

Sustainability report

Our commitment to society:
Forward, Sustainably

Pioneering science to
transform patient outcomes

Our Sustainability Commitment – *Forward, Sustainably*

Since our founding more than two decades ago, we have worked to discover, develop, and commercialize life-changing medicines to add years of life and improve quality of life for people around the world. Our focus on, and commitment to, patients will always remain at the center of everything we do.

We strongly believe that our patient focus is supported by our commitment to the health of our planet and the wellbeing of our employees. In line with this, we are extending our commitment to patients by evolving the way we pursue breakthroughs in science and the development of innovative medicines by adopting new strategies and performance metrics to improve the health of our environment, the wellbeing and engagement of our employees, and the ethical and transparent management of our operations.

Our approach to Sustainability is encapsulated in the principle “*Forward, Sustainably*,” our strategy designed to bring the values of ethical, responsible innovation into everything we do, from how we develop patient therapies to how we collaborate with our colleagues, partners and other stakeholders. We know that acting as a responsible and sustainable business is key to our success as we continue to focus on the needs of patients.

Our Ambition

Informed by the results of our materiality assessment, in 2023, we worked on identifying KPIs and defining targets to reach our 2028 call for action, as depicted in the graph below.

Our commitment to our call for action by 2028 remains unchanged, and we are reviewing the underlying targets and action plans to reflect the impact of the Jyseleca® transfer transaction that was completed at the end of January 2024.

The updated targets will provide the basis for our sustainability reporting as of 2024.

Our call for action by 2028



Add more **years** of life and **quality** of life for patients



Develop transformational therapies **for patients, with patients** and the healthcare community



Provide patient **access** globally



Be a **diverse, equitable and inclusive, and trusted** organization



Be **climate neutral**

Our Sustainability Governance

In 2022, supported by the members of our Executive Committee, we established a Sustainability Steering Committee, composed of cross-functional representatives and leaders from within our organization. The Sustainability Steering Committee ensures that environmental, social, and governance considerations are fully integrated into our decision-making processes, including those related to our business strategy, key investments, and performance. The Committee consists of members of senior management and subject matter experts covering key areas of our operations, including Compliance, Patient Advocacy, Legal, Finance, Environment, Health & Safety (EHS), Procurement, Human Resources, Site Operations, Investor Relations, and Communications.

The Executive Committee oversees the Sustainability Steering Committee and approves both the measures and operational structure related to Sustainability. In addition, our Board of Directors, supported by the Audit Committee, oversees the Sustainability oversight structure as well as the strategy for public disclosure with respect to ESG (Environmental, Social and Governance) matters.

Our Double Materiality Assessment

Driven by our purpose to transform patient outcomes through life-changing science and innovation, we understand that our business actions impact both society and our financial performance.

To determine our key goals and priorities, we conducted an impact materiality assessment in 2022, which enabled us to identify the topics most relevant to our internal and external stakeholders. The analysis provided insights into our potential impact on society and the world, allowing us to better monitor emerging business challenges and opportunities.

To enhance the value of the 2022 materiality assessment, we updated the methodology we applied for the 2018 assessment and significantly increased the number of stakeholders involved. Externally, we engaged with representatives from patient organizations, patient experts, healthcare providers, supply chain partners, our collaboration partners, and investors. Internally, in addition to the members of our Executive Management and our Sustainability Steering Committee, all employees were given the opportunity to provide input on the materiality of certain topics through a company-wide survey.

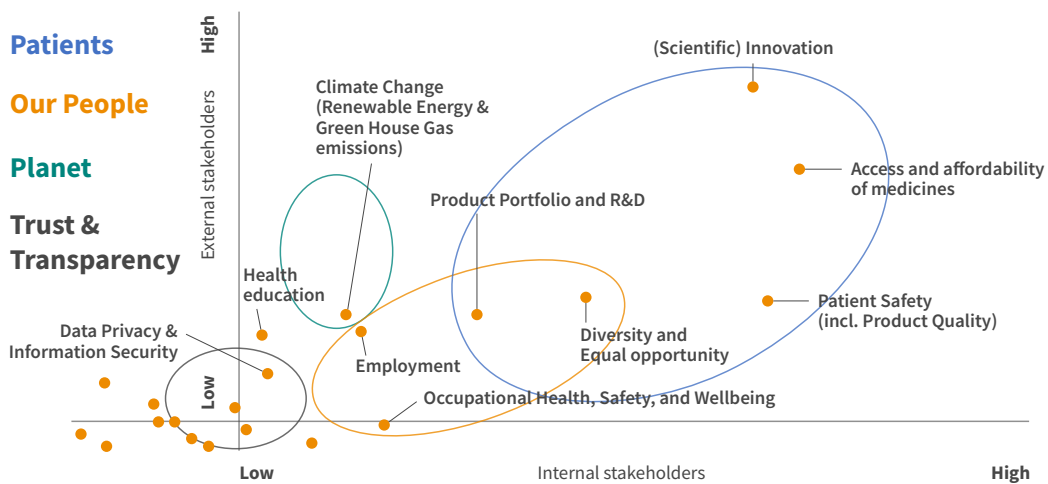
Internal and external stakeholders were invited to review a list of 35 potential material topics and to identify the five topics they found most relevant, five topics they found

less important for Galapagos and our core mission, and the opportunity to share any additional material topics that were not part of the initial list.

