



2016 CORPORATE RESPONSIBILITY REPORT

PRIDE
SAFETY
EFFORT
COMMITMENT
EXCELLENCE



GRIFOLS
pioneering spirit

ALWAYS
PROGRESS

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CHAIRMAN'S LETTER



Dear Stakeholders,

We are pleased to present the first Grifols Corporate Responsibility Report as part of our steadfast commitment to maintain an open-ended dialogue with our stakeholders. This report is an exercise in transparency designed to highlight the impact of Grifols decisions and actions on the communities, employees, environment and other stakeholders we serve. It also aims to reflect how Grifols incorporates our stakeholders' interests into our corporate actions and the value that these add to the organization.

Grifols is a solid, growing company with a clear mission: to contribute to the improvement of people's health and well-being through the research, development, manufacture and sale of plasma-derived medicines, clinical analysis technology and pharmaceutical preparations for hospital use, while at the same time delivering sustainable company growth and sustainable stakeholder value.

Our experience, hard work and effort, along with our core values and identity have enabled us to achieve a strong market position and earn the trust of our stakeholders. More than 75 years have passed since the establishment of Laboratorios Grifols and during this time, our company has significantly expanded its global reach. Today, Grifols is a renowned global organization with a vast international scope that includes a direct geographic presence in 30 countries and sales in more than 100.

Over the years, Grifols has confronted numerous obstacles, as well as environmental, social and economic challenges, yet has always remained unwaveringly committed to the values upon which the company was founded. These values, which embody our corporate identity, define the way we think about our business, do things, and relate to each other and our external. Pride, Safety, Effort, Commitment, Excellence, Teamwork and Innovation and Improvement have made us who we are today. The pages that follow offer a detailed view of the essential role that these corporate values play in Grifols activities and performance.

Today, Grifols is a consolidated global firm and a reference point in all of the markets where we operate. As an organization, we share an enormous sense of pride in the people who, throughout our long history, have been instrumental in transforming Grifols from a Barcelona-based company into the world's third-largest producer of plasma-derived medicines and a leader in transfusion medicine.

Excellence is embedded in our business model as evidenced by Grifols 2016 results. The company completed yet another successful year, generating revenues of Euros 4,049.8 million, which represented year-over-year growth of 2.9%.



This growth was driven by a team of more than 14,000 committed and capable employees, our efficient use of resources and our on-going efforts to ensure the highest levels of quality and safety in our products.

Grifols remains a recognized leader in innovation by continuously redefining the concept of plasma therapeutics and exploring new industry platforms. For the fourth consecutive year, *Forbes* magazine recognized Grifols among the world's 100 most innovative companies.

We have implemented a succession plan in an orderly and transparent manner. This generational handover supports the founding shareholders' commitment to company's long-term sustainability and reinforces their determination to uphold the singular spirit and values that have enabled Grifols to become an industry leader in plasma medicines.

Grifols is currently working toward its five-year 2013-2017 strategic plan, based on five pillars: business diversification, accelerating innovation, business optimization, capacity leadership and global expansion. Over the next year, we will continue to work in alignment with this plan to maintain our position as one of the most efficient and competitive companies in our sectors.

We encourage you to learn more about Grifols past, present and future by reviewing the following pages, which offer a unique view of the company's broad range of activities in 2016 and our vision moving forward.

Before concluding, I would like to express our heartfelt thanks to our patients, donors, employees, customers and shareholders for the trust they have placed in our company. You make our work possible.

Sincerely,

Víctor Grifols Roura
Chairman of the Board

**EXCELLENCE IS
EMBEDDED IN OUR
BUSINESS MODEL
AS EVIDENCED
BY GRIFOLS
2016 RESULTS.
THE COMPANY
COMPLETED
YET ANOTHER
SUCCESSFUL YEAR.**

1. ABOUT GRIFOLS

GRIFOLS IS A WORLD-LEADING HEALTHCARE COMPANY FOUNDED IN 1940 DEDICATED TO ENHANCING THE HEALTH AND WELLBEING OF PEOPLE AROUND THE WORLD.

HEADQUARTERED IN BARCELONA, SPAIN, THE FIRM IS RECOGNIZED FOR ITS LONG-STANDING COMMITMENT TO PATIENTS AND HEALTHCARE PROFESSIONALS AND LEADING-EDGE INNOVATIONS IN PLASMA PROTEIN THERAPIES, CLINICAL DIAGNOSIS TECHNOLOGY AND PHARMACEUTICAL PREPARATIONS FOR HOSPITAL USE.



MISSION AND VALUES

**GRIFOLS
CORPORATE
VALUES GUIDE
THE COMPANY
IN ITS EVERYDAY
OPERATIONS:
PRIDE, SAFETY,
EFFORT,
COMMITMENT,
EXCELLENCE,
TEAMWORK,
INNOVATION AND
IMPROVEMENT.**

Grifols overriding mission is to improve the health and wellbeing of people around the world through leading-edge research, the development, production and marketing of plasma-derived treatments, clinical diagnosis systems and specialized pharmaceutical products for hospital use.

Grifols has three main divisions — Bioscience, Diagnostic and Hospital — which develop, produce and market innovative products and services to medical professionals in more than 100 countries.

Grifols vision is to become a reference point in the global healthcare sector through its contributions to the community, on-going research efforts, commitment to the highest standard of ethics and solid economic performance, as well as its stellar professional and humane team.

The company developed the *Grifols Corporate Values* to reflect the core values that guide the company in its everyday operations: Pride, Safety, Effort, Commitment, Excellence, Teamwork, Innovation and Improvement. These values, described in greater detail in “Chapter 3: Grifols corporate values” form the cornerstone of the present report.

CHAPTER
3: GRIFOLS
CORPORATE
VALUES



GRIFOLS AT A GLANCE

GLOBAL LEADER IN THE MANUFACTURE OF LIFESAVING PLASMA-DERIVED THERAPIES AND TRANSFUSION MEDICINE.

THREE MAIN DIVISIONS



BIOSCIENCE



DIAGNOSTIC



HOSPITAL

REVENUE

4,000

Euros million

GLOBAL EMPLOYEES

+14,800

HEADQUARTER

Barcelona

(Spain)

GLOBAL DISTRIBUTION AND SALES

>100

countries

YEARS OF HISTORY

More than **75**

years of history
dedicated to helping
millions of patients
around the world.

MANUFACTURING SITES

**U.S.
Spain
Switzerland
Australia**

DIRECT PRESENCE

30

countries

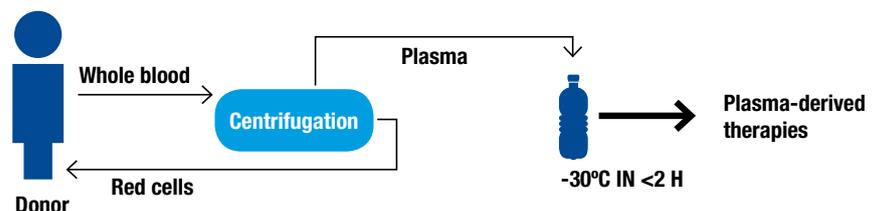
CONSIDERED AMONG THE 100 MOST INNOVATIVE COMPANIES IN THE WORLD.

Forbes, "The World's Most Innovative Companies," 2016.

OUR ORIGINS

What is plasmapheresis?

Plasmapheresis is a specialized donation process that uses machines to separate and collect only plasma from the whole blood and return the rest, including red and white blood cells, back to the donor.



1940

Dr. José Antonio Grifols Roig establishes **Laboratorios Grifols** in Barcelona.

1943

Production of the first **single-donor lyophilized plasma** in continental Europe. Grifols patents this process in Spain and develops a **lyophilizer and complementary devices** to later inject plasma as a therapy.

1945

Grifols opens the **first private blood bank in Spain**.

1951

Dr. José Antonio Grifols Lucas develops the **plasmapheresis technique**.

1958

First plasma fractionation plant in Spain begins operations.

What is plasma?

Plasma is the clear, liquid part of blood that remains after platelets, red and white blood cells, and other cellular components have been removed. It is the single-largest component of human blood and contains important proteins that, after the fractionation and purification processes, may be utilized to create plasma medicines. Albumin, immunoglobulins, factor VIII and alpha-1 antitrypsin are among the main plasma proteins.

1973

Grifols opens its **new production facility** in Barcelona.

1995

The Barcelona plant becomes the **first Spanish company to be granted an FDA establishment license** and an FDA license for a **biological product (albumin)**.

GRIFOLS TRACES ITS ROOTS BACK TO 1940 WHEN DR. JOSÉ ANTONIO GRÍFOLS ROIG ESTABLISHED LABORATORIOS GRIFOLS IN BARCELONA, SPAIN. A PIONEER IN BLOOD TRANSFUSIONS AND CLINICAL ANALYSIS, DR. GRÍFOLS WAS THE GRANDFATHER OF VÍCTOR GRÍFOLS ROURA, THE CURRENT CHAIRMAN OF THE BOARD.

GRIFOLS HAS BEEN DEDICATED TO THE MANUFACTURE AND SALE OF PLASMA-DERIVED PRODUCTS FOR MORE THAN 75 YEARS. OVER THE LAST 25 YEARS, THE FIRM HAS DRAMATICALLY BROADENED ITS GEOGRAPHIC SCOPE, TRANSFORMING FROM A SPANISH COMPANY INTO A GLOBAL ENTERPRISE THROUGH BOTH ORGANIC GROWTH AND ACQUISITIONS IN EUROPE, THE UNITED STATES, LATIN AMERICA AND ASIA.

2002

Grifols acquires the U.S.-based company SeraCare, currently **Biomat USA**, along with its **43 plasmapheresis centers**.

2003

Grifols acquires the assets of **Alpha Therapeutic Corporation-Mitsubishi**, including its plasma therapy manufacturing plant in Los Angeles, California.

2006

FDA grants approval for the immunoglobulin Barcelona plant (IVIg). Grifols is listed on the **Spanish stock exchange**.

2011

Grifols acquires **Talecris Biotherapeutics** to become the third-largest global manufacturer of plasma-derived protein therapies. Grifols is listed on the **NASDAQ** stock exchange.

2014

Acquisition of the **transfusional diagnostic assets of Novartis**.

2016

Acquisition of the **Hologic's share of NAT donor screening unit**.

WHEN A
DREAM
COMES
TRUE



LOOKING TOWARD THE FUTURE

WITH A STRONG FOCUS ON GRIFOLS CORE BUSINESS, THE COMPANY'S STRATEGIC PLAN AIMS TO COMPLEMENT THE BIOSCIENCE DIVISION AND FACILITATE THE DIVERSIFICATION OF THE FIRM'S PORTFOLIO OF PRODUCTS AND SERVICES BY BOLSTERING THE DIAGNOSTIC AND HOSPITAL DIVISIONS.

Grifols continues to make important inroads on its five-year 2013-2017 strategic plan. Following this roadmap, Grifols aspires to become one of the most efficient and competitive firms in the healthcare industry.

With a strong focus on Grifols core business, the plan aims to complement the Bioscience Division and facilitate the diversification of the firm's portfolio of products and services by bolstering the Diagnostic and Hospital Divisions.

The plan has been successively revised to support its end objective of reinforcing the Diagnostic Division. To this end, the company has spearheaded strategic acquisitions that enhance synergies and value generation.

Moreover, Grifols has also devised a transparent and well-structured succession plan to transfer executive responsibilities to Raimon Grifols Roura and Víctor Grifols Deu, who will serve as joint CEOs. The plan also establishes the continued presence of Víctor Grifols Roura as the non-executive chairman of the Board of Directors.

This smooth generational transition reinforces the founding shareholders' commitment to the firm's long-term sustainability, while cultivating the emblematic spirit and values that have enabled Grifols to become an industry beacon over its 77-year history.



THE 2013-2017 STRATEGIC PLAN IS GROUNDED ON FIVE MAIN GROWTH PILLARS



OUR BUSINESS

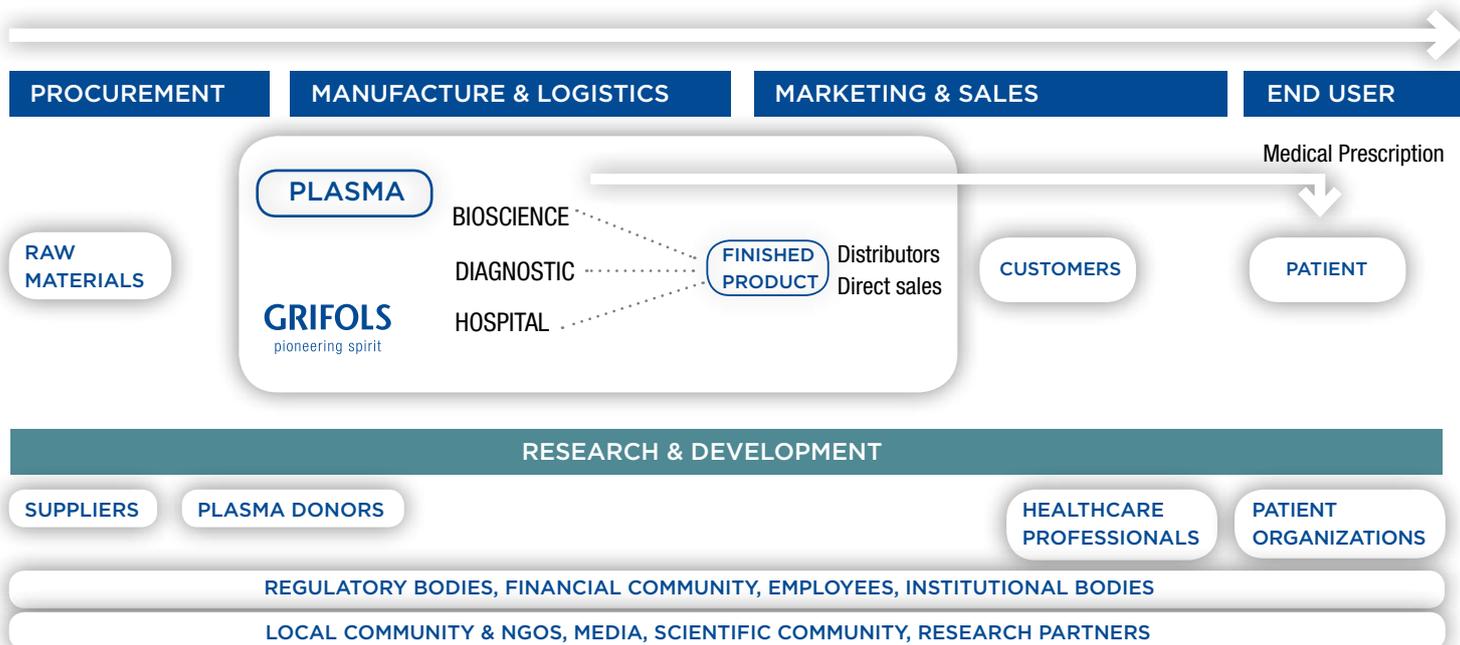
GRIFOLS RECOGNIZES THE OVERARCHING IMPORTANCE OF STAKEHOLDER ENGAGEMENT TOWARD THE SUCCESS OF ITS BUSINESS MODEL.

BUSINESS MODEL: ENHANCING THE VALUE CHAIN

Grifols is able to meet the needs of patients and healthcare professionals worldwide through its Bioscience, Diagnostic and Hospital Divisions.

Grifols is able to control the entire production cycle thanks to its vertical integration business model. In the case of the Bioscience Division, it starts with the collection of plasma and raw materials and ends with the finished product. In the Diagnostic and Hospital Divisions, vertical integration means that the company is wholly responsible for development, manufacturing, sales and services.

Grifols recognizes the overarching importance of stakeholder engagement toward the success of its business model. For this reason, the company continuously monitors and analyzes its various stakeholder groups to stay abreast of their needs and concerns.



Stakeholders in each phase of Grifols supply chain



BIOSCIENCE DIVISION: A GLOBAL LEADER IN PLASMA-DERIVED THERAPIES

The Bioscience Division is Grifols main business line. Since the company's origins, it has sought to develop and deliver human-plasma proteins that improve the quality of life for patients with potentially life-threatening diseases.

The Bioscience Division encompasses the research and development, production and marketing of plasma derivative products. The main plasma proteins include immunoglobulins, particularly intravenous immunoglobulin (IVIG) to treat immunological disorders; albumin to re-establish and maintain blood volume; factor VIII for the treatment and prophylaxis of hemophilia; and alpha-1 antitrypsin to protect against the deterioration of lung tissues (pulmonary emphysema).

Additionally, Grifols produces other hyperimmune immunoglobulins to treat a variety of medical conditions related to exposure to infectious diseases such as rabies, hepatitis and tetanus.

The Bioscience Division oversees activities related to the production of plasma derivatives for therapeutic use, including the reception, analysis, quarantine, classification, fractionation and purification of plasma and the sale and distribution of end products.

Grifols is present at all levels of the value chain, from plasma collection centers to distribution of the final products. This vertical integration allows the company to leverage its position at every stage and better control the overall process.

In 2016, the Bioscience Division achieved revenues of Euros 3,228.3 million, which represented 79.7% of the company's total net revenue of Euros 4,049.8 million.



**GRIFOLS IS
A LEADING
PRODUCER OF
PLASMA-DERIVED
MEDICINES FOR
THE TREATMENT
OF RARE AND
CHRONIC
CONDITIONS.**

FOR MORE
INFORMATION
ABOUT THE
PLASMA
COLLECTION
PROCESS SEE
CHAPTER 3,
"SAFETY".



UNDERSTANDING THE PROCESS FROM DONOR TO PATIENT

PLASMA COLLECTION



Plasma is the key raw material used in the production of plasma-derived medicines. Grifols owns and operates a network of 171 plasma donor centers in the United States, which receive more than 26,500 plasma donations per day and approximately 8.8 million liters of plasma per year.

All of the plasma donor centers are highly committed to donor and patient safety. Donors undergo annual medical examinations and routine health screenings at each donation to ensure they are qualified.

TRANSPORT AND LOGISTICS



Once plasma has been collected, it is frozen at the collection center and sent to fractionation. The implementation of rigorous safety procedures is an essential part of this process to guarantee the quality and safety of donated plasma.

ANALYSIS AND CONTROL



Each plasma unit undergoes 18 analytical tests to certify the safety and quality of the source plasma. All plasma units that pass initial viral testing must stand for a minimum of 60 days before being released into production.

Grifols maintains the highest safety standards during the manufacturing process, testing the plasma again as an added safety measure.

WHO CAN DONATE?

Not everyone can donate plasma. Candidates must be at least 18 years old, weigh a minimum of 110 pounds (50 kg) and complete a rigorous screening and selection process that begins with a medical examination. At every donation, donors complete a comprehensive health history questionnaire to rule out any who engage in high-risk behaviors or lead unhealthy lifestyles. Vital signs, protein levels and hematocrit are checked at every donation to ensure that the donor is healthy.

“PLASMA DONORS REPRESENT A CROSS-SECTION OF SOCIETY, INCLUDING COLLEGE STUDENTS, MILITARY PERSONNEL, HOMEMAKERS, PROFESSIONALS AND WORKERS.”

Every single plasma unit undergoes a series of analytical tests using highly sensitive techniques, such as ELISA (Enzyme-Linked Immunosorbent Assay) and NAT (Nucleic Amplification Testing). Plasma units undergo 18 tests, among them hepatitis A, B or C, HIV and parvovirus B19. Each batch of plasma units is tested at various points throughout the production process.

GRIFOLS PLASMA-DERIVED MEDICINES ARE A UNIQUE CLASS OF BIOLOGIC THERAPIES REQUIRING A LENGTHY AND COMPLEX MANUFACTURING PROCESS. IT TAKES UP TO 12 MONTHS FROM THE TIME A DONATION IS MADE UNTIL THE MEDICINE IS READY FOR PATIENTS.

HOSPITAL PLASMA HELPS REDUCE HEALTH COSTS

Blood donations can save at least three lives. They provide blood cells for transfusions, leukocytes and platelets for oncological treatments, and plasma. Since hospitals don't require most of this plasma, it can be used to produce plasmatic medicines, which play an essential role in saving lives and improving the health and wellbeing of patients worldwide.

Health administrations in Spain, the Czech Republic, Slovakia and Canada have entrusted Grifols to transform their plasma into medicines in the company's facilities. Grifols doesn't own the plasma, rather it transforms it into medicines that are used exclusively in each country's public health system. This vital service results in a notable cost savings for national health systems.

Although some countries have attained a level of self-sufficiency in terms of blood transfusions, the demand for plasma proteins is considerably higher than the supply, which poses a challenge for the development of plasma-derived medications.

GRIFOLS HAS PROVIDED THIS PUBLIC SERVICE IN SPAIN FOR MORE THAN 30 YEARS THROUGH AN INITIATIVE TITLED *APROVECHAMIENTO INTEGRAL DE PLASMA HOSPITALARIO* (INTEGRAL USE OF HOSPITAL PLASMA).

MANUFACTURING



Once plasma is collected and thoroughly tested, it is fractionated to obtain the individual plasma proteins used in the production of Grifols therapeutic medicines. The fractionation process entails the separation of specific proteins through temperature and pH changes, as well as the use of filtration and centrifugation techniques. The proteins are then individually purified and subjected to a series of viral inactivation and viral-removal steps before being measured out into unit doses and packaged. The fractionation, plasma protein separation, and purification processes take place in Grifols manufacturing sites in the United States (Clayton, North Carolina, and Los Angeles, California) and Spain (Barcelona). Together these centers have a current collective fractionation capacity of 12.5 million liters per year.

TRANSPORT, HOSPITALS,
PHARMACY

This phase involves the distribution of final products from manufacturing facilities to Grifols customers. The company operates its own sales and distribution networks, which are staffed by highly trained professionals who cover nearly all of its markets. Most of Grifols sales in 2016 were made through its own distribution network. This control throughout the supply chain has the added benefit of product traceability.

SAFETY AND EFFICACY



As a further sign of its commitment to patient safety, Grifols closely monitors its products after they have been introduced into the market.

A LEADING MANUFACTURER OF PLASMA-DERIVED MEDICINES FOR TREATING DISEASES AND CONDITIONS IN SEVERAL THERAPEUTIC AREAS

IMMUNOLOGY

Plasma-derived medicines treat primary immune deficiencies, in addition to a rare neurological disorder known as chronic inflammatory demyelination polyneuropathy (CIPD) and provide rapid immune coverage in potentially life threatening situations.

HEMATOLOGY

Plasma-derived medicines treat hemophilia and other bleeding disorders than can damage tissues and organs due to uncontrolled internal bleeding or excessive clotting.

PULMONOLOGY

Alpha-1 antitrypsin deficiency is a genetic condition that can lead to serious lung disease, such as emphysema.

SHOCK, TRAUMA AND BURNS

Plasma-derived medicines can replace lost blood volume and essential blood proteins following trauma, shock and severe burns. It is the first plasma treatment ever produced.

BIOSCIENCE DIVISION KEY PRODUCTS

**IVIG: Gamunex® /
Flebogamma®**

#1 for IVIG
23% market share

therapeutic uses
PID and SID
Idiopathic thrombocytopenic purpura (ITP)
Allogeneic bone marrow transplants
Chronic inflammatory demyelinating polyneuropathy (CIDP)
Kawasaki disease
Guillain Barré Syndrome

**A1P1: Prolastin® /
Trypsone®**

#1 for A1P1
67% market share

therapeutic uses
Emphysema
Chronic obstructive pulmonary disease (COPD)

**Albutein® / Human Albumin
Grifols® / Plasbumin®**

#2 for Albumin
16% market share

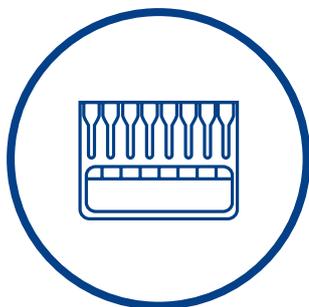
therapeutic uses
Acute setting: Burns, severe blood loss, very low blood pressure
Liver failure (e.g., Cirrhosis)

**Factor VIII: Fandhi® /
Alphante®**

#1 for pdFactor VIII
21% market share

therapeutic uses
Haemophilia A
Von Willebrand Disease
Inhibitor treatment

IN ADDITION TO THE DEVELOPMENT AND SALE OF THE AFOREMENTIONED PRODUCTS, GRIFOLS ALSO COLLABORATES WITH HEALTH ADMINISTRATIONS IN SPAIN, THE CZECH REPUBLIC, SLOVAKIA AND CANADA TO DEVELOP MEDICINES THAT UTILIZE THE PLASMA OBTAINED FROM THE BLOOD DONATIONS IN THEIR COUNTRIES.



**WORLD LEADING
BLOOD AND
PLASMA
SCREENING
SYSTEMS.**

**MORE THAN
75% OF THE US
BLOOD SUPPLY
IS TESTED
WITH GRIFOLS
SYSTEMS.**

**LEADING
SUPPLIER OF
SPECIALIZED
ANTIGENS.**

DIAGNOSTIC DIVISION: LEADER IN TRANSFUSION MEDICINE

Diagnostics greatly contribute to the healthcare field by helping medical practitioners make better decisions. Grifols Diagnostic division manufactures and develops instrumentation, reagents and related products and services for in vitro diagnostic in two main areas: transfusion medicine and specialty diagnostics.

Diagnostic products are aimed at blood banks, transfusion centers, clinical analysis laboratories and hospital immunohematology services. During recent years, Grifols has made important investments in its transfusion medicine line, currently holding 60% of global market share.

Revenues for the Diagnostic division were Euros 663.9 million in 2016, which comprised 16.4% of total net revenue.

Grifols Diagnostic Division focuses on two key areas of specialization: transfusion medicine and specialty diagnostics.

TRANSFUSION MEDICINE

Grifols blood typing and NAT technology products, in addition to its antigens for immunoassay reagents, have positioned it as a clear leader in the transfusion medicine sector.

Grifols offers instrumentation to automate blood-typing techniques and patient-donor blood compatibility tests to process blood-typing cards through the use of column agglutination technology and blood genotyping tests with human genome DNA.

It also offers instrumentation, reagents and NAT technology software (Procleix® NAT Solutions) to detect the presence of infectious agents in blood or plasma donations. Finally, it manufactures and supplies antigens for the manufacture of diagnostic immunology reagents by other companies.

SUPPORTING DECISION-MAKING ACROSS THE HEALTHCARE CONTINUUM

PREVENTION / SCREENING

Blood and plasma infectious disease screening
Donor and patient blood compatibility typing
Blood bags, instruments, and supplies
for blood collection and separation
Antigen manufacturing

DIAGNOSIS

Infectious disease
Autoimmunity
Neurodegenerative
Antigen manufacturing

DIAGNOSTIC DIVISION KEY PRODUCTS

Blood Collection Systems**STRONG** POSITION IN SPAIN AND LATAM

>>>

Blood bags
Separators
Blood management software

Nucleic Acid Testing (NAT) solutions**C. 60%** MARKET SHARE GLOBALLY (79% IN THE U.S. AND 68% IN APAC)

>>>

Instruments: Procleix NAT Solutions
Procleix Assay Family
Pipeline: Zika, Babesia

Blood typing / Immunohematology**9%** MARKET SHARE GLOBALLY, GROWING DOUBLE-DIGIT

>>>

Instruments
- Manual, semi-automated and automated

Gels
- Gel cards
- Red Blood Cells & Antisera

Serology / Immuno-assayMARKET **LEADING** POSITION

>>>

Instruments (JB with OCD)
- Summit System
- VITROS instrument

Assays
- HCV and HIV antigens
- Pipeline: New HIV combo for VITROS platform

SPECIALTY DIAGNOSTICS

Grifols specializes in the immunological diagnostics of infectious and autoimmune diseases using ELISA techniques based on antigen-antibody reactions.

The company also offers products for the laboratory reagents sector designed to help monitor patients who are being treated with biological medicines for illnesses like rheumatoid arthritis and other chronic, inflammatory conditions. Additionally, Grifols has a range of products for the hemostasis and coagulation sector, including instrumentation, software applications and an extensive range of reagents.

Grifols is the only company that delivers integrated solutions for blood and plasma donor centers, controlling the entire value chain, from donation to transfusion.

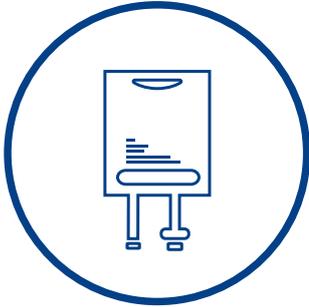
Most of Grifols instrument analyzers are assembled at the Barcelona facility. The Emeryville, California facility manufactures antigens, whereas as blood bags are made in the Murcia, Spain facility, which has an estimated capacity of nine million blood bags per year. Grifols also offers products developed by third parties that complement its portfolio.

PROGNOSIS

Blood clotting and thrombosis risk

TREATMENT / MONITORING

Transfusion component and process tracking and traceability
Autoimmunity testing
Biological drug monitoring
Treatment monitoring for blood thinner



**MARKET LEADER
IN HOSPITAL
PHARMACY
LOGISTICS
SOLUTIONS IN
SPAIN AND LATIN
AMERICA AND
EXPANDING
PRESENCE IN THE
UNITED STATES.**

HOSPITAL DIVISION: SERVING THE NEEDS OF HOSPITAL PHARMACY

Grifols professional relationship with hospitals forms an important part of the company's history. Grifols supplies hospital pharmacies with standard parenteral solutions for intravenous therapy and products for clinical nutrition, as well as a wide variety of sterile products and medical devices to hospitals.

Grifols also provides technological warehousing and logistics platforms for hospital administration and commercial products produced by third parties that complement its own product line. The main facilities for hospital division products are located in Spain.

In 2016, the Hospital Division reported revenues of Euros 98.6 million, which comprised 2.4% of the firm's total net revenue.

Grifols hospital systems are designed to ensure that patients receive safe, high-quality healthcare. Areas of expertise:

INTRAVENOUS SOLUTIONS

Grifols offers hospital pharmacy services a range of intravenously administered therapeutic solutions aimed at maintain or restoring fluid and electrolyte balance in patients.

PHARMATECH

The Grifols model for the integrated management of medicines encompasses a broad range of high-tech products that address every stage of the medication process, from the central pharmacy to bedside administration. This model ensures maximum quality and safety of patient care and comprises two main lines:

- Hospital logistics: Systems to automate the preparation and identification of medicines in hospital units and automate the control of stocks of medicines and health material on the ward.
- Intravenous Tools: Systems for the preparation of intravenous solutions under sterile conditions.

UNDERSTANDING THE PROCESS

COMPONENTS SUPPLIES



Supplies purchase and storage:
Raw materials selection and sourcing.
Purchase and storage.

MANUFACTURING



Grifols develops intravenous solutions, sterile solutions and other healthcare products. Grifols operates two production plants, located in Torres de Cotillas (Murcia) and in Parets del Vallés (Barcelona).

RESEARCH & DEVELOPMENT



CLINICAL NUTRITION

Clinical nutrition directly impacts patients' quality of life and plays an important role in their recovery. Grifols produces special diets and formulations for parenteral and enteral nutrition.

MEDICAL DEVICES FOR INTERVENTIONAL THERAPY

This line includes advanced instrumentation, medical devices and disposable material for a range of hospital services, including hemodynamics, urology, anesthesiology and cardiovascular surgery.

TRANSPORT, MARKETING, REGULATORY



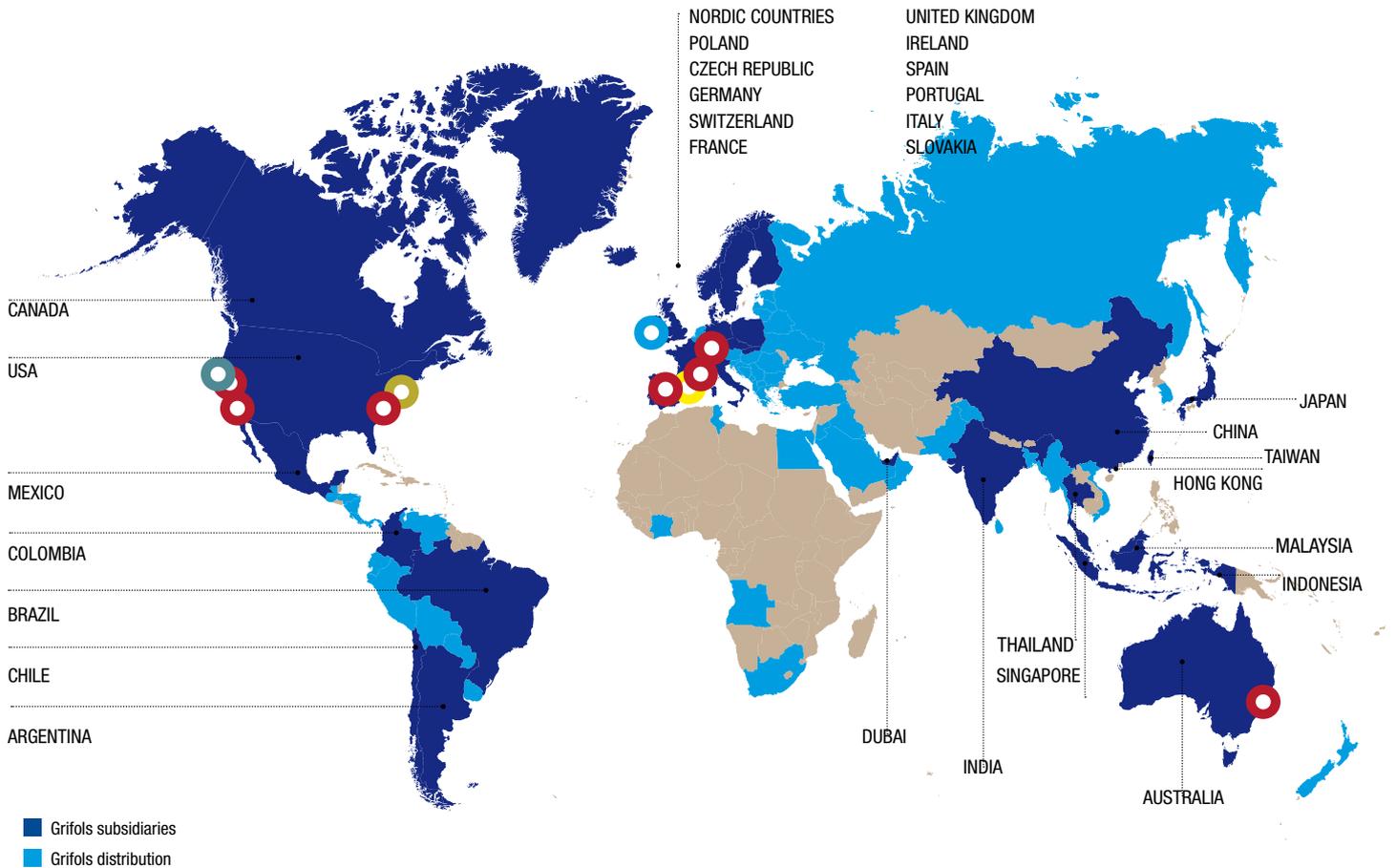
Transport to hospital pharmacies, clinics, blood banks, etc.
Marketing and sales
Pricing
Regulatory

SAFETY AND EFFICACY



Grifols further maintains its commitment to patient safety by keeping a close watch over its products after they have been introduced into the market.

GRIFOLS AROUND THE WORLD



- 7 Manufacturing Centres: Los Angeles (USA), Clayton (USA), Emeryville (USA), Murcia (Spain), Barcelona (Spain), Düdinguen (Switzerland), Melbourne (Australia)
- Corporate Headquarters / Hospital Headquarters (also Manufacturing): Barcelona (Spain)
- Bioscience Headquarters (also Manufacturing): Research Triangle Park (USA)
- Diagnostic Headquarters (also Manufacturing): Emeryville (USA)
- Bioscience Global Operations: Dublin (Ireland)

GRIFOLS OPERATIONS SPAN THE GLOBE, WITH A DISTRIBUTOR NETWORK IN 100 COUNTRIES AND SUBSIDIARIES IN 30. IT HAS THE INFRASTRUCTURE TO MEET THE NEEDS OF PATIENTS AND CUSTOMERS WORLDWIDE. THE MAJORITY OF THE FACILITIES ARE LOCATED IN THE U.S. AND SPAIN

Grifols recently expanded its global footprint by establishing new operations in Ireland and Dubai.

