

# CSR report 2021

Improving lives

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## Our commitment

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Since the foundation of Galapagos in 1999, we have worked hard and continuously on bringing novel medicines to patients. I am proud of, and grateful for, the dedication of our employees as they have worked towards these goals, striving for innovation and knowledge while conducting business in an ethical and responsible manner. Our core values and culture are engrained in our DNA, as we build on these foundations for the future.

Our commitment to Corporate Social Responsibility (CSR) is intrinsically linked to our core mission: to discover and develop novel mechanism of action medicines for diseases with high unmet medical needs, to make a lasting positive contribution to society and improve the lives of patients worldwide.

Based on our core mission, in 2018, we engaged with internal and external stakeholders across our different locations to define the four material aspects of our corporate responsibility and sustainability approach. These help us to identify and prioritize the issues that matter most to our business in terms of growth, risk, and goals, and to our stakeholders, including patients, employees, investors, partners, and suppliers. The four material aspects have remained the pillars of our CSR strategy and action plans in 2021 and ensure that we report on the subjects that matter most.



Today, we are excited to announce that in 2022, we will embark upon a company-wide CSR strategy to further strengthen the foundations for our sustainable future as an independent, fully integrated European biotech. Supported by the members of our management board, we have established a CSR Steering Committee, comprised of representatives from key departments throughout the organization. We plan to review our materiality assessment with internal and external stakeholders, to assess whether our current pillars best describe our contributions to, and impact on, society. Based on this, we aim to define a long-term ambition, measurable objectives, and a roadmap to improve performance and boost engagement. To increase our reporting on sector-relevant objectives, aid transparency and improve access to goals and performance, we intent to add further reporting frameworks in future CSR reports.

Respectfully,

Onno van de Stolpe, CEO

## Galapagos' four priority topics and material CSR aspects:



### Driving innovation

- Accelerating science and innovation through collaboration
- Providing access to our knowledge

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### Our employees are the strength behind Galapagos

- Building a strong corporate culture, driven by an engaged workforce
- Human capital management

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### Conducting business ethically and responsibly

- Manage our operations with ethics and integrity
- Our Code of Conduct

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### We care about the environment, health, and safety

- Eco-efficient operations
- Employee well-being

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To standardize our data collection, we use the United Nations Sustainable Development Goals (SDGs), also known as the Global Goals, as our reference framework to link these material aspects to areas of engagement. The SDGs were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030.

This CSR report provides the non-financial information required by articles 3:6 § 4 and 3:32 § 2 of the Belgian Companies Code. For a discussion on risks, please see the section on **Risk factors** in this Annual Report.

We have identified two core SDG goals where we believe we can make a difference, as well as six enabling SDG goals which help us to materialize our commitment in alignment with our four CSR pillars.

The table below links our material aspects and engagement areas to selected aspects of the SDG framework:

### CORE SDG



#### Good health and well-being

Health and improving lives through our breakthrough medicines are at the core of what we do



#### Partnerships for the goals

We embrace internal and external partnerships to work towards our mission to bringing much needed innovation to patients

## ENABLING SDG



### Quality education

We invest in our employees and foster an inclusive, open and supportive work environment across our 12 locations in Europe and the U.S.



### Gender equality

We cultivate a corporate culture where we strive for gender equality



### Decent work and economic growth

We have achieved our long-term ambition of becoming a fully integrated biopharmaceutical company and currently employ >1,300 people across our 12 locations in Europe and the U.S.



### Industry, innovation and infrastructure

Our mission is to bring innovative medicines to patients suffering from severe diseases in areas of high unmet medical need in a social and sustainable way



### Reduced inequalities

We aim to develop a balanced workforce across a number of criteria, including gender, nationality, ethnicity, experience and disability



### Climate action

We value our planet and take initiatives to safeguard the environment and incorporate greener practices across our organization

Our commitment and areas of engagement are described below in the discussion of the four materials aspects, which are also linked to the eight SDGs that we consider important to the company.

## Material aspect 1: Driving innovation



We strive to discover, develop, and commercialize breakthrough medicines with novel mechanism of action, addressing diseases where a high unmet medical need remains. Our mission is to add years of life and to improve the quality of life of patients suffering from severe diseases, with innovative medicines that offer alternative treatment options.



### We are pioneering for patients

There is a real need for innovative medicines that address the underlying cause of a disease. There are many diseases for which there is no approved therapy today, and many more diseases for which current therapies leave room for improvement in patient outcomes. New mechanism of action medicines offer patients and caregivers alternative clinical options. At the same time, they have the potential to decrease the burden for society, by lowering healthcare costs.



### We create value through science and innovation

Based on our powerful drug discovery engine, we are building a differentiated pipeline of novel product candidates to ensure continued innovation, with potential benefits to patients, healthcare professionals and society. To deliver on our mission to improve people's lives, we build partnerships to accelerate science and innovation, while sharing knowledge with a wider community.



## Accelerating science and innovation through collaboration

Innovation is the key for us to deliver on our mission to improve people's lives. We strive to spark, establish, and endorse innovation at every level of our company. To realize that ambition, we foster team work and actively collaborate with different partners, each with their own specific experience, knowledge, and field of excellence.

### Collaboration with academic institutions

We establish relationships and work closely with academic organizations and universities to accelerate development and boost innovation in discovery, preclinical, and clinical development.

Our team in discovery partners with a number of renowned institutions and consortia, including:

- Institut de Ricerca Biomedica (IRB) in Barcelona, to identify and validate up to 20 drug targets in inflammation and fibrosis;
- S. Fillatreau, Institut Necker Enfants Malades in Paris, in order to gain a deeper understanding of the involvement of B-cell subtypes in human pathologies;
- M. Mendoza, Genopole in Evry, to develop and use spatial transcriptomics approaches;
- SMART Organ-on-Chip, a consortium of academic and industry partners, coordinated by Prof.dr.ir. Jaap den Toonder, Eindhoven University of Technology (TU/e), to develop a standardized open modular approach to recapitulate tissue and disease biology, funded by NWO.

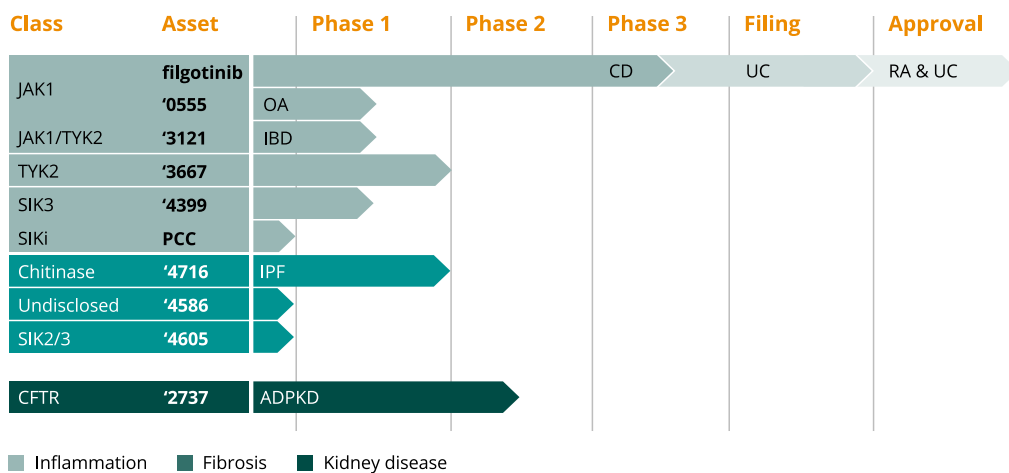
To gain more insights in specific disease areas, we collaborate with a number of experts, including:

- For IBD:
  - Prof. Dr. Séverine Vermeire, University Hospital Leuven (Belgium) for IBD back-translation approaches using patient samples (blood, colon biopsies);
  - Dr.ir. Paul Vos, INIMINI-health, Wageningen University (The Netherlands) to study health-promoting nutrition and drugs using immune- and microbiota-competent intestine-on-a-chip. This research aims to integrate microbiota and immunity into a miniaturized assays and is funded by Health Holland.
- For IPF:
  - Prof. Wim Wuyts, University of Leuven (Belgium) to discover targets and biomarkers in IPF using IPF lung transplant samples.
- For ADPKD:
  - VLAIO collaboration with Prof. Djalila Mekhali, University Hospital Leuven (Belgium) to better understand cystogenesis in ADPKD;
  - Prof. Steven Ballet, Drug Innovation and Modulation research group at the Free University of Brussels (Belgium) for oligonucleotides peptide conjugation for kidney targeting.

- For OA:
  - Prof. Ingrid Meulenbelt, FOACUS, Leiden University Medical Center (The Netherlands) for the development of a high throughput human osteoarthritis screening platform for disease target identification, funded by Health Holland;
  - Prof. Gerjo van Osch, HypOA, Erasmus Medical Center (The Netherlands) to understand the early processes in osteoarthritis through single cell RNA sequencing and development of *in vitro* assays that recapitulate relevant disease processes, funded by Health Holland.

Our research throughout these different disease areas is reflected in our differentiated pipeline as shown below:

## Differentiated portfolio



Note: filgotinib is approved for RA in EU and Japan, approved for UC in EU and filed for UC in Japan

Beyond these specific disease areas, we partner with Exeter University (UK) to contribute to sociological research around clinical trials in rare diseases, to optimize patient engagement and expand access to clinical trials. The project will also cover ethnographic research on planning and implementation of patient engagement activities at Galapagos. The collaboration started in 2021 and will span a period of three years.

Furthermore, we welcome students through internships and study projects, while we support our employees to collaborate with universities to obtain a doctoral research degree (PhD).

## Collaborations with patient organizations and healthcare providers

Since our foundation, patients are our North star. We aim to a real difference to patients, their caregivers and families. To further build on that ambition and to grow closer to all our

stakeholders, in 2021, we started working with three independent patient advisors and seven representatives from key umbrella and therapeutic area-specific patient organizations to develop the **Galapagos Patient Partnership Charter (PPC)**.

In true Galapagos spirit, the Charter is about leading by example. We decided, from the start, to co-develop it with the patient community.

Launched in early 2022, the Charter defines what we stand for, what partnering with patients means to us, and our approach and commitments to working with and for patients.

To ensure continuity, we want to build on the great collaboration with patient representatives and advocates that we are currently engaging with. We are in the process of setting up the Galapagos Patient Engagement Council, a consultative body that will advise Galapagos on patient engagement-related topics and act as a knowledge exchange platform between Galapagos and the patient community.

Alongside our commitment to patients, their caregivers and families, we strive to offer optimal support to healthcare professionals (HCPs). To that aim, in 2021, we launched **GalapagosHealth.com**, a hybrid engagement environment where HCPs have access to the latest thinking and evidence on the treatment and management of RA and UC, based on clinical and real-world data, as well as through medical education that raises the industry standard to the next level.

# €492M

## Research & Development Expenses in 2021

### Industry collaborations

We have several collaborations in place with other companies to complement and enhance our R&D efforts.

We entered into a strategic R&D collaboration with Gilead in 2019. We strongly believe that this is a mutually beneficial long-term collaboration, as we gain access to Gilead's extensive experience in drug development and commercialization, and Gilead to our platform and pipeline, with option rights to our current and future programs outside Europe.

Additionally, we have:

- Collaborations with Ryvu and Scipher Medicine to further expand our inflammation pipeline and discover and develop novel targets in inflammation;
- Collaborations with Fibrocor and OncoArendi to jointly work on innovative approaches to treat severe fibrotic diseases.

In addition to these ongoing collaborations, we continue to diligently evaluate new business development opportunities in our pursuit to bring innovation to patients.

## Providing access to our knowledge

### Promoting an open innovation model, while reaching out to a wider community

At Galapagos, we are committed to communicate the results from patient studies in a transparent way. Even if a clinical study has been terminated earlier than anticipated, we report the findings, based on the endpoints defined in these trials and share these with the medical community.

**Open access publishing** best serves our aim to make our observations in clinical development available barrier free to the research and medical community as well as to other stakeholders. Open access ensures that the highest quality, peer-reviewed evidence is available to anyone, anywhere in the world. It improves transparency, advances medical science and, we believe, ultimately improves people's lives.

We are proud that amongst our peers, we are one of the very first to publish with open access and as of October 2020 we, by our policy, make our publications freely accessible in peer-reviewed scientific and medical journals.

Furthermore, as of 2020 we actively participate in **Open Pharma initiative**, a first-ever collaborative, multi-sponsor, non-profit project. We believe that publications are the route to credible, compliant pharma communications. Open Pharma's long-term goal is to secure the same terms for authors who publish company-funded research as those for authors who publish research funded through other means. As such, all research findings are freely available to read and reuse, from the date of publication.

In 2021, Open Pharma published recommendations for plain language summaries of peer reviewed medical publications. We all believe that, as a minimum standard, publications should include a plain language summary in the style of an abstract that is easily accessible and straightforward to understand, free of expert jargon, unbiased, and non-promotional.

### We promote careers in science through science, technology, engineering, math (STEM) initiatives

We actively engage in promoting science education and careers in science. We joined a consortium of more than 18 global companies and local organizations with one joint objective:

creating a spark for science, technology, engineering, and math, specifically targeting youngster between the age of 10 and 14. Together with young people, we are engaging parents, teachers, and businesses to achieve this goal, and are targeting schools, businesses, events, and online channels, using an inclusive and gender-sensitive approach.

Our goals are to inspire children and youngsters, and to enhance access to STEM related subjects. We aim to:

- Demonstrate that major societal challenges such as biodiversity, climate change, vaccines, and digitization can be tackled with STEM knowledge;
- Collaborate with parents, teachers, and businesses to get STEM online and offline, in order to bring it closer to the target audience;
- Illustrate that STEM is for everyone, regardless of background, gender, and ethnicity, by giving due attention to specific target groups.

More information is available on [www.dasgeniaal.be](http://www.dasgeniaal.be) and [www.cestgenial.be](http://www.cestgenial.be).