The results corroborate the results from previous years, with the top three pillars clustered around *People*, *Planet*, and *Trust & Transparency*. The 2022 assessment identified a new pillar dedicated to *Patients*.

The materiality map below shows our stakeholder’s material topic priorities:

Materiality analysis



Double materiality

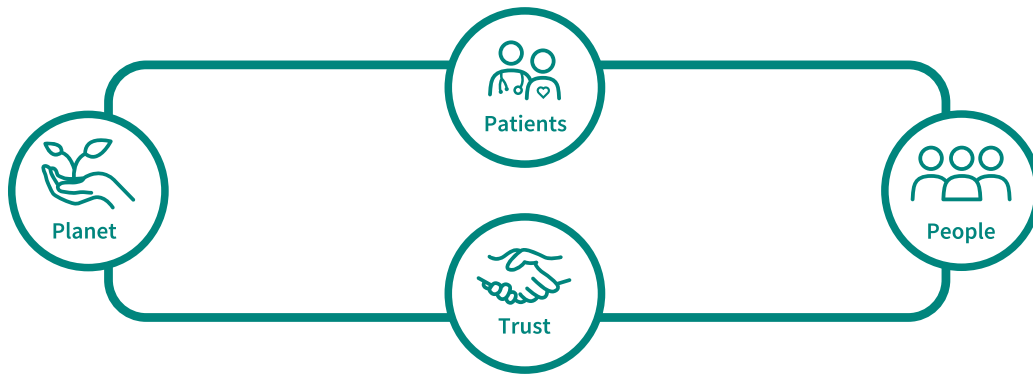
In 2023, in order to meet the requirement introduced by the Corporate Sustainability Reporting Directive (CSRD), we completed a first iteration of the double materiality assessment by adding, next to the impact materiality assessment, a financial materiality assessment. The results of this iteration confirmed our initial assessment, and stated pillars: Patients, our People, Trust and Transparency, and Planet. In 2024, we aim to update the double materiality assessment to reflect the impact of the transfer of the Jyseleca® business to Alfasigma.

Our Pillars

At Galapagos, our commitment to society is intrinsically linked to our mission to accelerate transformational innovation for patients through the relentless pursuit of groundbreaking science, our entrepreneurial spirit, and a collaborative mindset.

Our ambition is to bring transformational medicines to patients across the globe for more years of life and quality of life, through active engagement with patients and the healthcare community. This commitment is reflected in our pioneering research, product development, and pursuit for patient access to our innovative medicines.

Pillars of Sustainability



<p><u>Patients</u></p> <p>We are engaged:</p> <p>Our commitment to developing pivotal-stage medicines that create more years of life and quality of life For Patients, With Patients and the healthcare community around the world</p>	<p><u>People</u></p> <p>We are purpose driven:</p> <p>Our commitment is to create a Purposeful Workplace for our People to deliver breakthrough innovation for patients</p>	<p><u>Trust</u></p> <p>We are transparent:</p> <p>Our commitment to Trust & Transparency</p>	<p><u>Planet</u></p> <p>We are conscientious:</p> <p>Our Commitment to the Health of Our Planet</p>
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Patients



Our Commitment to Patients

We are engaged. Our commitment to developing transformational medicines that create more years of life and quality of life *For Patients, With Patients* and the healthcare community around the world

We value continuous improvement in our approach to research, development, and healthcare access, with an unwavering focus on outcomes that deliver the greatest value to patients. We embrace change and support disruptive innovation, strive to build a culture of responsible innovation throughout a medicine's entire lifecycle and are committed to ensuring the safe and appropriate use of our medicines, if approved, as may be prescribed by physicians and used by patients in medical practice.

We focus our development efforts on areas where we have deep expertise and map out the shortest path to market with the objective of reducing the time it takes to bring new medicines to patients.

At every stage of the patient journey, we aim to collaborate closely with patient organizations, beginning in the clinical study design. Through these efforts, we aim to maintain a clear line of communication with patients, having a significant positive impact on their experiences with our studies.

In 2021 we co-developed our **Patient Partnership Charter** with the patient community to formalize our commitment to patient engagement. Using the Charter as a guideline, we defined our roadmap to integrate patient engagement systematically throughout the medicine lifecycle.

We believe our research and development efforts can help advance science beyond the patients we serve. Our plain-language summaries of our data make them easy to understand, and our commitment to Open Access publishing enables us to communicate clearly and effectively with all our stakeholders.

Furthermore, since 2020, we have been an active member of the **Open Pharma** initiative, a first-of-its-kind 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.

Actions 2023

We have

- Invested in building up early relationships with patient organizations in relevant therapeutic areas;
- Co-created the following internal and external, patient focused resources with the Galapagos Patient Engagement Council (PEC) :
 - A standardized list of questions on patient-relevant endpoints;
 - The patients & caregivers page on our corporate website;
 - A dedicated Galapagos job aid focused on assisting colleagues who work with patients;
 - Template letters for patient organizations and sites to communicate time-sensitive information;
- Systematically embedded the patient and the clinical site expectations into our late phase immunology studies;
- Rolled out an internal guidance document on how to share study treatments systematically with participants;
- Written and tested lay summaries of clinical trials' results with patients for all studies started after June 2022;
- Maintained strong engagement with relevant patient organizations at key congresses;
- Involved patient representatives in the steering committees of all our Phase 4 real world evidence studies;
- Supported the initiatives led by patient organizations during relevant disease awareness days;
- Held trainings for in-field personnel with patients;
- Organized the very first **Galapagos Patient Partnership Day** on 15 November 2023;
- Incorporated the health literacy principles in our key documents for clinical trial participants;
- Published plain language summaries in Galapagos driven scientific manuscripts disclosing data from clinical-stage trials;
- Enabled continued access to Jyseleca® for patients across Europe following the transfer of Jyseleca® and the related commercial activities to Alfasigma; and
- Begun our efforts to increase patient access through the decentralized CAR-T manufacturing network.