GRIFOLS IN IRELAND

A core element of the company's expansion plan, the recently inaugurated Dublin facility serves as the global logistics and distribution hub of the Bioscience Division:

- Central warehouse for all plasma from the United States, equipped with quality control laboratories and a storage capacity for up to 1,150 pallets at minus 30 degrees Celsius.
- Central warehouse for intermediate and finished products, with a storage capacity for up to 3,000 pallets at 5 degrees Celsius.
- Central operations hub for labeling, packing, final conditioning and distribution of finished plasma products to Grifols entire network of commercial subsidiaries and global distributors, with the exception of Spain and the United States. The site has four labeling and packing lines to ensure an optimal flow of goods.

The Grifols Worldwide Operations facility serves as the decision-making nexus for the Bioscience Division, overseeing commercial policies, R&D and supply chain. In addition, it is responsible for activities related to regulatory and quality of the supply of plasma and plasma derivatives, as well as administrative and commercial tasks.

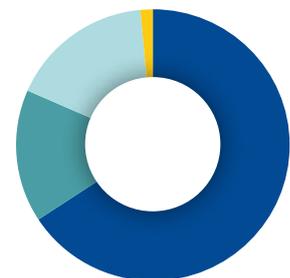
As part of its expanding Bioscience operations, Grifols plans to build a new purification plant for albumin at the Dublin facility, with a production capacity of 130-150 million grams/year.

GRIFOLS IN DUBAI

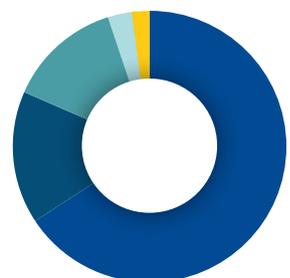
Grifols opened a training center in Dubai in September 2016 with the aim of deepening its presence in the Middle East and Africa. The center offers training programs to laboratory technicians, engineers and industry specialists on Grifols transfusion and clinical diagnostics products, as well as laboratory best practices.

Through this endeavor, the company aspires to strengthen its partnerships with customers and healthcare providers and promote growth of the Diagnostic division in the region.

SALES BY GEOGRAPHY⁽¹⁾



SALES BY DIVISION⁽¹⁾

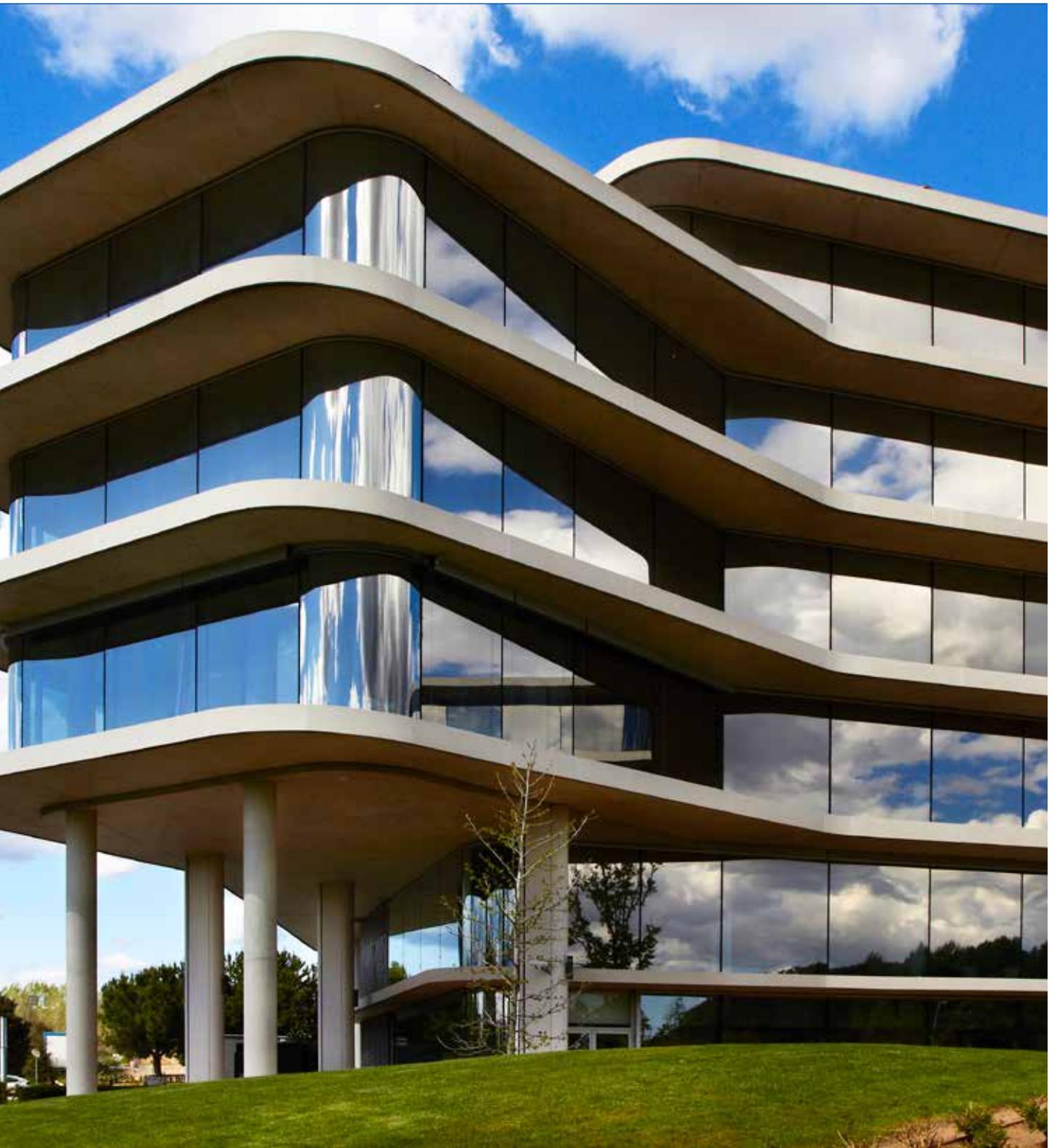


1. Revenue breakdown based on FY 2016A

2. CORPORATE GOVERNANCE

A ROBUST CORPORATE GOVERNANCE FRAMEWORK IS CRITICAL IN TODAY'S BUSINESS CLIMATE, IN WHICH INVESTOR AND PUBLIC CONFIDENCE IS NO LONGER SHAPED SOLELY BY COMPANIES' FINANCIAL PERFORMANCE OR THE QUALITY OF THEIR PRODUCTS AND SERVICES.

GRIFOLS IS A GLOBAL COMPANY WITH AN INTERNATIONAL SHAREHOLDER BASE THAT CONSIDERS SOUND CORPORATE GOVERNANCE ESSENTIAL TO CREATE LONG-TERM VALUE, BUILD TRUST AND GAIN ACCESS TO CAPITAL.



CORPORATE GOVERNANCE

**GRIFOLS
CONDUCTS ITS
BUSINESS WITH
THE UTMOST
INTEGRITY AND
HONESTY, WHILE
ADHERING TO
THE HIGHEST
ETHICAL
STANDARDS,
IN ORDER TO
SECURE A SOLID
CORPORATE
GOVERNANCE
STRUCTURE AND
ENSURE THAT IT
COMPLIES WITH
ALL APPLICABLE
LAWS AND
REGULATIONS.**

Grifols is a global company with an international shareholder base that considers sound corporate governance essential to create long-term value, build trust and gain access to capital.

Grifols conducts its business with the utmost integrity and honesty, while adhering to the highest ethical standards, in order to secure a solid corporate governance structure and ensure that it complies with all applicable laws and regulations. To this end, Grifols fulfills all relevant corporate governance requirements, particularly those in countries where the company operates or trades on the national stock exchange.

Grifols Holding Company is incorporated in Spain. Under Spanish law, the company must prepare and publish an Annual Report on Corporate Governance, as well as an Annual Report on Board Members' Remuneration. In addition, Grifols must adhere to the regulations established in the Spanish Companies Act regarding the "Audit Committee" and "Appointments and Remuneration Committee" of its corporate board.

As a foreign private issuer with securities listed in the United States, Grifols must also comply with the relevant requirements of the U.S. Securities and Exchange Commission (SEC), the applicable NASDAQ Corporate Governance Standards and the U.S. Sarbanes-Oxley Act of 2002.

Grifols has an Internal Code of Conduct on matters related to stock markets that fulfills, among other legislation, the rules established in the Spanish Restated Securities Markets Law and the EU regulation on market abuse. Also observed are policies governing Communication with Financial Market Participants, Grifols Corporate Social Responsibility and a Corporate Tax policy approved by the Board of Directors.

TO ACCESS
THESE
DOCUMENTS,
PLEASE VISIT
THE GRIFOLS
WEBSITE



GOVERNANCE STRUCTURE

SHAREHOLDERS GENERAL MEETING

BOARD OF DIRECTORS

AUDIT COMMITTEE

APPOINTMENTS AND
REMUNERATION
COMMITTEE

SENIOR MANAGEMENT

GRIFOLS HOLDING COMPANY IS INCORPORATED IN SPAIN AND IT IS ALSO A FOREIGN PRIVATE ISSUER IN THE U.S.

GRIFOLS COMPLIES WITH THE RELEVANT REQUIREMENTS OF THE SPANISH AND THE U.S. AUTHORITIES.

SHAREHOLDERS GENERAL MEETING

The Shareholders General Meeting represents all shareholders and serves as the company's decision-making body on all matters within its competence.

Information on the competencies of the General Shareholders' Meeting and details on the last Annual General Shareholders Meeting may be found on the Grifols website: <https://www.grifols.com/es/web/international/annual-general-meeting-2016>

COMMITTEE MEMBERS, AND PARTICULARLY ITS CHAIRPERSON, HAVE BEEN APPOINTED BASED ON THEIR KNOWLEDGE AND EXPERIENCE IN ACCOUNTING, AUDIT AND RISK MANAGEMENT MATTERS.

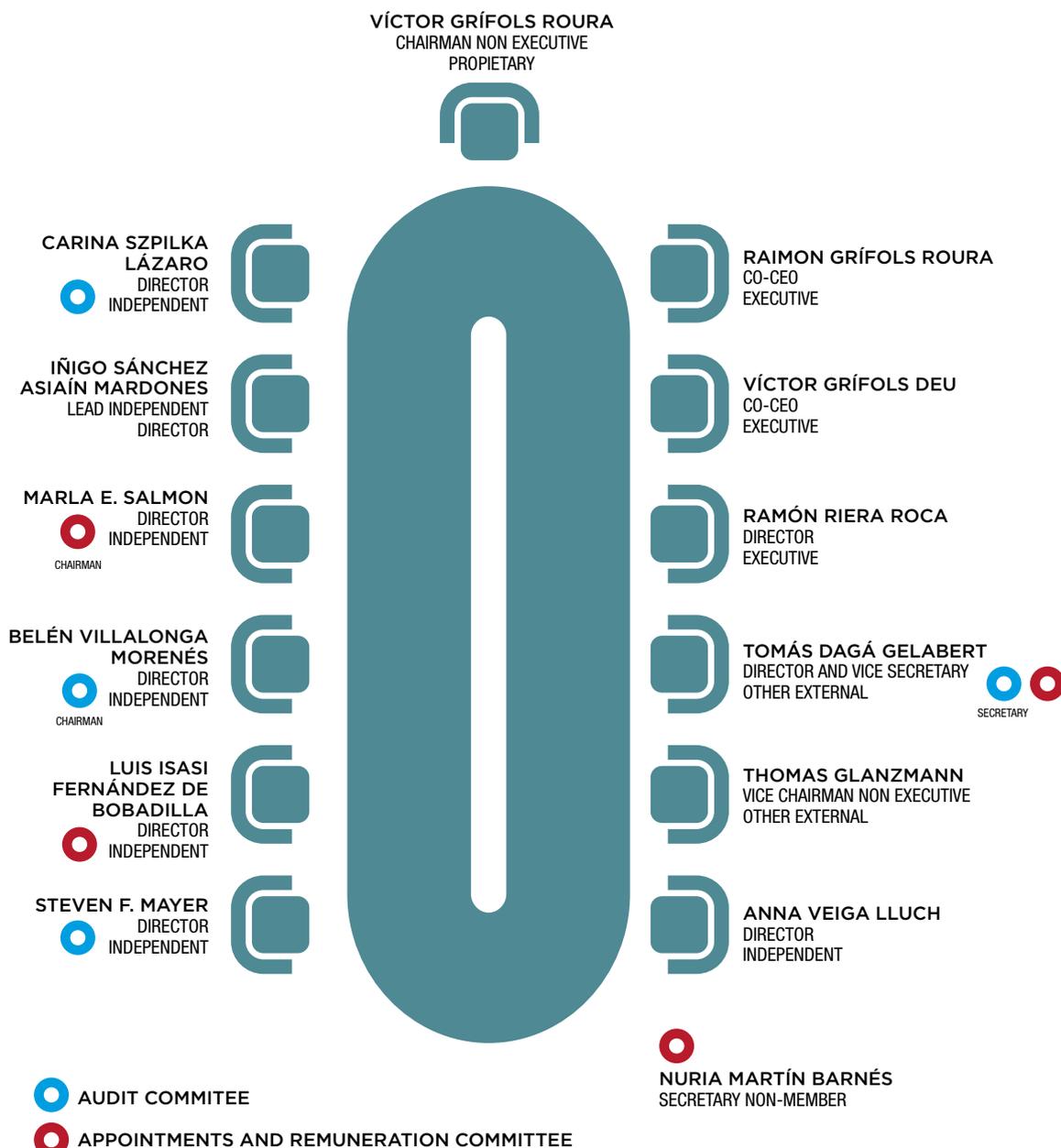
BOARD OF DIRECTORS

With the exception of matters under the competence of the General Shareholders Meeting, the Board of Directors is the company's highest decision-making body.

As the core of its duties, the Board approves the company's strategy and necessary organization for its implementation, as well as supervises and monitors corporate management to ensure it advocates the company's objectives and interests and those of its stakeholders.

At the close of 2015, the company announced the succession plan proposed by Víctor Grífols Roura and approved by Grifols Board of Directors. The following year served as a transition period to facilitate an orderly, organized and transparent handover. In 2017, Grifols completed the succession plan, which transferred executive responsibilities to Raimon Grífols Roura and Víctor Grífols Deu as joint CEOs and determined the continued presence of Víctor Grífols Roura as non-executive Chairman of the Board of Directors.

The Board of Directors currently comprises 13 members:



FOR MORE INFORMATION ON THE BOARD OF DIRECTORS, PLEASE VISIT THE GRIFOLS WEBSITE

ROLE OF THE LEAD INDEPENDENT DIRECTOR

In alignment of best practices in corporate governance, as of January 2017 the functions of Chairman and Chief Executive Officer are separate, with a clear division of responsibilities for each role. The non-executive Chairman provides overall leadership of the Board and ensures that it performs effectively. It is also the Chairman's role to preside over general meetings. The co-Chief Executive Officers are jointly responsible for the execution of the strategic direction, which is approved by the Board through the delegation of authority.

Beyond legal requirements, the Grifols Board of Directors decided to maintain the role of the Lead Independent Director to further safeguard independence in the control and management of the company

BOARD COMMITTEES

The company has an Audit Committee and an Appointments and Remuneration Committee. Each includes three to five directors who are appointed by the Board based on their knowledge, competence and experience in committee matters.

All Committee members are exclusively non-executive directors and a minimum of two directors must be independent. The Chairperson in both committees is also an independent director.

• AUDIT COMMITTEE

The responsibilities of the Audit Committee include reporting to shareholders at the General Shareholder Meetings on matters within its competence; advising and providing assistance to the Board of Directors on all issues concerning external audit and its independence; monitoring internal control systems; and reviewing periodic financial statements. It is also in charge of overseeing compliance with the Company's internal rules of governance. The Audit Committee issues an annual written opinion on the independence of the auditors, as well as an Annual Report on the functioning of the Committee.

Committee members, and particularly its chairperson, have been appointed based on their knowledge and experience in accounting, audit and risk management matters.

• APPOINTMENTS AND REMUNERATION COMMITTEE

The responsibilities of the Appointments and Remuneration Committee include assisting, reporting and making proposals to the Board on the selection, appointment, re-election or removal of Board members, including its Secretary, Vice-Secretary and members of its senior management team. In addition, the Committee proposes and periodically reviews the remuneration policy of directors and top-level management, and approves the Annual Remuneration Report. It also reports on transactions in which directors may have a conflict of interest.

**GRIFOLS
REINFORCES
ITS CORPORATE
GOVERNANCE
BY MAINTAINING
THE ROLE
OF LEAD
INDEPENDENT
DIRECTOR.**

GENDER DIVERSITY: 31% OF GRIFOLS DIRECTORS ARE WOMEN, WHICH EXCEEDS THE 2020 RECOMMENDED TARGET SET BY THE CNMV (NATIONAL SECURITIES MARKET COMMISSION) TO BOLSTER FEMALE PRESENCE ON CORPORATE BOARDS.

**INDEPENDENT DIRECTORS
>50%**

CORPORATE POLICIES

Grifols Corporate Policies are approved by the Board of Directors:

- **Corporate Social Responsibility**

It establishes the primary corporate social responsibility principles and commitments of the Group, as well as serves as the keystone of social responsibility actions within the Grifols business model. The following principles guide the CSR policy:

- Integrity and transparency
- Compliance with regulations and prevention of unlawful conduct
- Commitment with the environment
- Security and health
- Social commitment

- **Communication with Financial Market Participants**

Grifols vision and corporate values underpin all communications with shareholders, institutional investors and proxy advisors. Interactions with shareholders are based on transparency, veracity and equality in the distribution of information and treatment of all parties involved. The policy also establishes communication tools and channels to ensure an efficient flow of information between the company and its shareholders, investors and other financial market participants.

- **Fiscal Policy and Best Practices**

Grifols corporate tax strategy demands rigorous compliance with the tax regulations in force in each of the countries where it operates, guided by the tenets of responsible taxation, prudence and collaboration with administrations. Grifols considers this a cornerstone of its Corporate Social Responsibility efforts and economic and social contributions to the community.

The fulfillment of the applicable tax regulations is not limited to timely and strict compliance with the laws of each jurisdiction; Grifols also incorporates international tax principles set forth by institutions like the European Union and OECD Committee on Tax Matters into its tax strategy.

Grifols has no presence in territories that qualify as tax havens, and its commercial operations with third parties based in such territories, or any others, are carried out as part of its ordinary industrial and commercial activities. In line with the international taxation principles and recommendations of the OECD's Committee on Tax Matters, Grifols rejects the artificial shifting of results to such territories or taking advantage of information opacity that such territories may offer. Grifols considers transparency an essential element of its fiscal policy.

- **Internal Code of Conduct in matters relating to Stock Markets**

This Internal Code of Conduct encourages transparency with relation to the development of Grifols activities. In this regard, it establishes norms of conduct and action criteria relating to the securities markets, which must be followed by the parties concerned, as well as relating to the handling, use and disclosure of insider information, relevant information and confidential documents.

Grifols implemented a new system to record, monitor and inform concerned parties of their obligations concerning the transaction of Grifols securities, treatment of insider and relevant information, and handling of confidential documents. The Audit Committee oversees the compliance of this internal Code of Conduct.

FOR MORE INFORMATION ON GRIFOLS CORPORATE POLICIES, PLEASE VISIT THE GRIFOLS WEBSITE



SENIOR MANAGEMENT

The main responsibility of the senior management team is to manage the company in accordance with the strategy approved by the Board, including the pursuit of long-term growth and value creation for stakeholders, while simultaneously maintaining effective risk management structures and robust internal controls.

Grifols senior management currently comprises the following members:

| Name | Age | Title | Since |
|---------------------------------------|-----|--|-------|
| Raimon Grífols Roura | 53 | Co-CEO | 2017 |
| Victor Grífols Deu | 40 | Co-CEO | 2017 |
| Ramón Riera Roca | 62 | EVP and President of Global Commercial Division | 1988 |
| Alfredo Arroyo Guerra | 59 | Corporate Vice President (“CVP”) and Chief Financial Officer | 2007 |
| Carlos Roura Fernández | 65 | Chief Industrial Officer | 1987 |
| Montserrat Lloveras Calvo | 55 | CVP and Director of Corporate Accounting and Reporting | 1991 |
| Vicente Blanquer Torre | 56 | CVP Quality & R&D | 1993 |
| Mateo Florencio Borrás Humbert | 61 | CVP and Director of Global Human Resources | 2008 |
| Francisco Javier Jorba Ribes | 66 | CVP and President of Biological Industrial Group | 1995 |
| Gregory Gene Rich | 65 | CVP and President and Chief Executive Officer of Grifols Shared Services North America, Inc. | 2001 |
| David Ian Bell | 62 | CVP and General Counsel of Grifols Shared Services North America, Inc. | 2003 |
| Nuria Pascual Lapeña | 53 | CVP Treasury, Risk Management and IRO | 1997 |
| Shinji Wada | 59 | CVP and President of Plasma Operations of Grifols Shared Services North America, Inc. | 2003 |
| Lafmin Morgan | 52 | President of the Bioscience and Hospital division | 2014 |
| Carsten Schroeder | 51 | President of the Diagnostic Division | 2014 |
| Juan Ignacio Twose Roura | 71 | Member of the Advisory Committee | 2015 |

Grifols boasts an experienced senior management team, including several executive officers with more than 30 years of experience. The management team has a proven track record of identifying opportunities and executing and integrating acquisitions, which have been instrumental in transforming the company into a global healthcare player.

GRIFOLS BOASTS AN EXPERIENCED SENIOR MANAGEMENT TEAM, INCLUDING SEVERAL EXECUTIVE OFFICERS WITH MORE THAN 30 YEARS OF EXPERIENCE.

EXPERIENCE

>30 YEARS

THE COMPANY'S RISK MANAGEMENT SYSTEMS AND POLICIES ARE DESIGNED TO IDENTIFY, LIMIT AND MONITOR ALL POTENTIAL RISKS APPLICABLE TO ALL THE COMPANIES WITHIN THE GROUP.

RISK MANAGEMENT

The Board of Directors approves risk control and management policy and oversees periodic monitoring of internal information and control systems. The company's risk management systems and policies are designed to identify, limit and monitor all potential risks applicable to all the companies within the Group. The framework is designed to mitigate risk, including reputational damage, through the implementation of a strict company-wide control environment.

Risk management policies and procedures are reviewed and updated regularly to reflect variations in the Group's activities and changes in market conditions.

The main functions of risk management are:

- Identification and evaluation of relevant risks.
- Definition, application and regulatory development of corporate risk management policies.
- Implementation of the processes required to ensure proper control and fulfillment of the aforementioned corporate risk management policies.

The risk management model incorporates three lines of defense:

| FIRTS LINE | SECOND LINE | THIRD LINE |
|---|---|--|
| BUSINESS | RISK MANAGEMENT & INTERNAL CONTROL | INTERNAL AUDIT |
| Manage risks on a daily basis and provide assurance regarding the effectiveness of controls | Steer, monitor and support line management in terms of managing risks and developing and mantining an adequate internal control framework | Conduct audits and test the internal control systems to provide additional assurance regarding the effectiveness of controls |

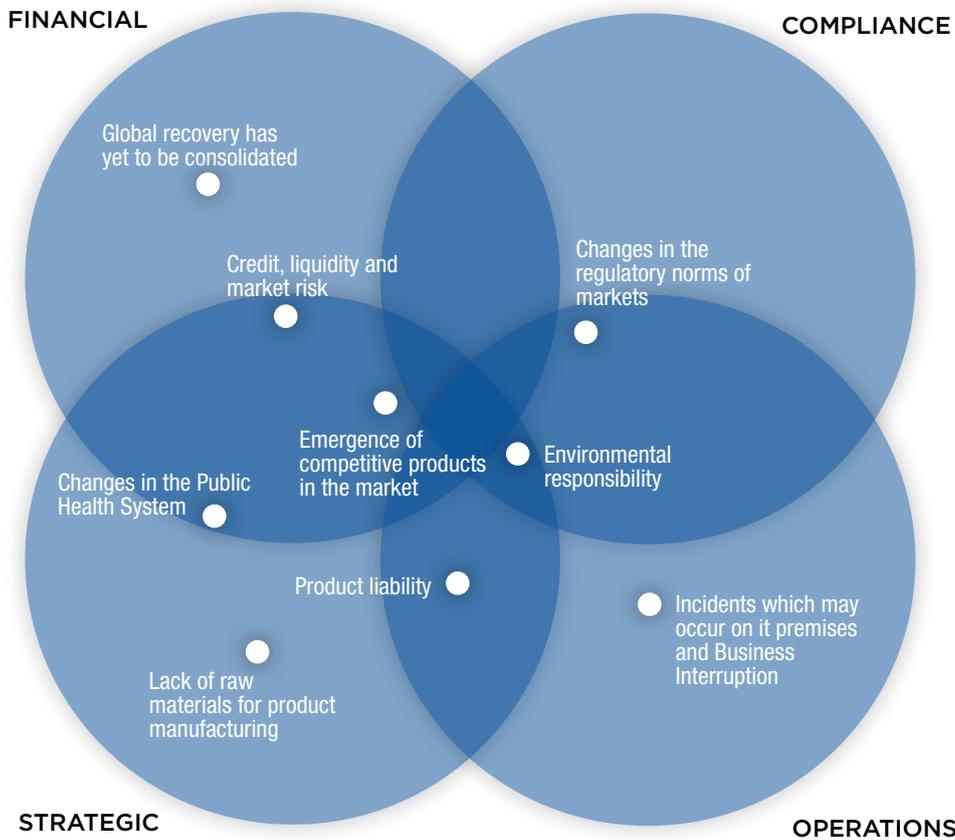


The Audit Committee monitors the efficiency of the company's internal control, internal audit and risk management systems. Regular system reviews allow the committee to identify and address principal risks.

The Internal Audit Department assists the Audit Committee in the following functions:

- Provides a guarantee in relation to risk management processes and the correct evaluation of the same, and
- Evaluates risk management processes, including the supervision of controls and procedures.

The main risk factors are:



GRIFOLS RISK MANAGEMENT MODEL INCORPORATES THREE LINES OF DEFENSE TO ENTIRELY RESPOND TO THE MAIN RISK FACTOR RELATED TO FINANCIAL, COMPLIANCE, STRATEGIC AND OPERATIONS.

3. GRIFOLS CORPORATE VALUES

THE GRIFOLS CORPORATE VALUES DEFINE ALL ABOUT OUR ATTITUDE TOWARD BUSINESS. THEY HAVE MADE US WHO WE ARE TODAY: PRIDE, SAFETY, EFFORT, COMMITMENT EXCELLENCE, TEAMWORK, INNOVATION AND IMPROVEMENT FORM THE BEDROCK OF OUR ORGANIZATION, SHAPE OUR CORPORATE IDENTITY AND INSPIRE US ON A DAILY BASIS.

THESE VALUES MANIFEST THEMSELVES IN GRIFOLS OPERATIONS AND THE FOLLOWING CHAPTERS EXPLORE DIVERSE CORPORATE AREAS AND THE UNDERLYING VALUES THAT ENABLE THEM TO ACHIEVE BREAKTHROUGH PERFORMANCE.



GRIFOLS

CORPORATE VALUES

THESE COMMON VALUES FORM THE BEDROCK OF OUR ORGANIZATION, SHAPE OUR CORPORATE IDENTITY AND INSPIRE US ON A DAILY BASIS.

The Grifols Corporate Values are all about our attitude toward business. It's a way of doing things and of relating to each other and the outside world that has made us into the company we are today.

As a company committed to serving people, we aspire to hire and retain the very best talent, and create a dynamic, energetic organization that offers excellent growth opportunities on both corporate and individual levels. Our day-to-day corporate culture reflects the Grifols Corporate Values, which are defined by:



These common values form the bedrock of our organization, shape our corporate identity and inspire us on a daily basis.

This document examines how these values manifest themselves in Grifols operations. The following chapters explore diverse corporate areas and the underlying values that enable them to achieve breakthrough performance.

CORPORATE VALUE

GRIFOLS COMMITMENT

PRIDE



Ethics
Transparency & Compliance

SAFETY



Safety and quality
along the value chain
Safety & quality

EFFORT



Economic performance

COMMITMENT



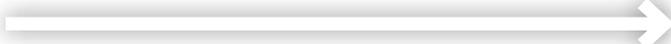
Social engagement

EXCELLENCE



Environmental management

TEAMWORK



Employment

INNOVATION AND IMPROVEMENT



Innovation

THIS REPORT IS AN EXERCISE IN TRANSPARENCY TO SPOTLIGHT THE IMPACT OF GRIFOLS DECISIONS AND ACTIONS ON OUR COMMUNITIES, EMPLOYEES, ENVIRONMENT AND OTHER STAKEHOLDERS. IT ALSO AIMS TO REFLECT HOW THE COMPANY INCORPORATES COMMUNITY INTERESTS INTO OUR PROCESSES, WITH THE OVERRIDING OBJECTIVE OF CREATING VALUE FOR ALL OF OUR STAKEHOLDERS.

2016 HIGHLIGHTS

PRIDE

- Voluntary adoption and implementation of the new EFPIA Disclosure Code.
- Grifols anti-corruption policies and procedures were communicated to 16 governance body members, comprising 66% of the Board of Directors, management board members and executive committee members.

SAFETY

- The Grifols PediGri® system provides total traceability of plasma-derived products, from donation to final product. Aimed at healthcare professionals, this service is offered for all products manufactured in our facilities in Barcelona, Clayton and Los Angeles.
- More than 400 compliance audits were undertaken at Grifols plasma centers, testing laboratories, manufacturing facilities, warehouses and logistic companies with excellent results on safety or quality.

EFFORT

- Revenues exceeded Euros 4,000 million for the first time, driven by 6.6% growth at constant currency of the Bioscience Division and net profit increases of 2.5%, to Euros 545.5 million.
- More than Euros 268 million allocated to capital investments (CAPEX) and Euros 219.9 million invested in R&D.
- Grifols created Euros 4,062.1 million in added value and shared Euros 3,697.5 million in added value to society.

COMMITMENT

- Investments of Euros 24 million in 2016 toward community initiatives, including Euros 11.5 million for the non-profit Ebola project in Liberia over the last 2 years.
- Grifols continued advocacy efforts to advance patient access to healthcare and treatments, including plasma therapies.

EXCELLENCE

- The 2014-2016 Environmental Program met 80% of its targets in industrial plants in Spain and the United States.
- More than half of Grifols total production is manufactured in ISO14001-certified plants.

TEAMWORK

- Over the last six years, Grifols has more than doubled the size of its workforce, which currently includes 14,877 employees.
- Grifols is committed to diversity: women comprise 54.21% of its team.

INNOVATION AND IMPROVEMENT

- Last patient enrolled in AMBAR (Alzheimer's Management by Albumin Replacement Study), which aims to stabilize Alzheimer's disease. Intermediate results have demonstrated the tolerability and safety of the treatment.
- In 2013, 2014, 2015 and 2016, *Forbes* magazine recognized Grifols among the world's top 100 innovative companies. As a recognized leader in innovation, Grifols continuously redefines the concept of plasma therapeutics and explores new industry platforms.



GRIFOLS

GRIFOLS IS BUILT BY THE PEOPLE WHO WORK HERE

PRIDE

“WE ARE PROUD TO BE PART OF A COMPANY WHERE DECISION-MAKING IS BASED ON HONESTY AND WHERE WE FULLY IDENTIFY WITH CORPORATE VALUES. GRIFOLS SOLID REPUTATION IN THE MARKET AND IN SOCIETY REFLECTS OF THIS SENSE OF RESPONSIBILITY, WHICH IS CENTRAL TO OUR DECISIONS.”

2016 HIGHLIGHTS

ADOPTION

EFPIA

Voluntary adoption and implementation of the new European Federation of Pharmaceutical Industries and Associations (EFPIA) Disclosure Code.

GRIFOLS ANTI-CORRUPTION POLICIES AND PROCEDURES

COMMUNICATION

Grifols anti-corruption policies and procedures were communicated to 16 governance body members, comprising 66% of the Board of Directors, Management Board members and Executive Committee member.

**AT GRIFOLS,
HONESTY,
ETHICS,
TRANSPARENCY,
COMPLIANCE
AND INTEGRITY
START AT THE
TOP.**

At Grifols, honesty, ethics, transparency, compliance and integrity start at the top: since the company's creation, its founders, Board of Directors and executive teams have always strived to lead by example.

The aim of Grifols Corporate Policies, approved by the Board of Directors, is to instill these values throughout the company and implement measures that surpass legal requirements. Please see "Chapter 2: Corporate Governance" for more details on these policies.

The Code of Conduct, Code of Ethics for Grifols Executives and Anti-Corruption Policy form part of the compliance program. The program is complemented by other policies and procedures that address specific legal and compliance risk areas, as well as country-specific requirements.

THE GRIFOLS CODE OF CONDUCT: ABOVE AND BEYOND LEGAL REQUIREMENTS

Grifols has always aimed to achieve the highest standards of quality, integrity and safety in all areas, exceeding existing legal requirements and embracing the ethical values that define the Grifols corporate values.

In addition to compliance, Grifols follows certain basic principles that support its core ethical values. These basic principles are outlined in the Code of Conduct, which applies to all Grifols directors, officers, employees and affiliates around the world. The Code of Conduct establishes guidelines for all Grifols employees in their diverse roles, as well as in their professional relations with third parties and fellow employees.

CORNERSTONES OF THE GRIFOLS CODE OF CONDUCT

1

Compliance

2

Respect for Others

3

Environment, Health and Safety

4

Product Safety

5

Data Protection and Privacy

6

Dishonesty, Fraud and Corruption

7

Conflicts of Interest

8

Respect for Free Competition

9

Compliance with Customs and International Trade Control Regulations

10

Reliability of Financial Information and Disclosure

11

Improper Use of Privileged Information

12

Transparency in Financial Transactions

13

Appropriate Use and Protection of Assets

14

Compliance Training and Response to Violations

15

Seeking Advice, Raising Concerns and Reporting Misconduct

PLEASE SEE
"CHAPTER 2:
CORPORATE
GOVERNANCE"
FOR MORE
DETAILS
ON THESE
POLICIES



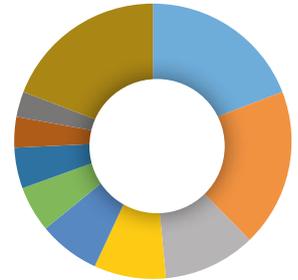
The Code of Conduct encourages employees to use the Grifols Ethics Helpline (<http://grifols.ethicspoint.com>) to anonymously report any concerns of non-compliance or misconduct. All allegations submitted follow explicit steps to investigate, resolve and conclude the report, as outlined in the Investigation Standard Operation Procedure.

In order to ensure the correct functioning of the process, Grifols designated an Ethics Helpline Ombudsperson to review allegations, determine whether they warrant an investigation, and ensure that compliance-related allegations and complaints are properly routed and investigated.

The Grifols Ethics Helpline received 167 calls in 2016, which denoted a 7% decrease compared to the previous year. The number of calls received from outside the United States and Canada doubled during this time period. The latter figure reflects the company's active efforts to encourage organization-wide usage of the Ethics Helpline in all of the countries where it operates. Of the calls received, none pertained to financial reporting or issues related to anti-bribery laws.

Grifols does not tolerate retaliation of any kind against those who, in good faith report, a violation of applicable laws, rules and regulations, or internal policies and procedures. Retaliation may result in disciplinary action, including termination.

2016 GRIFOLS ETHICS HELPLINE CALLS



Reported matters:

- Workplace harassment 19%
- Other/ general concern 19%
- Misconduct or inappropriate behavior 11%
- Improper employment or disciplinary action⁽¹⁾ 8%
- Failure to comply with quality, regulatory or manufacturing standards 7%
- Discrimination 5%
- Sexual harassment 5%
- Conflict of interest 4%
- Safety, health and environment 3%
- Others 19%

1. Employment decisions or disciplinary actions unrelated to job performance, changes in business needs or other business-related decisions



THE CODE OF CONDUCT, LAST UPDATED IN 2015, IS AVAILABLE ON THE CORPORATE WEBSITE



GRIFOLS ETHICS HELPLINE



THE GRIFOLS GROUP DRAFTED A CODE OF ETHICS THAT GOVERNS EMPLOYEES AND COLLABORATORS TO MAKE SURE THE COMPANY NEVER LOSES SIGHT OF ITS CORPORATE ETHOS.