# Galápagos

CSR REPORT



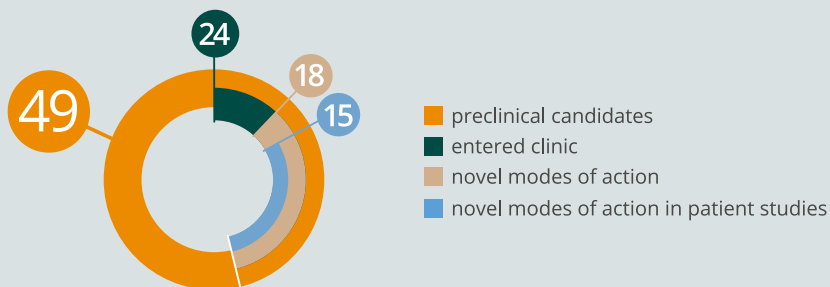
Image from our latest science challenge together with an influencer, launched on different social media channels



## Material aspect 1: our actions in 2021

- We delivered 4 new validated targets
- We nominated 2 new preclinical candidates, all with a novel mechanism of action
- We conducted 3 Proof of Concept trials
- We received 1 regulatory approval for an additional indication for filgotinib in Europe and most recently in 2022 in Great Britain
- In 2021, we responded to 682 inquiries through the Galapagos Medical Information service for Jyseleca, our marketed product, and our product candidates in development

Since 2009 our scientific efforts in research and development brought us to 49 preclinical candidates, most of which have novel modes of action. Of these, 24 have entered the clinic, 18 of which are expected to have novel modes of action.



- We launched a digital challenge on social media to spark STEM with young people, reaching 121,100 views on social channels for our Dutch challenge, while developing a French challenge ready for launch in 2022
- We developed the Patient Partnership Charter, defining what we stand for, what partnering with patients means to us, and our approach and commitments to working with and for patients
- We launched the Galapagos Health information portal for healthcare professionals



## Future ambitions

- Set up the Galapagos Patient Engagement Council as a consultative body, advising Galapagos on patient engagement-related topics, and as a knowledge exchange platform between Galapagos and the patient community
- Invest in our target discovery capabilities, to broaden our pool of targets, and deliver more validated targets and Proof of Concepts on a yearly basis
- Continue to seek win-win collaborations to bolster the early-stage pipeline and endorse our innovative approach
- Diligently scout for potential external business development opportunities to strengthen our pipeline
- Further strengthen our European commercial organization to bring innovation to patients in need of breakthrough medicines

# €4.7B

**Current Financial  
Investments, cash  
and cash  
equivalents at end  
2021**

**A strong balance  
sheet to ensure  
future growth, both  
internally and  
through externally  
sourced  
opportunities**



## Material aspect 2: Our employees are the strength behind Galapagos



Employees are the key to our success in developing novel mechanism of action drugs that have the potential to make a real difference for patients. Attracting, inspiring and retaining employees and making Galapagos a great place to work are essential for the success of our company. Our approach to talent stems from our corporate values and strategic talent initiatives.

*'Make it Happen'* is core to our culture: people feel they can make an impact in our organization, which is highly motivating. We ensure that this value is protected and managed as we continue to develop as an organization.

We are dedicated to continuing to build a diverse workforce and to fostering an inclusive, open and supportive work environment across our locations in Europe and the U.S.

As we aim to expand our differentiated pipeline in 2022, while rolling out our first marketed product across Europe, our organization continues to develop and build expertise.

### Gender Equality

We strive for gender equality across multiple dimensions, including talent attraction, female leadership, and talent pipeline development, pay, creation of an inclusive culture. We foster a diverse and inclusive organization and protect each other against all forms of harassment and discrimination. We support gender equality through policy development, representation, and transparency.

In 2021, we celebrated the International Day of Women and Girls in Science, endorsing equal access to, and participation in, science for women and girls. 60% of our R&D colleagues are women and their talent and dedication are essential in our aim to help patients now and in the future.

As described in the section on Material Aspect 1, we are part a consortium of companies working on Science, Technology, Engineering, and Mathematics (STEM) initiatives for youngsters, with a key focus on sparking interest in STEM amongst girls via targeted social media outreach that speaks to them ([www.dasgeniaal.be](http://www.dasgeniaal.be) and [www.cestgenial.be](http://www.cestgenial.be)).



As a result of our initiatives, for the third year in a row we are included in the **2022 Bloomberg Gender-Equality Index**, an achievement that we are very proud of. The Bloomberg Gender-Equality Index is an objective measure that tracks the performance of public companies committed to disclosing efforts to support gender equality. The list encompasses 418 companies headquartered in 45 countries and regions, across 11 sectors.

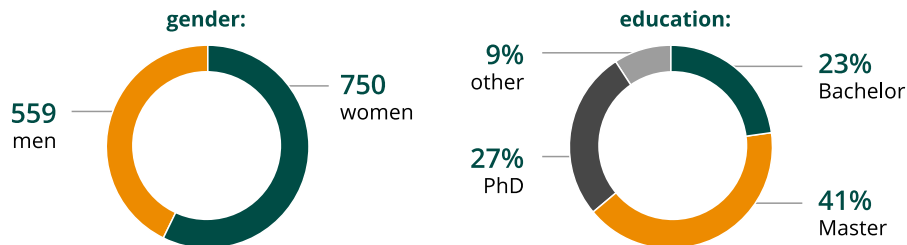
## Diversity

Our approach to diversity is deeply rooted in our culture and values. We strive for inclusion and diversity across gender, nationality, ethnicity, experience level, and disability, as detailed in below section. This is reflected in our decisions and actions as our company grows and evolves.

### Our group in numbers

#### Number of employees Galapagos group

**1,309**

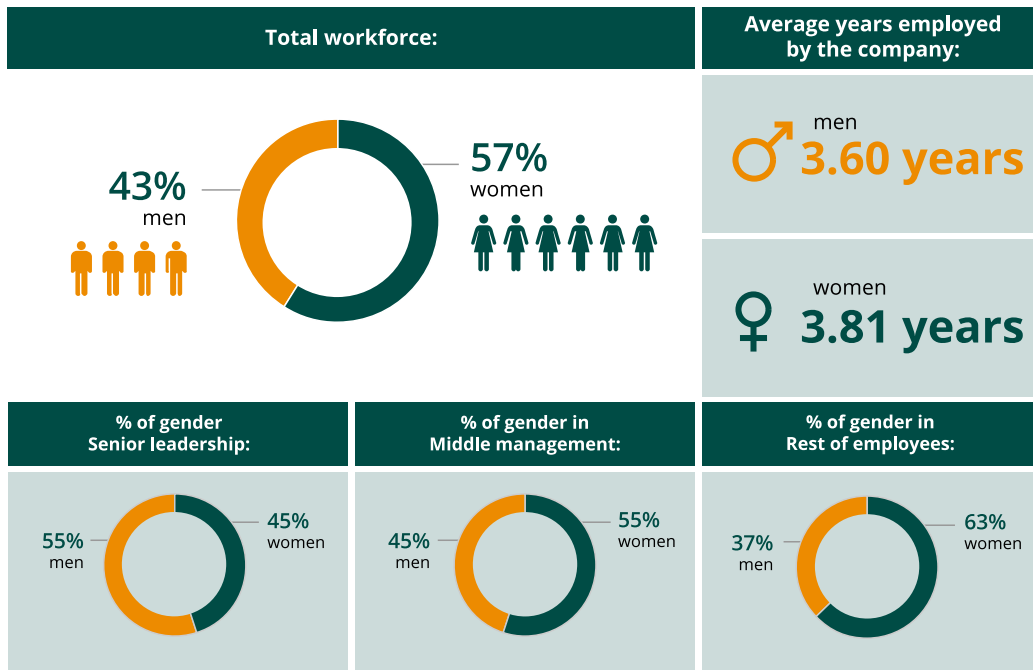


Average age: <b>43</b>	Number of employees older than 45: <b>595</b>	Nationalities: <b>42</b>
Average years of service: <b>3.74</b>	Employee turnover: <b>8.81%</b>	New hires in 2021: <b>328</b>

Total number of employees includes consultants and temporary staff.

