CSR report

Improving lives

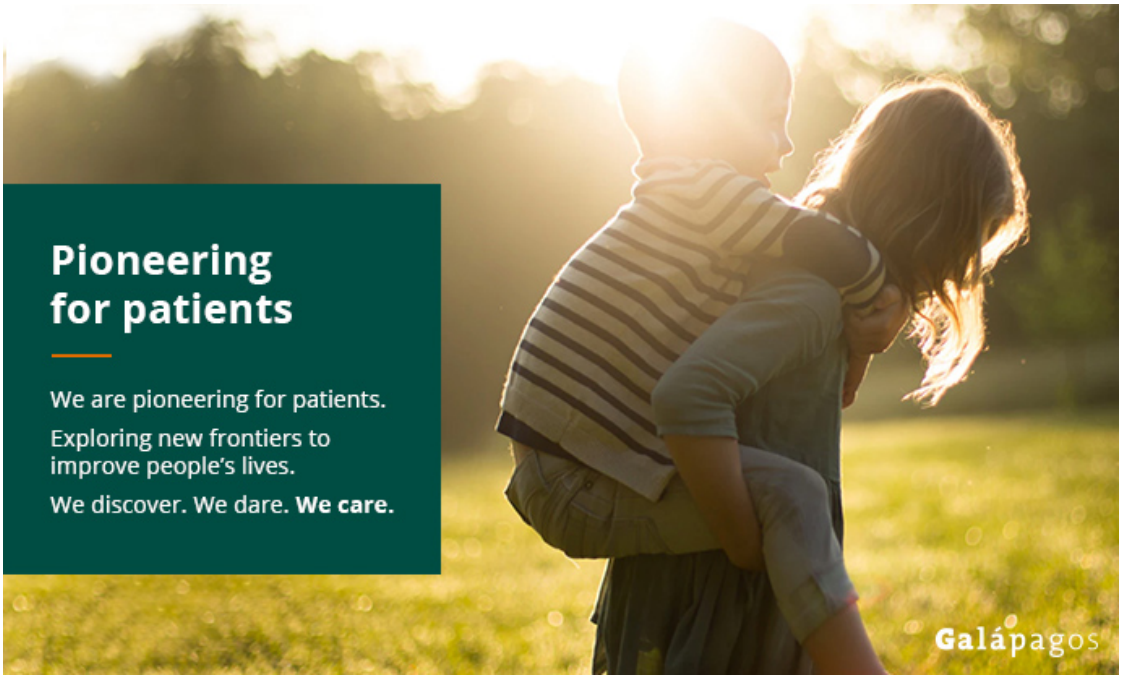
Pioneering for patients

Our commitment

Our commitment to Corporate Social Responsibility (CSR) is intrinsically linked to our core mission: to discover and develop novel modes of action medicines for diseases with large unmet medical needs, primarily in inflammation and fibrosis, with the aim to improve the lives of patients worldwide.

On a daily basis, our goal is to make a valuable and sustainable contribution to society with our discovery, clinical development and commercialization efforts. Filgotinib, GLPG1690, GLPG1205, and GLPG1972 are clinical examples of how our approach to finding novel medicines may be able to make a difference for patients in a range of disease areas. Our unique target discovery approach addresses the root cause of the disease rather than just treating the symptoms, and we have a substantial, growing pipeline of novel candidate medicines in inflammation, fibrosis and beyond. In this way, we aim to make a sustainable positive contribution to society.

We and our collaboration partner Gilead expect to receive approval for our first innovative product, filgotinib in RA, in the U.S., Europe, and Japan in 2020, and make it available to patients worldwide.



Implementing our CSR initiatives

Since our foundation 20 years ago, we focus on the discovery and development of innovative medicines to treat severe diseases with high unmet medical needs.

Based on our core mission, in 2018, we defined the four material aspects of our corporate responsibility and sustainability efforts through engaging with internal and external stakeholders across our different locations. These material aspects help us to identify and prioritize the sustainability issues that matter most to our business in terms of growth, risk and goals, and to our stakeholders, including patients, investors, analysts, employees and suppliers. The four material aspects have remained the four pillars that defined our CSR strategy and action plans in 2019 and ensure that we report on the most interesting and relevant matters. We also regularly re-evaluate the reporting aspects for materiality to ensure they continue to be current and complete.

The four priority topics and material CSR aspects that we put forward are:

Improving people's lives

- Science and innovation management
- Building partnerships to bring innovation to patients
- Access to our candidate medicines

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Our employees are the strength behind Galapagos

- Building a strong corporate culture
- Human capital management
- Employees engagement

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Conducting business ethically and responsibly

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

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We care about the environment, health and safety

- Environmental policy
- Eco-efficient operations
- Employee well-being

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To standardize our data collection, we use the Sustainable Development Goals (SDGs), also known as the Global Goals, as our reference framework to link the material aspects to our 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 96 § 4 and 119 § 2 of the Belgian Companies Code (and as from 1 January 2020, articles 3:6 § 4 and 3:32 § 2 of the New Belgian Companies Code). For a discussion on risks, please see the section called Risk Factors in this Annual Report.