THE GRIFOLS CODE OF ETHICS FOR GRIFOLS DIRECTORS AND EXECUTIVES

Since its origins, Grifols has been guided by an unwritten philosophy and spirit of ethics that places the safety and efficacy of its products as its foremost priority. Beyond economic criteria, the company has always aspired to produce and distribute the highest-quality products for global patients and healthcare providers.

The Grifols group drafted a Code of Ethics that governs employees and collaborators to make sure the company never loses sight of its corporate ethos. Although the Code applies to employees across the organization, it is especially pertinent for those whose decisions directly impact corporate activities, such as board members and executives. In these cases, employees sign the Code every year.

THE GRIFOLS COMPLIANCE FUNCTION

Grifols is a global company with a broad international presence that is wholly committed to compliance with all applicable laws, rules and regulations. Moreover, the company adheres to the highest standards of ethical conduct in all of the countries where it operates.

The compliance program includes policies and procedures designed to support anti-corruption compliance and promote ethical conduct throughout the group.

Compliance concerns everyone in the company. For this reason, Grifols relies on its Compliance Function — comprised by several parties — to ensure that all members comply with the program.



Within the Grifols group, a Global Chief Compliance Officer (GCCO) heads the compliance domain. The GCCO reports to the Board of Directors through the Audit Committee and ensures that the company complies with all policies, laws, rules and regulations pertaining to anti-corruption and the prevention of unlawful conduct.

In order to effectively manage the assigned compliance functions, Local Compliance Departments should be informed of new training initiatives, processes, procedures and their impact on Grifols subsidiaries worldwide. It should also be aware of any communication addressed to Grifols subsidiaries that pertain to relevant compliance issues (notifications, guidelines, advises, etc.).

THE GRIFOLS ANTI-CORRUPTION POLICY

Grifols Anti-corruption Policy defines the standards of conduct, not only for managers and employees, but also for other individuals and third parties who collaborate in the company's day-to-day operations.

Grifols pursues compliance with this policy through several review processes. Local management teams of Grifols subsidiaries and other management team members ensure that the policy is implemented within their areas of responsibility.

An International Compliance Review Board (ICRB) has been established to oversee and evaluate the implementation and effectiveness of Grifols policies and procedures as they relate to current and ongoing compliance with applicable anti-corruption laws.

Through its Internal Audit function, Grifols regularly reviews and monitors anti-corruption compliance of various departments and operations, among many other areas, either as part of regular reviews or on an as-needed basis. In this capacity, it identifies any relevant enhancements to procedures or business processes; reviews contractual arrangements with third parties working in its international operations; and audits third parties with due diligence processes and third-party compliance certifications, as well as transactions involving international operations.

Anti-corruption communication or training is required for all Grifols members and provided for any new members. Anti-corruption communication and training are tailored to risk groups, including senior managers and employees who frequently influence or interact with healthcare professionals or other related parties as defined by the anti-corruption policy. Using a suitable and risk-based approach, Grifols provides anti-corruption training materials and communicates its policies to third parties.

Grifols Anti-Corruption Policy is accessible to all employees through its corporate website. The company also delivers specific training to employees and governance body members who are more likely to observe instances of corruption.

In 2016, Grifols anti-corruption policies and procedures were communicated to 16 governance body members, comprising 66% of the board of directors, management board members and executive committee members. As of the end of the year, 83% of the governance body had been informed of anti-corruption policies and procedures. Employees with frequent interactions with healthcare professionals and relevant third parties also received anti-corruption training.

**ANTI-CORRUPTION
COMMUNICATION
OR TRAINING IS
REQUIRED FOR
ALL GRIFOLS
MEMBERS.**

GRIFOLS
ANTI-
CORRUPTION
POLICY, IS
AVAILABLE
ON THE
CORPORATE
WEBSITE



GRIFOLS ENFORCES A “ZERO TOLERANCE” APPROACH TO ACTS OF BRIBERY AND CORRUPTION BY ANY AND ALL MEMBERS OF THE COMPANY AND THIRD PARTIES. NO INCIDENTS OF CORRUPTION IN 2016.



To ensure compliance with anti-corruption policies and procedures, Grifols business associates undergo a complete due diligence process before any transactions are authorized or released. All contracts include an annex with the current anti-corruption policy and a summary of the main areas of compliance. All international distributors are required to complete annual online training on Foreign Corrupt Practices Act (FCPA).

Additionally, all distributors are required to provide an annual certification of compliance with Grifols anti-corruption policy signed by their general manager or similar. The contract also includes clauses that grant Grifols the right to audit on an as-needed basis. These clauses stipulate the termination of business relationships if Grifols determines any breach on behalf of the distributor in anti-corruption enforcement actions.

Grifols enforces a “zero tolerance” approach to acts of bribery and corruption by any and all members of the company and third parties. Violations of pertinent anti-corruption laws may result in severe civil and criminal penalties. Failure to adhere to this policy may lead to disciplinary action up to, and including, termination of employment. Grifols had no confirmed incidents of corruption in 2016.

THE GRIFOLS
ANTI-
CORRUPTION
POLICY IS
AVAILABLE
ON THE
CORPORATE
WEBSITE



TRANSPARENCY

For Grifols, promoting transparency among the company's main groups of interest and providing information in a clear, concise, honest and ethical manner is of utmost importance.

The board has approved corporate policies on corporate social responsibility, communication with financial market participants, fiscal policy and best practices, and an internal code of conduct for matters relating to stock markets. For more details, please see "Chapter 2: Corporate Governance."

One of the key areas of focus in transparency in 2016 has been related to interactions and transfers of value with healthcare professionals and institutions. Industry interactions with the medical profession have a profound and positive influence on patient treatment, as well as enhance on-going research efforts.

As a global leader in healthcare, Grifols boasts frontline insights and expert knowledge on patient behavior and disease management. The ability to leverage this vast expertise plays a critical role in informing and guiding industry efforts to improve the quality of patient care and treatment options. For this reason, professionals and organizations in the healthcare field should be fairly compensated for their contributions and the invaluable service they provide to the industry. Moreover, industry interactions with healthcare professionals and healthcare organizations should be conducted with integrity and transparency.

In the United States, the Healthcare Reform Law provision, also known as the PPS Act or Open Payment Program, imposes reporting and disclosure requirements for biologic, drug and device manufacturers with regard to payments and other transfers of value made to certain practitioners, such as physicians and teaching hospitals. The PPS Act also imposes requirements for manufacturers and group purchasing organizations with regard to certain ownership interests held by physicians in the reporting entity. The Center for Medicare and Medicaid Services (CMS) publishes information from these reports, including amounts transferred and healthcare provider identities, on a public website.

Grifols has a specific policy and procedure in place that outlines the manner in which it conducts its transparency program in fulfillment with the required reporting obligations imposed by U.S. federal and state government agencies.

In Europe, Grifols voluntarily adopted the practices defined in the new European Federation of Pharmaceutical Industries and Associations (EFPIA) Disclosure Code and will continue to support other country codes that promulgate transparency in reporting.

In alignment with the aforementioned EFPIA Disclosure Code, Grifols published the Methodology Note and country-specific reports on transfers of value made to healthcare professionals and healthcare organizations during the 2016 reporting period.

Prior to disclosure and publication, all transfers of value are subject to the processes and procedures defined in the Grifols Global Compliance Program. Grifols commitment to transparency is also emphasized on its website, which publishes all pertinent information on transfers of value by country and local regulations.

In 2015¹, Grifols distributed Euros 25,474,686 in transfers of value in Europe based on the indicated EFPIA Disclosure Code and USD 15,422,598 in the United States under the Open Payments Program.

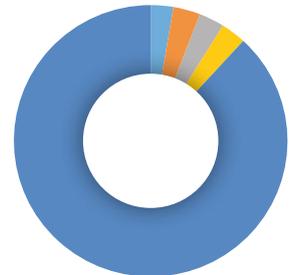
1. 2016 disclosures of transfers of value will be available on July 1, 2017 on www.grifols.com

2. Transfers of value in Europe according to the definition of EFPIA Disclosure code.

3. Transfers of value reported in the U.S. under the Open Payments Program.

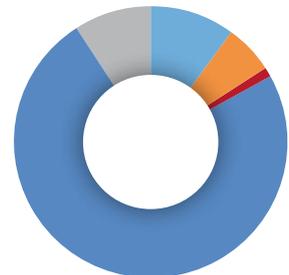
4. Research grants included.

TRANSFERS OF VALUE BY TYPE IN EUROPE²



- Services 2.7%
- Contribution to cost of events HCP 3.2%
- Contribution to cost of events HCO 3.0%
- Donations 3.0%
- R&D⁴ 88.2%

TRANSFERS OF VALUE BY TYPE IN US³



- Services 10%
- Contribution to cost of events HCP 6%
- Grants 1%
- R&D⁴ 74%
- Investigator sponsored research 9%

FOR MORE DETAILS, PLEASE SEE "CHAPTER 2: CORPORATE GOVERNANCE"



LINK TO THE TRANSPARENCY METHODOLOGY NOTE



THE HEALTH OF PATIENTS DEMANDS QUALITY AND SAFETY IN ALL OUR ACTIVITIES

SAFETY

“OUR PRODUCTS ARE OF VITAL IMPORTANCE FOR THE HEALTH AND QUALITY OF LIFE OF PATIENTS WORLDWIDE. FOR THIS REASON, SAFETY IS MUCH MORE THAN JUST A REGULATORY REQUIREMENT FOR US. AT GRIFOLS, IT IS A PHILOSOPHY THAT GOES HAND IN HAND WITH QUALITY: THE QUALITY AND SAFETY OF OUR PRODUCTS AND OF OUR INTERNAL PROCESSES, WHETHER THEY RELATE TO MANUFACTURING, COMMUNICATION OR OPERATIONS.”

2016 HIGHLIGHTS

TOTAL TRACEABILITY

PEDIGRI®

The Grifols PediGri® system provides total traceability of plasma-derived products, from donation to final product. Aimed at healthcare professionals, this service is offered for all products manufactured in our facilities in Barcelona, Clayton and Los Angeles.

COMPLIANCE AUDITS

400

More than 400 compliance audits were undertaken at Grifols plasma centers, testing laboratories, manufacturing facilities, warehouses and logistic companies with excellent results on safety or quality.

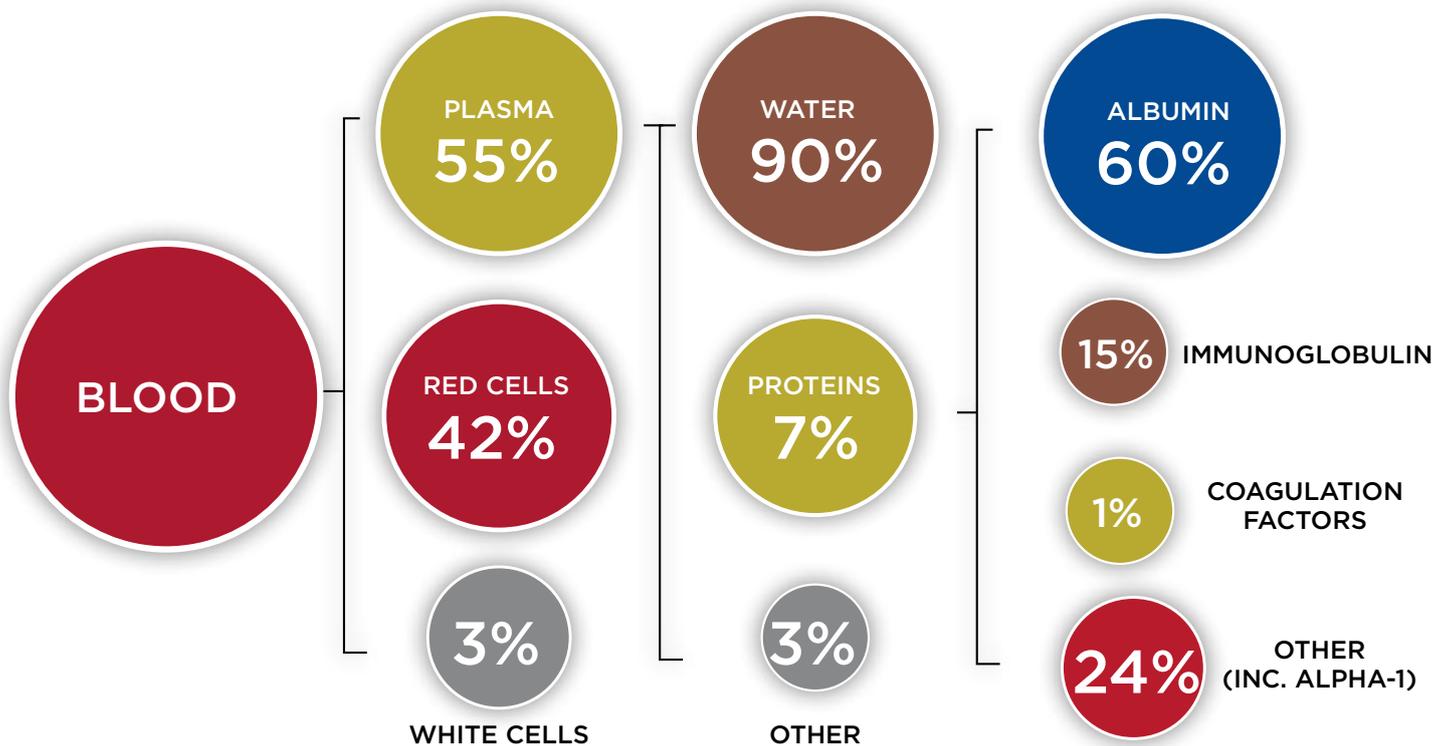
SAFETY IS PARAMOUNT FOR GRIFOLS: A STAUNCH COMMITMENT TO SAFETY AND QUALITY IS EMBEDDED THROUGHOUT ITS ENTIRE VALUE CHAIN.

Safeguarding the health and wellbeing of patients is the top priority for Grifols, which is why we subject all of our processes to the highest standards of quality and safety. Grifols has an impeccable record of zero product recalls and zero compliance issues, undoubtedly a testament that we are on the right path.

Under Grifols global guidelines, each division enforces its own policies and procedures to ensure product safety and quality throughout the value chain, from procurement of raw materials to product development, post-market research and monitoring.

Grifols believes that its commitment to safety supports the generation of profit and long-term value creation for its stakeholders.

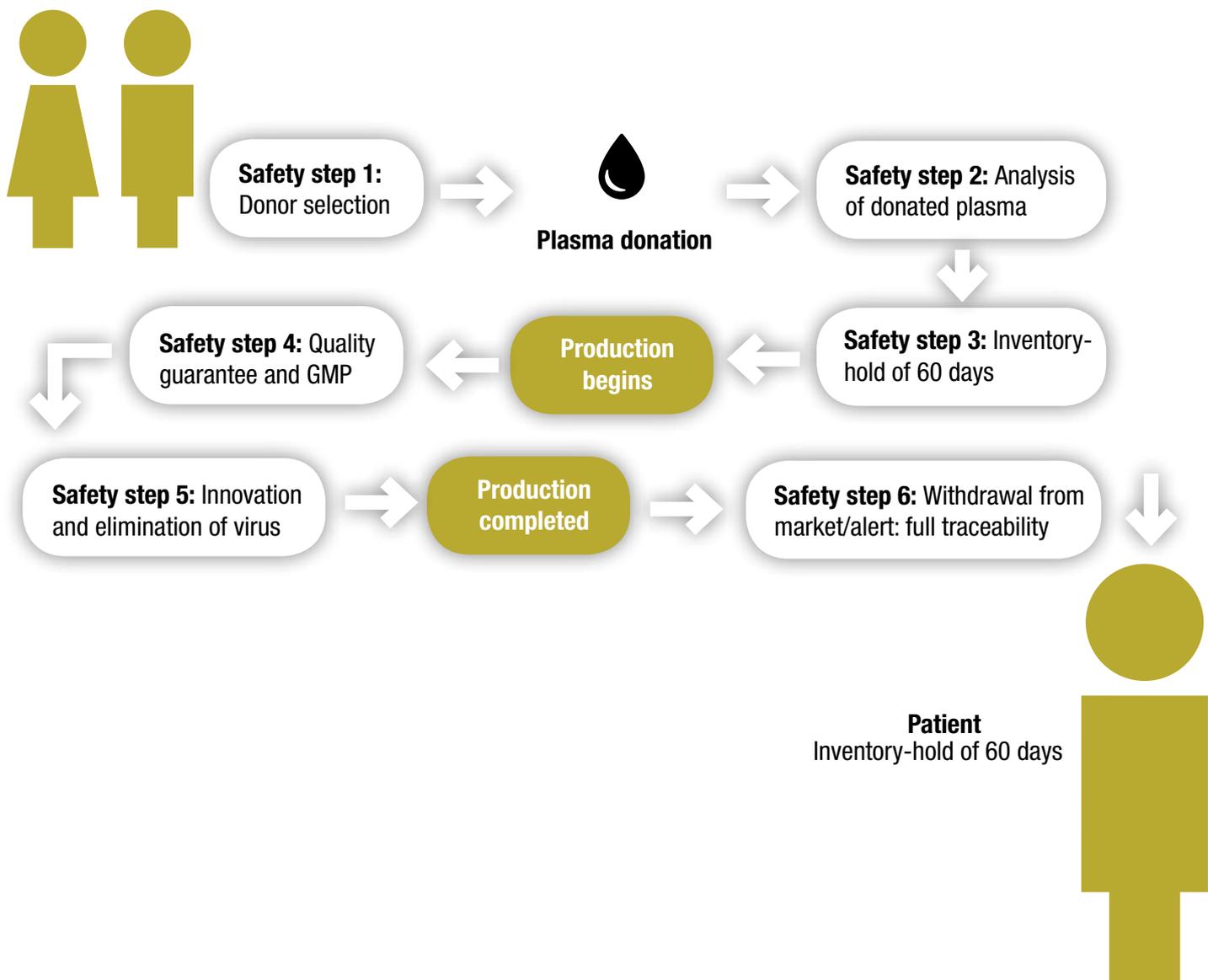
COMPOSITION OF BLOOD AND PLASMA



PLASMA

Plasma is the clear, liquid portion of human blood that remains after red and white blood cells, platelets and other cellular components have been removed. It is the single largest component of human blood. Plasma is 92% water and 8% essential proteins and antibodies that are vital to sustaining our body's vital functions. A shortage of any one of these plasma proteins, such as albumin or immunoglobulins, can cause a number of life-threatening illnesses. To restore or replace missing proteins, patients are often administered protein therapies derived from human plasma. Grifols develops and manufactures these specialized protein therapies and distributes them globally.

BIOSCIENCE: SAFETY AND EFFICACY OF PLASMA-DERIVED THERAPIES



SAFETY IS A CORE VALUE FOR GRIFOLS. IT IS APPLIED TO ALL AREAS OF OUR WORK AND CONSTANTLY MONITORED

“VERTICAL INTEGRATION, CONTINUOUS MONITORING”

Vertical integration allows Grifols to control the entire process, from product and manufacturing process design, collection of source plasma and manufacture of the finished product, to the commercialization of the proteins obtained. This strategy enables the company to carefully oversee every aspect of safety and quality throughout the process and ensure a reliable, consistent source of protein therapies worldwide.

“A ROBUST INTERNAL CONTROL FRAMEWORK”

Grifols extensive plasma-derivatives safety program features highly trained staff, rigorous process and product design, methodology, leading-edge technologies developed in-house by Grifols Engineering, and full traceability from plasma donation to the final product.

Grifols Quality Committees, with the active participation of management, meet regularly to continuously monitor the process, assessing key performance indicators (KPIs) and quality attributes, as well as reviewing the Good Manufacturing Practices (GMP) compliance status, deviations, complaints and Corrective and Preventive Actions (CAPA).

“SUPPLIER QUALIFICATION MANAGEMENT SYSTEM”

Grifols Supplier Qualification Management System makes sure that any raw material, including that from plasma suppliers and critical non-plasmatic providers, follow a strict qualification process. The diverse subsidiaries involved in the plasma supply chain adhere to GMP's and undergo regular inspections from health authorities.

“EXTERNAL QUALITY CERTIFICATIONS: IQPP & QSEAL”

Grifols is also certified by the Plasma Protein Therapeutics Association (PPTA) under the International Quality Plasma Program (IQPP) for collectors of Source Plasma and the Quality Standards of Excellence, Assurance and Leadership (QSEAL) for manufacturers of plasma protein therapies.

The PPTA's voluntary standards include, among others, provisions for testing donations and manufacturing pools, with both serology and nucleic acid amplification testing (NAT).

“INTERNAL AND EXTERNAL QUALITY AUDITS”

Grifols management is responsible for establishing and maintaining an effective quality management system through all the organization from plasma collection centers to manufacturing facilities.

Grifols plasma centers, laboratories, manufacturing and storage facilities are periodically audited by specially trained internal auditors, who monitor quality standards to ensure compliance with Good Manufacturing Practice regulations. Routine reviews of plasma collection, manufacturing records and other quality-related documents are conducted by Quality Assurance, the organism responsible for the independent verification of operational processes and ongoing monitoring. In this role, they verify that all steps are performed in accordance with Grifols approved operational procedures and identify, implement and record corrective and preventive actions.

Plasma centers are also subject to inspections by the International Quality Plasma Program (IQPP), which conducts regular inspections to verify adherence to IQPP quality and safety standards. Moreover, U.S. state health and Clinical Laboratory Improvement Amendments (CLIA) officials inspect plasma centers to verify compliance with U.S. state laws and laboratory testing procedures.

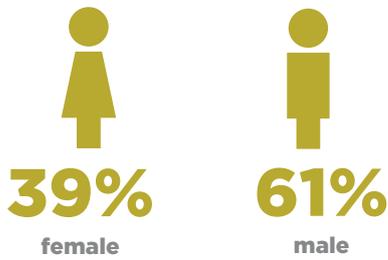
All Grifols plasma centers, manufacturing plants, warehouses, laboratories and transport companies are periodically inspected by the U.S. Federal Food and Drug Administration (FDA) and European Health Authorities, amongst others.

“COMPLIANCE WITH REGULATORY AND CUSTOMER REQUIREMENTS IS A TOP PRIORITY”

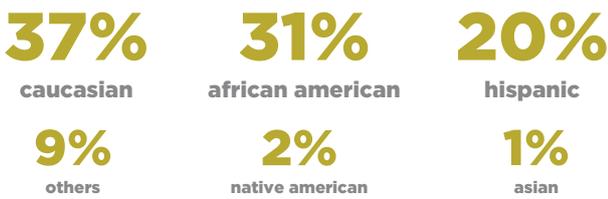
In 2016, the Bioscience Division centers, plasma testing laboratories, plasma warehouses and transportation companies were subject to 433 routine compliance inspections (internal and health authorities). No deficiencies that impacted safety or quality were detected and all sites therefore maintained their licensed status. It is also worth noting that, in the history of the company, none of Grifols centers involved in the plasma supply chain has ever received a warning letter, license suspension or revocation.

PLASMA DONORS REPRESENT A CROSS-SECTION OF SOCIETY, INCLUDING COLLEGE STUDENTS, MILITARY PERSONNEL, HOMEMAKERS, PROFESSIONALS AND WORKERS. A DIVERSE POPULATION THAT SHARES A COMMON TRAIT: GOOD HEALTH.

BY GENDER



BY RACE

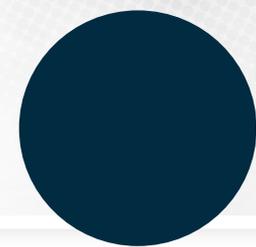


BY AGE



“ONLY QUALIFIED-DONOR PLASMA IS USED TO PRODUCE PLASMA-DERIVED MEDICINES”

A qualified donor must donate twice within a six-month period without a positive test result and may donate as frequently as twice in a seven-day period with a full day in between. Grifols solely uses plasma from qualified donors to produce its plasma-derived medicines. Applicant-donor plasma is never used in the production of any Grifols medicine and is destroyed if the donor does not return for a second donation or has a positive test result.



>18 YEARS OLD

>110 POUNDS

SUBJECT TO RIGOROUS MEDICAL EXAMINATIONS, INCLUDING SPECIFIC DRUG TESTS

PRESENT A VALID GOVERNMENT-ISSUED PHOTO IDENTIFICATION

PRESENT A PROOF OF PERMANENT RESIDENCE

PRESENT A PROOF OF SOCIAL SECURITY NUMBER OR INDIVIDUAL TAXPAYER ID NUMBER (ITIN)

WHO CAN DONATE PLASMA?

SAFETY & QUALITY MANAGEMENT ACROSS THE BIOSCIENCE VALUE CHAIN

PLASMA DONATION



Grifols follows World Health Organization (WHO), Eur Pharm, PPTA/IQPP and CFR FDA regulations for plasma collections. Donors undergo annual medical examinations and routine health screenings, and medical records are maintained for each to verify their health status. Plasma is collected only from qualified donors in centers approved by U.S. FDA and EU authorities.

The pillars of safe plasma production are healthy plasma donors, reliable tests, technological and scientific progress, and continuously improved methods of production. Donors are normally compensated to achieve a committed pool of qualified donors and ensure a sufficient quantity and continuous supply of plasma.

Plasma donors are paid for the time and commitment necessary for regular donations. Since only plasma from repeat donors is used in the production of plasma medicines, the policy of reimbursing donors assures a sufficient supply of plasma to treat patients in need of life-saving plasma medicines.

Plasma donors represent a cross-section of society, including college students, military personnel, homemakers, professionals and workers. All are healthy and responsible members of the local community. Grifols does not discriminate against potential donors based on ethnicity, gender or socioeconomic status, and only accept healthy donors who demonstrate a commitment to the process, have proof of permanent local residence and meet rigorous health and safety criteria.

**GRIFOLS
PERFORMS MORE
THAN 55 MILLION
SCREENING
TESTS EACH
YEAR ON
PLASMA
DONATIONS.**

TESTING AND CONTROL



Testing Control Laboratories use techniques approved and validated by U.S. FDA and EU authorities.

Each and every unit of donated plasma is analyzed in FDA-licensed laboratories to guarantee the safety and quality of source plasma. Plasma samples from various donation centers arrive daily at the testing laboratories for screening.

In order to discard units that may pose a threat of unwanted transmission, each plasma unit undergoes a series of analytical tests using highly sensitive techniques such as ELISA (Enzyme-Linked Immunosorbent Assay) and NAT (Nucleic Amplification Testing). Over 10 analyses are performed on each unit of plasma to test for hepatitis A, B or C, (HIV) and parvovirus B19, among other conditions. Once the plasma units are in production, every batch is tested at various points along the manufacturing process.

- ELISA is a serologic testing technique that detects a virus antibody or antigen.
- NAT is a highly sensitive testing technique that detects the presence of virus DNA.

All plasma units that pass the initial viral testing must be held for a minimum of 60 days at minus 30 degrees Celsius before being released into production. This waiting period, known as the inventory hold, also allows for the donor to return and donate again. The results of the “hold sample” are verified against the new donation to re-confirm that no viruses or pathogens are present.

TO EACH DONATION, THE LABORATORIES PERFORM OVER 10 DIFFERENT TESTS

Core Testing:

Viral Marker Serology: anti-HCV, anti HIV 1, 2, HBsAg
HCV, HBV, HIV, Parvo B19, HAV by NAT
ALT
Viral marker serology confirmatory testing

Ancillary Testing:

Screen for antibodies to RBCs
Serum Protein Electrophoresis
Total Protein
Syphilis screen
Anti-tetatus Titer
Anti HBs Titer

MANUFACTURING OF PLASMA-DERIVED THERAPIES



Furthermore, safeguarding against new viruses is a must for Grifols. Pathogen safety has been a core value and objective for Grifols since its inception. Grifols and its internal pathogen safety group are committed to continuous vigilance and research of new and existing pathogen variants and mutations. Grifols routinely tests its manufacturing processes and methods to assure the safety of the products. There is also collaboration and ongoing communication with industry member companies through the Plasma Protein Therapeutics Association's Pathogen Safety Steering Committee and with leading health authorities around the world.

Grifols safety standards are in place throughout the process, from product development and design, to the purification and formulation processes in order to preserve the natural characteristics of the proteins. These safety standards minimize the degradation of the proteins and improve tolerability levels for patients.

Grifols safety standards require plasma to be re-tested with NAT and ELISA techniques before entering the production process. During the manufacturing process, approved plasma is subjected to rigorous testing and purification processes that include several pathogen elimination steps, viral inactivation and viral removal techniques to ensure the highest possible safety levels. Depending on the product being manufactured, this process may include heat treatment, pasteurization, solvent/detergent treatment and/or nanofiltration.

Periodically, the manufacturing facilities are voluntarily shut down to perform maintenance work, expansion projects and other capital investments. The facilities have never been closed because of regulatory non-compliance while under the Grifols operation. Voluntary shutdown procedure decreases the risk of any mandatory shutdown and minimizes safety and quality issues.

As part of Grifols commitment to safety and personal development, specialized personnel continuously update their skills and expertise to enhance the safety profile.

CONDITIONING, MARKETING AND SALES



Once the product has been purified, Grifols uses a proprietary process of sterile filling, developed in-house by Grifols Engineering and a reference in the sector. The process is designed to reduce the risk of contamination during the aseptic filling process.

Before releasing any plasma-derived therapy, Grifols identifies its vials with a laser mark and a holographic seal. The laser marking system etches the lot number on each unit of product to ensure its traceability and guarantee the authenticity of Grifols products. The holographic seal on the packaging provides verification of authenticity and safety testing for every Grifols product. These measures allow doctors and patients to place absolute trust in Grifols plasma-derived therapies, while enabling the company to continue monitoring the safety of its products long after they have been manufactured and released for distribution.

POST-SALES SAFETY AND EFFICACY



Grifols further maintains its commitment to patient safety by keeping a close watch over its products after they have been introduced into the market. The pharmacovigilance unit works with healthcare professionals and health authorities around the world to guarantee that the highest safety levels are maintained. The pharmacovigilance unit maintains and updates risk profiles for all Grifols products to ensure that appropriate action is taken if adverse reactions are reported.

THE PILLARS OF SAFE PLASMA PRODUCTS ARE HEALTHY PLASMA DONORS, RELIABLE TESTS, TECHNOLOGICAL AND SCIENTIFIC PROGRESS, AND CONTINUOUSLY IMPROVED METHODS OF PRODUCTION.

TRACEABILITY - PEDIGRI®

Grifols is the only company that provides information on the origin of plasma units, achieving full traceability from the plasma unit to the final product. Each plasma unit has a unique identification number linked to the donor, center and shipment. Healthcare professionals can use the PediGri® system to obtain information on the plasma employed to produce a specific vial of product and obtain a certificate of the testing performed on it. All Grifols plasma products, regardless of the plant where they are manufactured, can now be fully traced back to its plasma units' production.

PEDIGRI®: GRIFOLS COMMITMENT TO PROVIDING HEALTHCARE PROFESSIONALS WITH TRANSPARENT INFORMATION IS A MATTER OF TRUST.

PediGri® is an online system that gives healthcare professionals additional information related to the quality and safety of Grifols plasma derivatives. Using PediGri®, healthcare professionals have immediate, easy and convenient access to information related to each donation (donation number, viral screenings at the origin) and specific information for each product lot (number of plasma units, total volume of plasma and certificate of analysis).

Each plasma unit is coded and computer-traced from the start of the process until the unit is transformed into the final plasma-derived product, offering users full traceability. Information on the origin of plasma and safety test conducted, along with the product's certificate of analysis, are compiled on the PediGri® system.



FOR FURTHER
INFORMATION
ON PEDIGRI®



DIAGNOSTIC: MAXIMUM STANDARDS OF SAFETY TO GUARANTEE ACCURATE TREATMENTS

Strict production safety and control standards, product licenses and supplier monitoring are key to the safety profile of Diagnostic products.

The production, marketing and sale of many of the Diagnostic Division products are subject to prior registration with the relevant authorities of the applicable jurisdictions.

The industrial group of the Diagnostic Division guarantees the safety, efficacy and quality of its products through the implementation of production, quality and R&D management processes, and the support and regulatory registration within Quality Management Systems such as ISO 13485, ISO 14971, FDA 21CFR820 and FDA 21CFR600, among many others.

The industrial group also promotes the application of project management techniques, AGILE software development, robust design, GMP, lean manufacturing, automation, continuous improvement and process validation in three stages, all integrated into connected computer systems. In addition, all personnel are trained according to annual plans designed to reinforce the technical skills, equipment and human factor in all processes.

The only way to guarantee the quality and safety of the final product is by strictly monitoring suppliers. To this end, the division has an internal procedure that defines requirements for evaluating, approving and monitoring suppliers' specific to the Diagnostic Division.

Suppliers are classified from high to low risk based on how critical they are to the production process. New suppliers are evaluated and selected on the basis of their ability to meet specified requirements, including quality and regulatory requirements. The results of the evaluation are documented in the suppliers' evaluation record, which summarizes the process and its conclusions. The approval or rejection of the new suppliers will depend on the results of this analysis.

STEPS IN A DIAGNOSTIC SUPPLIERS' ASSESSMENT PROCESS:



To ensure quality requirements are continuously met, re-evaluation of suppliers' quality system and regulatory status are completed every three years for high-risk suppliers and every five years for medium-risk suppliers. Low-risk suppliers do not require re-evaluation.

A periodic review of quality indicators is completed in order to evaluate suppliers' performance toward meeting the specified requirements.

In 2016, the Diagnostic Division plants of Diagnostic Grifols, Progenika, Medion Grifols, Grifols Diagnostic Solutions and Grifols Australia received 51 routine audits (internal and external). Similarly, Grifols performed 28 audits on its suppliers.

Based on its wide industry experience, Grifols believes that partnering and collaborating with suppliers benefits both parties to help them improve the quality of their products.

COMMITTED TO ITS SUPPLIERS: A SUCCESS STORY

Grifols aspires to build strong ties with its partners and suppliers by engaging them on key business and sustainability issues. Joint research and development processes are one example of this strong commitment.

In 2016, the Diagnostic Division improved the technology for injected cards — its main product — thanks to an extended joint research and development alliance with one of its suppliers. This collaborative effort resulted in enhanced quality, lower rejection rates and an optimized production process that led to higher productivity and lower energy and resources consumption.

TO IMPROVE THE HEALTH AND WELLBEING OF PATIENTS WORLDWIDE, GRIFOLS INTEGRATES QUALITY INTO ITS GLOBAL STRATEGY

HOSPITAL: THE ORIGINS OF OUR COMMITMENT TO SAFETY

As with the other divisions, strict production safety and control standards, product licenses and supplier monitoring are vital to the safety of the Hospital Division products.

Grifols history of employing the highest quality and safety standards in its manufacturing facilities promotes the development of products and services in compliance with all applicable guidelines, enhances the quality and efficiency of sterile compounding processes, and enables our clients to advance patient and staff safety goals.

To improve the health and wellbeing of patients worldwide, Grifols integrates quality into its global strategy, fostering organization-wide engagement around this core value so that all employees work with commitment, efficiency and safety to prevent risks and achieve optimal performance.

A continuous system evaluation is carried out by a number of committees — Quality, Standards, Suppliers, Production Quality, Change Control and R&D — with a focus on monitoring quality planning, KPIs and quality objectives.

In order to guarantee the traceability of changes, Grifols uses registration processes in the Change Control process, in which the impact of each change is analyzed from diverse points of view (cost, quality, validations, regulatory, environmental, OHS, etc). Subsequently, the Change Control Committee analyzes all of the information and when appropriate, authorizes the change and approves the implementation.

Supply chain management directly impacts the final product. For this reason, Grifols developed a quality system to approve, track and evaluate suppliers, service providers and manufacturers of materials used during the manufacturing process.

HOSPITAL QUALITY SYSTEM RESPONSIBILITIES

- **Quality Assurance Department (QA):** Registers relevant quality documentation for internal information systems. Included in this documentation are GMPs Certifications, ISO certifications, etc., which must be updated every three years.
- **Supplier Quality Committee:** Holds at least six monthly meetings and tracks quality assurance of suppliers/manufacturers. The Committee comprises heads of QA, technical directors of the Barcelona and Murcia plants, R&D management, purchasing department manager, Barcelona plant production management and the quality control manager.