- We attracted 328 new employees in 2021, 55% of whom are women
- We continue to attract people from various backgrounds and now have 42 different nationalities within the Galapagos group.

- Our supervisory board currently consists of eight members, 4 of whom are women (please see the section **Supervisory board** of our Annual Report 2021 for further information on each board member)
- Our management board consists of 5 men (please see the section **Management board** of our Annual Report 2021 for further information on each board member)



## Human capital management

### Our corporate culture

At Galapagos, we believe a strong culture is fundamental to our business success. Our spirit of challenging ourselves without fear of failure underpins our work. Since this boldness is fundamental to us – and we recruit exceptional people who are the right fit – we have defined our culture in a behavioral framework as follows:

- We **act as a pioneer** and are optimistic in our ambitions, motivated by innovation and attracted by the unknown
- We positively **embrace change** and adapt to circumstances. Failing on occasion doesn't deter us; it's how we pick ourselves up that matters
- We challenge ourselves and, in doing so, **raise the bar** of what is possible
- Together, we want to create value and improve lives through science – and we continuously strive to find ways to **make it happen**

As new colleagues from different backgrounds join us, we want to ensure our culture evolves accordingly. We continue to develop structured, integrated systems and onboarding practices that help us look in the same direction, because our culture transcends everything we do.

### **We invest in our employees**

Our employees are at the core of everything we do. In our continued efforts to enable a great experience at Galapagos, we offer our employees the platform to grow, develop, fail, learn, and succeed. Our ambitious business strategy offers great opportunities to keep pushing boundaries and enhance skills and competencies with the aim of delivering innovative science and breakthrough medicines to patients. We honor our successes, while constantly raising the bar and allowing room for trial and error to drive innovation. We encourage our people to take ownership, be entrepreneurial, and make a difference.

At Galapagos, we offer competitive and evolving remuneration packages to reward, recognize, develop, and retain our employees in a way that aligns with the company's strategy and culture. Performance bonuses and, for many employees, share-related opportunities, help drive sustainable performance and commitment, and reward employees for their contributions to our success.

The benefits we offer vary from country to country, based on local customs and statutory conditions. Employee benefits include insurance for critical risks and key life events, as well as provisions for different forms of leave in support of work-life balance.

We aim to ensure an inclusive, open, and supportive professional environment across our international locations. We organize regular engagement meetings across all our business units to inspire and align teams behind our vision and ambition. Informal sessions with members of our management board help to inspire new and long-term employees across our different sites.

We listen to our people through formal and informal channels established to ensure openness and psychological safety. Focused surveys evaluate our actions, impact, and the agility of our people processes and help us enhance the employee experience.

During the COVID pandemic, we helped employees manage this health crisis by providing additional electronic equipment to facilitate working from home, organizing online mindfulness sessions, and paying a stipend to cover the additional costs incurred through working from home. We also undertook initiatives to create team cohesion and strengthen the feeling of belonging to the Galapagos family.

### **We engage with local communities and charities**

We want to be part of the communities in which we work and live. In 2021, we transformed our annual Company Day, where we traditionally devote time to a range of social organizations and green initiatives, into a cross-site 'We Care' initiative. Across our different locations, we engaged with social and nature conservation organizations in a concerted way.



## Material aspect 2: our actions in 2021

In 2021, talent engagement and retention became a clear priority, and a range of activities supported this:

- In 2021, we improved our candidate experience. Our governance, planning and approach in the continued period of pandemic led to an increased use of assessment and recruitment tools to assure and ensure talent fit with the culture of the company. Virtual conversations and case-based presentations aided the process
- We consistently partnered with colleagues to promote references and build a pipeline of talent, in line with our goal to hire and develop diverse talent
- As we established operations across Europe, our talent base has become more international and diverse, too
- Onboarding was refined, to become more efficient, robust, and attractive. It led to a smooth integration with our culture and values, motivating new colleagues to find their way in the organization, understand what is expected from them and know what systems and tools to use. All colleagues joining from Gilead in our commercial organization participated in culture and value workshops to fully embed them in our company DNA. All newcomers got assigned a 'buddy' as guide and support for any questions during the first months
- Employee well-being is critical to our success. In the context of the continued pandemic, managers engaged in 'How are you' conversations with their team members. More than ever, we wanted to make sure that every employee felt safe, listened to, and cared for
- We focused on enhancing the performance and unlocking the potential of all employees by promoting the development of personal and professional skills. To support continued development during the pandemic, learning journeys remained virtual, with team building adapted to online and hybrid experiences
- We capitalized on internal lateral mobility, which is demonstrated by the fact that about 95 colleagues (of which 60% women) were assigned new roles with increased responsibilities in 2021
- Regular performance and development conversations played a crucial role in ensuring we remain performance-oriented and develop employees for current and future roles
- We have created a financial support package for remote working, rolled-out new family leave policies and an annual stock-based program, and improved various local benefit offerings

- We set the stage to achieve digital ambitions for HR, with the successful launch of SAP SuccessFactors. We initiated the employee *self-service journey*, supported by strong change management and user-adoption practices to ensure a smooth launch. We now have the architecture and analytics to consistently report on key HR KPIs going forward and generate insights that matter to the business
- We hired and onboarded 328 new colleagues, 80 of whom came from our collaboration partner Gilead, as we took over the commercialization of Jyseleca in regions in Europe that were initially covered by Gilead. We significantly expanded our commercial organization and set up operations in six countries (i.e. Austria, Finland, Sweden, Norway, Denmark, and Republic of Ireland) to realize our ambition to become marketing authorization holder for Jyseleca in Europe. We unfortunately had to rightsize our R&D and Shared Services departments in view of our revised R&D portfolio following pipeline setbacks
- Following recent events and in response to the strategic reset during the year, we invested in regular communication plans, with extensive Questions and Answers for senior leaders, to equip them to be closer to their teams. Transparent presentations during townhall meetings helped employees put the corporate news in perspective and maintain trust in our ability to overcome headwinds with a plan and commitment



