.5	There is no control.
Low	1.5 – 2.5	There is no control, but it is planned.
Medium	2.5 – 3.5	The control in place is not consistently effective.
High	3.5 – 4.5	The existing control mitigates the risk effectively most of the time.
Very High	4.5 – 5.0	The control in place mitigates the risk consistently and effectively.

Climate vulnerability – residual risk	
Index	Numerical Range
Very Low	1.0 – 1.5
Low	1.5 – 2.5
Medium	2.5 – 3.5
High	3.5 – 4.5
Very High	4.5 – 5.0

Note: The rating scale for the different variables is aligned with that reflected in Grifols' ERM Risk Valuation Model document to facilitate the integration of ROCCs.

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