The production, marketing and sale of our various Hospital division products must be registered with the relevant authorities of the jurisdictions where they are marketed and sold. Grifols Hospital division continues to work toward obtaining FDA and other regulatory approvals that certify the quality and safety of its Hospital products.

In 2016, the Hospital facilities received 11 routine compliance inspections (internal and by health authorities). No deficiencies were detected that impacted the safety or quality of any product.

LICENSES AND THE REGULATORY TEAM

Product marketing authorization licenses granted by government authorities are required to produce, market and sale many of Grifols products and certify their safety and quality.

U.S. government health authorities at the federal, state and local levels, as well as those in other countries, extensively regulate the research, development, testing, approval, manufacturing, labeling, post-approval monitoring and reporting, packaging, promotion, storage, advertising, distribution, marketing, and import-export of healthcare products like those that Grifols manufactures and sells, or is in the process of developing.

The Regulatory Team, in collaboration with technical personnel and clinical research officers at each plant, prepares, files and coordinates the registration process to comply with the regulatory requirements in a given jurisdiction and obtain the product licenses needed to market and sell Grifols portfolio of products.

Grifols facilities are also subject to regulations and audits to guarantee the quality and safety of its products.

The Grifols Bioscience plant in Barcelona obtained an FDA establishment license in 1995, becoming one of the first European pharmaceutical plants to earn this distinction. The other Bioscience manufacturing facilities, testing laboratories and plasma collection centers are also registered and approved by the FDA and subject to FDA standards.

The Grifols Diagnostic plants in Barcelona, Switzerland, Emeryville and San Diego are FDA-approved for several products.

The facilities in Barcelona and Murcia are subject to the applicable regulations and standards of diverse national health authorities.



BIOSCIENCE

>707

**hemoderivative product
licenses registered in
93 countries.**



DIAGNOSTIC

>1,889

**diagnostic product licenses
registered in
72 countries in the U.S., Latin
America, Europe and Asia.**



HOSPITAL

192

**licenses registered in
38 countries throughout the
European Union, U.S. and
Latin America.**

OUR EFFORTS LEAD TO OUR RESULTS

EFFORT

“GRIFOLS POSITION TODAY IS BASED ON A HISTORY OF IMPORTANT ACHIEVEMENTS BROUGHT ABOUT BY THE EFFORTS OF EVERYONE HERE AT GRIFOLS. WE CONTINUOUSLY STRIVE TO REACH NEW GOALS, OVERCOME CHALLENGES AND FIND SOLID SOLUTIONS.”

2016 HIGHLIGHTS

REVENUES

4,000

Euros million

Revenues exceeded Euros 4,000 million for the first time, driven by 6.6% growth at constant currency of the Bioscience Division and net profit increases of 2.5%, to Euros 546 million.

CAPEX

268

Euros million

More than Euros 268 million allocated to capital investments (CAPEX) and Euros 220 million invested in R&D.

ADDED VALUE

4,062

Euros million

Grifols created Euros 4,062 million in added value and shared Euros 3,698 million in added value to society.

IN 2016, GRIFOLS CONTINUED TO MAKE MAJOR INVESTMENTS TO PROMOTE ITS LONG-TERM GROWTH BY IMPROVING AND EXPANDING ITS PRODUCTION CAPACITY.

ECONOMIC PERFORMANCE

Grifols main business units (Bioscience Division, Diagnostic Division and Hospital Division) are robust, consolidated and complementary. Together these divisions share the overriding mission of improving the health and wellbeing of people around the world through the development, production and distribution of innovative products and services for medical professionals.

Grifols closed 2016 with revenues of Euros 4,049.8 million. This represents a year-on-year increase of 2.9% (3.1% growth at constant currency) compared with the 2015 revenues of Euros 3,934.6 million. Recurring sales (excluding raw materials and others) grew by 4.5% (4.6% at constant currency), with revenues of Euros 3,990.8 million.

In 2016, Grifols management focused on the following areas:

- Consolidation of organic growth of the Bioscience and Hospital Divisions.
- Strengthening of the international presence and diversification of the Diagnostic Division's product portfolio.
- Geographical expansion and detection of potential markets in all divisions.
- Execution of capital investments related to production capacity, including plasma supply.
- Search for strategic opportunities and acquisitions that generate value.
- Continuous innovation in the quest for new indications, as well as in the differentiation and adaptation of products to meet the needs of patients and healthcare professionals.
- The establishment of an innovation office in mid-2016 with a more transversal approach to boost R&D projects.
- Strengthening of the Group's financial position.

In 2016, Grifols continued to make major investments to promote its long-term growth by improving and expanding its production capacity. In this regard, the company allocated substantial resources to capital investments (CAPEX) and R&D with the aim of accelerating research projects.

As part of its search for strategic opportunities that generate sustainable value, Grifols acquired 49% of Interstate Blood Bank, Inc. (IBBI), one of the leading private independent plasma suppliers in the United States. At the start of 2017, the company also acquired Hologic's share in the NAT donor-screening unit, which will enable the Grifols Diagnostic Division to boost its operating efficiencies.

The Group's cash position was Euros 895.0 million. Additionally, the company had more than Euros 480 million of undrawn credit facilities. As of December 31, 2016, the Group's liquidity position exceeded Euros 1,375 million.

The outstanding financial management carried out during the year was instrumental in maximizing the Group's economic performance. In early 2017, the company concluded a process of refinancing part of its debt in order to further optimize its financial structure and reduce financial costs.

| ECONOMIC RESULTS In millions of euros except % and EPS | 2016 | 2015 | 2014 |
|--|-----------------|----------------|----------------|
| NET REVENUE (NR) | 4,049.8 | 3,934.6 | 3,355.4 |
| EBITDA | 1,141.3 | 1,162.6 | 1,047.2 |
| % NR | 28.2% | 29.5% | 31.2% |
| EBIT | 939.4 | 970.4 | 857.7 |
| % NR | 23.2% | 24.7% | 25.6% |
| GROUP PROFIT | 545.5 | 532.1 | 470.3 |
| % NR | 13.5% | 13.5% | 14.0% |
| ADJUSTED⁽¹⁾ GROUP PROFIT | 623.3 | 614.2 | 597.9 |
| % NR | 15.4% | 15.6% | 17.8% |
| CAPEX | 268.3 | 266.4 | 251.8 |
| EARNINGS PER SHARE (EPS)⁽²⁾ | 0.80 | 0.78 | 0.69 |
| | December 2016 | December 2015 | December 2014 |
| TOTAL ASSETS | 10,129.8 | 9,601.7 | 8,449.8 |
| TOTAL EQUITY | 3,728.0 | 3,301.4 | 2,662.9 |
| CASH & CASH EQUIVALENTS | 895.0 | 1,142.5 | 1,079.2 |

(1) Excludes non-recurring costs and costs associated with recent acquisitions, amortization of deferred expenses associated to refinancing, and amortization of intangible assets related to acquisitions.

(2) EPS as of December 31, 2015 and 2014 calculated taking into consideration the 2:1 split effective January 4, 2016.

GRIFOLS 10TH ANNIVERSARY AS A LISTED COMPANY ON THE SPANISH STOCK EXCHANGE

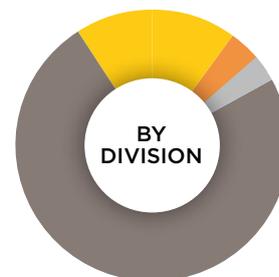
The company maintains its vocation to generate value for shareholders and investors following its first decade as public company.

June 1, 2016 marked the fifth anniversary of Grifols presence on the U.S. stock exchange. It is listed on NASDAQ as a component of the Biotechnology Index.

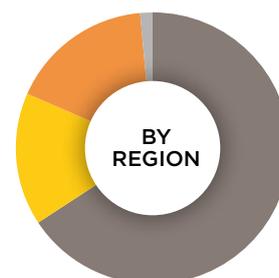
Market capitalization at the end of 2016 was Euros 12,020.3 million, and the closing price of Class A, Class B and ADR B shares was EUR 18.88, EUR 15.21 and USD 16.07, respectively.

GRIFOLS CLOSED ANOTHER SUCCESSFUL YEAR, GENERATING REVENUES OF EUROS 4,050 MILLION AND ACHIEVING 3% YEAR-ON-YEAR GROWTH.

SALES PERFORMANCE



- Bioscience 79%
- Diagnostic 16%
- Hospital 3%
- Raw materials and others 2%



- North America 66%
- EU 15%
- ROW 17%
- Raw materials and others 2%

SALES GREW BY 5% IN SPAIN AND REACHED MORE THAN EUROS 2,663.2 MILLION IN THE U.S. AND CANADA.



WITH MORE THAN 170 DONOR CENTERS IN THE U.S., GRIFOLS HAS THE WORLD'S LARGEST NETWORK OF PLASMA DONATION CENTERS.

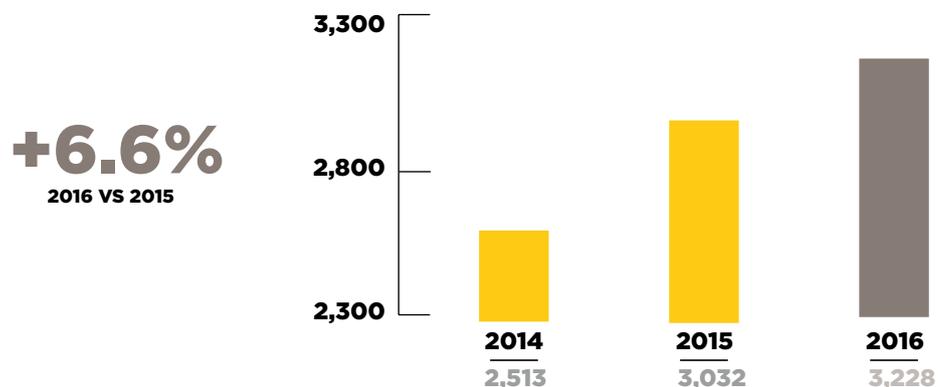
PERFORMANCE BY DIVISION

Bioscience Division:

According to recent estimates, the global demand for plasma products surpassed USD 20 billion in 2016. Grifols is among the leading companies in the sector, with an estimated market share of 18%¹. The Group leads worldwide sales for its main products and continues to consolidate its position in the in vitro diagnostic sector.

- Revenues of Euros 3,228.3 million, which presents growth of 6.6% at constant currency.
- Global leadership in main proteins.
- Growth driven by increased sales volume in its main products: immunoglobulins, albumin, alpha-1 antitrypsin and plasma-derived FVIII.
- Expansion of donor center network: 171 centers and more than 26,500 donations per day.
- Opportunities for growth and commercial expansion focused on:
 - Business optimization through improved diagnosis of diseases related to various plasma proteins: alpha-1 deficiency and chronic inflammatory demyelinating polyneuropathy (CIDP). For more details on improving diagnoses, see Chapter 3, Commitment.
 - Global expansion: Consolidation of sales operations in China, India and other emerging countries and improved penetration in mature products as a result of greater product segmentation.
 - Innovation of products and services: The SIPPET study, new liquid formulation for alpha-1 antitrypsin. For more details, see Chapter 3, Innovation and Improvement.

REVENUES IN EUROS MILLION



¹ Source: Internal data, MRB and secondary official data, 2015.

FOR MORE DETAILS ON IMPROVING DIAGNOSIS, SEE CHAPTER 3, COMMITMENT



FOR MORE DETAILS, SEE CHAPTER 3, INNOVATION AND IMPROVEMENT

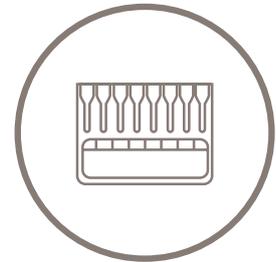
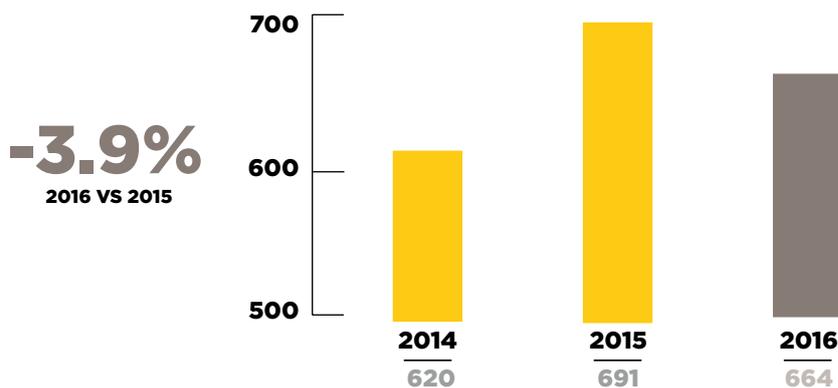


Diagnostic Division:

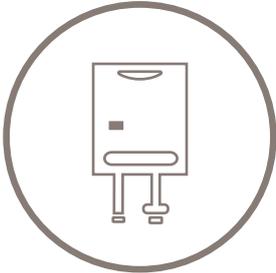
Grifols continues to consolidate its position in the in vitro diagnostics sector. The company is a recognized world leader in transfusion medicine, with a market worth USD 4,000 million³ for its comprehensive solutions for blood and plasma donor centers. The portfolio of products allows the group to control the entire value chain, from donation to transfusion.

- Revenues of Euros 664 million, a decline of 3.9% at constant currency.
- The division with the largest global footprint in terms of country presence.
- Notable growth in Argentina, Australia, China, Saudi Arabia, Turkey and the U.S.
- Leaders in transfusion medicine with three business lines: NAT, immunoassay and blood typing solutions. NAT market share of 79% NAT in the U.S. and 68% in APAC.
- New registrations and product launches: Zika virus blood screening test approved in the U.S. (Investigational New Drug by FDA) and Europe (CE Mark); CE Marking for early detection of HIV; an automated medium-sized analyzer that performs a pre-transfusion compatibility analysis; and new products in the personalized medicine space.
- Significant increases in production, maintaining high levels of efficiency in all production plants, as well as continued construction of the immunoassay plant in Emeryville.

REVENUES IN EUROS MILLION



**INAUGURATION
OF THE TRAINING
CENTER IN DUBAI
SPECIALIZING
IN GRIFOLS
TRANSFUSION
AND CLINICAL
DIAGNOSTICS
PRODUCTS
ESTABLISHED
TO SUPPORT
GROWTH OF
THE DIAGNOSTIC
DIVISION IN THE
MIDDLE EAST.**



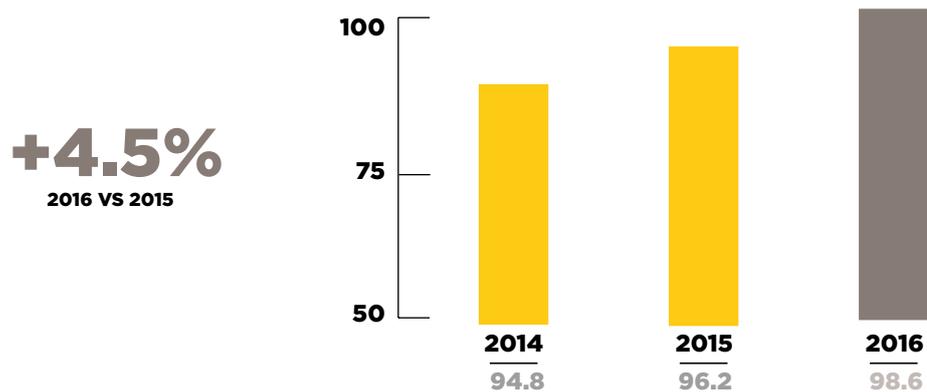
WE WORK TO EXPAND INTERNATIONALLY OUR PRODUCTS AND SERVICES TO ENHANCE THE QUALITY, SAFETY, AND EFFICIENCY IN HOSPITAL PHARMACIES.

Hospital:

Grifols longstanding collaboration with hospital pharmacies is an integral part of the company's history. The Hospital Division maintains its leadership position in Spain as a supplier of intravenous solutions. With its Pharmatech line, it is also a leader in the introduction of hospital logistics automation systems in Spain and Latin America, and continues to consolidate its presence in the U.S.

- Euros 98.6 million revenues, which represents 4.5% growth at constant currency.
- Main supplier of intravenous therapies in Spain.
- Efforts underway to bolster internationalization as the main growth strategy. Notable growth in the U.S. and Latin America.

REVENUES IN EUROS MILLION



STRONG CASH GENERATION TO FUND STRATEGIC INVESTMENTS

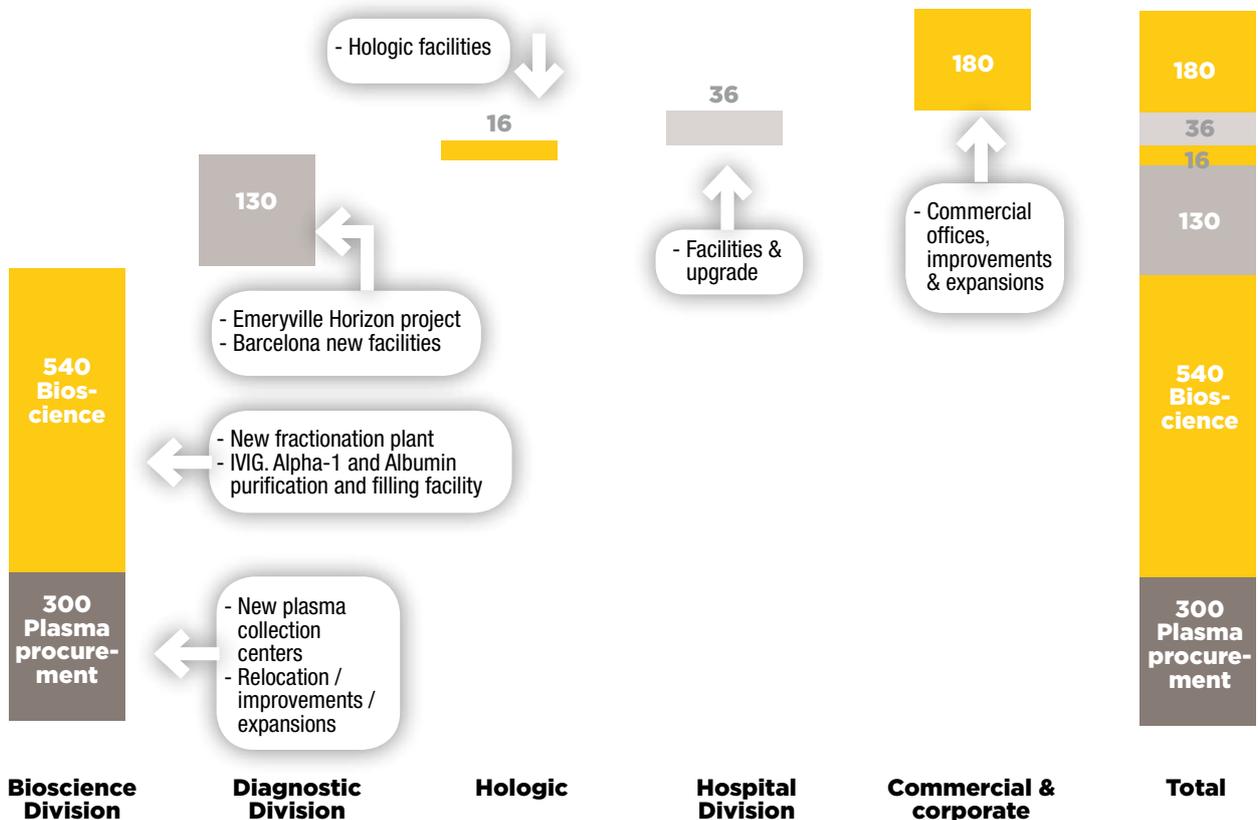
In 2016, the Group's cash position was Euros 895 million, after dividend payments of Euros 216.2 million; payments associated with the acquisition of equity stakes in various companies, totaling Euros 202.7 million; payments relating to capital investments (CAPEX) totaling Euros 268.3 million; and Euros 219.9 million in R&D and debt service payments. Strong operating cash generation was maintained, amounting to Euros 553.3 million.

Higher profit earnings, the continuation of the average collection period and noteworthy efficiency in its financial management allowed Grifols to fully fund its planned investment activities.

INVESTMENTS AND ACQUISITIONS

Grifols continued with its investment efforts in 2016 to promote long-term growth by improving its productive capacity and expanding its donor collection platform, as well as by allocating significant resources to R&D.

2016-2020 CAPITAL ALLOCATION AND INVESTMENT OPPORTUNITIES



2016 ACQUISITIONS AND FINANCIAL INVESTMENTS

Bioscience - Acquisition of 49% in Interstate Blood Bank Inc. (IBBI) – USD 100 million

IBBI is one of the main private and independent plasma suppliers in the United States, currently operating 23 collection centers. It is also one of Grifols external suppliers of plasma for fractionation. The acquisition of this stake will enable Grifols to strengthen its existing commercial ties with the company. The agreement includes an option to acquire the remaining 51% of the share capital in 2019.

Diagnostic - Agreement for the Acquisition of Hologic's Share in NAT Transfusion Diagnostics Unit – USD 1.8 million – Transaction Effective January 2017

On December 14, 2016, Grifols signed an agreement to acquire Hologic's share in the NAT (Nucleic Acid Testing) screening unit. The agreement includes activities relating to research, development and production of reagents and instruments based on NAT technology, which boosts the safety in transfusion diagnostics by detecting the presence of infectious agents in blood and plasma donations. Based on the existing agreement with Hologic, Grifols had already been marketing the above-mentioned reagents and instruments worldwide. The assets acquired include the production plant in San Diego, development rights, patent licenses and access to product manufacturers.

This acquisition allows Grifols to continue to reinforce its leadership position in the transfusion medicine segment. In addition, it will have a very positive impact on cash flow generation and the Group's margins.

Innovation - Acquisition of a 20% in Singulex Inc. – USD 50 million

Singulex is a private U.S. company based in Alameda (California) that has developed and patented the innovative ultrasensitive SMC™ technology (Simple Molecular Counting), with wide applications in clinical diagnosis and the research field. This technology enables the detection of biomarkers for diseases that are difficult to identify. Currently, through its own laboratory, Singulex offers a service of up to 70 types of tests based on its SCM technology™. The SCM™ technology also offers the possibility of developing a new generation of screening tests for blood donation samples to increase the safety of blood transfusions and the quality of plasma-derived products.

THE TOTAL TAX CONTRIBUTION TO GOVERNMENTS MADE BY GRIFOLS DURING 2016 WAS EUROS 617 MILLION (EUROS 496 MILLION IN 2015).

TAX CONTRIBUTIONS IN 2016

In accordance to its tax compliance and best practices policy, Grifols adheres to the following principles and good practices in taxation:

- The Group's business decisions are linked to the payment of required taxes in all the jurisdictions in which it operates. For Grifols, the payment of taxes represents an essential element of its Corporate Social Responsibility efforts, as well as its economic and social contributions to the community.
- Grifols has no presence in territories that qualify as tax havens and its commercial operations with third parties based in such territories, or any others, are carried out as part of its ordinary industrial or commercial activity.
- Grifols rejects the artificial shifting of results to such territories or taking advantage of information opacity that such territories may offer, in line with the international taxation principles and recommendations of the OECD's Committee on Tax Matters. Transparency on tax-related matters is essential in Grifols tax policy.
- Grifols prevents significant tax risks through the implementation of internal information and control procedures.
- Grifols tax policy is based on a prudent and reasonable interpretation of the tax regulations in force in each jurisdiction.
- Grifols makes use of the services of independent tax advisors with proven reputations before taking any business decision that may have a tax impact.
- Grifols has implemented a transfer pricing policy for all operations with related parties, which is aligned with the principles outlined by the main competent International organizations. This policy is reviewed on an annual basis to avoid any deviation from such principles.
- Grifols trusts and works toward an adequate correlation between the taxation and the structure and allocation of activities, resources, personal and material means and the business risks assumed.
- Grifols does not use artificial structures unrelated to its activity to reduce the tax burden or profit shifting.
- Grifols cultivates a cooperative and fluid relationship with the Tax Administrations based on the due observation of the law, mutual reliance, good faith, reciprocity and cooperation.
- Grifols cooperates with the competent Tax Administrations in fraud detection and finds solutions in connection with tax fraudulent practices that may be ongoing in the markets in which it operates.
- Grifols is committed to transparency and therefore facilitates any tax-related information and documentation required by Tax Authorities in the most comprehensive way and in the shortest timeframe possible.

Grifols tax direct contribution for 2016 financial year was approximately Euros 400¹ million (Euros 300 million in 2015).

This amount includes direct taxes such as corporate taxes, contributions to social security systems, and taxes on products and services and environmental taxes, which were paid in the countries where the Group carries out its business activities. The effective corporate income tax rate reached 23.6%.

Additionally, Grifols contributes with major returns derived from its activities through the collection of taxes paid to the government. In 2016, Euros 220² million (Euros 197 million in 2015) were withheld on behalf of third parties and paid to the governmental authorities in Spain and the United States. These amounts mainly include those taxes related to personal income taxes and dividends. VAT and other taxes are not included in the tax contribution for 2016.

The aforementioned contributions are the materialization of the guiding principles of the Group's Tax Strategy, approved by the Board of Directors.

| In millions of euros | 2015 | 2016 |
|---|--------------|--------------|
| TOTAL AMOUNT | 495.8 | 617.0 |
| Direct taxes | 298.7 | 396.8 |
| Taxes collected for the government ⁽²⁾ | 197.1 | 220.2 |

CREATING SHARED VALUE

| In millions of euros | 2015 | 2016 |
|---|----------------|----------------|
| WHAT HAS GRIFOLS GENERATED? | | |
| Revenues from Sales of Products and Services | 3,934.6 | 4,049.8 |
| Income from Financial Investment | 5.8 | 9.9 |
| Income from Sales of Assets | 14.3 | 2.4 |
| Total Added Value generated | 3,954.7 | 4,062.1 |
| HOW DID GRIFOLS DISTRIBUTE IT? | | |
| Payments to employees | 627.8 | 676.2 |
| Tax contributions ⁽³⁾ | 495.8 | 617.0 |
| Payments to finance providers (interest and principal) | 335.2 | 355.9 |
| Payments to shareholders - Net dividends | 192.2 | 188.0 |
| Investment in the community | 34.5 | 23.8 |
| Payments made outside the group for the purchase of goods, raw materials and services | 1,792.5 | 1,836.6 |
| Retained value for future growth | 476.7 | 364.6 |
| Total Added Value distributed and retained for future growth | 3,954.7 | 4,062.1 |

1. Grifols tax direct contribution includes mainly corporate tax excluding deferred tax impact, social security expenses and other direct taxes such as property taxes.

2. Grifols taxes collected on behalf of third parties in Spain and the U.S. includes employee income taxes and tax on dividends paid to shareholders, among others.

3. Includes direct taxes and taxes collected on behalf of third parties paid by Grifols.

GRIFOLS HAS NO PRESENCE IN TERRITORIES THAT QUALIFY AS TAX HAVENS AND ITS COMMERCIAL OPERATIONS WITH THIRD PARTIES IN SUCH TERRITORIES ARE CARRIED OUT AS PART OF ITS ORDINARY ACTIVITY.

FOR FURTHER INFORMATION ON THE GROUP'S FISCAL POLICY



OUR STAKEHOLDERS ARE AWARE OF OUR ONGOING COMMITMENT COMMITMENT

“OUR CLIENTS TRUST GRIFOLS, AND THIS TRUST IS SOMETHING WE BUILD ON EVERY DAY THROUGH THE QUALITY OF OUR WORK. THEY TRUST US BECAUSE WE RESPOND TO THEIR NEEDS AND BECAUSE OUR ACTIVITY FOCUSES ON THEM. THEY RELY ON GRIFOLS BECAUSE THEY SEE THAT WE ARE COMMITTED TO THEM AND WORK TO FIND SOLUTIONS.”

2016 HIGHLIGHTS

INVESTMENTS

24

Euros million

Investments of Euros 24 million in 2016 toward community initiatives, including Euros 11.5 million for the non-profit Ebola project in Liberia over the last 2 years.

IMPROVING

access to healthcare

Grifols continued advocacy efforts to advance patient access to healthcare and treatments, including plasma therapies.

Since its origins, Grifols has been committed to its mission of caring for the health and wellbeing of people around the world. Four main tenets form the cornerstone of Grifols social engagement: educate, advocate, engage and support.



GRIFOLS APPROACH TO PRICING ITS PLASMA-DERIVED THERAPIES, DIAGNOSTICS SYSTEMS AND PRODUCTS IS FIRMLY GROUNDED ON THE COMPANY'S BELIEF THAT ASSOCIATED MEDICAL COSTS SHOULD NEVER ACT AS A BARRIER TO PATIENTS' ACCESS TO TREATMENT.

Grifols seeks to ensure that all of its stakeholders are fully educated on the complex, time-sensitive and capital-intensive nature of producing life-saving plasma therapies. The company advocates policies that protect access to plasma therapies through various independent initiatives, as well as in collaboration with partners. Grifols reaches out to stakeholder communities on issues of mutual interest and concern, beyond purely economic interests. Grifols offers financial resources to trusted and capable stakeholders and participates in a variety of social-outreach events and volunteer activities.

COMMITTED TO PATIENTS

Grifols is dedicated to providing global, comprehensive and efficient services that meet the needs of customers and patients. The company strives to generate research and develop safe, innovative treatments and therapies that improve patients' lives. At the same time, Grifols aspires to strengthen its ties in core communities through education initiatives aimed at helping patients become better advocates for their treatment.

Grifols chief contribution to society is to innovate, develop and produce life-saving plasma medicines, diagnostics systems and hospital pharmacy products that improve people's health and wellbeing. Although access barriers to healthcare are complex and multifaceted, we recognize that pricing is a very important issue and among the major areas of interest for many stakeholders.

Grifols approach to pricing its plasma-derived therapies, diagnostics systems and products is firmly grounded on the company's belief that associated medical costs should never act as a barrier to patients' access to treatment. That said, the company must also achieve a reasonable return to ensure its long-term sustainability and on-going efforts to innovate.

The company continually works toward increasing access to treatment in healthcare communities through public and private collaborations. Since 2006, Grifols has supported the PatientCare program, which facilitates treatment for patients suffering from hemophilia and primary immunodeficiency in the United States. The PatientCare Program includes Grifols Assurance for Patients (GAP), which provides therapy for users of Grifols products during a lapse in insurance coverage, and Grifols Patient Assistance (GPA), which provides therapy for individuals in need of temporary assistance. Grifols also operates an Emergency Supply System for physicians seeking to obtain Grifols IMIG to treat a specific patient under emergency circumstances.

COMMITTED TO PATIENTS WITH RARE DISEASES: DRIVING BETTER DIAGNOSIS AND TREATMENTS

Alpha-1 antitrypsin deficiency (AATD) is a rare disease that triggers genetic emphysema as a result of low levels of the alpha-1 protein, and may cause up to 3% of cases of chronic obstructive pulmonary disease (COPD) in the United States¹. It is estimated that, of the approximately 350,000 patients diagnosed with AATD in the United States, Europe and Canada, only around 3% are being treated.

Grifols works actively to improve the diagnosis of this disease and promotes the implementation of various programs to manage it.

A U.S.-based investigation concluded that the annual average of healthcare resources used by patients who participated in the Prolastin Direct® program, a Grifols integrated management program, was lower than those used by patients in other programs. The results of this study, recognized by the American Academy of Managed Care Pharmacy, suggest that patient management programs reduce the consumption of healthcare resources and decrease the cost of AATD patients treated with this plasma protein.

1. AANEM (American Association of Neuromuscular & Electrodiagnostic Medicine) is the leading organization in the U.S. States in providing high-quality support and training to doctors and healthcare professionals for the treatment of neuromuscular diseases and electrodiagnostics.

In 2016, the Clayton and Los Angeles facilities both held “open house” events to educate patients and local communities about plasma-collection and fractionation processes.

Grifols also sponsors events of an array of patient associations and actively supports employee volunteer efforts.

Every year, Grifols donors, employees, family members and supporters participate in the Hemophilia Walk organized by the U.S. National Hemophilia Foundation (NHF). This annual event raises awareness of this disease and attracts funds for research on new treatments. As one of the main sponsors of the event, Grifols demonstrates its unwavering commitment to patients.

Working in close collaboration with patient organizations, Grifols has discovered that, for many diseases, the path to the right diagnosis is frequently long and frustrating. To address this situation, Grifols equips physicians, free of charge, with AlphaKit QuickScreen®, a unique technology that detects alpha-antitrypsin (AAT) deficiencies.

**GRIFOLS
CONTINUALLY
WORKS TOWARD
INCREASING
ACCESS TO
TREATMENT IN
HEALTHCARE
COMMUNITIES
THROUGH PUBLIC
AND PRIVATE
COLLABORATIONS.**



PATIENT STORIES

It was fall of 1992 when Kim Koehlinger’s fingers began tingling and he could no longer move the left side of his face. His symptoms progressed to the point where the only movement this 40-year-old from Fort Wayne, Indiana (U.S.), could make was turning his head from side to side. He was paralyzed. The diagnosis: chronic inflammatory demyelinating polyneuropathy (CIDP).

“My wife had to haul my wheelchair and help me get around”

After plasmapheresis and then intravenous immune globulin (IVIG) treatment, Kim’s condition improved enough for the Koehlingers and their three kids to take a weekend trip to the Indianapolis Zoo. “My wife had to haul my wheelchair and help me get around,” Kim said. “But even with all the inconveniences, it was good for my soul to get out and take my mind off what was going on in my body.”

After nearly 10 years of IVIG treatments, Koehlinger has been able to resume his everyday activities and continues to visit the zoo – without a wheelchair.

GRIFOLS VALUES ITS PLASMA DONORS AND FOLLOWS STRICT HEALTH AND SAFETY GUIDELINES TO SAFEGUARD THEIR COMFORT AND WELLBEING, WHICH COMMENCES WITH A THOROUGH MEDICAL ASSESSMENT.

COMMITTED TO DONOR COMMUNITIES

Donors play a critical role in the plasma derivatives sector. Thanks to their generosity, Grifols is able to produce plasma-derived therapies to treat and prevent life-threatening diseases. These therapies are only possible through donors, since plasma can't be reproduced artificially in a laboratory.

Grifols values its plasma donors and does its utmost to provide them with high-quality care throughout their visits. Grifols follows strict health and safety guidelines to safeguard their comfort and wellbeing, which commences with a thorough medical assessment.

Plasma donors are compensated in recognition of the time and commitment required to donate on a regular basis. Only plasma from repeat donors is used to produce plasma medicines, so compensating them for their commitment helps ensure that there is enough plasma to treat patients in need of life-saving plasma medicines. This is an important consideration, bearing in mind that hundreds of donations are required to yield enough plasma-derived medicines to treat one patient for a year.

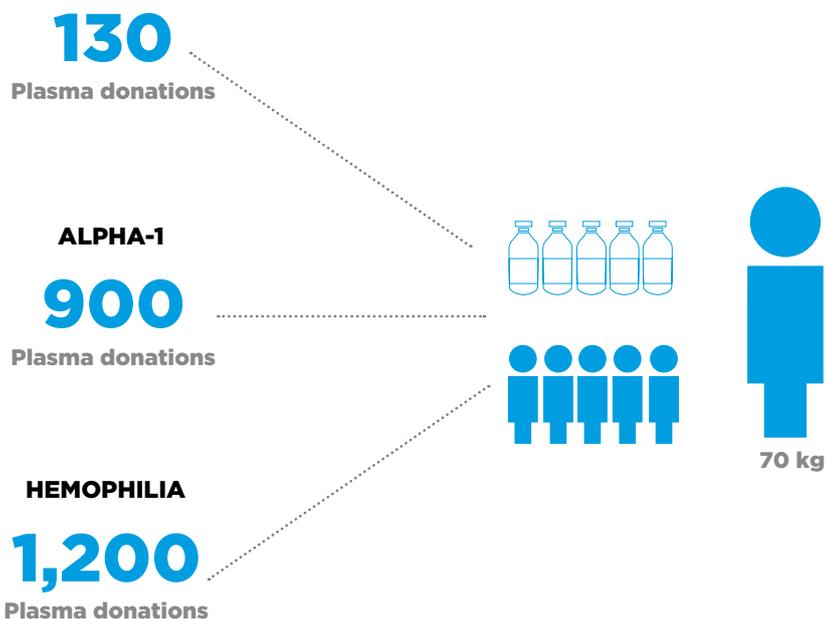
In 2008, the José Antonio Grifols Lucas Foundation was created in honor of the eponymous pioneer of the plasmapheresis technique. The mission of the Foundation is to support educational and health programs to improve the wellbeing of communities and enhance the social environment of the nearly one million people who donate plasma at Grifols donation centers in the United States.