## Future ambitions

- 'We Care' is part of our community engagement approach and we remain committed to several initiatives, including:
  - supporting local STEM initiatives throughout our different sites
  - donating IT materials to local organizations for educational support
  - giving employees the opportunity to share any volunteering initiative on our internal communication Yammer platform and allow others to engage behind
- The recruitment team will continue to focus on ensuring quality recruitment externally but also supporting the internal redeployment and talent mobility processes. We aim to improve our employer branding position via social media campaigns and other career channels etc. to inspire and increase our outreach
- At Galapagos, we continue to engage with early talents by collaborating with universities/schools/academia to increase talent inflow via internships and/or young graduate hire. Early pipelining is seen as a way to diversify the talent pool and as a long-term objective to develop young talents into the leaders of the future. We plan to remain competitive, evolving towards integrated talent management that includes our employees, consultants, and our contingent workforce
- Our ambition is to improve the competitiveness of our talent and our organization, and have a highly engaged workforce. We create opportunities for our leaders to role model key behaviors, embody corporate values and create the context for their teams to excel. Programs that generate transformative learning in the space of personal and professional excellence will continually be upgraded, while we embark on building strategic capabilities. We will continue to enhance awareness of compliance and regulatory practices in a systematic way. This journey will be further sharpened and enhanced towards establishing our platform for success to promote growth in performance and potential in line with industry benchmarks to prepare our workforce for the future
- We continue to adopt cutting edge and digital solutions to boost candidate and employee experience. Deployment of empowering people processes by continuous improvement and streamlining, investing in the scalability and consistency of our processes across the whole organization, will be instrumental to success. We continue to invest in intuitive solutions to simplify HR processes and employee self-service. To enhance the employee experience, we aim to deploy digital tools that will provide them with solutions via a dedicated knowledge base

- Our focus will continue to be on evolving our competitive remuneration package to support the attraction, retention, and engagement of talented employees, helping Galapagos differentiate itself and creating a competitive advantage. In particular, we hope to drive forward our wellbeing offering as a company and explore further possibilities around the future of mobility. In addition, we will look for further opportunities to bring to life our remuneration principles, including reinforcing linkages between pay and performance, enabling employees to share in the company's success in alignment with shareholder interests, remaining competitive in existing and new geographic markets, and supporting employees and their families with locally relevant employee benefits
- We will continue to drive and enable both mindset and practice when it comes to organization agility. It starts with building a resilient organization, having the right strategic capabilities and remaining highly responsive to our people and to the context we operate in. Further, leadership and line manager capabilities will be strengthened, internal mobility boosted along with our approaches to retain and grow our talents, offering them diverse experiences across projects and programs
- We will continue to deploy initiatives to foster our strong culture to drive innovation in science and make differentiating medicines available to as many patients as possible. Increased focus on wellbeing, recognition and CSR programs will contribute to becoming an even more inspiring, inclusive place to work, where people can become their best selves. Our people are our ambassadors. We put them in the spotlight and visualize how proud they are to work for Galapagos and how proud the company is to work with such amazing talents. We have an inclusive atmosphere of bringing people together from various backgrounds to collaborate and deliver on meaningful solutions, both internally within the company and as well as to our patients



## Material aspect 3: Conducting business ethically and responsibly



Our core business is the discovery and development of drugs with novel modes of action, and we prioritize ethical behavior in all its aspects.

We believe that ethical behavior is particularly important and inherent to our business: in preclinical and clinical trials, expanded access to medicines currently in development for patients who are not eligible to enroll in clinical trials, clear and adequate information to patients, clinical trials that are tailored to the needs of patients and investigational site staff and our codes of ethical conduct.

To ensure our business is compliant with regulatory and corporate policies, and that we conduct business in an ethical way, we have developed a **Compliance and Ethics Program**, available on our company intranet.

### Animal welfare in drug development

Regulatory authorities worldwide require that new medicines are evaluated in both animals and humans to ensure the quality, safety and efficacy of these products before granting approval. Without animal testing, no new medicines would be approved.

We created the Galapagos Animal Welfare Committee in 2019 to oversee animal welfare activities and to support the scientists in charge of animal testing. The Animal Welfare Committee put a framework in place to enforce animal welfare best standards (policy, KPI, laboratory evaluations and audits, recommendations, mitigation and corrective actions, regulatory and legal actions) and to ascertain that our ethical values are well understood by our partners. The Animal Welfare Committee reports directly to the Development and Research Management Committees and CEO of Galapagos, and in addition to its advisory role, the Committee will regularly evaluate animal study practices.

Galapagos explicitly forbids the unethical treatment of animals, such as neglect or cruelty, and strives to provide animals with a good quality of life, while constantly seeking ways to make improvements.

For non-clinical studies, including those that assess efficacy and safety of our product candidates, we firmly stand behind the *'Three Rs'* principle: Refinement, Reduction, and Replacement. The Three Rs principle is based on the premise that animals should be used only if a scientist's best efforts to find a non-animal alternative have failed, and that when animals are needed, only the

most humane methods should be used on the smallest number of animals required to obtain valid information.

We have implemented practices that demonstrate our commitment and responsibility to refine, reduce and replace non-clinical testing involving use of animals to the greatest extent possible, and we will continue to research, promote, and implement alternative methods. We make more frequent use of *in silico* (computer modelling) and *in vitro* (cellular testing) study designs and approaches. Examples are the implementation of new modelling and simulation approaches for supporting the toxicity assessment of our compounds as well as the use of *in vitro* cardiomyocyte assays to allow for the early assessment of potential cardiotoxicity issues. Other improvements include the implementation of new pharmacological models reducing animal-based development or the review of procedures by the ethical and animal welfare committees.

We are engaged in several partnerships, including the Virtual Human Platform, an organization that aims to accelerate the transition to animal-free safety assessments through innovation in data science, human tissue culture models and transition management.

Our focus on animal welfare triggers a continuous improvement of, amongst others, the housing conditions of animals (group vs single housing, size of cages), enrichment of the animal environment (food, games, social activities), reviewing any irregularities, and the commitment to immediate action. We expect the same ethos from third parties we work with such as Contract Research Organizations (CROs) and academia. We carry out a thorough assessment of all third parties and release an animal welfare policy that clarifies our expectations.

In Europe, compliance with Directive 2010/63/EU forms part of the pre-assessment and selection process of the European laboratories that we use for non-clinical testing, and we monitor animal welfare in the laboratories we engage with on a regular basis. Outside the European Union, we require compliance in laboratories with local animal welfare regulations. In the U.S., for example, we only work with laboratories that are accredited by the Association for Assessment and Accreditation of Laboratory Animal Care. We also follow the national regulations defining high standards for animal welfare for our internal studies in France. We systematically submit our projects to the National Authorities for ethical approval and are regularly inspected in order to maintain the highest accreditations.

## Our clinical trials ethics

Galapagos sponsors and conducts clinical trials in accordance with applicable international standards. The fundamental guidelines are the **Declaration of Helsinki** (and its amendments) and **Good Clinical Practice** (including amendments), as well as **Good Pharmacovigilance Practice** guidelines of the International Council for Harmonization. Our adherence to these internationally recognized guidelines ensures the rights, safety, and well-being of participants in our clinical trials.

In addition, other international guidelines such as **The Belmont Report**, **Council for Coordination of International Medical Congresses** guidelines, **The Nuremberg Code**, United National Educational, Scientific and Cultural Organization's (UNESCO) **Declaration on Bioethics and Human Rights** form the ethical foundation for our trial activities. We comply with laws and regulations in the countries/regions in which we are conducting our trials, including the

**U.S. Code of Federal Regulations**, the **EU Directive on Clinical Trials** and the **EU Clinical Trial Regulation** (when applicable). Furthermore, we uphold our own internal procedures and standards for clinical trials, irrespective of the country in which the trial is conducted. Overall, it is our policy that the interest, safety, and well-being of trial participants and patients will always supersede those of science and commerce.