Our People



Our Commitment to our People

We are purpose driven. Our commitment is to create a *Purposeful Workplace for our People* to deliver breakthrough innovation for patients

2023 was a year of significant change and continued transformation for Galapagos, and we are well aware of the impact this has on our employees and the challenges that it poses to our organization.

First, to continue building our company around two core therapeutic areas, oncology and immunology, we completed the integration of the CellPoint and AboundBio teams into Galapagos with a robust onboarding program. In late June, we also completed the transfer of the drug discovery and research activities, including our research colleagues in Romainville, France, to NovAliX.

Next, after carefully evaluating the strategic options to maintain a sustainable commercial business model for Jyseleca[®], our Jyseleca[®] dedicated teams, and the patients who benefit from the medicine, we signed a letter of intent with Alfasigma S.p.A. to transfer the entire Jyseleca[®] business to Alfasigma, including the European and UK Marketing Authorizations, as well as the commercial, medical affairs and development activities for Jyseleca[®] and approximately 400 Galapagos positions in 14 European countries. The transaction was completed at the end of January 2024.

Finally, to further streamline our remaining operations and implement a lean organization focused on R&D growth areas, we announced and implemented a restructuring affecting 100 positions across our European sites. At the same time, we continue to strengthen critical strategic capabilities to achieve our ambitions in oncology.

To ensure we were hearing our employee's thoughts during this time of change, we conducted a company-wide survey to better understand the impact of these changes on our company's values and culture. More than half of our employees participated in

the survey and we are committed to taking the feedback to further evolve our corporate culture and values in 2024.

We are pleased to share the efforts we have taken to foster an inspiring and engaging workplace for our people. We strive to nurture a purpose-driven culture that values diversity, equality, transparency, trust, empowerment, and leadership. We continue to build an inclusive and entrepreneurial work environment, where people can be themselves, realize their full potential and grow in their career, feel recognized for their contributions, and perform to the best of their abilities, individually and together as one team.

HIGHLIGHTS 2023

Diversity, equality, and inclusion

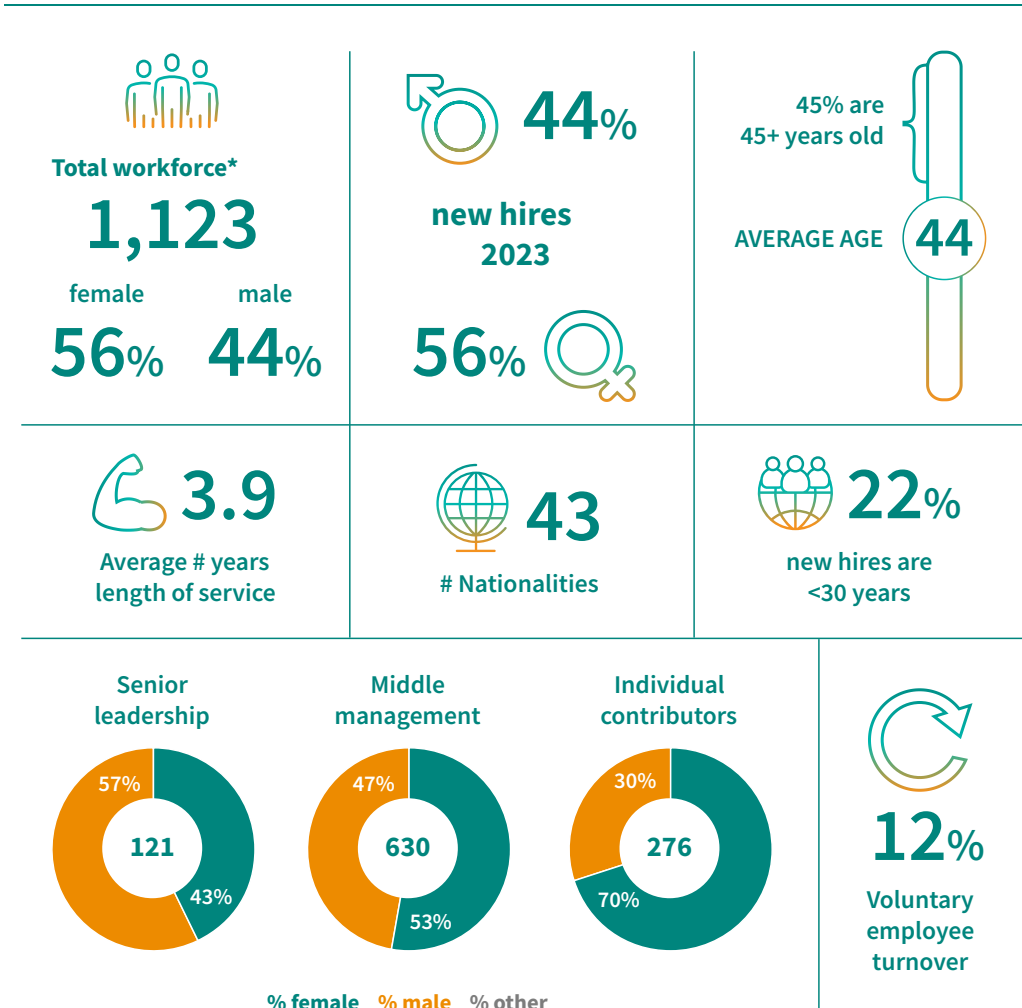
As part of our Sustainability strategy, we kicked off a program to create more awareness for **diversity, equality and inclusion** within Galapagos.