The Foundation's objectives include promoting the study of plasmapheresis and identifying potential new applications. To this end, studies have been conducted to identify the effects of this technique on cholesterol levels, with the objective of reducing of cholesterol levels, particularly LDL, or "bad cholesterol", in donors with high baseline levels of cholesterol.

Grifols donor centers provide significant benefits to the communities where they operate, including property taxes, jobs for local residents, contributions to the local economy and community engagement. Grifols also contributes through charitable donations, volunteer events and other outreach activities, programs and projects that help create safe and attractive environments for local residents and visitors.

PLASMA DONATIONS NEEDED TO TREAT ONE PATIENT FOR ONE YEAR

IMMUNE DEFICIENCIES



LEARN MORE ABOUT HOW DONATING PLASMA WORKS



COMMITTED TO CUSTOMERS

Customers trust Grifols, and this trust is something build every day through the quality of its work. Grifols is dedicated to providing quality products and outstanding service to all of its customers, among them, wholesalers, distributors, group purchasing organizations (GPOs), blood banks, hospitals and care institutions and National Health Systems.

Grifols makes it a priority to listen and learn about its customers and the patients they serve since these frontline insights play a vital role in its success. This attitude permeates the company and fosters key partnerships that enrich its work and advance its mission to improve people's health and wellbeing.

Grifols is also committed to excellent customer service, making great efforts to respond promptly to customers' needs and address issues to the highest possible standard.

Grifols Customer Service offers the highest level of performance to deliver products and services to its customers, both internal and external, on time and in a cost-effective manner.

GRIFOLS MAKES IT A PRIORITY TO LISTEN AND LEARN ABOUT ITS CUSTOMERS AND THE PATIENTS THEY SERVE SINCE THESE FRONTLINE INSIGHTS PLAY A VITAL ROLE IN OUR SUCCESS.

THE CHALLENGE OF THE ZIKA VIRUS

Grifols engages its customers on human health emergencies and key business issues. The Zika virus outbreak is an excellent example of Grifols commitment to global health.

In 2016, the Zika virus evolved from a local emergency to a public health crisis. To combat its proliferation through a diagnostic approach, Grifols and Hologic developed a screening test to detect the virus in blood and plasma donations.

In the United States, the FDA modified its protocol, making screening tests on all donations compulsory for all national blood banks.

The test developed by Grifols and Hologic has been approved under an Investigational New Drug research protocol (IND) for use in areas with a high transmission risk, in fulfillment of the new FDA requirement.

In addition, at the request of the U.S. health authorities, Grifols installed 67 Procleix Panther® systems in 15 locations throughout the country and trained 100 technicians. Both initiatives demonstrate the company's commitment to transfusion safety, dedication to our customers and capacity to respond to health emergency crises. On December 31, 2016 and in record time, Grifols had supplied reagents, instruments and services to all of its clients in the U.S., enabling them to analyze more than the 85% of the country's blood supplies. In December 2016, Grifols obtained the European Conformity (CE Marking) for its Zika virus screening test.

THE COMPANY'S STRONG COMMITMENT TO SCIENTIFIC RESEARCH AND CORPORATE ETHICS WAS KEY IN ITS DECISION TO CREATE THE VÍCTOR GRÍFOLS I LUCAS FOUNDATION IN 1988.

COMMITTED TO MEDICAL AND SCIENTIFIC COMMUNITIES

Interaction with medical and scientific communities is key to innovation and business success. As noted in Chapter 3: Pride and Innovation, Grifols recognizes the fundamental importance of scientific research in enhancing the health and quality of life of people worldwide. Grifols also carefully considers ethical implications throughout the value chain.

The company's strong commitment to scientific research and corporate ethics was key in its decision to create the Víctor Grifols i Lucas Foundation in 1988. The Foundation's overarching mission is to promote bioethics by fostering a forum for dialogue among specialists in a range of areas. The Foundation seeks to cultivate ethical attitudes in organizations, companies and individuals who play an active role in the field of human health. To achieve this, it provides a platform for discussion to exchange ideas about the ethics of life.

The Foundation spearheads numerous initiatives to advance the field of bioethics, including grants and prizes to promote specific areas of bioethics, and events to raise awareness and explore the latest ethical issues arising from the life and medical science realms. Moreover, it produces publications to disseminate the Foundation's work and cooperates with universities and educational institutions to conduct research and publish works aimed at deepening the understanding of the ethics of life.



COMMITTED TO ITS EMPLOYEES

As explained in Chapter 3: Teamwork, Grifols is staunchly committed to its workforce, as evidenced by its effective communication, policies, plans and actions to ensure that all employees are highly motivated, enjoy a healthy work environment, earn market-competitive compensation and possess the requisite knowledge to excel in the organization. In this regard, Grifols partners with institutions of higher learning to cultivate the continuous learning and development of its talent.

COLLEGE FOR AMERICA PARTNERSHIP



In 2015, the Grifols Academy partnered with College for America to offer Grifols employees the opportunity to earn associate and bachelor degrees. To date, 31 employees have graduated and 100 more are working toward their degree. Grifols was honored to participate in the White House Upskill Summit to share its best practices on employee "upskilling" based on this initiative.

EMPLOYEE TUITION REIMBURSEMENT PROGRAM

Grifols Tuition Reimbursement Program provides financial assistance for full-time employees in enroll in undergraduate or graduate programs related to their current or future professional roles.

FOR MORE DETAILS SEE CHAPTER 3 PRIDE AND INNOVATION



LEARN MORE ABOUT THE FOUNDATION'S WORK



LOS ANGELES - EDUCATIONAL PARTNERSHIPS

Grifols partners with several local and state universities in Los Angeles to provide educational opportunities to its workforce. To date, 80 Grifols employees have earned degrees at California State University-Los Angeles. The company is also proud to partner with the National Center for the Biotechnology Workforce, a “cradle to career” program that benefits youth in East Los Angeles.

NORTH CAROLINA - EDUCATIONAL PARTNERSHIPS

In North Carolina, Grifols plays an active role in the Biomanufacturing Training and Education Center and the Johnston County Workforce Development Center. The company works closely with Johnston Community College to help educate students interested in careers in the biopharmaceutical industry.

COMMITTED TO SOCIETY

Grifols has been committed to society since its creation: to patients, donors and employees, as well as local communities and the environment. Numerous initiatives reflect this dedication, including the creation of the Probitas Foundation. Launched in 2008, the Foundation advances humanitarian projects worldwide such as its project in Liberia, Habitat for Humanity and other ventures and partnerships to promote continuing education.

PROBITAS FOUNDATION



The Probitas Foundation leverages Grifols collective expertise in the healthcare field to contribute toward improving medical care in areas with limited resources or knowledge. The shareholders of Grifols approved to an annual allocation of 0.7% of corporate profits before tax to promote the work of this private foundation.

The Probitas Foundation has several strategic lines of action, including:

- To reinforce medical services and empower the population in vulnerable regions by installing equipment and infrastructures for the diagnosis and treatment of diseases.
- To promote integral health programs, such as access to drinking water, sanitation and food security in the vulnerable areas where the Foundation is already present.
- To take action in exceptional situations such as catastrophes and humanitarian crises of either human or natural origin.
- To encourage interventions related to health in vulnerable collectives in developed countries with the Grifols group expertise.

**GRIFOLS IS
STAUNCHLY
COMMITTED TO
ITS WORKFORCE,
AS EVIDENCED
BY ITS POLICIES,
PLANS AND
ACTIONS TO
ENSURE THAT
ALL EMPLOYEES
ARE HIGHLY
MOTIVATED
AND ENJOY A
HEALTHY WORK
ENVIRONMENT.**

FOR MORE
DETAILS SEE
CHAPTER 3,
TEAMWORK



GRIFOLS HAS BEEN COMMITTED TO SOCIETY SINCE ITS CREATION: TO PATIENTS, DONORS AND EMPLOYEES, AS WELL AS LOCAL COMMUNITIES AND THE ENVIRONMENT.

In addition to overseeing its own programs like the Global Laboratory Initiative (GLI), the Probitas Foundation has established partnerships with NGOs with expertise in the humanitarian sector. The foundation collaborates with Médicos del Mundo, Spanish Red Cross, Save the Children, Oxfam Intermon, UNRWA (United Nations Relief and Works Agency for Palestine Refugees) and the World Food Programme on projects aimed at improving nutrition, water, sanitation and the physical and psychological health of residents, especially of children and pregnant women as two of the most vulnerable groups. Through its Child Nutrition Support Program, the Foundation also operates a program of school meal grants and healthy eating initiatives for schoolchildren from economically disadvantaged families in Spain.

WORKSHOP ON UPDATING THE MANAGEMENT OF HIV/AIDS IN INDIGENOUS POPULATIONS IN THE AMAZON

Grifols organized a workshop in Tarapoto, Peru to update local health workers on the advances in managing HIV/AIDS in indigenous populations in remote areas of the Peruvian Amazon. This technical meeting formed part of the alliance between the Probitas Foundation and United Nations Children's Fund (UNICEF) and served as a continuation of the project launched in 2014 aimed at preventing, diagnosing and treating people affected with HIV/AIDS in indigenous communities in the Amazon and Loreto regions.

The project is a Probitas' Global Laboratory Initiative, whose main objective is to strengthen the response capacity of clinical diagnostic laboratories in vulnerable regions around the world.

EBOLA OUTBREAK: GRIFOLS CRISIS RESPONSE EFFORTS IN LIBERIA

Grifols recognizes that access to the right treatments and products can be a matter of life or death. For this reason, over 2015 and 2016 Grifols worked with its foundations and partners to develop a non-profit initiative dedicated to producing an anti-Ebola immunoglobulin using plasma from Ebola survivors to treat the population affected by this disease in West Africa.

Grifols collaborated various organizations, including the World Health Organization, the U.S. Food and Drug Administration and several NGOs, to finance and build facilities that it made available to the Government of Liberia to help the country secure a safe and efficient storage system of plasma donations from Ebola survivors. The plasma obtained is the exclusive property of the Government of Liberia. For its part, Grifols oversees the entire productive process to obtain the anti-Ebola immunoglobulin and returns the finished product to Liberia at no cost.

This non-profit initiative is evidence of Grifols commitment to society and its ability to respond to international public health crises. Grifols has allocated more than Euros 11 million to this initiative over the past two years and dedicated nearly 6,000 hours of employee time needed to launch the project and train local staff so that they can lead the project in the future.

HABITAT FOR HUMANITY

For the last three years, Grifols worked with Habitat for Humanity in the U.S. to build simple yet dignified homes to improve the living conditions of those most in need and to create strong, dynamic communities in the towns and areas where Grifols operates. According to Habitat's figures, almost two billion people live in inadequate housing across the world and around 100 million people are homeless. Last year, more than 500 Grifols employees volunteered to help build houses. This year, the company participates in the construction of four new homes.

LEARN MORE
ABOUT
PROBITAS
FOUNDATION



OTHER INITIATIVES

GIRLS TODAY, WOMEN TOMORROW

Girls Today, Women Tomorrow is a mentorship and support program that provides inner-city girls with the information and tools to empower, lead and excel.

Grifols is a proud supporter of these programs, dedicated to youth development and promoting continuing education.

GRIFOLS SUMMER SCIENCE ACADEMY

Grifols collaborates with California State University-Los Angeles to support a science-training program that places high school students to work in on-campus laboratories.

Grifols professionals work to oversee student activities during the training program.

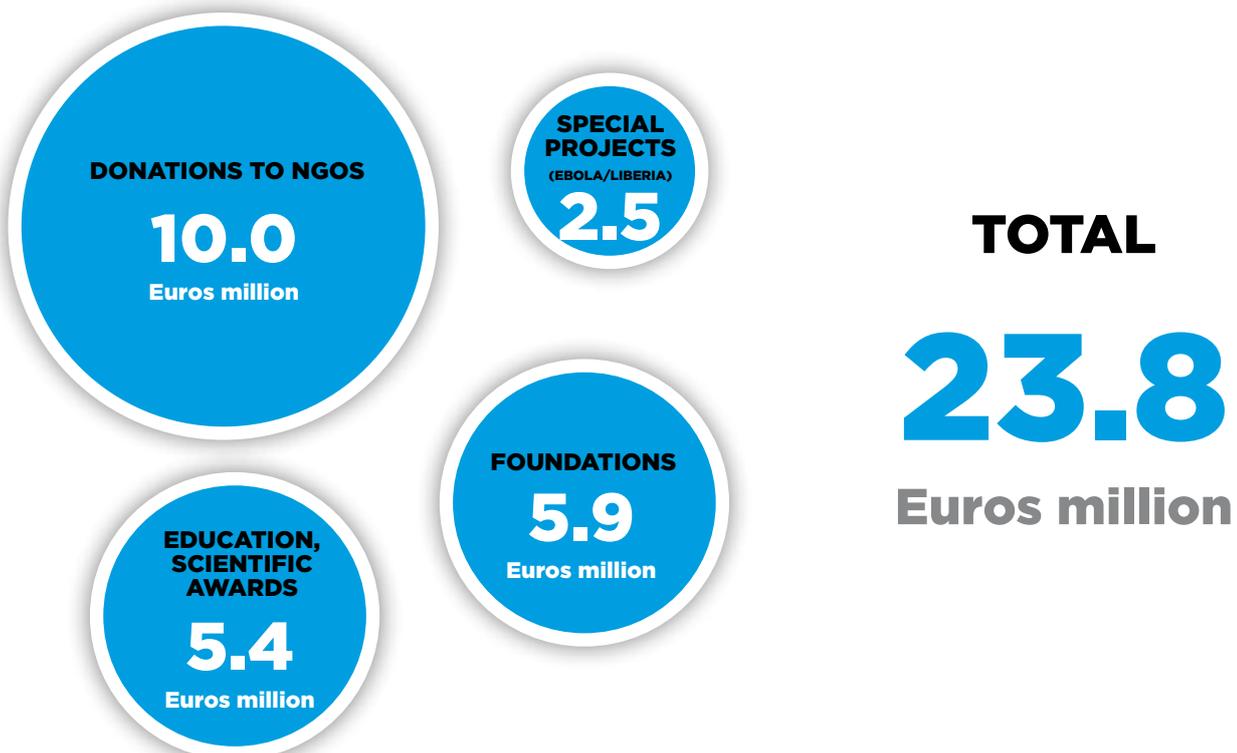
WOODROW WILSON HIGH SCHOOL

Grifols has a long-standing partnership with Woodrow Wilson High School in the El Sereno neighborhood of Los Angeles.

Grifols provides two scholarships for graduating seniors with interests in science or healthcare, supports student-earning opportunities on the Grifols campus and sponsors the annual College Fair.

INVESTMENTS OF EUROS 24 MILLION IN 2016 TOWARD COMMUNITY INITIATIVES, INCLUDING EUROS 5.4 MILLION FOR EDUCATIONAL PROJECTS AND SCIENTIFIC AWARDS.

GRIFOLS CONTRIBUTIONS



**THROUGH EFFICIENT
USE OF AVAILABLE
RESOURCES, WE PERFORM
AT THE HIGHEST LEVELS
EXCELLENCE**

“OUR HEALTHY AMBITION AND DESIRE TO EXCEL MOTIVATES US TO USE ALL AVAILABLE RESOURCES TO ACHIEVE OUR GOALS. THE CHALLENGE OF USING THESE RESOURCES AS EFFICIENTLY AS POSSIBLE IS WHAT STIMULATES OUR INGENUITY.”

2016 HIGHLIGHTS

COMMITMENT ACHIEVED

80%

The 2014-2016 Environmental Program met 80% of its targets in industrial plants in Spain and the United States.

ENVIRONMENTAL EFFECTIVENESS

ISO 14001

More than half of Grifols total production is manufactured in ISO 14001 certified plants.

GRIFOLS ALSO DEVELOPS SPECIFIC ENVIRONMENTAL PROGRAMS THAT DEFINE TARGETS AND OBJECTIVES FOR EACH BUSINESS AREA.

THE CORPORATE ENVIRONMENTAL MANUAL, COMMON TO ALL PRODUCTION CENTERS, SUMMARIZES THE COMPANY'S ENVIRONMENTAL MANAGEMENT WORLDWIDE.

GRIFOLS ENVIRONMENTAL COMMITMENT

Grifols monitors and minimizes the potential impact of its activities on the environment. The company's Environmental Policy, approved by the President and Chief Executive Officer, defines the performance guidelines to improve Grifols environmental sustainability and calls on the entire organization to achieve this common goal.

In order to promote sound environmental management, the main production centers adhere to the international ISO 14001 standard. The company continues the process of standardizing its environmental management systems and increasing the number of production centers certified by accredited international bodies. As part of these efforts, the Clayton Bioscience plant earned the ISO 14001 certification in 2016. To date, more than half of the Grifols total production is manufactured in ISO-certified plants.

Grifols also develops specific environmental programs that define targets and objectives for each business area. Upon the conclusion of the 2014-2016 Environmental Program, Grifols began elaborating a new plan with targets for 2017-2019. The Environmental Committee of each Grifols facility meets regularly to ensure compliance with environmental objectives, overseen by the Grifols S.A. Environmental Committee, which coordinates these efforts on a global scale.

The Corporate Environmental Manual, common to all production centers, summarizes the company's environmental management worldwide. It conforms to the ISO 14001 standard and serves as a reference manual for the entire organization.

Monitoring of the implemented environmental management system is performed at environmental committee meetings, held by each of the group's companies with the participation of their management team. Among other functions, the committees oversee progress made toward meeting Environmental Program targets and reviews performance indicators, the application of corrective measures and legal compliance. A total of 20 monitoring meetings were held in 2016.

Key elements of the system are identification of, and compliance with, applicable environmental legislation, identification of environmental significant aspects relevant to the business and development of necessary preventive measures.

Grifols takes into consideration suppliers' environmental initiatives, such as ISO 14001 certification, and requests this information at the time of accreditation. This standard, for example, is applied to a number of freight companies charged with transporting anything from plasma to end products, as well as selected suppliers of critical raw materials.

Audits are also made of waste management companies in Spain and the United States, as well as visits to newly contracted waste management companies.

ENVIRONMENTAL MANAGEMENT

Grifols identifies environmental risks and establishes preventive measures to minimize the possible environmental impact of its activities. These measures are periodically reviewed to ensure they are up-to-date and effective.

The company takes adherence to applicable environmental regulations seriously and acts within the framework of its environmental management system. Grifols was not fined or cited for any environmental violations in 2016.

Each facility has a self-protection plan that defines the actions to be taken in case of an environmental emergency and specifies the personnel responsible for carrying them out.

Drills are carried out periodically at the production plants to assess the ability to react in the event of emergencies or incidents that might have major or minor environmental impact. Preventive measures include various types of specific training for the relevant employees.

In its efforts to improve the company's environmental sustainability, Grifols organizes environmental awareness-raising activities for its employees.

In 2016, Grifols continued to use internal display screens to communicate environmental messages. In addition, the employee portal was used to publish information and news of the company's environmental achievements.

Grifols uses various communication channels to interact with stakeholder groups on environmental issues: email (medioambiente@grifols.com), telephone, direct contact, the employee magazine and the suggestion box on the employee portal.

Through its internal and external environmental communications procedures, the company is able to ensure proper response within a stipulated timeframe for every communication it receives. More than 500 communications of an environmental nature were received in 2016.

IN ITS EFFORTS TO IMPROVE THE COMPANY'S ENVIRONMENTAL SUSTAINABILITY, GRIFOLS ORGANIZES ENVIRONMENTAL AWARENESS-RAISING ACTIVITIES FOR ITS EMPLOYEES.



ENVIRONMENTAL PROGRAM CONCLUDED IN 2016 FOCUSED ON IMPROVING THE ENERGY EFFICIENCY AND INCORPORATING EFFICIENT SOLUTIONS IN NEW FACILITIES UNDER CONSTRUCTION.

2014-2016 ENVIRONMENTAL PROGRAM

In 2014, Grifols established its 2014-2016 Environmental Program, which identified the environmental objectives and targets for each company of the Group during this period.

The main actions established in the Environmental Program concentrated on improving the energy efficiency of existing production centers and incorporating efficient solutions in new facilities under construction.



ENERGY:

Reduction of 4.1 million kWh in electricity consumption

Reduction of 10.2 million kWh of natural gas



WATER:

Reduction of 225,488 m³ in water consumption

Improve wastewater quality



WASTE:

An increase of more than 9,000 tons annually of waste recycling



CONSUMPTION:

Reduce consumption of raw materials by 102 metric tons



OTHER:

Standardize environmental management

Reduce atmospheric pollutant emissions

The 2014-2016 Environmental Program concluded in 2016, having met 80% of its targets for industrial plants in Spain and the United States. Its leading achievements included:

- Improvements in the thermal insulation of various roofing and indoor air renewal systems completed at the Bioscience Division's facilities in Clayton. This will reduce electricity consumption by nearly 1 million kWh per year.
- Actions to replace water for injection with osmotized water undertaken in productive areas of the Clayton Bioscience Division facility, which represent a reduction of 3.8 million kWh/year in natural gas consumption.
- The pasteurization stage in the manufacture of blood extraction bags has been eliminated at the Hospital Division plant in Murcia, which will save 589,000 kWh/year of natural gas.
- Conclusion of the construction of the new Bioscience Division plant to produce Prolastin C in Barcelona, which incorporates energy efficiency measures in engines, freezing and lighting equipment valued at 1.3 million kWh per year. Measures to reduce natural gas consumption by 1.1 million kWh per year have also been incorporated into the plant using automated CIP (Clean In Place) reactor cleaning systems, as well as pipe and areas insulation.

2017-2019 ENVIRONMENTAL PROGRAM

In 2016, Grifols elaborated the 2017-2019 Environmental Program, which includes new environmental goals and targets designed to bolster the organization's sustainability.



ENERGY:

Increase the energy efficiency of existing facilities
Reduce electricity consumption by 2.1 million kwh annually

Reduce the demand of electrical energy of new installations at 6.2 million kwh annually

Reduce consumption of calorific energy in existing buildings by 19.7 million kwh annually

Reduce the natural gas demand of new installations by 0.92 million kWh annually



WATER:

Reduce water consumption in the existing facilities by 265,000 m³ annually



WASTE:

Reduce the volume of chemical waste generated by 40 metric tons annually

Increase the amount of recycled waste by 270 metric tons annually



CONSUMPTION:

Reduce the consumption of raw materials in the facilities of the Diagnostic Division in Barcelona by 4.5 metric tons/year



OTHER:

Standardization of the environmental management system in the company's production facilities

Reduce the gases emission into the atmosphere

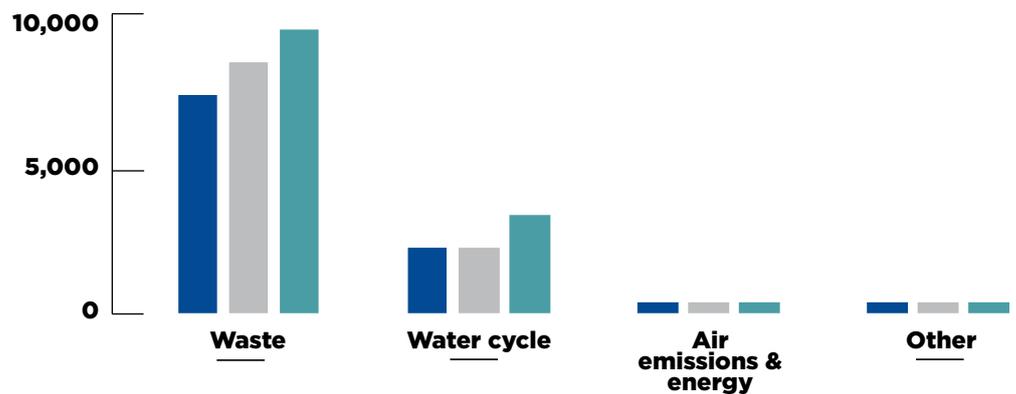
IN 2016, GRIFOLS ELABORATED THE 2017-2019 ENVIRONMENTAL PROGRAM, WHICH INCLUDES NEW ENVIRONMENTAL GOALS AND TARGETS.

ENVIRONMENTAL INVESTMENT REACHED EUROS 5.15 MILLION IN 2016, WHILE ENVIRONMENTAL EXPENDITURE TOTALED EUROS 12.7 MILLION.

INVESTMENT AND EXPENDITURE

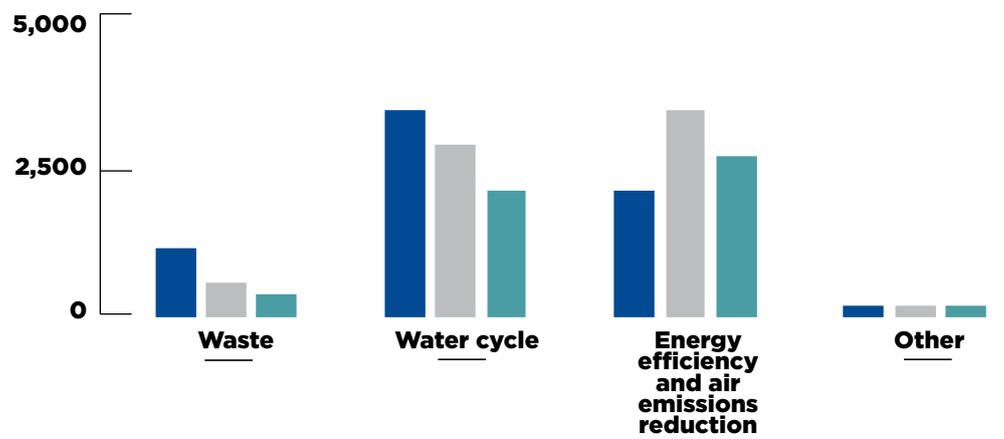
Environmental investment reached Euros 5.15 million in 2016, while environmental expenditure totaled Euros 12.7 million. Grifols made various investments in line with its goal of continually improving its environmental performance. In 2016, investments primarily centered on energy-efficiency improvements and water-consumption reduction. The main environmental expenditures related to waste and wastewater management.

ENVIRONMENTAL EXPENDITURE (EUROS THOUSAND)



| In euros | 2014 | 2015 | 2016 |
|--------------------------|------------------|-------------------|-------------------|
| Waste | 7,177,436 | 8,248,208 | 9,073,476 |
| Water cycle | 2,237,548 | 2,331,969 | 3,195,789 |
| Air emissions and energy | 113,959 | 345,559 | 186,070 |
| Other | 316,147 | 273,153 | 262,540 |
| Total | 9,845,090 | 11,198,890 | 12,717,875 |

ENVIRONMENTAL INVESTMENT (EUROS THOUSAND)



| In euros | 2014 | 2015 | 2016 |
|--------------------------|------------------|------------------|------------------|
| Waste | 1,166,090 | 521,752 | 389,242 |
| Water cycle | 3,172,215 | 2,680,363 | 2,064,426 |
| Air emissions and energy | 2,015,506 | 3,210,970 | 2,600,297 |
| Other | 265,106 | 82,277 | 96,790 |
| Total | 6,618,917 | 6,495,363 | 5,150,756 |

RAW MATERIALS CONSUMPTION

Each of Grifols three divisions consumes different materials depending on its respective production processes. Grifols follows procedures during the research and development stage to identify future environmental aspects and evaluate eco-efficiency criteria applicable to new products and processes, with the goal of reducing their environmental impact.

BIOSCIENCE DIVISION

The primary raw material used in this division is the plasma required to manufacture blood-derived medicines. Ethanol, polyethylene glycol and sorbitol, among other materials, are used in fractionation and purification of the various plasma proteins.

Of the ethanol consumed in the production process, 68.3% is recovered in distillation towers and reused at Grifols facilities in the U.S and Spain. The remaining ethanol necessary to carry out the fractionation process is purchased. Packaging for this product is mainly glass.

| Main materials consumed | | | | |
|-------------------------|----------|--------------------------------|---------------------|-----------------|
| Metric tons | 1,672 | 3,024 | 1,635 | 253 |
| Material | Sorbitol | Ethanol (purchased ethanol) | Polyethylene glycol | Glass packaging |

DIAGNOSTIC DIVISION

The primary raw material used in production of DG Gel® diagnostic cards is the plastic in the card itself. PVC is also used for manufacturing bags for the collection, processing and storage of blood.

| Main materials consumed | | | | | | | |
|-------------------------|------------------------|---|---------------------------|--------------------------------|----------------------------|---|-------------------------------|
| Data | 31,680 | 25 | 323 | 192 | 254,836 | 301 | 19 |
| Material (unit) | Circuit boards (units) | Plastic reagent packaging (metric tons) | PVC pellets (metric tons) | PP plastic cards (metric tons) | Red cell reagents (liters) | Flat tubes and pvc Sheets (metric tons) | Glass packaging (metric tons) |

HOSPITAL DIVISION

In 2016, polypropylene used to manufacture bags for intravenous solutions was the main raw material consumed by this division. The remaining materials are associated with production of saline, glucose solutions and packaging.

| Main materials consumed | | | | |
|-------------------------|--|-------------------------------|-----------------------|-------------------------------|
| Data | 218,93 | 165 | 79 | 1,355 |
| Material (unit) | PP, pellets and flat tubes (metric tons) | Sodium chloride (metric tons) | Glucose (metric tons) | Glass packaging (metric tons) |

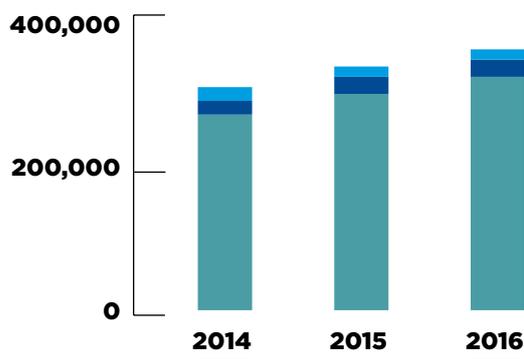
**GRIFOLS
FOLLOWS
PROCEDURES
APPLICABLE
TO ALL ITS
ACTIVITY, WITH
THE GOAL OF
REDUCING THEIR
ENVIRONMENTAL
IMPACT.**

ENERGY CONSUMPTION

ELECTRICITY CONSUMPTION

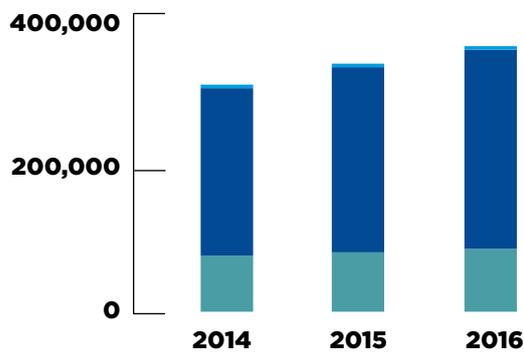
In 2016, electricity consumption totaled 342,090,701 kWh, which represented an 8.1% increase compared to the previous year

ELECTRICITY CONSUMPTION BY DIVISION (ABSOLUTE VALUE THOUSAND kWh)



| In kWh | 2014 | 2015 | 2016 |
|-----------------------|--------------------|--------------------|--------------------|
| ● Bioscience division | 253,833,951 | 280,617,745 | 303,698,495 |
| ● Diagnostic division | 21,340,657 | 21,678,609 | 24,020,385 |
| ● Hospital division | 15,077,111 | 14,260,248 | 14,371,821 |
| Total | 290,251,719 | 316,556,602 | 342,090,701 |

ELECTRICITY CONSUMPTION BY COUNTRY (ABSOLUTE VALUE THOUSAND kWh)



| In kWh | 2014 | 2015 | 2016 |
|---------------------|--------------------|--------------------|--------------------|
| ● Spain | 70.185.737 | 74.793.917 | 79.217.567 |
| ● U.S. | 218.429.036 | 236.466.981 | 256.155.247 |
| ● Rest of the World | 3.393.235 | 5.295.704 | 6.717.887 |
| Total | 292.008.008 | 316.556.602 | 342.090.701 |

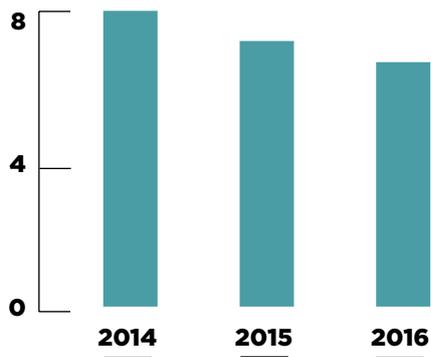
The Bioscience Division's represents 88.8% of Grifols total electricity consumption. The increase in consumption in absolute values stems from production increases in the Bioscience Division and the new facilities that are in the validation process without producing. Energy-saving measures implemented in these facilities are reflected in the 0.3% year-on-year decrease in consumption relative to production.

The Diagnostic Division's electricity usage represented 7.0% of total consumption. Consumption in absolute values increased 10.8% due to the installation of the new production facility in Emeryville and increased production of cards and reagents in the Barcelona manufacturing facility.

The remaining electricity consumption, 4.2%, was associated with activities in the Hospital

Division, whose energy consumption suffered a slight increase (0.8%) in absolute values.

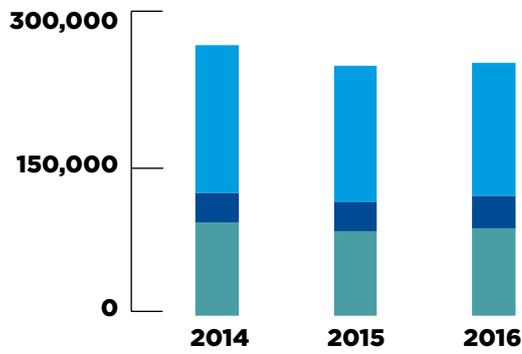
ELECTRICITY CONSUMPTION RELATIVE VALUE IN THE BIOSCIENCE DIVISION (kWh/PRODUCTION INDEX)



| in kWh/Production Index | 2014 | 2015 | 2016 |
|-------------------------|------|------|------|
| ● Bioscience division | 8 | 7.6 | 7.5 |

Production Index in Bioscience (liters of fractionated plasma + liters of plasma equivalent)

ELECTRICITY CONSUMPTION RELATIVE VALUE BY DIVISION (kWh/EUROS MILLION)

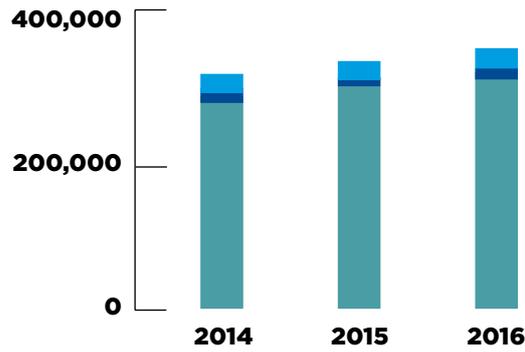


| in kWh/ Euros million | 2014 | 2015 | 2016 |
|-----------------------|---------|---------|---------|
| ● Bioscience division | 100,988 | 92,549 | 94,075 |
| ● Diagnostic division | 34,420 | 31,352 | 36,176 |
| ● Hospital division | 159,041 | 148,166 | 145,784 |

NATURAL GAS CONSUMPTION

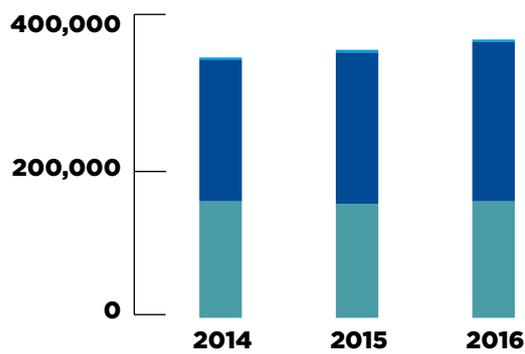
In 2016, natural gas consumption totaled 369.8 million kWh, an increase of 3.4% compared to the previous year.