Our trials are only initiated if they are scientifically and medically justified and when they are externally validated by clinical experts. Moreover, they will always be reviewed by local health authorities and ethical committees before initiation. Trial participants (or their legally authorized representative) must give written consent after being properly informed of the trial, including the risks and potential benefits. Participants are duly informed that they can withdraw from the trial at any time, without any explanation, and then will receive appropriate care.

We, or our representatives, conduct regular site monitoring visits to ensure that clinical trials are conducted in accordance with the applicable approved study protocol. Adverse events are monitored and reported to authorities and ethical committees as needed, and appropriate actions are taken when needed. Our Safety Monitoring Committee enables timely evaluation of accumulating safety data of ongoing studies and adopts risk-management strategies to support safe and ethical conduct of Galapagos studies.

An Independent Data Monitoring Committee (IDMC) may be introduced to act as an advisor to Galapagos on whether to continue, modify, or terminate a trial based on periodic assessment of trial data. The IDMCs are independent from Galapagos and are composed of members with no conflicts of interest.

Our trials ensure proper indemnification of participants in case a product candidate or trial procedure causes bodily harm.

We favor transparency and therefore, independent of the outcome, make patient study results available to physicians and researchers, with full consideration for protection of patient data privacy and commercial confidentiality. We report the outcome in accordance with the **CONSORT** Statement, or Consolidated Standards of Reporting Trials, designed to improve transparency around clinical trials.

Clinical trials and summary results are registered on **Clinicaltrials.gov** and/or the **EU Clinical Trials Register**. Starting 1 January 2021, we committed to registering Galapagos sponsored Phase 1 to 4 clinical trials conducted in any geographical territory. We commit to making a summary of the results of Galapagos-sponsored Phase 2 to 4 clinical trials publicly available within 6 months of completion for pediatric studies, and 12 months for adult studies. As discussed above in **Material aspect 1**, we provide publicly available open access to our publications in peer-reviewed journals free of charge. We attempt to publish results in peer-reviewed journals, in accordance with **Good Publication Practice** and the International Committee of Medical Journal Editor's **Uniform Requirements for Manuscripts Submitted to Biomedical Journals**, and at relevant scientific meetings and congresses. As a publicly listed company, we also have the obligation to communicate trial results by other means to the investor community, such as via press releases.

In some rare cases, patients are unable to participate in clinical trials and have exhausted all available treatment options. Here, Galapagos has a policy in place to assess whether the investigational product can be offered to a patient outside of a clinical trial, through a program called 'expanded access', also often referred to as 'compassionate use'. A full copy of our Expanded Access Policy can be found [on our website](#).

## Patient safety for our first marketed product

We currently have one product, Jyseleca, on the market in the European Union, and Great Britain. Adverse events and other information relevant to assess the benefit/risk profile of Jyseleca are collected and evaluated by Galapagos in the frame of its pharmacovigilance system. Individual and aggregated reports are submitted to the authorities as required. When needed, appropriate actions are taken to ensure a positive benefit/risk balance for our patients. The Safety Management Team, overseen by the Safety Board, enables timely evaluation of accumulating safety data and adopts risk-management strategies to support the marketed product. Galapagos has a Qualified Person for Pharmacovigilance who ensures the function of the pharmacovigilance system and continuous monitoring of the benefit/risk profile of Galapagos' marketed products.

## Our Code of Conduct

In 2021, we refined our Code of Conduct to fully reflect what it means to 'Make it Happen the Right Way' at Galapagos.

Like a compass, our Code is there to navigate and steer us in the right direction, enabling us to feel confident and proud of the choices we make, however hard they may be.

The new Code includes specific guidance to ensure that we live by the principles that are important to us, as members of the Galapagos team:

- Putting patients first
- Acting ethically and with integrity
- Being thoughtful and considered in our actions
- Speaking up for what is right
- Maintaining individuality and diversity
- Holding ourselves accountable for our actions

Galapagos' supervisory board is responsible for administering the Code. Our Compliance & Ethics function is responsible for designing and implementing the code through our Compliance & Ethics Program and this is done in close collaboration with our General Counsel.

We expect our supervisory board members, management board members, and employees to exercise reasonable judgment when conducting our business and encourage them to refer to this Code frequently to ensure that they are acting within both the letter and the spirit of this Code.

We expect our employees and third-party suppliers to conduct business ethically, with integrity and respect for human rights. We expect them to turn away from conflicts of interest, corruption, and fraud. All Galapagos employees and officers are required to read and absorb the Code which is also available on our [company website](#). Our suppliers are required to adhere to contractual terms that include anti-bribery and anti-corruption provisions. We consider CSR criteria in our vendor selection process as appropriate for the type of vendor that we are working with. Our general terms and conditions of purchase also contain a specific clause on anti-bribery and anti-corruption.

## Making it Happen the Right Way - The Making Of...

### Time for Change: the Why...

As an organization, we are coming through some significant changes not least having recently been joined by our colleagues from Gilead. So now, more than ever, it is of key importance that we take the time to think about our culture and what it means to be a member of the Galapagos team; No better time for us to launch our new Code.

Like a compass, our Code is there to *navigate us* and steer us in the *right direction*, enabling us to feel *confident and proud* of the choices we make, however hard they may be.

### Meet our Compliance & Ethics Team: the Who...

The project to revamp our new Code of Conduct was led by our Compliance & Ethics team, headed by Stephanie Wingrove, our Head of Compliance & Ethics. We asked her and the team what inspired them to create this new Code;



Stephanie Wingrove, Head of Compliance & Ethics

**Q:** The new Code looks and feels dramatically different to our old Code, and to those of the majority of our peers. What inspired you?

**A:** Our team was really keen to create something that was unique to Galapagos. As a team, we are interested in how we can use the principles of behavioral science to influence behavior within our organization and this was at the forefront of our minds when we were creating the Code.

**Q:** Could you give us an example of how you did this?

**A:** Yes, we have a few! For example, it was really important that the language, tone and imagery we used was likely to trigger an emotional response in our readers. This is important because by doing this, the document is far more likely to resonate with our people and to stick in their minds. People are far more likely to “sign up” to a Code that has made them feel something and which aligns with their own personal values.

Q: The Code incorporates quotes from employees across our organization- why did you choose to include these?

A: This was about more than just including the quotes in our Code. For us, it was key that our employees were engaged in the process of building the code and that their contributions played a part in the final product- this is so important to ensure buy-in. As you can imagine, we received a high number of quotes, and unfortunately not all could be included in the Code itself. But they weren't wasted; we incorporated these into our communications campaign for the new Code so that everyone who participated saw the value of their contribution.

Q: This all sounds great. So, what next for the Code and the Compliance & Ethics team?