We have identified eight key SDG goals where we believe we can make a difference. The table below links our material aspects and engagement areas to selected aspects of the SDG framework:

Good health and well-being
Health and improving lives through our breakthrough medicines are at the core of what we do

Quality education
We invest in our employees and foster an inclusive, open and supportive work environment across our seven 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 celebrated our 20th anniversary as a company and currently employ >1,000 people across our seven 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 needs 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

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

As part of our commitment to CSR, we monitor new developments and practices and will consider implementing new priority goals that could further enhance our CSR activities in the future. In addition, we recently engaged a dedicated Learning & Talent specialist, who will further streamline our CSR initiatives and ensure our CSR strategy is executed successfully throughout the group, with a key focus on diversity and human capital management.

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: Improving people's lives

We strive to discover, develop, and eventually commercialize breakthrough medicines with novel modes of action, addressing disease areas of high unmet medical need. At the core of our mission is the improvement of the lives of patients suffering from severe diseases with medicines that offer novel treatment options.

We are pioneering for patients.

Our broad product pipeline comprises programs ranging from discovery to Phase 3 clinical trials in inflammation, fibrosis, osteoarthritis, and other indications. Together with our collaboration partner, Gilead, we are currently in the registration phase for filgotinib in RA. An NDA was submitted to the regulatory authorities in the U.S., Europe and Japan in 2019, and if approved, we expected to launch filgotinib in 2020, providing an important new treatment option for RA patients worldwide.

There is a real need for medicines with novel mechanisms of action that address the underlying cause of 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 the opportunity for alternative new clinical options for caregivers and patients. At the same time, they potentially decrease the burden for society, including by lowering healthcare costs.

We create value through science

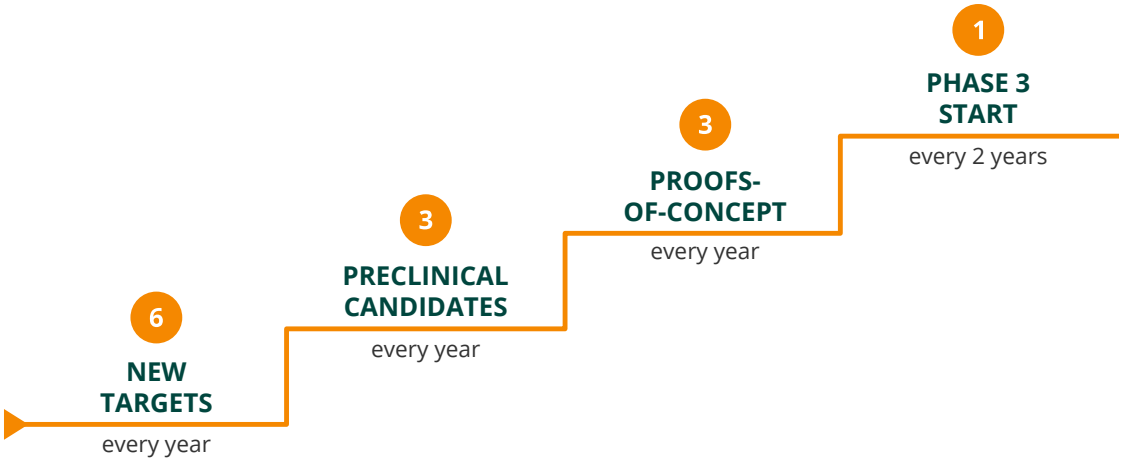
Work at Galapagos, visit www.workatgalapagos.com ›

Our highly flexible target and drug discovery platform has been applied across many therapeutic areas, and our deep pipeline today covers a range of diseases, with a focus on inflammation and fibrosis candidate drugs across all stages of development. Pending potential approval, we expect to make our first product available to patients with RA during the course of this year.

We think big

Work at Galapagos, visit www.workatgalapagos.com ›

R&D goal – Maintaining an active portfolio of around 30 projects



We continue to invest heavily in R&D and aim to initiate a Phase 3 trial every other year, while conducting at least three to four proof-of-concept trials, delivering at least three preclinical product candidates and at least six new validated targets annually. The impact of the ongoing COVID 19 pandemic on our R&D efforts at the time of publication of this report is described here.

€427M

Research and Development Expenses in 2019

+32% vs 2018

Based on our powerful drug discovery engine, we are building a deep, early pipeline of novel product candidates to ensure continued innovation, with potential benefits to patients, healthcare professionals and society.