NATURAL GAS CONSUMPTION BY DIVISION (ABSOLUTE VALUE THOUSAND kWh)



| In kWh | 2014 | 2015 | 2016 |
|-----------------------|--------------------|--------------------|--------------------|
| ● Bioscience division | 309,163,579 | 328,008,567 | 336,692,316 |
| ● Diagnostic division | 16,986,969 | 10,359,921 | 13,347,316 |
| ● Hospital division | 18,547,895 | 19,293,017 | 19,761,841 |
| Total | 344,698,443 | 357,661,505 | 369,801,473 |

NATURAL GAS CONSUMPTION BY COUNTRY (ABSOLUTE VALUE THOUSAND kWh)



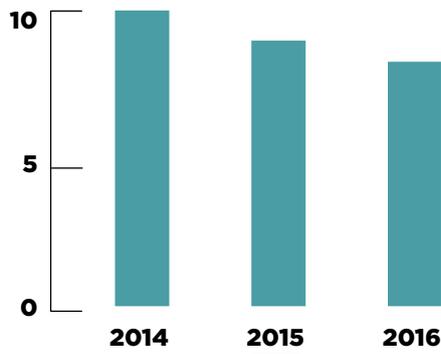
| In kWh | 2014 | 2015 | 2016 |
|---------------------|--------------------|--------------------|--------------------|
| ● Spain | 155,574,342 | 153,290,393 | 156,748,478 |
| ● U.S. | 189,005,872 | 204,219,447 | 212,497,122 |
| ● Rest of the World | 118,229 | 151,665 | 555,873 |
| Total | 344,698,443 | 357,661,505 | 369,801,473 |

The Bioscience Division accounted for 91% of the natural gas consumption, 30% of which is associated with its cogeneration plant. The division's consumption in absolute values rose by 2.6%, while consumption in values relative to production declined by 5.4%.

The Diagnostic Division experienced a noteworthy 28.8% increase. Increased consumption in absolute values for both electricity and natural gas consumption resulted from the installation of the new production facility in Emeryville. The Hospital Division's consumption rose by 2.4% in absolute values.

From a geographic perspective, the majority of electricity and gas natural consumption occurred in the United States and Spain, where most of the Bioscience Division's activities are concentrated. The slight increase in the rest of the world is due to the new operations facility in Ireland.

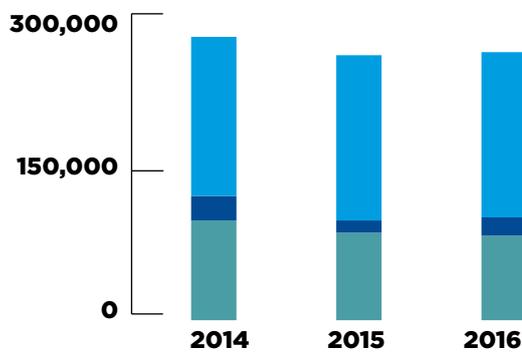
NATURAL GAS CONSUMPTION RELATIVE VALUE IN THE BIOSCIENCE DIVISION (kWh/PRODUCTION INDEX)



| In kWh/ Production Index | 2014 | 2015 | 2016 |
|--------------------------|------|------|------|
| ● Bioscience division | 9.7 | 8.8 | 8.4 |

Production Index in Bioscience (liters of fractionated plasma + liters of plasma equivalent)

NATURAL GAS CONSUMPTION RELATIVE VALUE (kWh/EUROS MILLION)



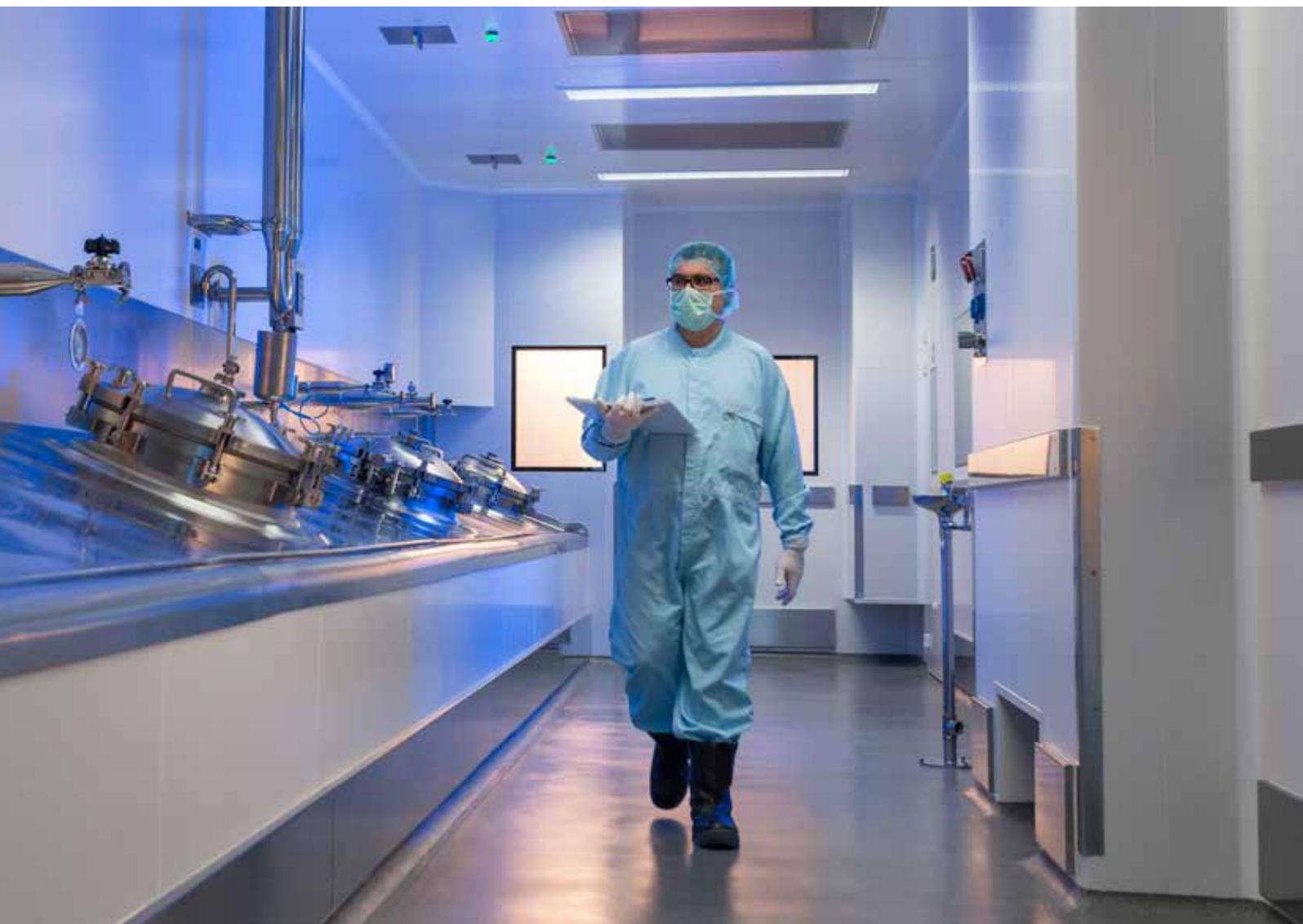
| In kWh/ Euros million | 2014 | 2015 | 2016 |
|-----------------------|---------|---------|---------|
| ● Bioscience division | 123,001 | 108,178 | 104,295 |
| ● Diagnostic division | 27,398 | 14,983 | 20,102 |
| ● Hospital division | 195,653 | 200,457 | 200,459 |

COGENERATION PLANT

The Bioscience Division's facilities in Barcelona are equipped with a 6.1 MW cogeneration plant. This plant generates electricity that is sold back to the grid. At the same time, the useful heat generated by this process is used in Grifols facilities. In 2016, this provided primary energy savings of 18.87% and a 3,416 metric-ton reduction in CO₂ emissions (when compared with emissions produced by a conventional plant).

| Cogeneration figures | 2014 | 2015 | 2016 |
|---------------------------------------|-------------|-------------|-------------|
| Natural gas consumed (kwh) | 104,775,825 | 100,740,280 | 101,044,947 |
| Total electricity generated (kwh) | 38,638,880 | 36,766,480 | 37,802,940 |
| Useful heat recovered (kwh) | 26,788,850 | 27,230,480 | 27,335,440 |
| Global output | 69.24 | 70.88 | 71.49 |
| Primary energy saving (pes) | 14.54 | 14.85 | 18.87 |
| CO ₂ emissions (t) | 19,070 | 18,308 | 18,101 |
| CO ₂ emissions savings (t) | 3,250 | 3,193 | 3,416 |

Energy data were verified by TÜV. Emissions were calculated by using the following source: Informe Inventarios GEI 1990-2014 (Edición de 2016, España)



WATER CYCLE

WATER CONSUMPTION

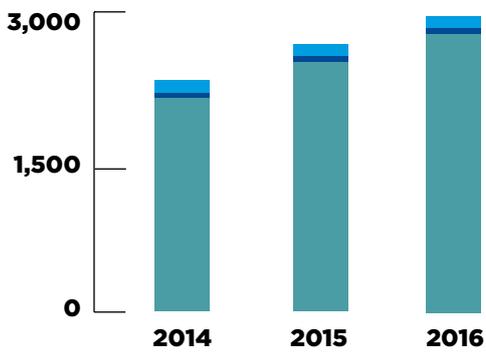
In 2016, total water consumption was 2,911,539 m³, an increase of 8.5% on 2015. The Bioscience Division increased its water consumption absolute values by 9.1% due to production increases, although the relative value (l/production index) rose by only 0.5%. In 2016, total water consumption relative to revenues increased by 5.4%.

Overall, 88.6% of the water consumed came from the water mains, with the remaining 11.4% coming from wells located at the production facilities in Barcelona.

Grifols operates in three geographic areas that suffer water shortages at certain times: the regions of Catalonia and Murcia in Spain, and California in the United States. To address this risk, the company applies preventive measures to reduce water consumption when designing new facilities, as well as modifies existing facilities to this effect. These measures include recovering water used in the production process for other auxiliary uses, automating processes to ensure water conservation, and reducing the amount of water used in cleaning reactors by installing automated CIP cleaning systems.

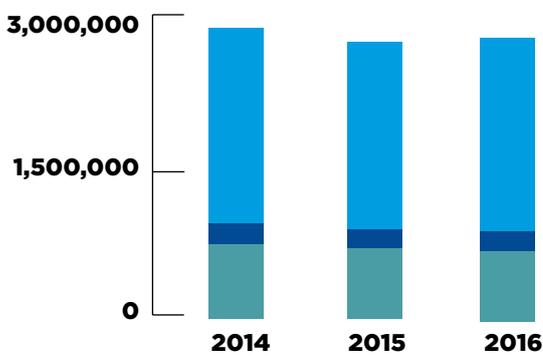
88.6% OF THE WATER CONSUMED CAME FROM THE WATER MAINS, WITH THE REMAINING 11.4% COMING FROM WELLS LOCATED AT THE PRODUCTION FACILITIES IN BARCELONA.

WATER CONSUMPTION ABSOLUTE VALUE (THOUSAND M³)



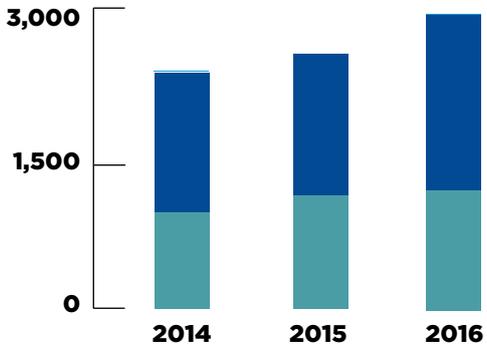
| In m ³ | 2014 | 2015 | 2016 |
|---------------------|------------------|------------------|------------------|
| Bioscience division | 2,074,238 | 2,427,380 | 2,647,999 |
| Diagnostic division | 63,952 | 82,882 | 85,405 |
| Hospital division | 171,757 | 173,720 | 178,135 |
| Total | 2,309,947 | 2,683,982 | 2,911,539 |

WATER CONSUMPTION RELATIVE VALUE (M³/EUROS MILLION)



| In m ³ /euros million | 2014 | 2015 | 2016 |
|----------------------------------|-----------|-----------|-----------|
| Bioscience division | 825,239 | 800,558 | 820,252 |
| Diagnostic division | 103,148 | 119,867 | 128,625 |
| Hospital division | 1,811,783 | 1,804,977 | 1,806,955 |

WATER CONSUMPTION BY COUNTRY (THOUSAND M³)



| In m ³ | 2014 | 2015 | 2016 |
|-------------------|------------------|------------------|------------------|
| Spain | 770.812 | 833.847 | 868.780 |
| U.S. | 1.526.708 | 1.837.938 | 2.024.097 |
| Rest of the World | 12.427 | 12.197 | 18.662 |
| Total | 2.309.947 | 2.683.982 | 2.911.539 |

73% OF WATER CONSUMED CORRESPONDS TO WASTEWATER WHILE 27% IS USED IN PROCESSES THAT DO NOT INVOLVE DISCHARGE

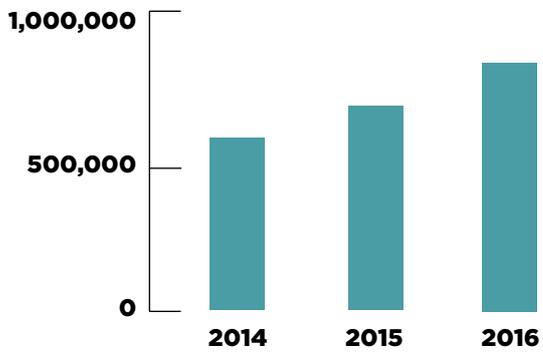
WASTEWATER

Grifols complies with the applicable regulations and permits required for wastewater discharge in all of its facilities. Wastewater is managed in proprietary or municipal treatment systems. Ultimately, all wastewater is discharged into the public sewer system.

During 2016, 1,749,144 m³ of wastewater was discharged into the public sewer system at all production centers. The volume of wastewater corresponds to 73% of the water consumed, since 27% is used in auxiliary processes that do not involve discharge, such as the cooling towers, or incorporated in the product itself during the manufacturing process.

The Bioscience Division's facilities in Barcelona and Clayton treat wastewater in-house with biological systems prior to discharge.

TREATED WASTEWATER IN BARCELONA AND CLAYTON PRODUCTION FACILITIES (M³)

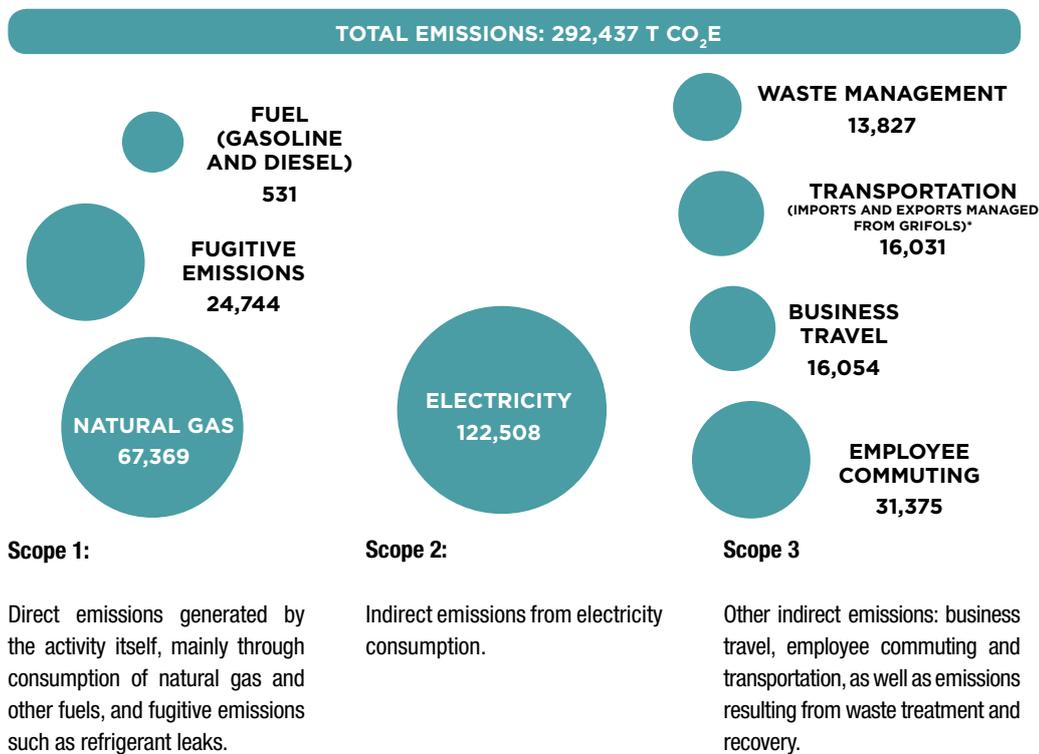


| In m ³ | 2014 | 2015 | 2016 |
|--------------------|---------|---------|---------|
| Treated Wastewater | 586,374 | 697,554 | 803,128 |

AIR EMISSIONS

For the sixth consecutive year, Grifols calculated the company's carbon footprint to identify the greenhouse gas emissions generated by its operations and their impact on climate change. In addition, in 2016 the scope has been extended including all forms of transport in imports and exports managed from Grifols.

Calculations are based on Greenhouse Gas Protocol (GHG Protocol) methodology, the international standard for measuring and reporting greenhouse gas emissions. In accordance with this methodology, emissions are categorized in three scopes:



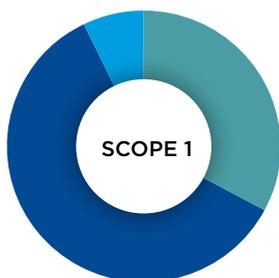
* In 2016, the scope was extended to include all forms of transport for imports and exports managed from Grifols. Since 2014 and 2015 data only included container transportation, it is not possible to make reasonable comparisons with previous years.

EMISSIONS OF NO_x, CO AND SO₂ GENERATED BY THE GRIFOLS ACTIVITY ARE BELOW THE LIMITS ESTABLISHED

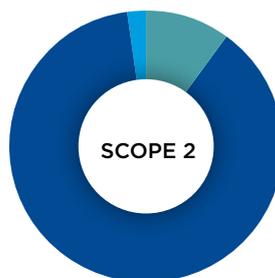
TOTAL EMISSIONS BY SCOPE AND REGION (T CO₂E)

| | 2014 | 2015 | 2016 | Variation |
|----------------------------|----------------|----------------|----------------|-----------------------|
| Electricity | 108,575 | 113,055 | 122,508 | 9.0% |
| Natural Gas | 62,757 | 65,158 | 67,369 | 3.4% |
| Fugitive Emissions | 19,098 | 19,465 | 24,744 | 27.1% |
| Fuel (Gasoline and Diesel) | 2,053 | 909 | 531 | -41.6% |
| Employee Commuting | 23,970 | 28,937 | 31,375 | 8.4% |
| Business Travel | 14,189 | 19,184 | 16,054 | -16.3% |
| Waste Management | 13,905 | 14,950 | 13,827 | -7.5% |
| Container Transportation | 822 | 1,690 | 16,031 | Not comparable |
| Total | 245,369 | 263,347 | 292,437 | Not comparable |

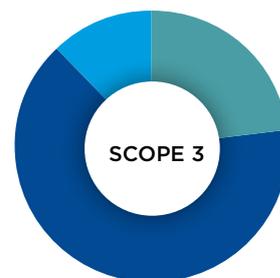
* In 2016, the scope was extended to include all forms of transport for imports and exports managed from Grifols International. Since 2014 and 2015 data only included container transportation, it is not possible to make reasonable comparisons with previous years.



- Spain 33.3%
- U.S 60.0%
- Rest of the World 6.7%



- Spain 10.2%
- U.S 87.6%
- Rest of the World 2.2%

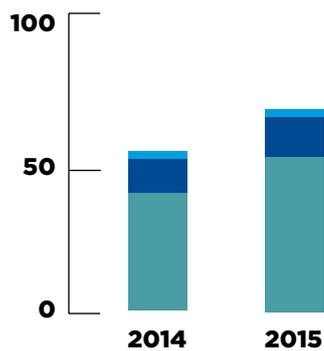


- Spain 23.5%
- U.S 64.3%
- Rest of the World 12.2%

Total leaks of refrigerant gases dropped by 24%. This reduction can largely be attributed to improvements made in preventive equipment maintenance, mainly in the Clayton plant. Emissions of atmospheric contaminants NO_x, CO and SO₂ are generated by combustion of natural gas in the boilers in the production centers and cogeneration plant in Barcelona, and by the fuel used in electric generators. Emissions of these compounds at all production plants are below the limits established by the relevant environmental authorities. Although the U.S. has the highest emission rates of refrigerant gases, the emission has decreased by 3.9 metric tons compared to 2015.

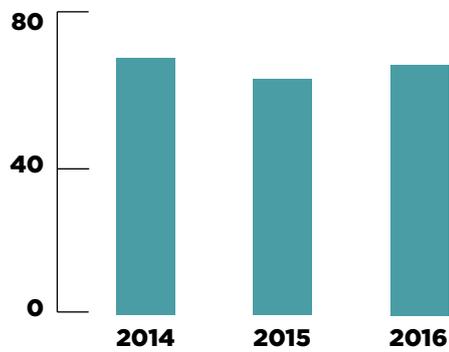
The NO_x emissions from Grifols Los Angeles plant are tradable on California's Regional Clean Air Incentives Market (RECLAIM), which works to reduce emissions of this pollutant. This system of allowances sets maximum emission levels for nitrogen oxides at each facility. Grifols did not purchase or sell NO_x credits on the regional market in 2016.

ATMOSPHERIC EMISSIONS (T)



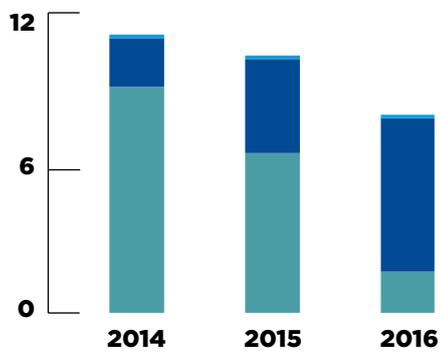
| In absolute value, t | 2014 | 2015 | 2016 |
|----------------------|------|------|-------|
| ● NO _x | 44 | 53 | 68 |
| ● CO | 19 | 24 | 11,52 |
| ● SO ₂ | 4 | 4 | 1 |

CO₂ EMISSIONS INTENSITY (T CO₂E/EUROS MILLION)



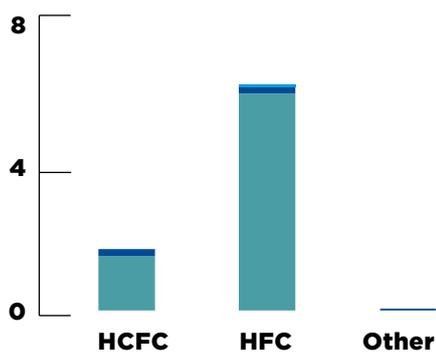
| | 2014 | 2015 | 2016 |
|---|------|------|------|
| Total t CO ₂ e/Euros million | 73 | 67 | 72 |

REFRIGERANT GAS LEAKS (T)



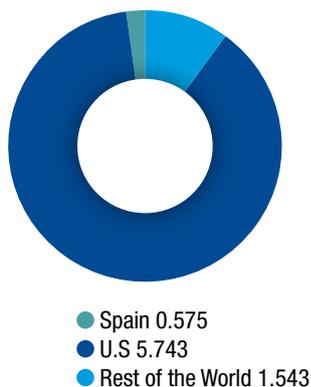
| In t | 2014 | 2015 | 2016 |
|--------------|---------------|---------------|--------------|
| ● HCFC (t) | 9.2 | 6.6 | 1.7 |
| ● HFC (t) | 2.0 | 3.8 | 6.2 |
| ● Others (t) | 0.010 | 0.0 | 0.0050 |
| Total | 11.210 | 10.343 | 7.861 |

2016 REFRIGERANT GAS LEAKS (T)



| In t | HTC | HFC | Other |
|-----------------------|--------------|--------------|--------------|
| ● Bioscience division | 1.519 | 5.959 | 0,000 |
| ● Diagnostic division | 0.157 | 0.173 | 0,005 |
| ● Hospital division | 0 | 0.045 | 0,000 |
| Total | 1.676 | 6.177 | 0,005 |

2016 REFRIGERANT GAS LEAKS BY REGION (ABSOLUTE VALUE, T)



THE VOLUME OF RECOVERED WASTE REACHED 13,557 METRIC TONS, REPRESENTING 40% OF TOTAL GENERATED WASTE.

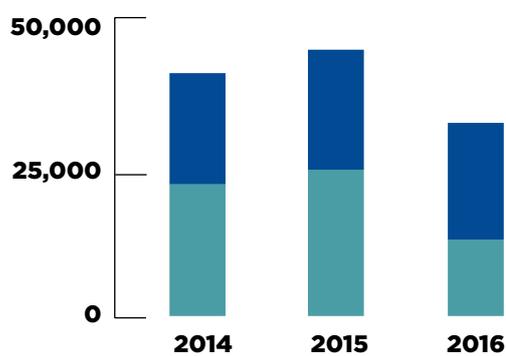
WASTE

Grifols waste management strategy prioritizes preventing and minimizing waste and encouraging recovery whenever possible, as opposed to landfill or incineration. In 2016, Grifols continued its commitment to waste management treatments by spearheading initiatives including recycling, anaerobic digestion and energy recovery.

In 2016, a total of 33,885 metric tons of waste was generated, which represented a 27.2% year-on-year decrease. The volume of recovered waste reached 13,557 metric tons, representing 40% of total generated waste. This was a decrease of 47% over the previous year due to several facts: the management of PEG + sorbitol solution as a product (rather than as a by-product), the reduction of concrete and asphalt (derived from the reduction of building projects) and the decrease of the sludge from the wastewater treatment plant due to the new agreement with Clayton municipality.

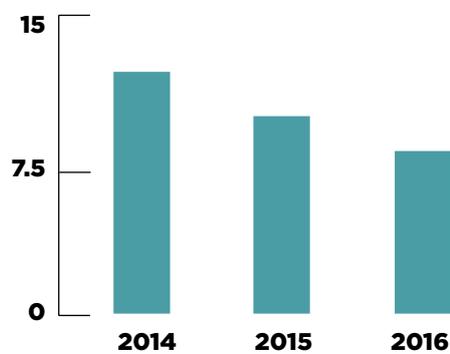
Grifols participates in several integrated waste management programs to guarantee the correct handling of certain waste generated by its activities. In Spain, it participates in the SIGRE program, related to the packaging and remains of domestic medications, as well as the ECOASIMELEC scheme to ensure correct handling of electronic and electrical waste. Other European subsidiaries adhere to the integrated management systems authorized in their respective countries. In Chile, Grifols collaborates with Recycla to collect and recycle this equipment.

GENERATED WASTE (ABSOLUTE VALUE, T)



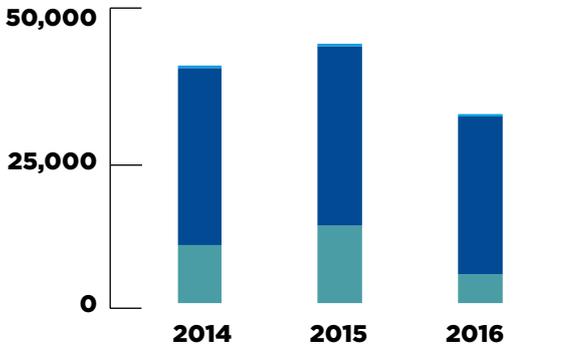
| In t | 2014 | 2015 | 2016 |
|-------------------|---------------|---------------|---------------|
| Total recycled | 23,281 | 25,562 | 13,557 |
| Total disposed of | 19,314 | 20,992 | 20,328 |
| Total | 42,595 | 46,554 | 33,885 |

GENERATED WASTE (RELATIVE VALUE, T/EUROS MILLION)



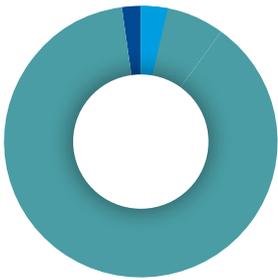
| In t/euros million | 2014 | 2015 | 2016 |
|--------------------|-------------|-------------|------------|
| Total | 12.7 | 11.8 | 8.4 |

GENERATED WASTE (ABSOLUTE VALUE, T)



| In t | 2014 | 2015 | 2016 |
|-------------------|---------------|---------------|---------------|
| Spain | 10,470 | 13,769 | 5,363 |
| U.S. | 31,938 | 32,450 | 28,142 |
| Rest of the World | 187 | 336 | 380 |
| Total | 42,595 | 46,554 | 33,885 |

2016 GENERATED WASTE (ABSOLUTE VALUE, T)



- Bioscience division 32,152
- Diagnostic division 745
- Hospital division 988

| | | 2014 | 2015 | 2016 |
|---|---------------------------------|---------------|---------------|---------------|
| Total weight of hazardous waste (t) | Energy recovery and by-products | 1,285 | 1,459 | 1,476 |
| | Reused and recycled | 4,972 | 2,285 | 2,440 |
| | Disposed of | 3,869 | 3,225 | 3,935 |
| Total weight of non-hazardous waste (t) | Energy recovery and by-products | 8,677 | 10,020 | 3,971 |
| | Composted | 3,044 | 2,759 | 394 |
| | Reused and recycled | 5,164 | 8,195 | 4,407 |
| | Other | 138 | 845 | 869 |
| | Disposed of | 13,652 | 13,882 | 14,258 |
| Other (non-hazardous/hazardous waste) (t) | Disposed of | 1,793 | 3,885 | 2,135 |
| Total | | 42,594 | 46,554 | 33,885 |

MORE INFORMATION ON GRIFOLS ENVIRONMENTAL COMMITMENT IS AVAILABLE ON THE CORPORATE WEBSITE



THROUGH TEAMWORK WE BECOME MORE COMPETITIVE IN THE MARKET

TEAMWORK

“THE HISTORY OF GRIFOLS IS THE HISTORY OF A TEAM THAT HAS GROWN AS NEW MEMBERS HAVE JOINED OUR COMPANY. SOME CONTRIBUTIONS TO THE TEAM ARE PARTICULARLY DECISIVE, BUT THE FINAL OUTCOME IS THE RESULT OF THE COOPERATION AND TEAMWORK OF EVERYONE AT GRIFOLS.”

2016 HIGHLIGHTS

EMPLOYEES

14,877

Over the last six years, Grifols has more than doubled the size of its workforce, which currently includes 14,877 employees.

WOMEN

54.21%

Grifols is committed to diversity: women comprise 54.21% of its team.

**GRIFOLS
WORKFORCE IN
SPAIN GREW BY
5.3% TO 3,430
EMPLOYEES, AN
AGGREGATE OF
39.8% OVER THE
LAST FIVE YEARS.**

A COMPANY BUILT FOR AND BY ITS PEOPLE

Grifols success has been driven by the dedication and commitment of its employees, which the company considers the true source of its value. The Group has been able to merge growth and globalization while staying true to its foundational values. Grifols is a listed company with a global footprint in over 100 countries and an employee base of more than 14,800 people. Despite its rapid expansion in recent years, the company maintains a vibrant corporate culture and identity which is strongly linked to its family origins.

For Grifols, the best way to preserve the company's emblematic traditions and values is by recognizing the vital importance of its employees, whose continuous growth and development serve as the genuine drivers of its success. The company advocates a policy of equal opportunities in the recruitment, training, remuneration, promotion and professional development of its personnel. Thanks to this core commitment, the company is able to attract and retain a stellar team of professionals who are able to research, develop, manufacture and market products that enhance the health and wellbeing of patients worldwide.

KEY EMPLOYEE DATA

In 2016, the Grifols workforce expanded to 14,877 employees. The average seniority of Grifols employees is 6.5 years, 56% are under the age of 40 and 54.21% are women.



14,877

employees

2015: 14,737
2014: 13,980

94.8%

Full-time employees

97%

Permanent contracts

570

employees took parental leave in 2016

(571 employees returned to work in 2016 after their parental leave)

54.21% women
45.79% men



7,477 women
6,625 men



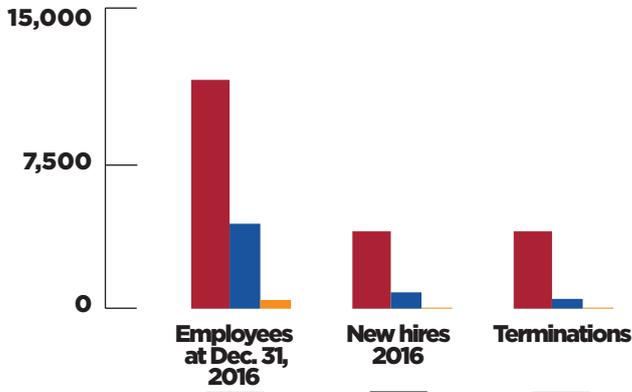
7,889 women
6,577 men



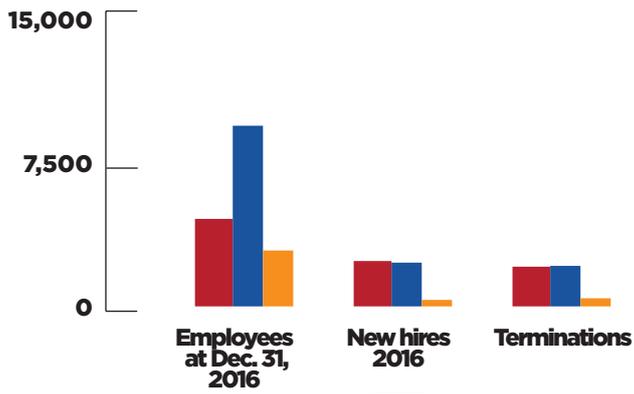
382 women
188 men



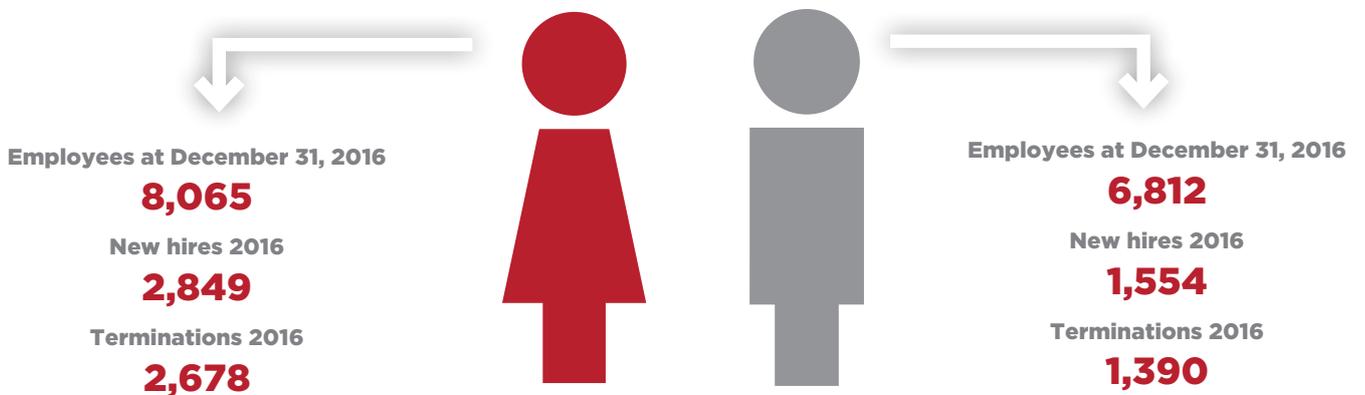
EMPLOYEE TURNOVER (2016)



| | North America | Europe | Rest of the World |
|--------------------------------|---------------|--------|-------------------|
| Employees at December 31, 2016 | 10,556 | 3,925 | 396 |
| New hires 2016 | 3,567 | 765 | 71 |
| Terminations | 3,587 | 437 | 44 |
| Turnover rate (%) | 34% | 11% | 11% |



| | Age < 30 | Age 30 - 50 | Age > 50 |
|--------------------------------|----------|-------------|----------|
| Employees at December 31, 2016 | 3,871 | 8,108 | 2,898 |
| New hires 2016 | 2,096 | 1,994 | 313 |
| Terminations | 1,806 | 1,870 | 392 |
| Turnover rate (%) | 47% | 23% | 14% |



PROFESSIONAL DEVELOPMENT



WORKING AT GRIFOLS

Grifols realizes that its employees are among its most important assets. The workforce is crucial, not only for the development of day-to-day operations, but also for the company’s sustained growth. Grifols strives to manage human resources as efficiently as possible to fulfill its commitment with employees and exceed their expectations.