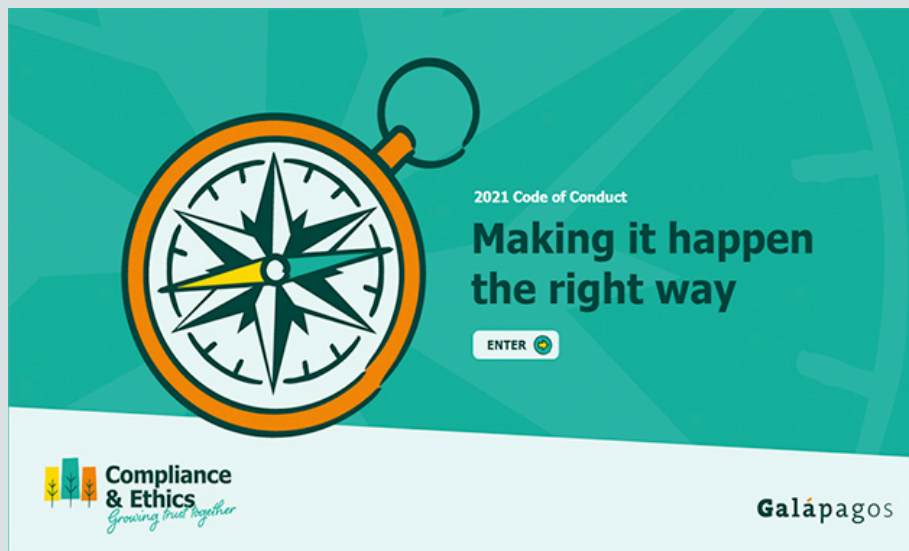
A: Well, Chapter 4 of our Code states that at Galapagos, we Speak Up for what is right. Cultivating an environment in which every member of our team feels safe and empowered to use their voice is a key part of building a strong culture. So, we will be rolling our Speak Up/ Listen Up campaign over the course of 2022. We'd love to come back next year to tell you all about it!

## Not your average Code of Conduct: the How...



### We raised the Bar

By creating a Code that stands out from anyone else's. A Code that others will want to emulate



- We chose a title that reflects and connects with who we are
- Aligned with our corporate values and therefore meaningful to every member of our organization
- Custom-made and unique to Galapagos- not something that could be copied and pasted into any other organization. Resonates uniquely with Galapagos team members



## We Made it Happen

By creating a Code that helps every member of the Galapagos team to make it happen the right way



We must not only imagine a better future for patients; we must work consistently: make it happen to make a difference and do it the right way to harvest meaningful and lasting results. We must prioritize humanity and quality above all.



Alessandra Oortwijn

Senior Medical Director

- Every member of the Galapagos team was asked to provide their thoughts on what “Making it Happen the Right Way” meant to them
- Our Code was built with these thoughts as our foundation and throughout the Code, are quotes provided by members of our team
- Our Code was built by Galapagos people, for Galapagos people





## Material aspect 3, our actions in 2021:

### Animal welfare

- The Animal Welfare Committee took more than 20 major 'Refine, Reduce, Replace' initiatives and made decisions in line with our 'Three Rs' philosophy, and these decisions informed the selection process for non-clinical partners

### Clinical trial ethics

- We launched the **Galapagos Clinical Trials Portal** in order to increase clinical trial awareness and understanding for patients, their caregivers and healthcare professionals. The portal includes a clinical trials finder for Galapagos later-stage trials, and provides support to empower patients in preparing a clinical trials conversation with their healthcare professional
- In order to help patients make a well informed decision on potential clinical trials participation, we redesigned our Informed Consent template in accordance with the Health Literacy principles, taking into account applicable regulations

### Code of Conduct

- Since the launch of our new Code of Conduct in 2021, 93.5% of our employees completed the training on our new Code of Conduct
- During the onboarding process of new employees, we emphasize the importance of our Compliance and Ethics Program, our Code of Conduct and indicate all the channels available to them to raise questions and concerns



## Future ambitions

### Animal welfare

- Our Animal Welfare Committee will continue to evaluate our internal processes and KPIs regarding animal welfare for all our internal and external facilities
- We will monitor progress and report on it every year

### Clinical trials ethics

- We will systematically embed the voice and needs of patients and healthcare professionals in our late-stage clinical trials
- We will share accessible study results summaries with study participants and the wider public for all Galapagos sponsored interventional trials in patients, regardless of their location
- We will explore innovative tools and processes to reduce clinical trial burden on patients and sites
- We will share easy to understand study results with patients, as per EU Clinical Trial Directive No 536/2014

### Code of Conduct

- We will further strengthen the Galapagos Compliance and Ethics Program to meet the changing needs of our organization through:
  - Continuing to promote our culture of speaking up, both internally and with external stakeholders
  - Further refining our third-party oversight through an enhanced risk assessment framework and due diligence

## Material aspect 4: We care about the environment, health, and safety



Our mission is to bring innovative medicines with novel modes of action to patients suffering from severe diseases in the most sustainable way, caring about the health, safety and well-being of our employees and respecting our planet by keeping our environmental footprint to a minimum.

To render this more tangible, in 2021 we issued a global environmental, health and safety (EHS) **policy**, defining key operational guidelines focusing on:

### 1. Ensuring regulatory compliance:

As we operate in a highly regulated sector which is subject to a set of strict laws and regulations related to environmental impact, well-being and safety of employees, we identify, evaluate and comply with all applicable EHS laws, in all countries in which Galapagos operates.

### 2. Growing sustainable operations:

- To prevent work-related injury and illness, we provide safe and healthy working conditions that are appropriate to the specific nature of the EHS risks to which workers and others are exposed;
- We minimize the organization's carbon footprint and the creation of pollution and waste from our operations throughout our value chain;
- We strive to diminish our consumption of natural resources, using sustainable resources where possible;
- We pursue, evaluate and eliminate the health and safety risks to which our employees and service suppliers are exposed, to prevent any incidents or accidents;
- We foster openness and dialogue on EHS matters with our employees, employee representatives and internal and external stakeholders;
- We educate, train, motivate and involve Galapagos employees to work in a safe and environmentally responsible manner, making every employee responsible for protecting people and environment in and around their workplace.

Our health and safety performance data for 2021 show that no fatalities because of work-related injuries or work-related ill-health were reported, nor did we have any high-consequence work-related injuries.

In accordance with the Global Reporting Initiative Standard 403 on Occupational Health and Safety the following data, related to employees on Galapagos' payroll, can be provided:

Absolute number of fatalities as a result of a work-related injury	0
Absolute number of high-consequence work-related injuries	0
Absolute number of recordable work-related injuries	2
Rate of fatalities as a result of a work-related injury	0
Rate of high-consequence work-related injuries	0
Rate of recordable work-related injuries (per 200.000 hours worked)	0.18
Absolute number of fatalities as a result of work-related ill health	0



#### Material aspect 4: our actions in 2021

- Whilst a hybrid working policy was offered as a guidance for teams to start working in the *'next normal'* and to decide what works best for them during and beyond the pandemic, specific measures to mitigate pandemic-related health and safety risks were discussed at the newly established Cross-Site Operations Meeting. These discussions resulted in global travel guidelines, guidance on organizing and attending internal and external events, as well as habits to consistently keep hygiene rules in mind. Thanks to disciplined adherence, operations in 2021 were hardly impacted by the pandemic
- The pandemic also led to an increased focus on physical and mental well-being, aimed at providing employees with optimal working conditions whether at home or at a Galapagos location. Specific actions included: surveys aimed at identifying psychosocial risks, training sessions for line management aimed at recognizing early symptoms of burn-out, a cash allowance to help install and maintain a professional working environment at home, ergonomic training sessions aimed at optimizing workstations at home, and mindfulness sessions. A first voluntary, global vaccination campaign against the seasonal flu was successfully launched
- Additional joint health and safety committees were established to ensure that potential issues are proactively addressed, and proposed programs are constructively challenged and optimized
- We supported new operations in six countries, set up to grow our commercialization efforts as part of an overall commercial ambition, by creating a network of EHS experts providing country-specific advice on employee health, safety, and wellbeing
- Within this context, we strengthened our product stewardship capabilities to ensure compliance with any Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) requirements
- Criteria addressing social and environmental sustainability were included in the selection processes of key vendors such as facility management providers and contract manufacturing organizations, as well as in the design of any new facilities (where BREEAM<sup>1</sup> and WELL<sup>2</sup> guidelines are applied), and certification is sought when appropriate

<sup>1</sup> BREEAM is a profound sustainability assessment for masterplanning projects, infrastructure, and building. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment.