We are proud to share that, for the fourth year in a row, we are included in the 2023 Bloomberg Gender-Equality Index. This list encompasses 484 companies headquartered in 45 countries and regions. It is an objective measure that tracks gender equality across five pillars: leadership & talent pipeline, inclusive culture, anti-sexual harassment policies, external brand, and equal pay & gender pay parity.

As part of our effort to foster equal pay and gender pay parity, we perform equity checks during our promotion and end-of-year review processes across genders to mitigate potential bias. In 2023, among other initiatives to promote the culture of inclusion across our organization, we held a plenary panel talk with Pips Bunce, inspirational advocate for Diversity, Equality and Inclusion. The widely attended session generated a fruitful discussion and exploration of how a more diverse and inclusive organization can lead to a greater success.

Galapagos

SUSTAINABILITY REPORT



*Total workforce number includes in-sourced consultants

Talent attraction

We continue to strive for a balanced, diverse talent mix across all levels of the organization and are focused on continuing to attract and develop a diverse workforce. As part of this effort, our vacancies are screened by verified language models to ensure ‘neutral language’, and all job posting include an explicit encouragement for all genders, ages, and nationalities to apply. Our talent acquisition strategy includes active outreach to diverse talent groups and is supported by our internship programs that help us to attract and grow young professionals. In 2023, we hired 193 new employees, bringing our total workforce count to 1,123 people.

Talent retention

We also know that it is equally important to engage, develop and retain top talent, which is why we have heavily invested in re-engaging our Discovery teams at the start of 2023. We also rolled out a new initiative of “**Team Boosters,**” which are offsite team

development sessions for complete teams and their leader, with the objective to boost engagement and belonging, guiding all leadership and functional teams within the Discovery organization on a targeted development journey.

Talent cycle is our annual cycle of specific conversations between managers and their direct reports on topics like objectives, feedback, development; this fosters an open dialogue between managers and employees. We hold regular “**Hay! (How Are You) conversations**” between managers and their team members to support ongoing feedback and discuss topics such as goal alignment, engagement, feedback, career, performance, and development. In addition to facilitating these individual conversations, we broadened the “Talent Talks” to the departmental level to focus on identifying personal development opportunities for employees.

We believe that by proactively offering **learning opportunities** to all employees, we invest in employees’ career growth at Galapagos. In 2023, Galapagos employees and leaders attended more than 4,500 Galapagos learning and development events (and this number excludes Compliance training, conferences and on-the-job learning). Additionally, almost 50 managers spent in total over 2,500 hours on **individual coaching** conducted by an external consultant.

Compensation

Another critical element to retain employees is our competitive **compensation offering**, which is designed to recognize and reward employee performance in alignment with the company’s strategy and culture. We believe that performance bonuses and stock-based incentive opportunities help drive sustainable performance and stronger commitment to Galapagos, while appropriately rewarding employees for their contributions to our success.

The **benefits** we offer vary from country to country, based on local standards and statutory requirements. In 2023, we enhanced our employee offerings at both the international and country level with the following changes:

- Expanded information about total rewards, including benefits offerings, available to employees on our intranet portal;
- Provided stock-based awards for our colleagues to foster ownership culture;
- Conducted extensive benchmarking to assess the competitiveness of our local benefits offerings;
- Improved various local benefits offerings ranging from additional time off and cash allowances to improved meal vouchers and new wellbeing programs; and
- Strengthened our commuter and transportation programs offerings to further incentivize environmentally sound transportation choices.

Wellbeing

We prioritize the health of our workforce as it is essential for both individual success and overall organizational prosperity. Our cross-functional initiative known as “**Make It Happiness**” brings together employee ambassadors who continuously design and improve our global wellbeing program. This project is centered around three key pillars:

Physical, Mental, and Social wellbeing. The program aims to enhance team unity, as employees are encouraged to participate in activities such as sharing healthy meals, Company Culture strengthening, volunteering for social causes, and listening to inspirational speakers. The “Make It Happiness” team also offers all employees access to the Headspace App, with our employees using over 74,000 minutes of content and meditation programs in 2023.

Engagement

Beginning in 2024, we are starting to monitor our culture, values, and employee engagement in a new annual company-wide Employee Survey. Following localized team-specific wellbeing surveys in the past, we are now prepared to rollout a global assessment, which will quantify the Galapagos employee experience and provide valuable insights into several dimensions of our culture such as engagement, intent to stay, and leadership effectiveness. The results of this survey, expected to launch in the first half of 2024, will serve as a baseline benchmark and starting point for constructive and ongoing dialogue with our teams.