30
validated targets

15
programs in LO

5
PCCs

‘4471 – inflammation
‘4399 – inflammation
‘4259 – inflammation
‘4124 – fibrosis
‘4059 – metabolic

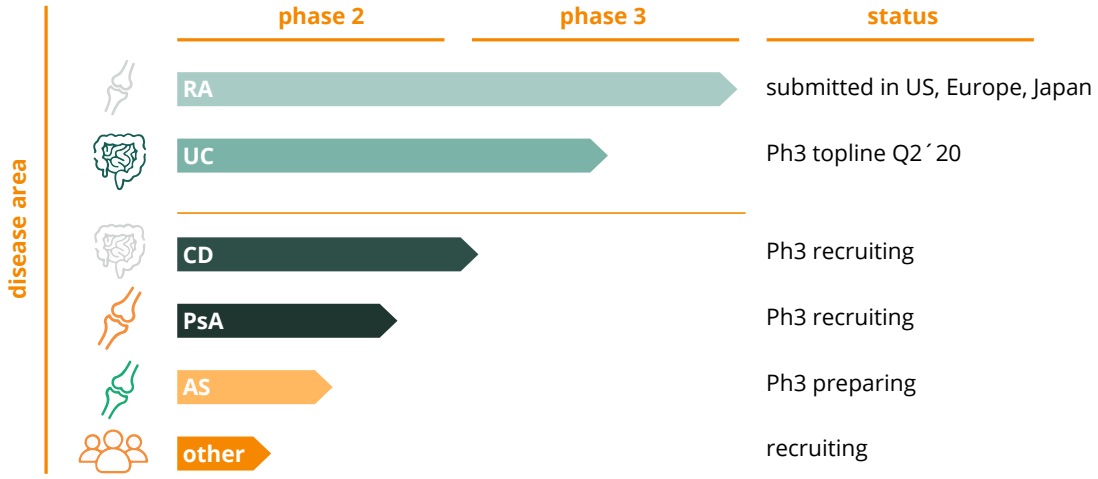
5
Ph1 programs

‘3312 – inflammation
‘3970 – inflammation
‘3667 – inflammation

‘555 – inflammation
‘2737 – kidney disease

We aim to select promising programs for internal development and commercialization and establish ourselves as a fully integrated biopharmaceutical company. With filgotinib and its potential for five launches in the next four years, we are well on track to deliver innovative medicines to patients. At the time of publication of this report, it was decided to pause the recruitment of ongoing filgotinib trials in connection with the coronavirus pandemic.

Filgotinib: potential for 5 launches in next 4 years



RA: rheumatoid arthritis CD: Crohn's disease UC: ulcerative colitis AS: ankylosing spondylitis PsA: psoriatic arthritis

Accelerating innovation through collaborations

We have a number of collaborations with leading pharmaceutical companies to significantly enhance our R&D efforts and pursue innovation to the benefit of patients. We are very proud of the transformative R&D collaboration with Gilead that we entered into in 2019. This collaboration should enable us to substantially boost our pipeline of novel product candidates.

To further strengthen our fibrosis pipeline, in 2019, we entered into collaborations with Fibrocor and Evotec, to jointly work on innovative approaches to treat severe fibrotic diseases.

We evaluate new opportunities to add to our pipeline on a continuous basis in order to bring innovation to patients.

Access to our candidate medicines

In pursuit of the development and commercialization of novel medicines that have the potential to improve people's lives, we encourage patients to participate in clinical trials whenever possible. These clinical trials are critical to gather the information (or data) needed to evaluate investigational products and seek their approval by health authorities, such as the FDA and the EMA.

Information about ongoing clinical trials for our investigational drugs is available on clinicaltrials.gov, a service of the U.S. National Institutes of Health that provides details on clinical trials conducted worldwide.

Next to the information on clinicaltrials.gov, there are several patient information portals where more information regarding Galapagos related Phase 3 studies can be found. For instance, as sponsor of the Phase 3 study with GLPG1690 in IPF, Galapagos has launched the ISABELA information portal.

ISABELA, innovative program in IPF

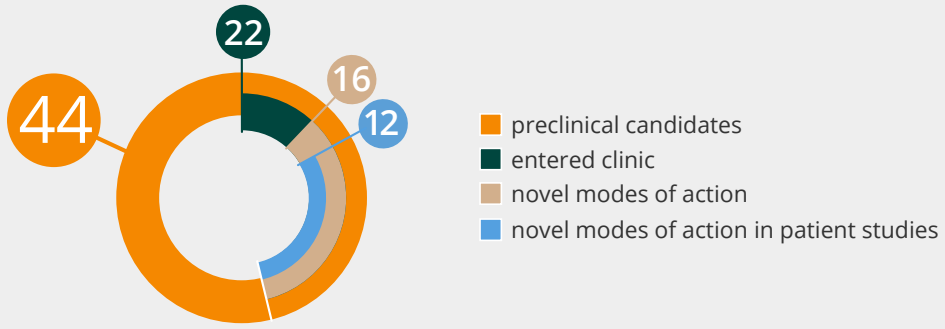
Our partner Gilead launched study information portals regarding the Phase 3 studies with filgotinib in Crohn's disease (DIVERSITY) and ulcerative colitis (SELECTION).