Grifols seeks dedicated employees who reflect different areas of expertise and share the company’s overarching mission of improving people’s health. The company values hard work, honesty and proactive, responsible and open-minded individuals who are prepared to work as team members.

Grifols fosters an inclusive and culturally diverse working environment in which scientists, engineers, pharmacists, chemists, IT experts, laboratory technicians, manufacturing personnel and other professionals are able to pursue their career development objectives.

In 2016, the main lines of action in human resources efforts focused on retaining talent and offering continuous development opportunities to support the professional and personal growth of Grifols employees.

TRAINING AND WORKFORCE DEVELOPMENT

For Grifols, training is critical to encourage the professional development of its staff. By forging a team with the essential personal attitudes and professional skills, the company is able to implement projects anywhere in the world. Although Grifols work is based on science, it is the people at Grifols who make the difference, and each and every individual plays a vital role in the company’s success.

One of Grifols main objectives is to ensure that current and future employees can progress personally and professionally in their chosen career paths. For this reason, the company offers them on-going education opportunities designed to expand their technical expertise and further develop their skills and abilities.

In terms of training and development, the main areas of focus in 2016 included bolstering the Grifols culture by encouraging leadership competencies that stress company values; facilitating the requisite training to maintain the highest standards of quality, safety and technical excellence; leading initiatives to support the organic growth of the Group, particularly in commercial areas; and coordinating and integrating policies and human resources management practices at a global level.

In 2016, Grifols employees took part in 492,876 total hours of training, which represents an average of 35.1 training hours per employee.

TOTAL TRAINING HOURS



GRIFOLS ACADEMIES

The Group founded Grifols Academies in Spain and the U.S. as part of its enduring commitment to its employees and society as a whole.

- **The Grifols Professional Development Academy.** The Academy focuses on providing training and career development to employees. It aims to communicate corporate culture, as well as infuse a distinct approach of understanding and conducting business. Training is organized into three areas: scientific and technical knowledge, development of skills and corporate culture, and knowledge of the company. Its main facilities are located in Barcelona, although trainings and workshops are delivered all over the world.
- **The Grifols Plasmapheresis Academy in the United States.** The Academy offers advanced training on all plasmapheresis procedures; the collection, analysis and control of plasma; the preparation of medical hemoderivatives; and ethical and quality knowledge focused on human health. Through the Grifols Plasmapheresis Academy, the group aims to transmit its knowledge, standardize work procedures and retain top talent, in addition to extending its corporate culture to those companies located in the United States.

The Grifols Academies training programs aim not solely to educate, but also to create an active environment for the exchange of the knowledge and experiences that are specific to the plasma industry. This aspect is important since it simply does not exist in conventional training centers.

INDIVIDUAL DEVELOPMENT

All Grifols employees are invited to receive annual performance and career development reviews through the Grifols Performance System (GPS). The GPS is a systematic process to evaluate attitudes, performance and behaviors of the employees based on the Grifols corporate values. As a tool for professional development, its main objective is to examine past performance and future expectations with employees in their distinct roles. During this process, employees comment on their strengths and areas for growth, participate in the design of their development plans and discuss aspects of their careers and professional growth.

Grifols encourages all employees to participate in a performance and career development review. In 2016, 82.7% of employees reviewed their 2015 performance.

TALENT ATTRACTION AND RETENTION

Grifols believes that its future success rests squarely on its ability to attract, retain and motivate qualified personnel. In this regard, the company takes a proactive approach to attract, recruit and retain people who possess professional profiles that respond to company requirements and who are able to culturally adapt to the organization, positively contribute to its global development and “grow with Grifols.”

While recruiting, the company applies the Grifols Recruiting Policy to guarantee that the selection process follows a systematic approach, adheres to the current legal framework and reflects Grifols values. The Grifols Recruiting Policy also ensures that processes go beyond merely filling vacancies and find candidates who align with its corporate culture and are interested in developing their career at Grifols. Likewise, Grifols is committed to Equal Employment Opportunity and hence bases its selections on criteria such as corporate profile, functional profile, motivation and potential for professional growth.

In order to retain talented employees, Grifols remuneration philosophy is to provide market-competitive salaries and benefits and reward motivated employees who contribute positively to the continued global development and have strong individual and business performance. In alignment with Grifols corporate policies, each country offers individual compensation and benefits systems adapted to their region. Within each location, benefits are available to all employees based in key locations according to their category and employment type (full- or part-time). Among these benefits are basic life insurance, accidental death and dismemberment, core short-term disability, long-term disability, medical and dental benefits, pension plan, employee assistance program, wellness incentive program, tuition reimbursement and adoption assistance.

**GRIFOLS
SUPPORTS
FURTHER
EDUCATION
FOR ITS U.S.
EMPLOYEES
THROUGH
A SPECIAL
COLLABORATION
WITH COLLEGE
FOR AMERICA.**

FOR MORE
INFORMATION
ABOUT THE
GRIFOLS
ACADEMY OF
PLASMAPHERESIS



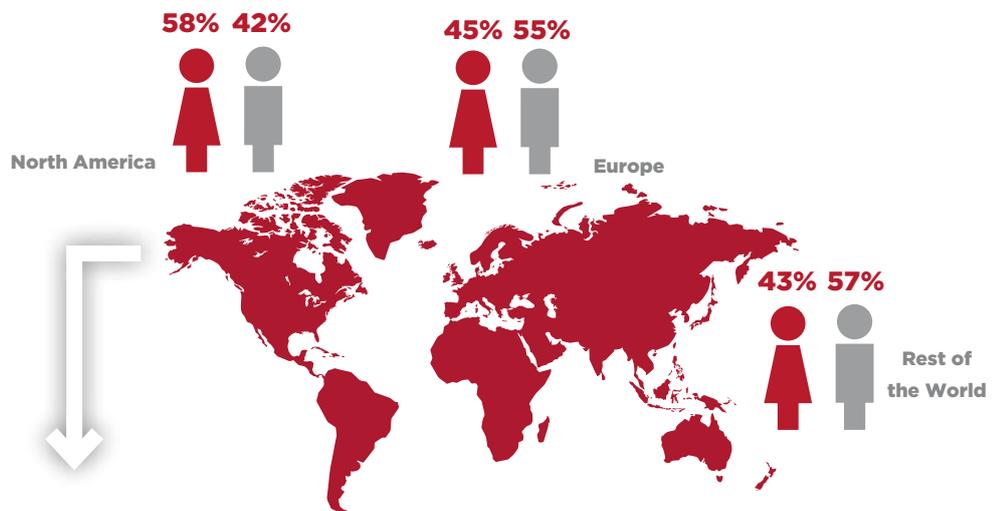
THE COLLECTIVE SUM OF INDIVIDUAL DIFFERENCES, LIFE EXPERIENCES, KNOWLEDGE, INVENTIVENESS, INNOVATION, SELF-EXPRESSION, UNIQUE CAPABILITIES AND TALENT THAT EMPLOYEES INVEST IN THEIR WORK ENRICH THE COMPANY'S CULTURE, AS WELL AS ENHANCE ITS REPUTATION AND ACHIEVEMENTS.

EQUAL OPPORTUNITIES, INCLUSION AND DIVERSITY

Grifols is committed to creating and sustaining a culture of diversity and inclusion. Grifols believes that inclusion fosters an environment where the diverse talents and uniqueness of employees are respected and valued. The collective sum of individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that employees invest in their work enrich the company's culture, as well as enhance its reputation and achievements. Diversity encompasses Grifols visible differences such as, ethnicity, race, color, gender, age, physical appearance and physical ability/disability, and underlying characteristics like attitudes, religion and beliefs, education, nationality and personal trajectories. Diversity also encompasses sexual orientation, marriage and civil partnerships, gender identity and/or expression and other personal facets.

To succeed in creating and sustaining a culture of diversity and inclusion, Grifols is resolved to recruiting and retaining talented and committed employees with diverse life experiences whose differences can be leveraged to drive innovation and creativity to meet the needs of patients, stakeholders and the communities that Grifols serves. Grifols is particularly proud of its diverse workforce and committed to maintain a working environment free of discrimination and harassment on the grounds of race, religion, nationality, gender, disability, sexual orientation, age, or for any other reason. Grifols advocates a policy of equal opportunities for all members of the organization with regard to recruitment, training, pay, promotion and professional development, in accordance with their skills and abilities.

DIVERSITY



| RACE U.S. EMPLOYEES | |
|--|--------|
| Hispanic | 21.80% |
| Caucasian | 46.26% |
| African American | 20.95% |
| Asian | 6.44% |
| Native Hawaiian/Other Pacific Islander | 0.55% |
| American Indian/Alaska Native | 0.51% |
| Two or More Races | 3.49% |

In 2016, women comprised 54.21% of the Grifols employee base. The strong representation of women at Grifols is reflected in all regions where Grifols operates and flows through to senior roles. As of December 31, 2016, women accounted for 44% of Grifols senior professionals and 38.6% of its senior management team. In addition, the Grifols Board includes four female directors, representing 31% of total directors.

Grifols diversity commitment is also reflected in age groups. In 2016, employees aged under 30 accounted for 26%, 54.5% of total employees were between 30 and 50 years old and 19.5% were over 50. As of December 31, 2016, 77% of Grifols board members are over the age of 50 and 23% are aged between 30 and 50.

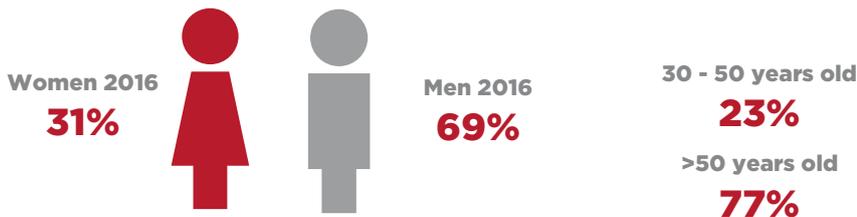
Grifols makes no distinction between women and men when hiring or offering compensation and benefits. According to the Grifols Equal Opportunities philosophy, the salaries offered for new incorporations are the same regardless of gender.

As evidence of Grifols efforts to maintain a discrimination-free workplace, only 25 incidents of discrimination were reported in 2016 out of an employee pool of 14,877 people. Proper investigations and analysis were completed, and although none of the claims was considered discriminatory in legal terms, Grifols took measures nonetheless to ensure a zero discrimination environment by offering counseling, coaching, training and education services.



| | Age <30 | Age 30 - 50 | Age >50 | % Women | % Men |
|---|---------|-------------|---------|---------|-------|
| Top management | 0.0% | 47.8% | 52.2% | 29.7% | 70.3% |
| Senior Management | 0.0% | 66.5% | 33.5% | 38.6% | 61.4% |
| Management | 1.6% | 69.9% | 28.6% | 41.9% | 58.1% |
| Senior Professional | 5.9% | 69.6% | 24.6% | 44.2% | 55.8% |
| Professional | 14.4% | 69.8% | 15.8% | 52.5% | 47.5% |
| Administratives/Manufacturing Operators | 36.5% | 50.2% | 13.3% | 59.4% | 40.6% |
| Total general | 27.1% | 55.7% | 17.2% | 54.7% | 45.3% |

GRIFOLS BOARD OF DIRECTORS DIVERSITY



GRIFOLS WORK CENTERS IN SPAIN ARE OHSAS 18.001:2007 CERTIFIED. THE INTERNATIONAL SUBSIDIARIES HAVE ESTABLISHED THEIR OWN INDIVIDUAL SYSTEMS THAT ARE ADAPTED TO EACH COUNTRY IN ALIGNMENT WITH CORPORATE POLICIES.

OCCUPATIONAL HEALTH AND SAFETY

A healthy risk-free working environment is part of Grifols commitment to its employees, as established in the company's Health and Safety Policy. This policy focuses on continuously applying the strictest health, safety and risk prevention criteria in the workplace. Health and safety activities are systematically and customarily carried out in accordance with the Health and Safety scheme included in the management program.

Grifols occupational Health and Safety policy guarantees that all of the Group's companies, as well as collaborating companies, carry out their activities in compliance with the regulations, rules and provisions applicable in each country, in accordance with the national legislation, and in compliance with Grifols own safety standards.

Grifols work centers in Spain are OHSAS 18.001:2007 certified. The international subsidiaries have established their own individual systems that are adapted to each country in alignment with corporate policies.

Grifols Health and Safety management system is based on a process of continuous improvement that includes adequately defining management objectives for each group of companies; closely monitoring the technical and organizational aspects of health and safety planning; applying active and reactive efficiency system controls; using external and internal audits; and ensuring the active participation of management in the employees' Health and Safety policy.

Grifols has a Corporate Health & Safety department that provides services to the entire Group. This department has expertise and qualified people that conduct all the Health & Safety topics.

The monitoring of the safety and corporate health program is done on three levels:

- Monthly monitoring of key performance indicators.
- Counseling visits to all companies and follow-up of the preventive plans.
- Corporate audits.

Among the projects developed in 2016, the most relevant are the definition of objectives in matters of health and safety in the workplace and the start of an internal audit process following the OSHAS 18001 standard in Spain. Also of note is the standardization effort in the health and safety systems of Grifols facilities in Ireland.

SAFETY IN THE FACILITIES AND PROCESS DESIGN

The most effective way to ensure people's safety is to correctly identify possible hazards in the design of the facilities. Grifols has defined preliminary standard procedures that consider all possible areas of risk when designing installations, purchasing new equipment and modifying production processes.

GRIFOLS HEALTH AND SAFETY PERFORMANCE

As a result of Grifols efforts to achieve a healthy risk-free workplace, there have been no instances of laboratory-acquired infections or work-related fatalities over the last three years.

In Grifols manufacturing centers, there are no workers with a high incidence of job-related diseases, since all processes associated with plasma follow a rigorous protocol, and technical, organizational and personal prevention measures are always taken. Plasma donation centers present a risk of possible contagion from contact with blood at the time of extraction, but Grifols has implemented all necessary protocols to prevent and act in case of an incident.

AWARENESS AND TRAINING PROGRAMS

Health and Safety training aims to guarantee that every employee has the necessary risk-prevention information and puts it into practice. This applies when employees first join the company, as well as when there are changes in their responsibilities and when new technologies and operational changes are introduced. Training adapts to employees' specific role and workplace.

In 2016, Grifols employees collectively dedicated 68,909 total hours in Health, Safety and Environment training, representing an average of 4.9 hours of training per employee.

| Hours of training per employee per year | 2014 | 2015 | 2016 |
|---|------|------|------|
| Europe | 2.3 | 2.0 | 2.8 |
| North America | 7.6 | 6.8 | 5.9 |
| Rest of the World | 0.3 | 1.5 | 0.3 |

PROMOTING EMPLOYEES WELLBEING

Grifols has a diversity of programs aimed at promoting the wellbeing of its employees in the main countries where it operates.

In North America, the program features a website on the Grifols intranet with tools and resources to improve employees' health. Through this program, employees can access a variety of resources and events to enhance their health and wellbeing, including a personal health advisor, wellness markers (biometrics), a diet program, exercise charts, wellness and fitness challenges, newsletters, blogs and webinars. In 2016, around 2,300 employees participated in the program. Grifols has seen a positive change in employee risk levels as a result of their active participation. Of those who commenced the program, 75% improved their health risk from high to moderate.

In Spain, employees are provided with influenza vaccines and voluntary annual health examinations free of charge. In 2016, a program was developed to help employees to detect and minimize ergonomic risks. In addition, the Environment and Health Week was celebrated in the second quarter of 2016, with initiatives including sport classes and healthier menu options in the company canteen.

IN 2016, GRIFOLS EMPLOYEES COLLECTIVELY DEDICATED 68,909 TOTAL HOURS IN HEALTH, SAFETY AND ENVIRONMENT TRAINING, REPRESENTING AN AVERAGE OF 4.9 HOURS OF TRAINING PER EMPLOYEE.

OUR COMMITMENT TO INNOVATION AND IMPROVEMENT SERVES AS AN EXAMPLE TO OUR COMMUNITY **INNOVATION AND IMPROVEMENT**

“THE ABILITY TO PLAN AHEAD AND INVEST IN IMPROVEMENTS HAS ENABLED US TO FULFILL OUR MISSION OF CARING FOR PEOPLE’S HEALTH. OUR EFFORTS HAVE MADE US A LEADER IN SOCIETY AND IN THE MARKETS WE SERVE, BUT WE MUST REMAIN STEADFAST IN OUR PURSUIT FOR CONTINUAL IMPROVEMENT AND INNOVATION IN OUR PRODUCTS AND PROCESSES.”

2016 HIGHLIGHTS

LAST PATIENT ENROLLED

AMBAR

Alzheimer's Management by Albumin Replacement Study is aimed to stabilize Alzheimer's disease. Intermediate results have demonstrated the tolerability and safety of the treatment.

AN INNOVATIVE COMPANY

TOP 100

In 2013, 2014, 2015 and 2016, *Forbes* magazine recognized Grifols among the world's top 100 innovative companies. As a recognized leader in innovation, Grifols continuously redefines the concept of plasma therapeutics and explores new industry platforms.

OVER 77 YEARS OF SUCCESSFUL INNOVATION, GRIFOLS HAS DEVELOPED A UNIQUE FRACTIONATION DESIGN THAT DECREASES THE POTENTIAL RISK OF CONTAMINATION, REDUCES MAINTENANCE COSTS AND INCREASES THE AMOUNT OF PRODUCT EXTRACTED PER LITER OF PLASMA.

GRIFOLS INNOVATION OFFICE

Grifols Innovation and New Technology is responsible for channeling the Group's investments in R&D companies and projects that lay beyond the scope of the company's core activities. In this regard, Grifols has developed a market-driven approach that merges internal capabilities, external investment and collaborative ventures to evaluate and accelerate the development and commercialization of innovative therapies, products and services. The Grifols Innovation Office also includes the Scientific and Medical Affairs area and the Trademarks and Patents department.

R&D GOES BEYOND INTERNAL RESOURCES

Grifols spearheads R&D efforts both in-house and through investee companies. The primary in-house R&D objectives are to discover and develop new products, research new applications for existing products, and improve the manufacturing processes to increase yields, safety and efficiency. In line with its pioneering spirit and commitment to patients, Grifols has expanded its presence in biotechnology projects by acquiring stakes in companies, as well as in R&D projects in fields of medicine that are not directly related to its core business.

As evidence of its commitment to continuous improvement, Grifols invested Euros 220 million net in R&D 2016, which accounted for 5.4% of total revenues. R&D net investments in 2015 totaled Euros 236 million, which denoted 6.0% of total annual revenue and a 21.2% year-on-year increase.

R&D IN GRIFOLS DIVISIONS

Grifols has always been at the forefront of innovation. Over 77 years of successful innovation, Grifols has developed a unique fractionation design that decreases the potential risk of contamination, reduces maintenance costs and increases the amount of product extracted per liter of plasma. In addition, the company was one of the first fractionators to conduct double processes with viral inactivation processes for Factor VIII. It also designed and implemented a new process for the sterile filling of vials that reduces exposure to potential microbial contaminants, which has become an industry reference in the plasma sector. Additionally, Grifols developed and implemented a nanofiltration method with viral removal capacity for its IVIG and ATIII products, among others. Within the diagnostic field, Grifols developed the first centrifugation unit for the automated cleaning of blood cells.



BIOSCIENCE

New proteins and indications

Discovery of novel proteins and new therapeutics uses for known proteins

Productions methods

Improvements and innovations in production that increase efficiency



DIAGNOSTIC

Instruments and reagents

New reagents and analyzers for the immunology and hemostasis areas

Systems and technologies

New systems and technologies that contribute to blood and plasma safety



HOSPITAL

Hospital focus

Innovative solutions that help ensure hospital quality, safety and efficiency



NEW FIELDS

Grifols Engineering

Specialized in the development of industrial biotechnology

Investees

Grifols promotes biotechnology initiatives through its participation in research companies

Grifols Innovation Office

BIOSCIENCE DIVISION

Grifols leadership in plasma-derived proteins is based on an R&D program with two main pillars: research into new therapeutic applications for plasma-derived proteins and industrial developments to improve production methods or devise new ones to enhance the efficiency and safety of plasma derivatives.

The following table reflects the total number of research and development projects in the Bioscience division by development phase over the last three years:

| Development Phase | 2014 | 2015 | 2016 |
|--|-----------|------------|-----------|
| Discovery | 19 | 21 | 16 |
| Preclinical | 19 | 22 | 14 |
| Clinical | 23 | 26 | 27 |
| Post Commercialization Studies | 12 | 12 | 9 |
| Rest of projects | 24 | 22 | 20 |
| Total Bioscience R&D Projects | 97 | 103 | 86 |

The plasma-derived protein therapies produced by the Bioscience Division are essential lifesaving medicines used in immune disorders, neurological disorders, plasma volume replacement therapy, clotting disorders, alpha-1 antitrypsin deficiency and fatal infections.

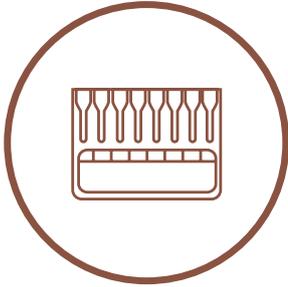
One of the most important current studies is the AMBAR (Alzheimer Management by Albumin Replacement) project, which aims to stabilize the advancement of Alzheimer's by combining plasma extraction and replacement with albumin. Other studies in progress include one on developing a high-concentration immunoglobulin product for subcutaneous administration, another focused on using an immunoglobulin product to treat myasthenia gravis (MG) and Post-Polio Syndrome (PPS) and yet another on addressing the use of albumin in hepatology and antithrombin in heart surgery.

THE AMBAR STUDY

Grifols, a pioneer in the research and development of therapeutic strategies, has dedicated research efforts on Alzheimer's disease for over a decade. AMBAR (Alzheimer Management by Albumin Replacement) is a clinical trial that explores the safety and effectiveness of combining plasma extraction and replacement with albumin — the most abundant protein in blood plasma — to stabilize Alzheimer's disease.

Intermediate results indicate the tolerability and safety of the treatment, and meet the necessary conditions for patients to take part and the study to continue. As defined by the research calendar, the last patient enrolled in December 2016.

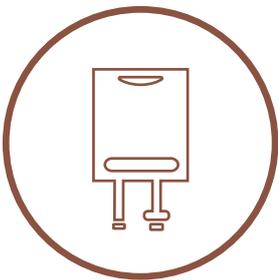




DIAGNOSTIC DIVISION

Grifols conducts research and development for new systems and technologies that contribute to the safety of blood components used in transfusion therapy, as well as other projects aimed at developing new reagents and analyzers for immunology and hemostasis areas.

In the field of personalized medicine — one of the areas with the greatest potential for growth — Grifols is working on the production of genomic and proteomic tests for in vitro diagnoses, disease prognosis, response prediction and motorization of drug therapies. Furthermore, it is developing tests for molecular diagnostics and prognosis in oncology, autoimmunity, cardiovascular fields and the central nervous system.



HOSPITAL DIVISION

Research and development projects in the Hospital Division focus on better ways to meet the needs of hospitals in drug logistic solutions and intravenous therapies.

One of the current lines of research involves developing electrolytic solutions and ready-to-use pharmaceutical preparations. The Hospital Division is also developing new applications, including software and devices, to improve the warehousing control of medication, administration of medication to the patient and the traceability of the pharmaceutical products inside the hospital.

MEETING FUTURE HEALTHCARE NEEDS

Grifols investments for the future include a range of research and development projects managed in-house and through its investee companies.

INTEGRATED ALZHEIMER'S RESEARCH STRATEGY

Alzheimer's disease (AD) is clinically characterized by a progressive cognitive impairment that leads to dementia and a complete deterioration of social and occupational activities. The incidence of Alzheimer's disease, the most frequent form of dementia, is growing exponentially. There is no cure.

Grifols is committed to increasing research on Alzheimer's disease. The company's research strategy on the disease follows two pathways: one directly managed by the company and the other by Araclon Biotech.

Grifols is carrying a Phase IIb/III clinical trial (AMBAR) involving 365 patients and 40 sites in Spain and the U.S. This study evaluates the combination of total plasma exchange with plasmapheresis, a form of low-volume plasma exchange that removes a volume of plasma similar to that of a donation with albumin replacement. This study includes a control arm in which patients are submitted to a sham (simulated) procedure.

Araclon Biotech specializes in researching and developing therapies and methods for diagnosing Alzheimer's disease and other neurodegenerative diseases. Araclon is currently focused on two research lines: the early diagnosis of AD through detection of beta-amyloid 40 and 42 peptides in blood and the treatment or prevention of the disease by immunotherapy (vaccine).

Grifols comprehensive approach to Alzheimer covers the three areas of activity: new treatments aimed at slowing the progress of the disease, an early diagnosis and the development of a preventive vaccine.

ALBUMIN IN HEPATOLOGY

Acute-on-chronic liver failure (ACLF) is a severe decompensation of preexisting liver cirrhosis that involves a rapid deterioration of the hepatic function in previously stable patients. Liver cirrhosis is essentially a fibrosis of the liver caused by different conditions, including toxics such as alcohol, hepatitis B and C viruses and others. Ascites is the accumulation of an albumin-rich fluid in the abdominal cavity (peritoneum) as a consequence of portal hypertension and is one of the hallmarks of advanced liver cirrhosis.

Grifols is performing a multi-center, open-label clinical study on the effects of long-term administration of Albutein® 20% on cardiovascular, renal and hepatic function. The results of this study suggested a reduction in clinical complications from cirrhosis. Based on these results, a Phase III study was subsequently designed.

ANTI-THROMBIN IN CARDIAC SURGERY

The present Anbinex® project is a clinical program that evaluates a preoperative treatment with ATIII in patients undergoing cardiac surgery with cardiopulmonary bypass (artificial extracorporeal circulation) in order to maintain ATIII levels in a certain range and eventually, decrease the frequency of negative clinical outcomes associated with low post-operative levels.

FIBRIN BIOLOGICAL GLUE

Fibrin sealant is a combination of fibrinogen and thrombin that is being developed as an adjunct to surgical hemostasis. The human fibrin adhesion system constitutes the last phase of physiological blood coagulation system leading to the formation of a semi-rigid fibrin clot: fibrinogen, the main structural protein in the blood responsible for forming clots, is proteolytically cleaved and converted into fibrin monomers by thrombin. The fibrin monomers polymerize to form insoluble fibrin. The Grifols fibrin sealant includes an innovative delivery system in which frozen solutions of fibrinogen and thrombin are kept separated in two pre-filled syringes assembled on a syringe holder. When locally applied, both proteins merge and within seconds start to generate a cross-linked fibrin clot in a process that mimics the last stage of the human coagulation system, thus supporting local hemostasis.

GRIFOLS, MARKET LEADER IN PLASMA-DERIVED FACTOR VIII, COULD BENEFIT FROM THE FINDINGS OF THE SIPPET STUDY

The SIPPET study was designed to definitively settle the long-debated question of whether factor VIII concentrates from different sources [plasma-derived containing Von Willebrand (VWF) or recombinant technology] varied in risk of inhibitor development in previously untreated children (PUPs) with severe hemophilia A. What sets SIPPET apart from previous research is its distinction as the first randomized study in this field. Randomized studies are considered by physicians to provide the highest level of evidence. The results, published in The New England Journal of Medicine, concluded that there is an 87% higher incidence of inhibitors with recombinant factor VIII in patients with severe hemophilia A, and according to the principal investigators, this could have implications on the choice of products for treatment. The study analyzed 251 patients over five years and encompassed a network of 42 centers in 14 countries.

*Survey of Inhibitors in Plasma-Products Exposed Toddlers. Grifols and other plasma companies provided unrestricted grants to the study.

A GLOBAL DEPARTMENT WITH PERSONNEL BASED IN BOTH SPAIN AND THE UNITED STATES MANAGES THE PATENT AND TRADEMARK APPROVAL, OVERSEES THE MAINTENANCE PROCESS AND MONITORS POSSIBLE INFRINGEMENTS.

PATENTS AND TRADEMARKS

Through patent ownership, co-ownership and licensing, Grifols maintains intellectual property protection for its primary products.

As of December 31, 2016, Grifols owned 2,366 patents and patent applications, of which 534 are in the process of final approval. In some countries, these patents grant a 20-year protection period. Of these patents, 509 are set to expire within the next ten years. As of December 31, 2016, Grifols also owned approximately 3,116 trademarks, of which 159 are in the process of final approval.

A global department with personnel based in both Spain and the United States manages the patent and trademark approval, oversees the maintenance process and monitors possible infringements.

DIVISIONAL PATENTS & PATENT APPLICATIONS (2016)

TOTAL TRADEMARKS OWNED



GRIFOLS ENGINEERING

Grifols Engineering offers innovative pharmaceutical engineering, custom solutions to meet the real needs of customers. Its range of engineering projects includes consulting, process engineering, feasibility studies, conceptual and detail design, construction of start-up services and machinery design, and construction of specialized equipment for the fractionation industry, purification and aseptic filling lines.

Grifols in-house engineering designs have played a pivotal role in developing and improving productivity.

The experience that Grifols Engineering has accumulated over the years includes knowledge of pharmaceutical and biotech processes, which the company now extends to external companies. In recent years, Grifols Engineering's innovative team was awarded six patents in biotech and machinery for new manufacturing processes.

A LEGACY OF INNOVATION

For four consecutive years starting, Forbes magazine has recognized Grifols among the world's top 100 innovative companies. As a recognized leader in innovation, Grifols continuously redefines the concept of plasma therapeutics and explores new industry platforms.

NEW FIELDS OF RESEARCH THROUGH INVESTEE COMPANIES

Grifols promotes and participates in projects spearheaded by other research companies that complement its core business. Some of the main focuses of these projects include:

Aracilon - Spain: Specialized in research, treatment development and diagnostic tests for Alzheimer's disease and other neurodegenerative diseases.

Progenika - Spain: Global pioneer in molecular biology tests for blood transfusion compatibility. Now part of the Grifols Group.

VCN Biosciences - Spain: Research and development of tumor treatments using oncolytic adenoviruses. Now part of the Grifols Group.

Aradigm - United States: Development and marketing of inhaled pharmaceuticals for the treatment and prevention of severe respiratory diseases.

Kiro Robotics - Spain: Automated compounding of intravenous treatments.

Alkahest - United States: Research into plasma proteins for the treatment of age-related cognitive deterioration.

Singulex - United States: Technology applicable to both transfusion and specialty diagnostics. Enables high-value assays using rare biomarkers.

AlbaJuna Therapeutics - Spain: Development of a new treatment strategy based on monoclonal antibodies with great potential to neutralize HIV.

Access Biologics - United States: Production of biological products, such as specific sera and plasma reagents, used by biotech and biopharmaceutical companies for in vitro diagnosis, cell culture and research and development in the field of diagnosis.

Engineering

Project Engineering
Process Engineering
Contract Management
Consulting

Machinery

Machinery Design
and Construction
Prototyping

SUPPORTING INVESTIGATIONAL RESEARCH

By observing, analyzing, questioning and experimenting, scientists are able to make discoveries that enhance our quality of life. As an ardent promoter of scientific investigation, Grifols has created a series of awards to incentivize scientific investigation across different areas of research.

GRIFOLS SCIENTIFIC AWARDS

Grifols commitment to the research community is embodied in the Grifols Scientific Awards. Over the years, Grifols has established various awards that promote and recognize research in areas related to its core business of plasma-derived proteins.

| Award | Objectives | Funding |
|--|---|--|
| Martín Villar Haemostasis Awards | Reward young investigators who have focused on clinical or basic research in hemostasis and encourage their continued studies in the field. | Two separate awards of Euros 20,000 that recognize outstanding research in hemostasis and blood coagulation disorders. |
| SPIN Scientific Progress Immunoglobulins In Neurology Award | Develop novel concepts in immunoglobulin research in the field of neurology, encourage the discovery of beneficial immunoglobulin applications for neurologic disorders and promote research of novel therapeutic options for patients with neurologic conditions. | The Spin Award offers Euros 50,000 to one applicant whose proposal best exemplifies the program's objectives, as assessed by an independent Review Committee. Funding is intended to support a 12-month project. |
| ALTA Alpha-1 antitrypsin Laurell's Training Award | Identify and support innovative clinical and scientific research focused on gaining greater insight into the biologic roles of alpha-1 antitrypsin (AATD). | The award program offers two annual grants of Euros 50,000 each. Funding is intended to support a 12-month project. |
| Albus Albumin Awards Program | Recognize research that broadens the knowledge base of albumin's role as a therapeutic product. | The award program comprises two annual grants of Euros 50,000 each. Funding is intended to support a 12-month project. |
| GATRA Grifols AntiThrombin Research Awards | Identify and support research projects on current and new uses of Antithrombin as a therapeutic product; establish new and long-lasting cooperation with participating scientists and clinicians; strengthen and increase the existing network between researchers and the company; and foster relationships with KOLs in different fields. | The award program offers two annual grants of Euros 50,000 each for a 12-month research period. |

FOR MORE INFORMATION ABOUT SPECIFIC CRITERIA, CANDIDATES, APPLICATION PROCESS OR AWARD RECIPIENTS



INVESTIGATOR-SPONSORED RESEARCH

Grifols maintains a long-standing commitment to science and research that dates back to the 1940s. The Global Bioscience Investigator Sponsored Research (ISR) program exemplifies this commitment. The program provides support to external researchers who have an interest in advancing scientific knowledge in therapeutic areas that are strategically aligned with Grifols Bioscience business interests, such as immune deficiencies, neurologic conditions responsive to IgG therapy, COPD and alpha-1 antitrypsin deficiency, coagulation and anticoagulation, shock and trauma, cirrhosis and ascites, and inflammation underlying various conditions.

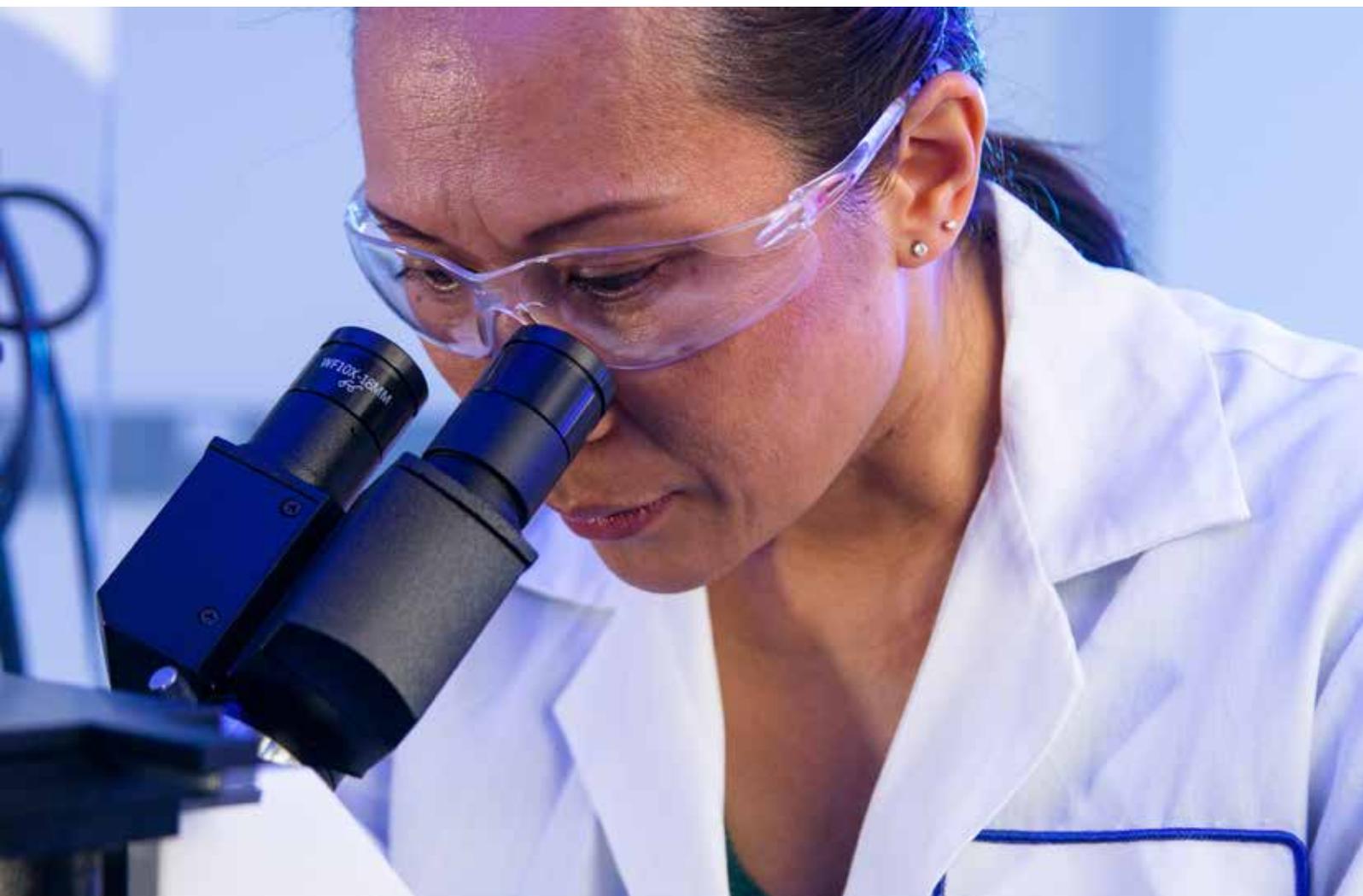
MEDICAL EDUCATIONAL GRANTS

The Grifols North America Medical Education Grants program provides support for non-promotional, independent medical-education activities intended to further healthcare provider knowledge.