Health and Safety

In line with our Environmental, Health and Safety (EHS) policy, we are dedicated to providing safe and healthy working conditions to all our employees. In 2023, we had no fatalities related to work-related injuries or work-related ill health, nor did we have any high consequence work-related injuries.

The table below provides an overview of safety incidents for Galapagos employees, consultants working on site, temporary workers and students in 2023:

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	1
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)	0.10
Absolute number of fatalities as a result of work-related ill health	0

Planet



Our Commitment to the Planet

We are conscientious. Our Commitment to the *Health of Our Planet*

The planet health and the health and wellbeing of (our) people are interconnected.

As climate change was specifically identified as a material topic to Galapagos, we set a clear aspiration to support our environmental ambitions and become climate neutral by 2028. We defined a 5-year roadmap to achieve this goal, applying a sound and realistic mix of carbon reduction and carbon compensation projects. In addition, we are embracing the circular economy by reducing waste and reusing or recycling materials where and when we can.

As the reduction of green-house gas emissions is a crucial success factor in our approach, our reduction roadmap entails three pathways.

- Systematically replace any fossil fuels by renewable energy sources used in our buildings and car fleet;
- Improve energy efficiency of our operations; and
- Drive behavioral change by raising environmental awareness among our employees.

Our Environmental, Health and Safety oversight group has developed and maintains an EHS management system based on the international ISO 14001⁹ and ISO 45001¹⁰ standards to ensure that our approach is planned, consistent, transparent, compliant and measurable.

Actions 2023

To detail our path towards being climate neutral, we took the following actions in 2023:

⁹ International Standard Organization 14001: Environmental management systems (EMS)

¹⁰ International Standard Organization 45001: Occupational health and safety (OH&S) management

- We quantified the carbon footprint of Galapagos' value chain (including Scope 1¹¹, 2¹² and 3¹³ CO₂e emissions), in accordance with the Green House Gas Protocol (see Appendix table)
- We defined and quantified energy mix and energy consumption related to our Scope 1 and Scope 2 CO₂e emissions (see Appendix table). Energy generated from renewable sources currently covers 25% of our total energy needs.
- Progressed on our three pathways to reducing greenhouse gas emissions as defined in multi-year reduction roadmap :
 - Systematically replacing any fossil fuels by renewable energy sources:
 - in 2023 we launched a new mobility strategy aimed at accelerating the electrification of our car fleet and offering alternative transportation modes. In Belgium, home of our biggest company car fleet, we piloted this effort through the implementation of a new requirement that all new fleet vehicles must be fully electric as of 1 May 2024.
 - Improving energy efficiency of our operations.
 - we defined our expectations for BREEAM¹⁴ and WELL¹⁵ performance levels, for future consideration in selection criteria for new Galapagos facilities, an effort to improve our energy efficiency performance.
 - in 2023, 23% of the heated surface used by Galapagos was BREEAM or WELL certified.
 - Driving behavioral change and raising environmental awareness among our staff:
 - we continued the work of the Green Teams in our research sites. These teams of volunteers identify opportunities to reduce Galapagos' footprint in our day-to-day operations.
 - we celebrated the United Nations' World Environment Day on June 5th, by organizing site-specific activities such as a bikers' lunch, bike repair and waste recycling workshops.
We also organized a global webinar featuring Bertrand Piccard, who shared his experience as a psychiatrist, green pioneer, and founder of the Solar Impulse Foundation.
- We completed a Life Cycle Assessment for Jyseleca®, defining the environmental footprint of one year of treatment.
- As indicated by our ambitious goal of being climate neutral by 2028, we are committed to doing our part to support a healthy planet and will continue to monitor our performance to ensure we remain on track on our five-year roadmap.

¹¹ Direct GHG (Gases that contribute to the greenhouse effect by absorbing infrared radiation) emissions resulting from sources that are owned or controlled by an organization.

¹² Energy indirect GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization.

¹³ Other indirect GHG emissions not included in Scope 2 GHG emissions, that occur outside of the organization, including both upstream and downstream emissions.

¹⁴ BREEAM - Building Research Establishment Environmental Assessment Methodology is a sustainability assessment for master planning projects, infrastructure, and buildings. It recognizes and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment.

¹⁵ 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.

Trust & transparency



Our Commitment to Trust & Transparency

We are transparent. Our commitment to *Trust & Transparency*

Doing business ethically is about being a responsible corporate citizen. The standards we apply and decisions that we make every day are thoughtful and work to ensure that we act in the best interest of patients, people, and the planet. We build trust with our stakeholders by setting measurable goals, communicating them clearly, and being open and transparent about the progress we are making to deliver on them – both when we are doing well and when we need to make improvements.

We prioritize ethical management of our supply chain, vendors, and partners. Just as we seek partners and suppliers who share our commitment to the planet, we also ensure that they share our commitment to quality and ethical business practices. We refined our third-party onboarding through an enhanced risk assessment framework and due diligence on quality, IT security, data protection and privacy, compliance and ethics, and environment. Additionally, we continuously evaluate our supply chain to ensure continuity and optimization of costs, and we provide a consistent framework for partners and employees that outlines clear and comprehensive guidance for ethical and transparent behavior expectations across our company.

To ascertain that our products meet the highest quality standards, we work with qualified and certified (GMP-licensed) distributors that ensure that all processes related to receipt, storage, handling and final distribution to customers comply with the regulations. We regularly audit our GxP manufacturers and distributors.