In some rare cases, patients are unable to participate in clinical trials and have exhausted all available treatment options. In these cases, 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". Expanded access is also often referred to as "compassionate use". A full copy of our Expanded Access Policy can be found on our website.

Actions in 2019

- We delivered 6 new validated targets, compared to our goal of 6
- We nominated 3 new preclinical candidates, all with a novel mechanism of action, compared to our goal of 3
- We conducted 6 proof-of-concept trials, compared to our goal of 6
- We conducted >30 clinical trials involving >1,800 patients and healthy volunteers
- We submitted 1 product candidate (filgotinib) for regulatory review in the U.S., Europe and Japan, compared to our goal of 1
- We received 220 inquiries to our Medical Info portal, of which the large majority requested more information on inclusion in the ISABELA trials with GLPG1690

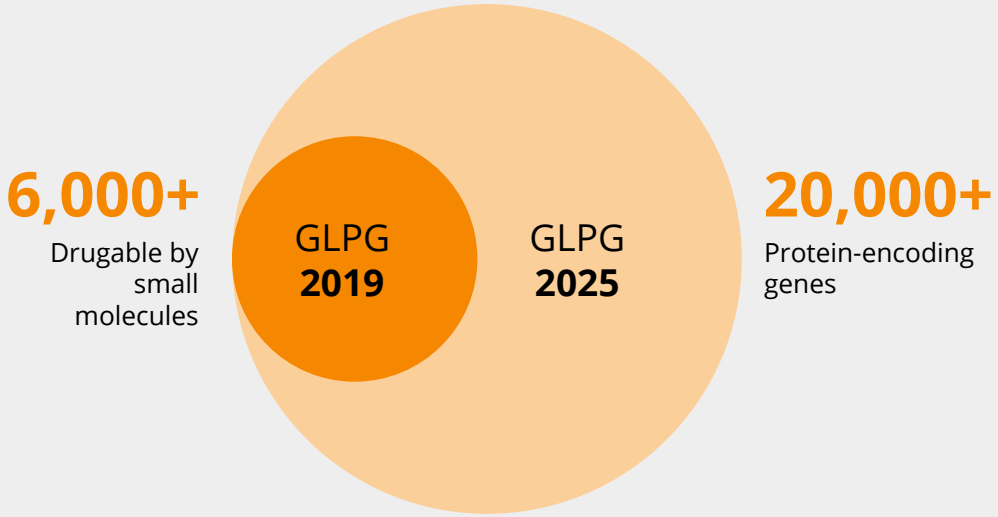
These successes brought us to 44 preclinical candidates since 2009, most of which have novel modes of action. Of these 22 have entered the clinic, 16 of which with novel modes of action.



Future ambitions

- Continue to focus on innovation and further expand R&D capabilities to support the planned clinical trials in 2020
- Fully recruit the ISABELA trials with GLPG1690
- Report topline results of ongoing clinical trials in UC, IPF, SSc and OA
- Start a Phase 3 trial in AS with filgotinib together with Gilead
- Further broaden our R&D efforts beyond inflammation and fibrosis, including metabolic and kidney diseases with high unmet medical needs
- Invest in our target discovery capabilities, in order to broaden our pool targets, which in turn, should deliver more validated targets and proof-of-concepts on a yearly basis
- Continue to seek win-win collaborations to bolster the early-stage pipeline
- Pending potential approval, we expect to launch our first innovative product, filgotinib in RA in the U.S., Europe and Japan, with collaboration partner Gilead
- Continue the build-out of a European commercial organization to bring innovation to patients in need for breakthrough medicines

Expand our target & drug workspace



In order to increase our chances to find novel targets, we will expand our target workspace, and not only use the selected pool of 6,000 drugable genes, but the complete protein-coding genome of over 20,000 genes.

€5.78B

Current Financial Investments, cash and cash equivalents at end 2019

A strong balance sheet to ensure future growth

Material aspect 2: Our employees are the strength behind Galapagos

Attracting, developing, and retaining human capital is key to our success in developing novel mechanism of action drugs that can make a difference for patients. The key to achieve this is to make Galapagos the coolest place to work.

'*Make it Happen*' is core to our corporate culture and we continue to make sure this aspect is protected and managed as we continue to grow as an organization.

We are dedicated to ensuring diversity of our workforce and are committed to foster an inclusive, open and supportive work environment across our locations in Europe and the U.S.