<sup>2</sup> The WELL Building Standard takes a holistic approach to health in the built environment addressing behavior, operations and design, and is a performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and well-being, through air, water, nourishment, light, fitness, comfort and mind.



### Future ambitions

- As part of our CSR strategy, we will define a long-term ambition, qualitative and quantitative objectives and an implementation roadmap focusing on optimizing employee health, safety, and well-being, promoting a circular mindset, and minimizing our carbon footprint throughout our value chain. We will identify relevant performance indicators to measure and report on the progress we make and for inclusion in future reports
- In support of this, we will launch specific 'Planet' and 'Wellbeing' workstreams at global and local level to co-create and implement the roadmaps, also leveraging existing initiatives such as 'Next Ways of Working'
- To raise awareness and boost engagement, we will start celebrating the United Nation's World Safety Day on 28 April and World Environment Day on 5 June
- We will define our ecological footprint, focusing on scope 1, 2 and 3 carbon emissions, water consumption and waste management
- We will include any agreed ambitions, objectives, and initiatives in our EHS Management Systems aimed at mitigating any related risks
- We will specifically review our processes related to emergency response, maintenance management and contractor management, and integrate them into a newly created Data Management System

## CSR at Galapagos – Summary

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### Material Aspect 1: Improving people's lives

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#### SDG



#### Areas of engagement

- We are pioneering for patients and our mission is to discover and develop innovative medicines that address high unmet medical needs
- Our science and innovation are based on our flexible target discovery platform
- We are building a differentiated early-stage R&D pipeline
- We accelerate innovation through win-win partnerships
- We actively promote an open innovation model
- We promote careers in science by engaging in STEM initiatives

[Go to chapter](#)

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### Material Aspect 2: Our employees are the strength behind Galapagos

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#### SDG



#### Areas of engagement

- We strive for gender equality and an inclusive and diverse workforce
- We invest in our employees
- We engage with local communities and charities

[Go to chapter](#)

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## Material Aspect 3: Conducting business ethically and responsibly

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### SDG



### Areas of engagement

- Animal welfare in drug development
- Our ethical approach to clinical trials
- Our Code of Conduct

[Go to chapter](#)

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## Material Aspect 4: We care about the environment, health and safety

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### SDG



### Areas of engagement

- We minimize our environmental impact throughout our value chain
- We comply with our sector rules and regulations
- We focus on employee health and well-being

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## Reporting on EU Taxonomy

### EU Taxonomy 2021 statement

The European Commission's action plan on financing sustainable growth led to the creation of an EU classification system for sustainable activities, being an EU taxonomy. As a listed non-financial company with more than 500 employees, Galapagos is in scope of the European Regulation 2020/852 of 18 June 2020<sup>1</sup> (the 'EU Taxonomy Regulation'). For the reporting in 2021, Galapagos has to disclose the proportion of its 2021 turnover, capital expenditures ('CapEx'), and operating expenses ('OpEx') eligible under the EU Taxonomy on sustainable activities. In the future eligibility to the EU Taxonomy will need to be complemented with disclosure on the alignment with the EU Taxonomy.

The EU Taxonomy Regulation introduces a classification system for environmentally sustainable activities and an activity is deemed environmentally sustainable if it meets all of the following overarching criteria:

- substantially contributing to at least one of the six environmental objectives of the EU Taxonomy Regulation: (i) climate change mitigation; (ii) climate change adaptation; (iii) sustainable use and protection of water and marine resources; (iv) transition to a circular economy, (v) pollution prevention and control; and (vi) protection and restoration of biodiversity and ecosystems;
- not significantly harming any of these environmental objectives;
- complying with minimum safeguards; and
- complying with certain scientifically based technical screening criteria ('TSCs') established by the EU Commission.

The EU has published a catalog of economic activities that can be considered as Taxonomy-eligible activities for the first two environmental objectives, climate mitigation and climate adaptation by means of using NACE<sup>2</sup> codes. This EU Taxonomy Climate Delegated Act<sup>3</sup> covers the TSCs in relation to these two forgoing environmental objectives for more than 100 activities within different sectors.

Following analysis of the EU Taxonomy legal framework<sup>4</sup> and applying the NACE codes, we do not consider our core business activities, being discovering, developing and commercializing innovative medicines, to be in scope of the EU Taxonomy Regulation's technical annexes on

<sup>1</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

<sup>2</sup> Codes of the statistical classification of economic activities in the European Community/Nomenclature statistique des Activités économiques dans la Communauté Européenne.

<sup>3</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

<sup>4</sup> Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation, and the legislation set forth under footnote 1-3.

climate change mitigation and climate change adaptation. Our core economic activities qualify as EU Taxonomy non-eligible activities.

For the determination of turnover, CapEx and OpEx during this analysis, we use the reported data in the consolidated financial statements included in this report:

- **Turnover** covers all business activities of Galapagos at 31 December 2021 and the denominator can be reconciled with the 2021 IFRS Total revenue recognized pursuant to €484.8 million and disclosed in **note 6**, being the revenues from commercial and collaboration activities.
- **CapEx** consists of additions to tangible and intangible assets during the financial year 2021 considered before depreciation, amortization and any re-measurements recognized by Galapagos pursuant to IAS 38. The denominator can be reconciled with the sum of the lines 'Additions' disclosed in notes **13** and **14** (total €63.4 million) of the consolidated financial statements. The majority of CapEx is associated with building costs of new office spaces in Belgium and the Netherlands, and is therefore non-eligible for the EU Taxonomy.
- **OpEx**, according to the EU Taxonomy, is determined by the direct non-capitalized costs of research and development, building renovation measures, short-term leases, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third-party outsourcers that are necessary to ensure the continued and effective functioning of such assets. The majority of OpEx is associated with our R&D expenditure.

Based on available data and the assessment of requirements, we have no eligible activities to report. Taxonomy eligible Turnover, CapEx and OpEx is 0%, and it is 100% Taxonomy not eligible. The "non-eligibility" under the EU Taxonomy refers to the fact that our activities currently remain outside of the scope of the economic activities for which TSCs have been developed under the Delegated Regulations. We want to clarify that revenues, CapEx and OpEx currently considered non-eligible under the EU Taxonomy Regulation should not be interpreted as an indication of our performance in pursuing or achieving certain corporate sustainability objectives or our "greenness".

We note that the required disclosures under the EU Taxonomy Regulation will keep evolving and that we will continue to consider its impact as well as future reporting obligations.