We work to protect our people, patients, our planet, and our business by taking every reasonable measure to ensure that we all operate in accordance with the applicable regulations and standards and maintain compliance with all applicable laws.

We nurture a speak-up culture that encourages every one of our employees to share ideas, while also supporting our managers and leaders to embody a “Listen Up” culture. We implemented a “Speak Up” web-based reporting system to enable employees and

third parties to raise any concerns regarding activities related to Galapagos. The reporting mechanism meets the requirements of the EU Whistleblowing directive and enables anonymous reporting when allowable. Individuals who wish to report a concern can choose from the local language that works best for them and can submit their report anonymously. We believe that this helps our employees and third parties to feel heard and also protected, while alerting Galapagos about any potential issues and enabling early corrective action as needed. All matters are fully reviewed and investigated as needed in accordance with our internal procedure which is managed by our Global Head of Compliance & Ethics. This framework is overseen by a Speak Up, Listen Up Committee, members of which are heads of Legal, HR, Internal Control and Compliance & Ethics, and, in the event of serious or material matters, escalated to the Chair of the Audit Committee.

We also nurture a culture of integrity, with the aim that our employees, partners and suppliers value and take accountability for upholding our standards.

We operate in an environment where the safety of patients is paramount. Until the transfer of the Marketing Authorisation for Jyseleca® to Alfasigma, we are responsible for the marketing of one medicine, Jyseleca®, in Europe. We implemented a pharmacovigilance system designed to monitor the safety of Jyseleca® and to detect any change to the benefit/risk profile.

Animal welfare

From a scientific perspective, it is not yet possible to examine all the complex interactions that a potential treatment triggers in a living organism without animal testing. Additionally, the regulatory and legal framework for drug development requires new medicines to be evaluated in animals to ensure the quality, safety, and efficacy of these product candidates. We continue to implement the 3Rs (Replacement, Reduction, and Refinement) principles as set out in our Animal Welfare Policy. Animal welfare is reinforced through several key actions at the vendor level, including a surveillance process of incidents and their remediation and a communication plan on preemptive and reactive measures taken in animal studies.

Monitoring compliance of our vendors with Galapagos standards and animal welfare guidelines is part of the Animal Welfare Community mission. Although Galapagos uses vendors with state-of-the-art approaches, incidents might still happen occasionally. In such instances, we actively support investigation of the root cause, propose effective remediation solutions and diligently follow-up on any corrective actions. 100% of our vendors adhere to our Animal Welfare Policy.

In 2023, we identified 3 incidents with regard to animal welfare, in our own organization and also in one single vendor facility. We investigated the identified incidents and took appropriate measures to remediate them. All incidents were adequately handled.

On-site visits will be conducted to verify the effectiveness of the implemented actions in 2024. Monitoring of the ongoing remediation actions is planned.

Actions 2023

- We launched our *Speak up, Listen Up* program in 2022, continued the roll out in 2023, and we aim to make this integral to our routine new employee onboarding in 2024. As encouraged by our Speak Up, Listen Up program, we received a number of reports for potential non-compliance. One breach of our Code of Conduct was escalated to the Audit Committee in 2023. Appropriate measures were taken to address this breach.
- We launched an **anti-harassment and anti-discrimination policy** in 2023, and further communication and training on this topic is planned for 2024
- 94% of our employees completed our **Code of Conduct** training
- Since late 2022, the Third-Party Risk Assessment (TPRA) process for the onboarding of new vendors is mandatory, and going forward, we aim to use the TPRA as a KPI to measure compliance and ethics in our supply chain
- We executed an external screening of our 100 preferred suppliers. We are currently checking different risks factors, including ESG indicators; and
- The animal welfare remediation plan for addressing the identified gaps was completed in 2023. We implemented more than 14 major 3R initiatives, and 100% of our trusted suppliers adhere to our Animal Welfare Policy, reinforcing our expectations when working with third parties. The communication and crisis management plan were released, and the Animal Welfare webpage was created for increasing employee's awareness. Multiple and regular communication on the 3Rs principles, as well as a participation in a major international initiative, were associated with a decrease in the number of animals used in 2023. Close follow-up on animal welfare incidents, with issue management as a full part of the study oversight, supported fast resolution of the incidents. All KPIs were met at the end of the year, indicating that our ethical values were understood, internally and externally.

Reporting

Reporting framework

We are preparing detailed reporting on our material aspects according to the Corporate Sustainability Reporting Directive (CSRD) by setting up a dedicated reporting team, evaluating policies and procedures, and defining scope, targets, metrics and action plans as needed. Additionally, we are evaluating reporting systems to ensure a robust data collection process. We expect to report in line with EU Sustainability Reporting Standards (ESRS) for the 2024 fiscal year.

The current sustainability 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 the Annual Report.

To standardize our 2023 data collection, we use the United Nations Sustainable Development Goals (SDGs), also known as the Global Goals, as our reference framework to link our 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 strive to ensure that all people enjoy peace and prosperity by 2030.

Advancing UN SDGs

In 2023, we signed up for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption. In the annual Communication on Progress, which can be found on Galapagos' participation profile on the UN Global Compact website, we disclose our continuous efforts to integrate the Ten Principles into our business strategy, culture, and daily operations, and contribute to United Nations goals, particularly the Sustainable Development Goals (SDG).