With the goal to execute multiple clinical trials in 2020 and the anticipated commercialization of our first product, our organization continues to expand, build capability and expertise, and we are committed to maintaining our corporate DNA.

Gender Equality

We strive for gender equality across multiple dimensions, including talent attraction, female leadership and talent pipeline development, equal pay and gender pay parity, instilling an inclusive culture, and rigorous implementation of sexual harassment policies. We are committed to supporting gender equality through policy development, representation, and transparency.

For example, in February, we celebrated the International Day of Women and Girls in Science, endorsing equal access to, and participation in science for women and girls. The talent and dedication of the 60% of our R&D colleagues who are women is essential to helping patients now and in the future.

Galapagos is proud to be included the **2020 Bloomberg Gender-Equality Index**
The list encompasses 325 companies headquartered in 42 countries and regions, across 11 sectors

Diversity

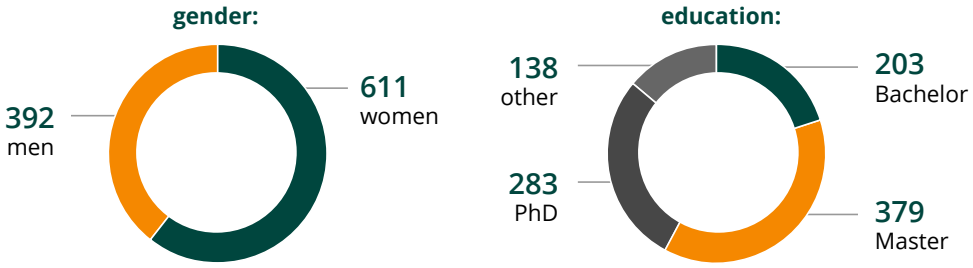
We aim to continue to develop an inclusive and diverse workforce as our business further grows and evolves towards an integrated, global biopharma company. We strive for diversity across gender, nationality, ethnicity, experience level, and disability.

But no matter how diverse we are, we all have the same purpose of pursuing medical breakthroughs to improve people's lives.

Our group in numbers

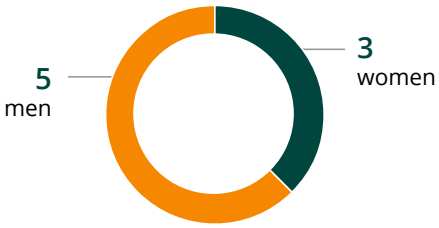
Number of employees Galapagos group

1,003



Average age: 41	**Number of employees older than 45:** 359	**Nationalities:** 39
Average years of service: 4.6	**Employee turnover:** 5.6%	**New hires in 2019:** 279

Board of directors



- Our board of directors currently comprises eight members of whom three are female (we refer to the section Board of directors of our Annual Report 2019 for further information on each board member)
- We attracted 279 new employees in 2019, an increase of 38% versus 2018
- We continue to attract people with various backgrounds and now have 39 different nationalities within the Galapagos group

Human capital management

At Galapagos, we believe our strong culture is critical to our business success. Our spirit of challenging ourselves without fear of failure underpins our work. While this bold attitude is naturally in our DNA – and we recruit exceptional people who are the right fit – we have defined our culture in a behavioural framework.

- 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 find ways to **make it happen**.

As Galapagos grows and changes, and new people from different backgrounds join our adventure, we want to ensure our culture evolves in the right way. We are developing structured, integrated systems and practices that ensure we are all heading in the same direction on our path of discovery – because our culture transcends everything we do.

We offer our employees the platform to grow, develop, fail, learn and succeed. Our ambitious business strategy offers great opportunities to enhance skills & competencies with the aim to continue delivering innovative science and breakthrough medicines. We honor our successes, whilst constantly raising the bar and allowing room for trial & error to drive innovation. We encourage our people to take ownership, be entrepreneurial and make a difference.

At Galapagos, we offer a competitive remuneration package that aims to reward, recognize, develop and retain our employees in the most relevant way. We have policies in place to ensure the well-being of our employees and offer different forms of leave and flexible working conditions to ensure a proper work-life balance.

We aim to ensure an inclusive, open, and supportive professional work environment across our international locations. We organize regular engagement meetings across all our business units to inspire and align the fast-growing teams behind our vision and ambition. We hold regular informal lunch meetings with executive committee members for new and long-time employees across the different sites.

We listen to our people through formal and informal channels established to ensure adequate anonymity and psychological safety. Surveys are conducted to evaluate our actions, impact and agility of our people processes. These and other indicators allow us to consider actions to optimize our work environment and enhance employee experience.

Our involvement with local communities and charities

We are approaching the moment that we bring our first drug to the market. Delivering innovative medicines to transform patients' lives is our ultimate goal.