GRIFOLS CHAIR FOR THE STUDY OF CIRRHOSIS

In 2015, Grifols established *The Grifols Chair for the Study of Cirrhosis*, a private chair with an international reach aimed at generating research and education on liver diseases, particularly cirrhosis. The Grifols Chair and the European Consortium for the Study of Chronic Liver Failure led and coordinated by Professor Vicente Arroyo through a newly created independent European Foundation for the Study of Chronic Liver Failure (EF-CLIF), of which Grifols is a sponsor.

**GRIFOLS
MAINTAINS A
LONG-STANDING
COMMITMENT
TO SCIENCE AND
RESEARCH THAT
DATES BACK TO
THE 1940'S.**



4. ABOUT THIS REPORT

IN REFLECTION OF ITS COMMITMENT TO TRANSPARENCY WITH ITS STAKEHOLDERS, GRIFOLS HAS PREPARED THE PRESENT CORPORATE RESPONSIBILITY REPORT TO HIGHLIGHT THE MANAGEMENT ACTIONS, PERFORMANCE AND SUBSEQUENT VALUE CREATION OF THE COMPANY IN 2016.



ABOUT THIS REPORT

SCOPE OF THE REPORT

This annual report covers the period comprised from January 1 to December 31, 2016, corresponding with Grifols fiscal year. In sections where historical data appears, we have included figures from the last three years (2014-2016), classified by division and region.

For purposes of this report, Grifols, S.A. and all of its subsidiaries are considered as “Grifols”.

A list of Grifols subsidiaries can be consulted in the Appendix I on the Consolidated Financial Statements.

Financial information included in this report comes from the Consolidated Financial Statements.

The scope of this report includes all of Grifols operations, from procurement, including plasma collection and manufacturing, to sales offices and service centers, taking into account the following considerations:

- Due to the complexity and global distribution of Grifols business, the scope of some of the quantitative indicators differs from the standard established. In these cases, all exceptions are well specified.
- The indicators included in this report were compiled by Grifols. The systemization of information retrieval that has been employed ensures methodological rigor and allows historical comparisons.
- Chapter 3, Excellence:
 - The data provided by Grifols in this section represents its production activity. Nearly all of its commercial activity is also represented, except for commercial subsidiaries with fewer than 10 employees.
 - Since most of the manufacturing facilities are located in the U.S. and Spain, the environmental information included in this section is classified by division and region as U.S., Spain and Rest of the World (ROW).
- Chapter 3, Teamwork:
 - Where historical data was available, Grifols included figures corresponding to the last three years, classified by gender (female, male), age and region (North America, Europe and ROW). North America includes the United States and Canada, whereas Europe includes the Czech Republic, France, Germany, Ireland, Italy, Poland, Portugal, Spain, Sweden, Switzerland and the UK.

PLEASE SEE
CHAPTER 3,
EXCELLENCE

CHAPTER 3,
TEAMWORK



LINK TO
FINANCIAL
STATEMENTS





PRINCIPLES

This report has been prepared in accordance with GRI Standards: Core option, from the Global Reporting Initiative (GRI).

Grifols defined the content of this report using GRI Standards principles.

- **Stakeholder inclusiveness:** Grifols maintains a constant dialogue with its stakeholders. The Group is able to describe its further response to meet stakeholder expectations and interests.
- **Sustainability context:** Grifols aspires to contribute to the advancement of economic, environmental and social conditions on local, regional and global levels.
- **Materiality:** Grifols addresses topics that reflect the organization's significant economic, environmental and social impacts, in addition to those that could substantially influence stakeholder evaluations and decisions.
- **Completeness:** Material topics and boundaries included in this report must sufficiently reflect the Groups' most significant social, economic and environmental impacts to permit stakeholders to evaluate its performance during the fiscal year.

THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH GRI STANDARDS: CORE OPTION, FROM THE GLOBAL REPORTING INITIATIVE (GRI).

GRIFOLS HAS PREPARED THIS REPORT AND DEFINED ITS CONTENTS TO ALIGN WITH THE EXPECTATIONS AND INTERESTS OF ITS STAKEHOLDERS.

STAKEHOLDER RELATIONS

Deeply aware of the vital role that its stakeholders play in the company's success, Grifols has identified main stakeholder groups and established appropriate communication channels to ensure an open dialogue and stay abreast of their needs and expectations.

The report serves as yet another channel to provide information to all stakeholders in a clear, concise, honest and ethical way.

Grifols uses a variety of communication channels to interact with its stakeholders, including the corporate website. The following chart recaps the main channels by stakeholder.

To stay current on the latest trends, best practices and market demands, Grifols also serves a member in the following industry associations:

- FENIN: Federación Española de Empresas de Tecnología Sanitaria
- PPTA: Plasma Protein Therapeutics Association
- ASEBIO: Asociación Española de Bioempresas
- American Chamber of Commerce in Spain
- AEF: Asociación Española de Farmacología
- AES: Asociación de la Economía de la Salud
- SESPAS: Sociedad Española de Salud Pública y Administración Sanitaria
- SEFH: Sociedad Española de Farmacia Hospitalaria
- SIGRE: Sistema Integrado de Gestión de Residuos de la Industria Farmacéutica
- ISPE: International Society for Pharmaceutical Engineering
- WHC: Wildlife Habitat Council
- ESI: Environmental Stewardship Initiative of the North Carolina Department of Environmental and Natural Resources
- ACS: American Chemical Society
- Farmafluid: Asociación Española de Laboratorios Farmacéuticos de Fluidoterapia y Nutrición Parenteral

Grifols has prepared this report and defined its contents to align with the expectations and interests of its stakeholders.

| Stakeholders | Communication Channels |
|--|---|
|  Patients, patient organizations | Grifols has open lines for on-going communications (email, phone calls) and quarterly meetings with patient organizations. |
|  Plasma donors | Grifols provides information to plasma donors through its website, educational videos and other communication channels. Donors can communicate with Grifols through plasma collection centers and the website. |
|  Customers | Grifols engages with customers (public and private; wholesalers, distributors, group purchasing organizations (GPOs), blood banks, hospitals and care institutions, National Health Systems) to provide clear and honest information about all of our products. |
|  Regulatory bodies | Grifols uses formal channels when engaging regulatory bodies such as the FDA and EMA for matters related to clinical trials, plasma center authorizations, validation of production facilities and other authorizations regarding the commercialization of therapeutic treatments, including new drugs, indications, etc. |
|  Suppliers (non-plasma materials) | Formal communication channels are used during certification processes, assessments and audits. For daily operations, informal channels are also used. |
|  Financial community | <p>As appropriate, Grifols discloses material information in compliance with regulations of stock exchanges where the company is listed (CNMV, SEC, NASDAQ, ISE, etc.) and uses the suitable channel for each case.</p> <p>Grifols communicates with all of its shareholders, investors, analysts and other stakeholders by organizing and attending meetings, including General Shareholders Meetings, work meetings, conference calls and roadshows. Furthermore, Grifols publishes an annual report, annual and quarterly earnings releases, and press releases on the Grifols corporate website and makes them available through distribution lists when necessary.</p> <p>Grifols hosts an annual capital-markets day designed specifically for investors and analysts that features more in-depth management presentations.</p> |
|  Employees | Grifols maintains a continuously updated intranet portal for employees, publishes an in-house magazine, provides updates on screens in Grifols facilities that display information of general interest for employees, organizes biannual meetings, as well as using other communication channels and engaging in informal day-to-day communications with employees. |
|  Local community & NGOs | Grifols works collaboratively and in partnership with numerous NGOs through its foundations and supports a range of community initiatives in locations where the company operates. |
|  Media | Grifols maintains clear and transparent communications with journalists and other media representatives. The company publishes press releases to announce important events like quarterly and annual results, organizes regular visits to manufacturing facilities and hosts an annual meeting with journalists (Annual Press Day). |
|  Scientific community, research partners | Collaboration with research partners and other scientific institutions is essential to the on-going innovation of Grifols products and processes. Activities with the scientific community include involvement in R&D projects, investments and partnerships. |
|  Institutional bodies | Institutional bodies, trade groups and other professional organizations are engaged in both formal and informal channels to organize forums, congresses and other business-related meetings. |

MATERIALITY

In accordance with the principles established in the GRI 101 Standard, the content of this report has been determined from a materiality analysis developed with the advice of an independent outside firm. It aims to identify the economic, environmental and social impacts of Grifols value chain and their influence on stakeholder decisions.

IDENTIFICATION

The process of identifying the material topics includes the analysis of sectorial trends and key pressures, as well as the analysis of topics that stakeholders consider material.

PRIORITIZATION AND VALIDATION

After identifying the material issues, the prioritization was carried out by consulting different sources:

- Identification of sustainability aspects that are critical to other peers and companies with similar activities to Grifols.
- Analysis of media and press releases specific to the sector.
- Interviews of managers in different areas to understand the Group's priorities and validate material issues.

As a result of this process, Grifols has identified 11 relevant issues that form the foundation of this report.

GRIFOLS MATERIALITY MATRIX



- Very Relevant: topics to be reported with a high level of detail
- Relevant: topics that Grifols should report in greater detail due to their relevance
- Less Relevant: issues that Grifols should report at least on its respective management approach

| Material topics | Main Issues Included | GRI Standards | Stakeholders | Scope | Section in This Report |
|---|--|---|--|-------------------------------|---------------------------------------|
| Ethics | Business ethics Code of conduct | GRI 102_General disclosures GRI 205- Anti-corruption GRI 206- Anti-competitive behavior | All | Internal & external relevance | 3.1 Pride |
| Corporate Governance | Corporate governance | GRI 102_General disclosures | All | Internal & external relevance | 2. Corporate governance |
| Transparency & Compliance | Compliance Clinical trial transparency | GRI 102_General disclosures | Regulatory bodies Customers Healthcare professionals | Internal & external relevance | 3.1 Pride |
| Economic Performance | Economic results Tax strategy Pricing | GRI 201_Economic performance | Financial community Media Employees Suppliers | Internal & external relevance | 3.3 Effort |
| Safety & Quality Along the Value Chain | Materials sourcing-procurement Sourcing strategy and suppliers policies | GRI 204- Procurement practices GRI 308- Supplier environmental assessment GRI 414- Supplier social assessment | Plasma donors Suppliers (non-plasma materials) Customers Patients, patient organizations | Internal & external relevance | 3.2 Safety |
| Innovation | R&D Strategy Intellectual property-patent policies | Not covered by GRI Standards | Employees Scientific community, research partners Regulatory bodies | Internal & external relevance | 3.7 Innovation and improvement |
| Safety & Quality | Product quality Product safety | GRI 416_Customer health and safety | Plasma donors Suppliers (non-plasma materials) Regulatory bodies Employees Institutional bodies Customers | Internal & external relevance | 3.2 Safety |
| Environmental Management | Materials, energy and water consumption Carbon footprint Waste management | GRI 302_Energy GRI 303_Water GRI 305_Emissions GRI 306_Effluents and waste GRI 301_ Materials | Local community & NGOs Media Regulatory bodies | Internal & external relevance | 3.5 Excellence |
| Employment | Labor conditions Talent attraction and retention Diversity and inclusion Occupational health and safety | GRI 102_General disclosures GRI 401_Employment GRI 402_Labor management relations GRI 403_Occupational health and safety GRI 404_Training and education GRI 405_Diversity and Equal Opportunity GRI 406_ Non-discrimination | Employees | Internal relevance | 3.6 Teamwork |
| Social Engagement | Patient organization support Donors support Social contribution Strategy to improve access to treatments or medicines | GRI 203_Indirect economic impacts | Patients, patient organizations Plasma donors Local community & NGOs | Internal & external relevance | 3.4 Commitment |
| Stakeholder Engagement | Stakeholder engagement | GRI 102_General disclosures | All | Internal & external relevance | 3.4 Commitment 4 About this report |



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Torre Realia
Plaça d'Europa, 41-43
08908 L'Hospitalet de Llobregat
Barcelona

Independent Assurance Report to the Management of GRIFOLS, S.A.

In accordance with our engagement letter, we performed a limited assurance review on the non-financial information contained in the CORPORATE RESPONSIBILITY REPORT of GRIFOLS, S.A (hereinafter GRIFOLS) for the year ended 31 December 2016 (hereinafter "the Report"). The information reviewed corresponds to the indicators referred in the GRI Index.

Management responsibilities

GRIFOLS management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) in its core option as described in section 102-54 of the GRI Content index of the Report. It is also responsible for compliance with Materiality Disclosure Service, obtaining confirmation from the Global Reporting Initiative on the proper application of these. Management is also responsible for the information and assertions contained within the Report; for determining GRIFOLS's objectives in respect of the selection and presentation of sustainable development performance, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

These responsibilities include the establishment of appropriate controls that GRIFOLS management consider necessary to enable that the preparation of indicators with a limited assurance review would be free of material errors due to fraud or errors.

Our responsibility

Our responsibility is to carry out a limited assurance review and to express a conclusion based on the work performed, referring exclusively to the information corresponding to 2016. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with International Standard ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board (IAASB) and with the Performance Guide on the revision of Corporate Responsibility Reports of the Instituto de Censores Jurados de Cuentas de España (ICJCE). These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

KPMG applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Internal Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Procedures performed

Our limited assurance engagement consisted of making enquiries of management and persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures. These procedures included:

- Verification of GRIFOLS's processes for determining the material issues, and the participation of stakeholder groups therein.
- Interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies and corporate responsibility for material issues, and the implementation of these across the business of GRIFOLS.
- Evaluation through interviews concerning the consistency of the description of the application of GRIFOLS's policies and strategy on sustainability, governance, ethics and integrity.
- Risk analysis, including searching the media to identify material issues during the year covered by the Report.
- Review of the consistency of information comparing General Standard Disclosures with internal systems and documentation.
- Analysis of the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Visit to the production facilities in Parets (Barcelona) site selected based on a risk analysis considering quantitative and qualitative criteria.
- Review of the application of the Global Reporting Initiative's Standards requirements for the preparation of reports in accordance with core option.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of GRIFOLS.
- Verification that the financial information reflected in the Report was audited by independent third parties.

Our multidisciplinary team included specialists in social, environmental and economic business performance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is lower than that of a reasonable assurance engagement. This report may not be taken as an auditor's report.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this Independent Review Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the CORPORATE RESPONSIBILITY REPORT of GRIFOLS, S.A for the year ended 31 December 2016, has not in all material respects, been prepared and presented in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative as described in section 102-54 of the GRI Index, including the reliability of data, adequacy of the information presented and the absence of significant deviations and omissions.

Under separate cover, we will provide GRIFOLS management with an internal report outlining our complete findings and areas for improvement.

Purpose of our report

In accordance with the terms of our engagement, this Independent Assurance Report has been prepared for GRIFOLS in relation to its 2016 CORPORATE RESPONSIBILITY REPORT and for no other purpose or in any other context.

KPMG Asesores, S.L.



José Luis Blasco Vázquez

25 April 2017



GRI CONTENT INDEX

| GRI Standard | Disclosure | Page Number / Direct Response | Identified Omission(s) | External Assurance |
|-----------------------------------|--|--|--|-----------------------|
| GRI 101: Foundation 2016 | | | | |
| General Disclosures | | | | |
| GRI 102: General Disclosures 2016 | Organizational profile | | | |
| | 102-1 | Name of the organization | Grifols S.A. | Yes, pages 128 to 130 |
| | 102-2 | Activities, brands, products, and services | 14-21 | Yes, pages 128 to 130 |
| | 102-3 | Location of headquarters | 22 The global corporate headquarters is located in Sant Cugat del Valles, Barcelona. | Yes, pages 128 to 130 |
| | 102-4 | Location of operations | 22, 23 | Yes, pages 128 to 130 |
| | 102-5 | Ownership and legal form | Available in Grifols Corporate Governance Annual Report https://www.grifols.com/en/web/international/investor-relations/annual-corporate-governance-report | Yes, pages 128 to 130 |
| | 102-6 | Markets served | 14,22, 72,73 | Yes, pages 128 to 130 |
| | 102-7 | Scale of the organization | 8,38, 63, 66, 67 | Yes, pages 128 to 130 |
| | 102-8 | Information on employees and other workers | 102 | Yes, pages 128 to 130 |
| | 102-9 | Supply chain | 16-20, 52, 57, 125 | Yes, pages 128 to 130 |
| | 102-10 | Significant changes to the organization and its supply chain | 23, 11, 12 | Yes, pages 128 to 130 |
| | 102-11 | Precautionary Principle or approach | 32, 33 | Yes, pages 128 to 130 |
| | 102-12 | External initiatives | Grifols has not adopted externally-developed economic, environmental or social charters or principles. | Yes, pages 128 to 130 |
| | 102-13 | Membership of associations | 124 | Yes, pages 128 to 130 |
| | Strategy | | | |
| | 102-14 | Statement from senior decision-maker | 4, 5 | Yes, pages 128 to 130 |
| | Ethics and Integrity | | | |
| | 102-16 | Values, principles, standards, and norms of behavior | 9, 36 | Yes, pages 128 to 130 |
| | 102-17 | Mechanisms for advice and concerns about ethics | 43 | Yes, pages 128 to 130 |
| | Governance | | | |
| | 102-18 | Governance structure | 27-29 https://www.grifols.com/en/web/international/investor-relations/annual-corporate-governance-report | Yes, pages 128 to 130 |
| | Stakeholder engagement | | | |
| | 102-40 | List of stakeholder groups | 125 | Yes, pages 128 to 130 |
| | 102-41 | Collective bargaining agreements | The employees of some of our subsidiaries in Spain, Germany, Italy, France and Argentina are covered by collective bargaining agreements. During 2016, 3,780 employees were covered by this agreements, which is a 25.4% of the total Grifols employees. | Yes, pages 128 to 130 |
| | 102-42 | Identifying and selecting stakeholders | 124, 125 | Yes, pages 128 to 130 |
| | 102-43 | Approach to stakeholder engagement | 124, 125 | Yes, pages 128 to 130 |
| | 102-44 | Key topics and concerns raised | 124-126 | Yes, pages 128 to 130 |
| | Reporting Practice | | | |
| 102-45 | Entities included in the consolidated financial statements | A list of Grifols subsidiaries can be consulted in the Appendix I on the Consolidated Financial Statements (https://www.grifols.com/en/web/international/investor-relations/annual-report-and-annual-audited-account) | Yes, pages 128 to 130 | |
| 102-46 | Defining report content and topic Boundaries | 122, 123, 126, 127 | Yes, pages 128 to 130 | |
| 102-47 | List of material topics | 127 | Yes, pages 128 to 130 | |
| 102-48 | Restatements of information | Not applicable. This is the first report prepared by the organization. | Yes, pages 128 to 130 | |

| GRI Standard | Disclosure | | Page Number / Direct Response | Identified Omission(s) | External Assurance |
|---|------------|---|---|---|-----------------------|
| GRI 102: General Disclosures 2016 | 102-49 | Changes in reporting | Not applicable. This is the first report prepared by the organization. | | Yes, pages 128 to 130 |
| | 102-50 | Reporting period | 122 | | Yes, pages 128 to 130 |
| | 102-51 | Date of most recent report | Not applicable. This is the first report prepared by the organization | | Yes, pages 128 to 130 |
| | 102-52 | Reporting cycle | Annual | | Yes, pages 128 to 130 |
| | 102-53 | Contact point for questions regarding the report | GRIFOLS S.A. - Investor Relations Avinguda de la Generalitat, 152 Parc empresarial Can Sant Joan 08174 Sant Cugat del Vallès, Barcelona - España Contact information: Tel. (+34) 935 710 221 Fax: (+34)34 935 712 201 inversores@grifols.com | | Yes, pages 128 to 130 |
| | 102-54 | Claims of reporting in accordance with the GRI Standards | 123 | | Yes, pages 128 to 130 |
| | 102-55 | GRI content index | 131 | | Yes, pages 128 to 130 |
| | 102-56 | External assurance | 128-130 | | Yes, pages 128 to 130 |
| Material topics | | | | | |
| Ethics (GRI 205: Anti-corruption 2016, GRI 206: Anti-competitive Behavior 2016) | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 42-47 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 28, 42-47 | | Yes, pages 128 to 130 |
| GRI 205: Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | 45, 46 | | Yes, pages 128 to 130 |
| | 205-2 | Communication and training about anti-corruption policies and procedures | 45, 46 | The total number of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region is in 2016 unavailable. Specific measures in the information collection system are being taken to disclose with the indicated breakdown next year. | Yes, pages 128 to 130 |
| | 205-3 | Confirmed incidents of corruption and actions taken | 46 | | Yes, pages 128 to 130 |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Disclosure available in Grifols 20F Report on pages 100 and 101. https://www.sec.gov/Archives/edgar/data/1438569/000110465917021206/a17-8984_120f.htm | | Yes, pages 128 to 130 |
| Corporate Governance | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 26-33 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 28 | | Yes, pages 128 to 130 |
| Transparency & Compliance | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 47 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 28, 44, 47 | | Yes, pages 128 to 130 |
| Economic performance (GRI 201: Economic Performance 2016) | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 62-69 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 28 | | Yes, pages 128 to 130 |

| GRI Standard | Disclosure | | Page Number / Direct Response | Identified Omission(s) | External Assurance |
|---|------------|---|--|--|-----------------------|
| GRI 201: Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | 69 | | Yes, pages 128 to 130 |
| Safety and quality along the value chain | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 48-59 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 52, 57, 58 | | Yes, pages 128 to 130 |
| Innovation | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 112-119 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 28, 112 | | Yes, pages 128 to 130 |
| Safety & Quality (GRI 416: Customer Health Safety 2016) | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 48-49 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 28, 42, 52, 55, 59 | | Yes, pages 128 to 130 |
| GRI 416: Customer Health Safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | 50 | | Yes, pages 128 to 130 |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 50 | | Yes, pages 128 to 130 |
| Environmental management (GRI 301: Materials 2016, GRI 302: Energy 2016, GRI 303: Water 2016, GRI 305: Emissions 2016, GRI 306: Effluents and Waste 2016) | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 82-85 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 82 | | Yes, pages 128 to 130 |
| GRI 301: Materials 2016 | 301-1 | Materials used by weight or volume | 87 | Breakdown by renewable and non-renewable materials is in 2016 unavailable. Specific measures in the information collection system and analysis will be taken to disclose the total volume renewable and non-renewable within the next three years. | Yes, pages 128 to 130 |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organization | 88-92, 122 | | Yes, pages 128 to 130 |
| | 302-3 | Energy intensity | 89, 91, 122 All ratios reported use energy consumption within the organization. | | Yes, pages 128 to 130 |
| | 302-4 | Reduction of energy consumption | 89 | | Yes, pages 128 to 130 |
| GRI 303: Water 2016 | 303-1 | Water withdrawal by source | 93 | | Yes, pages 128 to 130 |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 95, 96 | | Yes, pages 128 to 130 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 95, 96 | | Yes, pages 128 to 130 |
| | 305-3 | Other indirect (Scope 3) GHG emissions | 95, 96 | | Yes, pages 128 to 130 |
| | 305-4 | GHG emissions intensity | 97 | | Yes, pages 128 to 130 |
| | 305-6 | Emissions of ozone-depleting substances (ODS) | 97 | | Yes, pages 128 to 130 |
| | 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | 96 | | Yes, pages 128 to 130 |
| GRI 306: Effluents and Waste 2016 | 306-1 | Water discharge by quality and destination | 94 | | Yes, pages 128 to 130 |
| | 306-2 | Waste by type and disposal method | 98, 99 | | Yes, pages 128 to 130 |
| Employment (GRI 401: Employment 2016, GRI 402: Labor/Management Relations 2016, GRI 404: Training and Education 2016, GRI 405: Diversity and Equal Opportunity 2016, GRI 406: Non-discrimination 2016) | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 102-109 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 28 | | Yes, pages 128 to 130 |

| GRI Standard | Disclosure | | Page Number / Direct Response | Identified Omission(s) | External Assurance |
|--|------------|---|---|---|-----------------------|
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | 103 | | Yes, pages 128 to 130 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 105 Apart from the U.S., all employees of significant locations are eligible to the totality of benefits of their work category regardless their employment type (full time or part time). In the US, all regular full-time employees working an average of 30 or more hours per week, their spouse, children and domestic partner are eligible for benefits like Basic Life Insurance, Accidental Death & Dismemberment, Core Short-Term Disability, Long-Term Disability, Health Reimbursement Account (For EHP participants only), Employee Assistance Program, LiveWell Wellness Incentive Program, Business Travel Accident, 401k Match, Tuition Reimbursement, PTO Pay, Holiday Pay, Adoption Assistance. Part-time employees are eligible for the benefits 401k, Business travel accident and Employee Assistance Program. | | Yes, pages 128 to 130 |
| | 401-3 | Parental leave | 102 100% of employees who are entitled by State, Federal, Regional or local laws are permitted to parental leave. | The total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work is in 2016 unavailable. Specific measures in the information collection system will be taken to disclose the number within the next two years. | Yes, pages 128 to 130 |
| GRI 402: Labor / Management Relations 2016 | 402-1 | Minimum notice periods regarding operational changes | For any significant operational changes in the organization that may substantially affect employees, they are noticed with a reasonable period in compliance with the applicable law and following all signed collective agreements. | | Yes, pages 128 to 130 |
| GRI 403: Occupational Health and Safety 2016 | 403-1 | Workers representation in formal joint management-worker health and safety committees | In Spain, Chile and Germany, where there are legally established work councils, Grifols counts with occupational health and safety risks prevention workers exercising representative functions. In these countries, there are regular communications through OHS meetings. In 2016, 77% of employees in Spain were represented by formal joint management-worker health and safety committees, while in Chile and Germany 100% of employees were represented. In the remaining subsidiaries, there is no formal designation, although Grifols cultivates regular communications and consultations with workers, who establish committees where all employees are invited to join or send proposals. Each subsidiary defines the periodicity of the meetings and establishes the follow-up of the specific plans, actions or measures determined by the committees. | | Yes, pages 128 to 130 |
| | 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | In 2016, the injury frequency rate was 6.29. Grifols continues to implement measures to enhance safety culture at work. Injury frequency rate is calculated as the number of incidents per 200,000 hours worked (including minor injuries; e.g. first aid level) | Lost day and absentee rates are in 2016 unavailable. Specific measures in the information collection system will be taken to disclose the number with the breakdown by region and gender within the next years. | Yes, pages 128 to 130 |
| | 403-3 | Workers with high incidence or high risk of diseases related to their occupation | 108 | | Yes, pages 128 to 130 |

| GRI Standard | Disclosure | | Page Number / Direct Response | Identified Omission(s) | External Assurance |
|--|------------|--|-------------------------------|--|-----------------------|
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | 104, 109 | Average hours breakdown by gender or employee category is in 2016 unavailable. Specific measures in the information collection system will be taken to disclose the number within the next three years. | Yes, pages 128 to 130 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 77, 104, 105 | Information about transition assistance programs is in 2016 not available. Specific measures in the information collection system will be taken to disclose the number within the next three years. | Yes, pages 128 to 130 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | 105 | The percentage breakdown by gender and by employee category in 2016 is unavailable. Specific measures in the information collection system will be taken to disclose the number within the next three years. | Yes, pages 128 to 130 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | 107 | | Yes, pages 128 to 130 |
| GRI 406: Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | 107 | | Yes, pages 128 to 130 |
| Social engagement (GRI 203: Indirect Economic Impacts 2016) | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 72-79 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 28 | | Yes, pages 128 to 130 |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported | 72-79 | | Yes, pages 128 to 130 |
| Stakeholder engagement | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 126, 127 | | Yes, pages 128 to 130 |
| | 103-2 | The management approach and its components | 124, 125 | | Yes, pages 128 to 130 |
| | 103-3 | Evaluation of the management approach | 28, 124, 125 | | Yes, pages 128 to 130 |

GLOSSARY OF TERMS AND ABBREVIATIONS

- **AAT/Alpha-1 antitrypsin deficiency:** This is an inherited disease characterized by reduced levels in the blood of the substance alpha-1 antitrypsin (AAT). This substance is a protein that is normally made by the liver and reaches other organs (such as the lungs) after being released into the blood circulation
- **Albumin:** This is the most abundant blood plasma protein and is produced in the liver and forms a large proportion of all plasma. Albumin normally constitutes about 60% of human plasma. It is important in regulating blood volume by maintaining the oncotic pressure of the blood compartment
- **Alzheimer's disease:** This is the most common form of dementia. This incurable, degenerative, and terminal disease was first described by German psychiatrist and neuropathologist Alois Alzheimer in 1906 and was named after him
- **Beta-amyloid:** Protein strongly implicated in Alzheimer's diseases. Beta-amyloid is the main component of certain deposits found in the brains of patients with Alzheimer's disease
- **CIDP: Chronic Inflammatory Demyelinating Polyneuropathy.** Neurological disease resulting in weakness, numbness, pain and difficulty in walking
- **Cirrhosis:** Medical condition which is a result of advanced liver disease. It is characterized by the replacement of liver tissue by fibrosis (scar tissue) and regenerative nodules (lumps that occur due to attempted repair of damaged tissue)
- **Cryo:** Cryoprecipitate, a component precipitated from plasma
- **Diabetes:** Metabolic disease in which a person has high blood sugar, either because the pancreas does not produce enough insulin, or because cells do not respond to the insulin that is produced
- **ELISA:** Enzyme-linked immunosorbent assay
- **EMA:** European Medicines Agency
- **Factor VIII or FVIII:** This is an essential blood clotting factor also known as anti-hemophilic factor (AHF). In humans, Factor VIII is encoded by the F8 gene. Defects in this gene results in hemophilia A, which is a sex-linked disease and occurs predominantly in males. FVIII concentrated from donated blood plasma, or alternatively recombinant FVIII, or rFVIII can be given to hemophiliacs to restore hemostasis

- **Factor IX:** This is an important blood clotting factor also known as Christmas factor or plasma thromboplastin component (PTC). It is one of the serine proteases of the coagulation system and belongs to the peptidase family S1. In humans, a deficiency of this protein causes hemophilia B, which is a sex-linked disease and occurs predominantly in males
- **FDA:** Food and Drug Administration. U.S. Health Authority.
- **Fibrin sealant:** Surgical adhesive material that is utilized in a variety of surgical situations
- **Fractionation:** Process of fractionating plasma, or separating it into its component parts
- **GPO:** Group Purchasing Organization
- **HBV:** Hepatitis B Virus
- **HCV:** Hepatitis C Virus
- **Hematology:** The study of blood, blood-forming organs, and blood diseases
- **Hemoderivative:** A substance obtained by fractionation of human blood plasma. Some hemoderivatives become essential medicines.
- **Hemophilia A:** Genetic deficiency in clotting factor VIII, which causes increased bleeding (usually affects males)
- **Hemotherapy:** Treatment of an illness using blood, blood components or their derivatives.
- **HIV:** Human Immunodeficiency Virus
- **IA:** Immunoassays. These are systems available in several formats that may be used to detect antibodies, antigens or a combination of the two
- **Immunohematology:** A branch of hematology relating to the study of antigens and antibodies and their effects on blood and the relationships between disorders of the blood and the immune system. More commonly referred to as 'blood banking', activities include blood typing, cross-matching and antibody identification
- **Immunology:** This is a broad branch of biomedical science that covers the study of all aspects of the immune system in organisms. It deals with the physiological functioning of the immune system in states of both health and disease; malfunctions of the immune system in immunological disorders (autoimmune diseases, hypersensitivities, immune deficiency, transplant rejection); the physical, chemical and physiological characteristics of the components of the immune system in vitro, in situ, and in vivo
- **IVD:** In-Vitro Diagnostic
- **IVIG:** Intravenous Immune Globulin is a blood product administered intravenously. It contains the pooled IgG (immunoglobulin (antibody) G) extracted from the plasma of over one thousand blood donors. It is mainly used as treatment in three major categories: (i) immune deficiencies, (ii) inflammatory and autoimmune diseases and (iii) acute infections
- **IV solutions/Intravenous solution:** Medicine or homogeneous mixture of a substance in liquid, enabling it to be infused into the circulatory system through a needle.
- **Molecular Diagnostics:** Discipline that studies genomic (DNA) and proteomic (proteins) expression patterns and uses the information to distinguish between normal, precancerous, and cancerous tissues at the molecular level
- **MRB:** Market Research Bureau
- **NAT:** Nucleic Acid Testing

- pdFVIII: Plasma-derived Factor VIII
- Plasma: Liquid part of the blood, consisting of a mix of a large number of proteins in solution.
- Plasma-derived proteins: Are purified plasma proteins with therapeutic properties that are obtained through the fractionation of human plasma. Albumin, immunoglobulins, VIII factor and alpha-1 antitrypsin are the main plasma proteins. Plasma-derived products have become essential medicines, capable of saving lives and improving the quality of life and life expectancy of patients with chronic illnesses for which there are no alternative treatments.
- Plasmapheresis: Plasmapheresis is a technique which separates plasma from other blood components, such as red blood cells, platelets and other cells. These unused blood components are suspended in saline solution and immediately re-injected back into the donor while the plasma collection process is taking place. Because the donor is only providing plasma and not whole blood, the recovery process is faster and better tolerated, and the donor is therefore able to make donations more frequently. Plasmapheresis was developed by José Antonio Grifols Lucas in the year 1951. It is the only procedure that is capable of obtaining sufficient quantities of plasma to cover the needs of manufacturing our many different plasma protein therapies
- Prolastin: This is a concentrated form of alpha-1 antitrypsin (AAT), derived from human plasma and approved only for chronic, or ongoing, replacement therapy in people with emphysema caused by genetic AAT deficiency. Given as prescribed, Prolastin raises the levels of AAT in the blood and lungs. Raising the AAT level may help reduce the damage to the lungs caused by destructive enzymes
- rFVIII: Recombinant Factor VIII is the anti-hemophilic factor A, obtained using recombinant DNA technology. With this technology, pure factor is synthesized in the laboratory instead of being extracted from plasma
- Rh (Rhesus) blood group system: Most important blood group system after ABO. The Rh blood group system consists of 50 defined blood-group antigens, among which the five antigens D, C, c, E and e are the most important. The commonly used terms Rh factor, Rh positive and Rh negative refer to the D antigen only
- SubQ: Sub-cutaneous
- Transfusion medicine: Branch of medicine that encompasses among others, immunohematology, blood and plasma screening and blood typing
- WNV: West Nile Virus. Virus that is transmitted by mosquitoes. Humans are mainly infected through mosquito bites, but infection can occur through organ transplantation and blood
- Von Willebrand Disease (vWD): This is the most common hereditary coagulation abnormality described in humans, although it can also be acquired as a result of other medical conditions. It arises from a qualitative or quantitative deficiency of von Willebrand factor (vWF), a multimeric protein that is required for platelet adhesion