We identified two core SDG goals where we believe we can make a difference, as well as six enabling SDG goals. Together they will help us to execute on our commitment to our four Sustainability pillars.

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

CORE SDG



Good health and well-being

More years of life and quality of life, by transforming patient outcomes through accelerating life changing science and innovation, 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 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 are a global biotechnology company with operations in Europe and the US.



Industry, innovation and infrastructure

Our mission is to accelerate transformational innovation through the relentless pursuit of groundbreaking science, our entrepreneurial spirit, and a collaborative mindset.



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.

Reporting on EU Taxonomy

EU Taxonomy 2023 statement

The European Commission's action plan on financing sustainable growth led to the creation of an EU classification system for sustainable activities, also known as the EU taxonomy. As a listed company with more than 500 employees, Galapagos is in scope of the EU Taxonomy Regulation¹⁶. As indicated in the Delegated Regulation of (EU) 2021/2178, non-financial undertakings shall disclose the proportion of Taxonomy-eligible and alignment of economic activities in their total turnover, capital expenditure ("CapEx"), operational expenditure ("OpEx") and the qualitative information starting from reporting year 2022, including comparative figures for eligibility related to climate change mitigation and adaptation. Starting in reporting year 2023, the proportion of Taxonomy eligibility shall be disclosed for all remaining objectives.

The EU Taxonomy 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 published a catalog of economic activities that can be considered as Taxonomy-eligible activities; the determination of eligibility happens on the basis of the description of activities. An eligible activity becomes Taxonomy-aligned when it meets all of the aforementioned overarching criteria, which includes that such activity should substantially contribute to at least one of the six environmental objectives.

Following a thorough analysis of the EU Taxonomy legal framework¹⁷, which was initiated by reviewing the company's NACE codes in light of the EU Taxonomy identified activities, we do not consider our core business activities of discovering, developing and commercializing innovative medicines to be in scope of the Climate Delegated Act. Additionally, the newly added EU Taxonomy activities were screened (such as manufacturing of medicinal products), but not considered as within our control as Jyseleca[®] is manufactured by a third party.

¹⁶ Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.

¹⁷ Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 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 the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

Within the context of our ambition to become **climate neutral by 2028**, we screened the related activities and identified the following activities included in the EU Taxonomy:

- Acquisition and ownership of buildings
- Consultancy for physical climate risk management and adaptation
- Installation and operation of electric heat pumps
- Transport by motorbike, passenger cars and light commercial vehicles

For the determination of turnover, CapEx and OpEx during this analysis, we use the reported data in the 2023 consolidated financial statements included in this report:

- Turnover covers all continuing activities of Galapagos as of 31 December 2023 and the denominator can be reconciled with the 2023 IFRS total net revenues of €239.7 million as disclosed in **note 7**, being the revenues collaboration activities.
- CapEx consists of additions to tangible and intangible assets during the financial year 2023 considered before depreciation, amortization and any re-measurements recognized by Galapagos pursuant to IAS 38. The denominator (total CapEx) can be reconciled with the sum of the lines “Additions” disclosed in **notes 14 and 15** (total €20.8 million) of the consolidated financial statements. The majority of CapEx is associated with software and databases, and property, plant and equipment (covering fully-owned and leased).
- 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 outsources that are necessary to ensure the continued and effective functioning of such assets. These costs are for the majority associated with our R&D expenditure, as disclosed in **note 8** (total €375.3 million).

Based on available data and the assessment of requirements, we report 0% Taxonomy eligible Turnover, and therefore 0% Taxonomy aligned. As a result of our climate neutral ambition by 2028 and the related investments we report 13.59% Taxonomy eligible CapEx, with 2.77% Taxonomy aligned, and 0.06% Taxonomy eligible and aligned OpEx (as presented in the tables in Appendix).

Please refer to the Appendix to this Annual Report for the disclosure on KPIs of non-financial undertakings as required by Annexes II of the Climate Delegated Act.

The limited “eligibility” under the EU Taxonomy refers to the fact that our core activities currently remain outside of the scope of the economic activities for which TSCs have been developed under the Delegated Regulations.

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.

Appendix

Energy Consumption and Mix

		2022 (base year)	2023
Fuel consumption from coal and coal products	MWh	0	0
Fuel consumption from crude oil and petroleum products(*)	MWh	10,756	10,362
Fuel consumption from natural gas	MWh	3,444	2,948
Fuel consumption from other fossil sources	MWh	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	1,260	694
Total fossil energy consumption	MWh	15,460	14,004
Share of fossil sources in total energy consumption	%	82	75
Consumption from nuclear products	MWh	0	0
Share of consumption from nuclear sources in total energy consumption	%	0	0
Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	3,352	4,683
The consumption of self-generated non-fuel renewable energy	MWh	0	0
Total renewable energy consumption	MWh	3,352	4,683
Share of renewable sources in total energy consumption	%	18	25
Total energy consumption	MWh	18,812	18,687

(*) Includes the energy consumed in Galapagos' buildings, by stationary diesel consumption (used by back-up generators and by Galapagos' car fleet). The latter is based on estimated distance travelled and estimated fuel consumption.