We also want to be part of the community in which we work and live. Since 2018, that has been the idea behind our annual Company Day, which includes tailor-made programs for each of the Galapagos sites, involving a range of charity organizations.

Walk

We walked with home care residents, active and dependent elderly people, and people with a disability.

One to one support

We participated in one-on-one activities organized by care centers for the elderly and organizations that fight against the exclusion of the most fragile people in society (e.g. female victims of human trafficking, handicapped people).

Visit

We visited residential care centers and helped organizing a fun day-out for the residents.

For the handy (wo)men

We painted, cleaned, baked pancakes, assembled furniture and organized other fun activities with residents and care givers of centers for children and adults with physical and mental disabilities.

Entertainment

We organized indoor and outdoor activities for residents of care centers for children and adults with disabilities and dementia.

Be creative

We decorated the rooms and held a cooking workshop for emergency shelters that welcome people in need and that help people to stay clear or get out of prostitution.

Close to nature

In Montreuil, we cleared the wasteland, cleaned the waste and prepared the soil for plantation. In the first flower farm of Paris, we will grow young plants together with the neighborhood residents in a local greenhouse.

We promote a career in science

We actively engage in promoting science and a career in science. Each year, we organize company visits and internships for high school and bachelor students at our sites in Leiden, Mechelen and Romainville. Especially the internships offer students first-hand experience with working in a biopharma environment, show them how scientific research has the potential to impact patients' lives.

Actions in 2019

- We engaged with local communities to 'give back to society'
- We celebrated our 20th anniversary in July 2019 with our staff, partners and other stakeholders
- Our fast-paced growth has steered us to further improve our candidate-employee experiences, which started with a revamped talent-scouting model. Insourced recruitment with a team of talent acquisition and sourcing specialists was set up, raising the quality of our process to attract and assess talent globally, and hire a diverse complementary mix of talents fitting well with the DNA of the company
- We created a new global career site: 'call for purpose' to send the right message to candidates and to make it more easy for potential talents to apply to interesting careers. We also refreshed our job stand in line with our employer brand and participated in career fairs
- An onboarding application was deployed to handhold employees across ranks, to smoothly yet effectively internalize the company values and set the tone to help them succeed in their roles.
- Following the Gilead transaction, we implemented a company-wide bonus plan to incentivize and retain our employees and share in the success of the company
- 5.6% turnover of employees for the Galapagos group, excluding the termination of temporary and consultancy contracts
- Our Rewards Centre of Expertise accomplished new avenues by establishing the Global mobility teams to support our international hires. This has been a key step to support our commercialization ambitions in the big 5 EU markets & Benelux
- There were extensive grading & benchmarking efforts to review & ensure that our total rewards offerings were competitive and fair. We aimed to drive a collective mindset to achieve our ambitions in a sustainable way
- Our performance management processes were enhanced to foster frequent dialogues between the manager and direct reports as well as with peers. The clear intent to empower each employee, has contributed to a smoother approach for personal growth and it has strengthened our culture to have open and honest conversations to drive performance.
- 85% of all staff participated in the Performance Boost sessions to improve the quality and maturity of performance & coaching conversations. In addition, an anytime feedback tool was entrusted to all our employees to help them broaden their perspectives and sharpen their skills

Future ambitions

Talent Acquisition: The focus on talent will become even more proactive. We are building talent pipelines for now and the future, making sure our DNA remains intact. With growth in the markets, we will also have our talent acquisition specialists support Local4Local hires, in alignment with our hiring strategy & principles. We further aim to sharpen this axis by preparing interviewing guides for hiring managers, by putting in place a referral program, by deploying focused employer branding initiatives in the new operating countries.

Talent Development: Our ambition is to create opportunities for our leaders to role model key behaviors, embody corporate values and create the context for their teams to excel. Several transformation initiatives that are personal and leadership centric are envisaged to embark on agile and continuous learning. The talent philosophy and strategy will be further clarified to better support our leadership and teams towards collective capability enhancement. Internal Talent pipelines and succession plans will be refined where appropriate to support the company growth.

Embracing Technology: We are embarking on a journey 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.

Material aspect 3: Conducting business ethically and responsibly

At Galapagos, 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: preclinical and clinical testing, access to our investigational medicines through our clinical trials, expanded access to drugs currently in development for patients who are not eligible to enroll in clinical trials, 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** that is available on our company intranet.

Animal welfare in drug development

It is not possible to examine the complex interactions in a living organism solely by use of modeling and *in vitro* studies. *In vivo* studies remain essential in discovery, development and production of new medicines. Moreover, regulatory authorities worldwide require that new products have been evaluated in both animals and humans in order to ensure the quality, efficacy and safety of these products before granting approval.

However, Galapagos explicitly forbids animal neglect or cruelty. We have implemented practices that demonstrate our commitment and responsibility to reduce and replace non-clinical testing involving use of animals to the extent possible, and we will continue to promote and further implement alternative methods. For non-clinical development studies, including those that assess efficacy and safety of our product candidates, we firmly stand behind the "Three Rs" strategy: Refinement, Reduction, and Replacement. The 3Rs 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.

To illustrate this point, we make more frequent use of *in silico* (computer modelling) and *in vitro* (cellular testing) designs and approaches. Examples are the implementation of DEREK software, *in vitro* micronucleus assays to evaluate genotoxicity, and *in vitro* hERG assays to evaluate cardiotoxicity. Other improvements include the implementation of PCLS precision cut (liver /lung), imaging for longitudinal studies, the definition of humane endpoints, the review of procedures by the ethical committees and animal welfare committees. Our focus on animal welfare triggers a continuous improvement of, amongst others, the housing conditions of animals, accurate anesthesia or analgesia of animals, refinement of euthanasia methods, better enrichment of the animal environment (food, games, social activities), zootechnical registry reporting anomalies, and the use of statistical methods in order to reduce the number of animals.

In addition, we follow Directive 2010/63/EU in Europe with regards to animal testing. The requirement to be compliant 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 European laboratories we engage with on a regular basis.

We also follow the national regulations defining high standards for animal welfare for our internal studies in France (GLPG internal facility) and Croatia (Fidelta internal facility). We systematically submit our projects to the National Authorities for ethical approval, and are regularly inspected in order to maintain the highest accreditations.

Outside of the European Union, we require compliance with local animal welfare regulations in laboratories. 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.

Our clinical trials ethics

Galapagos sponsors and conducts clinical trials in accordance with the applicable international standards. The fundamental guidelines are the Declaration of Helsinki (and its amendments) and the Good Clinical Practice (including amendments), as well as Good Pharmacovigilance Practice guidelines of the International Council for Harmonisation. Our adherence to these internationally recognized guidelines ensures the rights, safety and well-being of participants in our clinical trials. Other international guidelines like The Belmont Report, Council for Coordination of International Medical Congresses guidelines, The Nuremberg Code, United National Educational, Scientific and Cultural Organization's (Declaration on Bioethics and Human Rights) also form the ethical foundation for our trial activities. We comply with laws and regulation in the countries/regions in which we are conducting our trials, including the U.S. Code of Federal Regulations and the EU Directive on Clinical Trials.

Furthermore, we uphold our own internal procedures and standards for clinical trials, irrespective of the country in which the trial is conducted, and we only conduct clinical trials in countries where we intend to market our drugs.

Overall, it is our policy that the interest, safety, and well-being of trial subjects and patients will always supersede those of science, commerce, as well as those of society.

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 the legally authorized representative) must give written consent after being properly informed of the trial, including of its risks and potential benefits. Participants are duly informed that they are able to withdraw from the trial at any time, without any explanation, and then will receive appropriate standard 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.

Any adverse events are monitored and reported to authorities and ethical committees as needed, and appropriate actions are taken when needed.

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

We favor transparency and make results from our clinical trials conducted in patients available independent of the outcome – to patients, 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.

We publish our trials on the appropriate clinical trial registries (clinicaltrials.gov and the EudraCT Trial Registry) in a timely manner. 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.

Our code of business conduct and ethics

We have established a Code of Business Conduct and Ethics (the "Code") that outlines the binding principles of business conduct and ethical behavior that is expected from all our staff and third parties working on behalf of Galapagos.

Galapagos' board of directors is responsible for administering the Code. The board of directors has delegated day-to-day responsibility for administering and interpreting the Code to our General Counsel who has been appointed as our Compliance Officer under this Code.

We expect our directors, officers and employees to exercise reasonable judgment when conducting our business. We encourage our directors, officers and employees 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 with integrity, ethics and respect for human rights. We expect them to turn away from conflicts of interest, corruption and fraud. Our Code of Business Conduct and Ethics is a mandatory training and is available on our website: www.glpg.com/charters-and-codes.

Our suppliers are required to adhere to contractual terms that include anti-bribery and anti-corruption provisions. We have a purchase policy in place that includes selection criteria for the qualification of our suppliers in line with CSR aspects (and this ranges from, for example, no child labor to selecting coffee suppliers who work with respect for farmers and the environment). Our general terms and conditions of purchase also contain a specific clause on anti-bribery and anti-corruption, and we aim to implement a CSR questionnaire for hotels as part of our travel policy.

Actions in 2019

- With regard to animal welfare, we took initiatives and decisions that support our 3Rs philosophy, and included this in our selection process for non-clinical partners
- 92% of our employees completed the training on our Code of Business Conduct and Ethics
- During the onboarding process, we emphasize the importance and compliance with our Code of Business Conduct and Ethics

Future ambitions

- We will continue evaluating our procedures with regard to animal welfare by way of an internal Galapagos Animal Welfare committee, for all our internal facilities
- The Animal Welfare committee reports directly to the CEO of Galapagos, and in addition to its advisory role, will regularly organize audits to assess the animal study practices
- The task of the Animal Welfare committee is to further exchange and agree on best practices across all sites, to develop key policies and SOPs, to define KPIs and monitor the effort and progress, and to communicate on our ethical values, internally and externally

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 and with respect for our planet. We are committed to safeguarding the earth by keeping our environmental impact to a minimum, reducing waste, and handling it in a safe and responsible way.

We operate in a highly regulated sector and are subject to a strict set of laws and regulations related to the impact on the environment, well-being of employees, safety, and management of laboratory waste. We perform internal and external audits to monitor compliance with these rules and regulations.

We have implemented an Environmental, Health, and Safety (EHS) framework based on ISO 45001 and ISO 14001, and have established an EHS group department responsible for the development of an annual action plan to promote well-being and safety at work. Management guarantees the implementation of this action plan and our EHS efforts are anchored in the shared responsibility of our staff to ensure a safe, healthy and environmentally friendly work environment: every employee is responsible for protecting people and the environment in and around his or her workplace.

We have no production sites, we do not own buildings, and our facilities have only minor environmental liabilities such as waste handling and emissions from fume hoods. Nonetheless, we aim to reduce our environmental impact further, for example by recycling and replacing paper by digital means to the extent possible.

We maintain safety monitoring records, in compliance with applicable legislation. We treat our dangerous waste in accordance with local laws, and we ensure that training of employees takes place on all handling of hazardous materials, laboratory and other safety aspects, and on other relevant policies for conducting our business.

We also take practical initiatives to eliminate accidents and illness, and to provide a safe work environment and business processes.

We have bikes at our facilities in Mechelen and Leiden for our employees who need to commute between the buildings on site. We have implemented green car options in our company car fleet in Mechelen and expect the green car options to be implemented in other sites as well to further stimulate our employees to select a company car with low environmental impact.

Actions in 2019

- We further established EHS key performance indicators for internal monitoring and external reporting
- We implemented procedural documents for EHS processes (ProDocs) in waste management, chemical, biological, and radiation safety
- We performed risk assessments in the biology and chemical labs in Mechelen and performed workplace ergonomics assessments for the full site in Mechelen
- We performed risk assessments for individual biology labs in Leiden
- We implemented a new green, hybrid car policy in Mechelen
- We have bikes at our facilities in Mechelen and Leiden for transport between the buildings
- We implemented a shuttle service between the train station and our site in Mechelen that is free for our employees
- There were no safety incidents reported, no recordable injury counts, no fatalities, and no days away from work reported due to safety issues in 2019
- >80% of our staff completed a training on compliance on newly introduced QA and EHS ProDocs

Future ambitions

- We will implement four new corporate EHS goals related to the transport of hazardous goods, emergency preparedness, competences measurement and management of collective and personal protective equipment
- We aim to select new taxi and shuttle services in Belgium that comply with our environmental policy
- We are working on a contract with an electric cable supplier to make recharging car batteries available for our employees
- We aim to execute on a workplace strategy to further optimize and improve the workspace at our facilities across the different locations
- We are building new sites in Mechelen and Leiden:
  - For which the design and concept take into account the various parameters that are being assessed to obtain a Breeam and Well status;
  - That will operate in an eco-efficient way (for example a green roof);
  - That are located close to railway stations to motivate our employees to commute by public transport
- In order to protect and increase the bee population, we aim to install beehives on the roof of our building in Mechelen, and the beehives will be relocated to our new building in Mechelen

CSR at Galapagos – Summary

Material Aspect 1: Improving people's lives

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 is based on our flexible target discovery, page 0 platform
- We commit to an ambitious R&D goal of maintaining an active portfolio of 30 projects
- We are building a deep early-stage R&D pipeline
- Pending potential approval, we expect to launch our first drug, filgotinib, page 0 in RA, page 0, in 2020, with additional indications to follow in the coming years
- We aim to bring our innovation to patients suffering from severe diseases, includig in IPF, page 0
- We accelerate innovation through win-win partnerships

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Material Aspect 2: Our employees are the strength behind Galapagos

SDG

Areas of engagement

- We strive for gender equality
- We aim to continue to develop an inclusive and diverse workforce
- We have implemented a program that is designed to reward, recognize and retain employees
- Our involvement in local communities and charities

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Material Aspect 3: Conducting business ethically and responsibly

SDG

Areas of engagement

- Animal welfare in drug development
- Our clinical trials ethics
- Access to our medicines
- Our code of business conduct and ethics

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

SDG

Areas of engagement

- We strive for a minimal environmental impact
- We are compliant with our sector rules and regulations
- We go digital as much as possible
- We established a company-wide EHS framework

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