Greenhouse Gas Emissions

		2022 (base year)	2023
Scope 1 GHG Emissions			
Gross Scope 1 GHG emissions	TCO ₂ e	3,180	2,922
Percentage of Scope 1 GHG emissions from regulated ETS	%	0	0
Scope 2 GHG Emissions			
Gross location-based Scope 2 GHG emissions	TCO ₂ e	849	1,132
Gross market-based Scope 2 GHG emissions	TCO ₂ e	217	173
Significant Scope 3 GHG Emissions			
Total Gross indirect (Scope 3) GHG emissions	TCO ₂ e	54,609	36,537
Purchased goods and services(**)	TCO ₂ e	42,586	28,257
Capital Goods(**)	TCO ₂ e	8,456	4,534
Fuel and energy-related activities(*)	TCO ₂ e	790	791
Upstream leased assets(*)	TCO ₂ e	6	6
Waste generated in operations(**)	TCO ₂ e	50	36
Processing of sold products	TCO ₂ e	N/A	N/A
Use of sold products	TCO ₂ e	N/A	N/A
End-of-life treatment of sold products(**)	TCO ₂ e	11	18
Downstream leased assets	TCO ₂ e	N/A	N/A
Franchises	TCO ₂ e	N/A	N/A
Upstream transportation and distribution(*)	TCO ₂ e	95	109
Downstream transportation and distribution(*)	TCO ₂ e	5	11
Business travels(*)	TCO ₂ e	1,058	1,480
Employee commuting(**)	TCO ₂ e	1,552	1,295
Financial investments	TCO ₂ e	N/A	N/A
Total GHG emissions			
Total GHG emissions (location-based)	TCO ₂ e	58,638	40,591
Total GHG emissions (market-based)	TCO ₂ e	58,006	39,632

(*) actual data

(**) estimated

EU Taxonomy

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Economic activities (1)	Code (2)	Turnover (3)	Substantial contribution criteria										DNSH criteria ('Does Not Significantly Harm')				Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, Category year enabling transitional activity (18)	Category enabling activity (19)	Category transitional activity (20)	
			2023: Proportion of Turnover (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)				
		€, in thousands	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%															0%		
Of which enabling		0	0%															0%		
Of which transitional		0	0%															0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%															0%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0	0%															0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		239,724	100%															100%		
TOTAL		239,724	100 %															100%		

Y: yes; N: no; N/EL: (non-)eligible

(*) The 2022 comparatives have been restated to reflect the impact of classifying the Jyseleca® business as discontinued operations in 2023.

Galápagos

SUSTAINABILITY REPORT

	Proportion of Turnover/Total Turnover	
	Taxonomy aligned per objective	Taxonomy- eligible per objective
Climate Change Mitigation (5)		
Climate Change Adaptation (6)		
Water (7)		
Pollution (8)		
Circular Economy (9)		
Biodiversity (10)		

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Economic activities (1)	Code (2)	CapEx (3)	2023: Proportion of CapEx (4)	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')						Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, enabling transitional activity year 2022 (18)	Category (19)	Category (20)
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy(9)	Biodiversity(10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
		€ in thousands	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	577	2.77%	Y						Y	Y	Y	Y	Y	Y	Y	%		T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		577	2.77%	2.77%						Y	Y	Y	Y	Y	Y	Y	0.59%		
Of which enabling		0	0%	0%														E	
Of which transitional		577	100%	100%						Y	Y	Y	Y	Y	Y	Y			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	7.7	1,100	5.28%	Y													7.18%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	1,155	5.54%	Y													1.57%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,255	10.82%	10.82%													8.75%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		2,832	13.59%	13.59%													9.34%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		18,008	86.41%														90.66%		
Total (A + B)		20,840	100%														100%		

Y: yes; N: no; N/EL: (non-)eligible

Galápagos

SUSTAINABILITY REPORT

	Proportion of CapEx/Total CapEx	
	Taxonomy aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (5)	2.77%	13.59%
Climate Change Adaptation (6)		
Water (7)		
Pollution (8)		
Circular Economy (9)		
Biodiversity (10)		

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Economic activities (1)	Code (2)	OpEx (3)	2023: Proportion of OpEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Minimum Safeguards (17)	OpEx, Category year enabling transitional activity (18)	Category transitional activity (19)	Category activity (20)	
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					
		€, in thousands	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Installation and operation of electric heat pumps	4.16	134	0.036%	Y						Y	Y	Y	Y	Y	Y	Y	0	E		
Consultancy for physical climate risk management and adaptation	8.2	74	0.020%		Y					Y	Y	Y	Y	Y	Y	Y	0.005%	E		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		208	0.06%	0.036%	0.020%					Y	Y	Y	Y	Y	Y	Y	0.005%			
Of which enabling		208	100%	64%	36%					Y	Y	Y	Y	Y	Y	Y	0.005%	E		
Of which transitional										Y	Y	Y	Y	Y	Y	Y				T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.00%														0.00%			
A. OpEx of Taxonomy eligible activities (A.1+A.2)		208	0.06%														0.005%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities		375,022	99.94%														99.995%			
TOTAL		375,230	100%														100%			

Y: yes; N: no; N/EL: (non-)eligible

(*) The 2022 comparatives have been restated to reflect the impact of classifying the Jyseleca® business as discontinued operations in 2023.

Galápagos

SUSTAINABILITY REPORT

	Proportion of OpEx/Total OpEx	
	Taxonomy aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (5)	0.036%	
Climate Change Adaptation (6)	0.020%	
Water (7)		
Pollution (8)		
Circular Economy (9)		
Biodiversity (10)		

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO