

Sustainability report

Our commitment to society:
Forward, Sustainably

Forward with Purpose

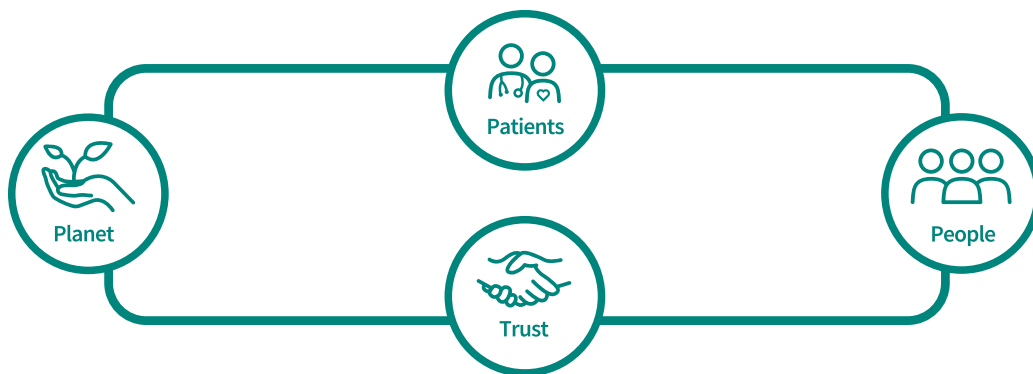
Letter from the CEO – Our Sustainability Commitment – *Forward, Sustainably*

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 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 believe that the quality of life for people living with serious diseases is supported by the health of our planet and the wellbeing of our employees. That is why today, 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.

As a company, we firmly believe that we have to embrace new ways to move “*Forward, Sustainably*”. In 2022, we decided to build on our key pillars and achievements and further evolve our sustainability approach to better respond to current opportunities and expectations.

Pillars of Sustainability



<p><u>Patients</u></p> <p>We are engaged:</p> <p>Our Commitment to Developing Transformational Medicines. For Patients, With Patients</p>	<p><u>People</u></p> <p>We are purpose driven:</p> <p>Our Commitment to Creating a Purposeful Workplace for our People</p>	<p><u>Trust</u></p> <p>We are transparent:</p> <p>Our Commitment to Ethical and Sound Business Practices</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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Supported by the members of the Executive Committee, we established a Sustainability Steering Committee, comprised of representatives from all departments throughout our organization, and we completed a new materiality analysis. The materiality analysis informs our efforts and allows us to focus our Sustainability ambitions on those areas where we can have the greatest influence and make positive impact: Our Patients, Our People, Planet, and Trust & Transparency.

Our new approach to Sustainability is encapsulated in the principle “*Forward, Sustainably*”, designed to accelerate progress in our mission to bring more years of life and more quality of life to people around the world. It’s about being ethical and innovative in everything we do, from research and development, to workplace, culture, and leadership. 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 who trust and depend on us.

I am proud of all our employees who work hard to embrace the principles behind our Sustainability pillars on a daily basis, and act as ambassadors for our company and values.

Respectfully,



Dr. Paul Stoffels
CEO and Chairman of the Board of Directors

Our Materiality Assessment

Driven by our purpose to transform patient outcomes through life-changing science and innovation, we recognize that our activities have an impact that reaches well beyond our financial performance.

To determine our key goals and priorities, we conducted a new materiality assessment in 2022, allowing us to identify the topics that are most relevant to our internal and external stakeholders. The analysis also enabled us to capture our current and potential impact on society and the world, and to effectively track areas in view of emerging challenges and opportunities.

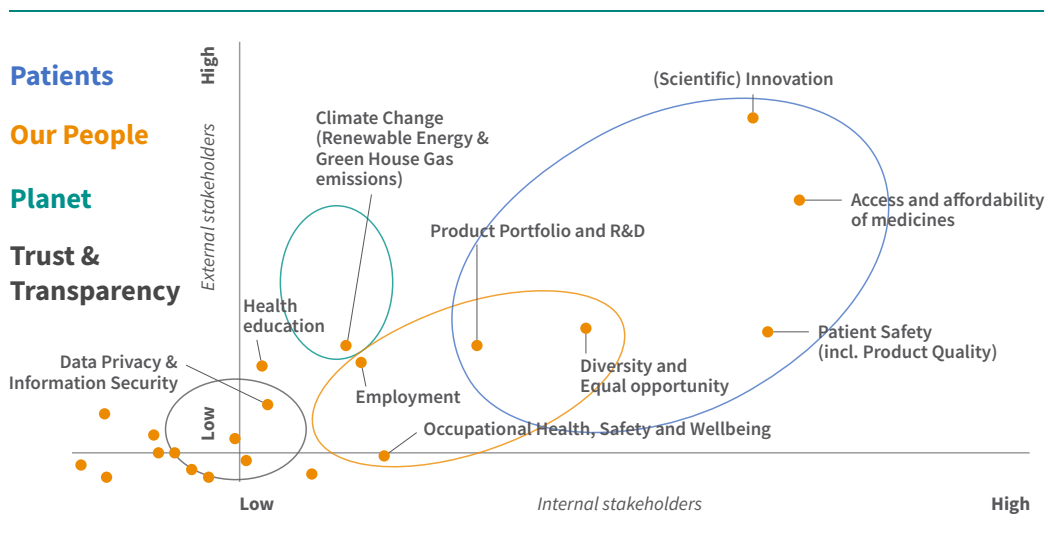
To enhance the value of the materiality assessment, we updated the methodology we applied for the 2018 materiality assessment and significantly increased the number of stakeholders participating in the assessment. Externally we engaged with representatives from patient organizations, patient experts, healthcare providers, supply chain partners, our collaboration partners, and investors. Internally, next to the members of our Executive Management and our Sustainability Steering Committee, all Galapagos

employees were given the opportunity to provide input regarding 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 five topics they found most relevant, five topics they found less important for Galapagos and our core mission, and if any topic was missing.

The initial results further confirm the results from previous years with the top three pillars clustered around People, Planet, and Trust & Transparency with one main change: the desire to add a new pillar dedicated to Innovation for Patients.

We therefore adapted our focus areas and the four pillars as presented in the below materiality map.



Our Ambition

Following our materiality assessment, in 2023, we aim to identify KPIs and set targets to reach our 2028 call for action, as depicted in the graph below.

Our call for action by 2028



Our Sustainability Governance

In 2022, supported by the members of our Executive Committee, we established a Sustainability Steering Committee, comprised of representatives from all departments within our organization. The Sustainability Committee ensures that environmental, social and governance considerations are fully integrated into the decision-making processes, including those related to the business strategy, key investments, and performance. Our Sustainability Committee manages and coordinates the relevant activities, and is responsible for the publication of related information and data. The Committee consists of members of senior management and experts in the relevant fields, 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 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 matters.

Reporting framework

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

We are preparing detailed reporting on our material aspects according to the Corporate Sustainability Reporting Directive (CSRD) and anticipate reporting as of full year 2024 in line with EU Sustainability Reporting Standards (ESRS).

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 this Annual Report.

We have identified two core SDG goals where we believe we can make a difference, as well as six enabling SDG goals. 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 selected aspects 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



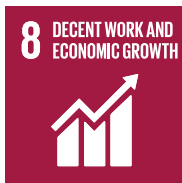
Quality education

We invest in our employees and foster an inclusive, open and supportive work environment across our 15 locations in Europe and the U.S.



Gender equality

We cultivate a corporate culture where we strive for gender equality



Decent work and economic growth

We have achieved our long-term ambition of becoming a fully integrated biopharmaceutical company and currently employ >1,300 people across our 15 locations in Europe and the U.S.



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



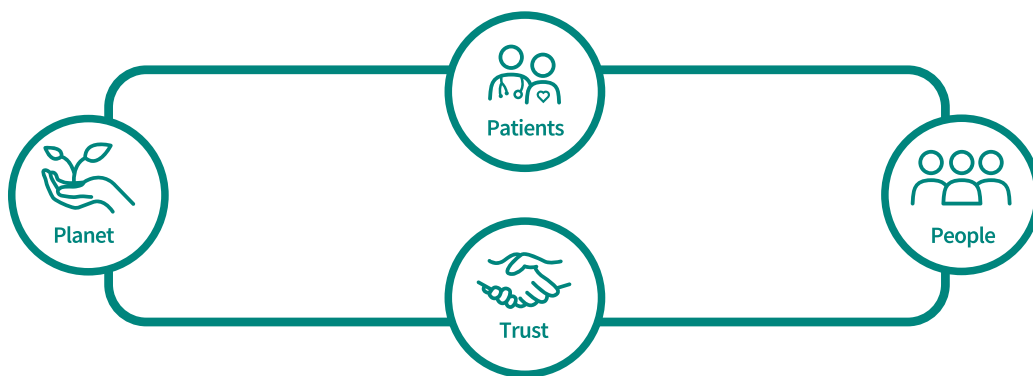
Climate action

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

Our Pillars

At Galapagos, our commitment to society has always played a central role since our founding and 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.

Pillars of Sustainability



<p><u>Patients</u></p> <p>We are engaged:</p> <p>Our Commitment to Developing Transformational Medicines, For Patients, With Patients</p>	<p><u>People</u></p> <p>We are purpose driven:</p> <p>Our Commitment to Creating a Purposeful Workplace for our People</p>	<p><u>Trust</u></p> <p>We are transparent:</p> <p>Our Commitment to Ethical and Sound Business Practices</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 *For Patients, With Patients and the healthcare community*

At Galapagos, our therapeutic programs are driven by patients' needs, designed to pioneer best-in-disease therapeutics, and developed through active engagement with patients and the healthcare community.

Since our founding, we have valued pioneering approaches to advancing transformational medicines for diseases with significant unmet medical needs. Our commitment to improving the lives of people worldwide is reflected from our innovative research to our product development and providing patient access to our innovative medicines.

That is why we value continued improvement in our research, development, and access approaches, in an unwavering focus on outcomes with the greatest value to patients. It is why we embrace change and support disruptive innovation, aim to build a culture of responsible innovation throughout the entire medicine lifecycle and are committed to enable the safe and appropriate use of our medicines as they are prescribed by physicians and used by patients in the medical practice.

We focus our development efforts on areas where we have deep expertise and map out the critical path towards market with the goal of reducing the time it takes to bring new medicines to the patients who need them.

At every stage of the patient journey, we aim to pioneer for patients by working in close partnership with patients and patient organizations, starting with the design of our clinical studies.

We therefore co-developed our **Patient Partnership Charter** in 2021 with the patient community to set our commitment to engage with patients. Using the Charter as a guideline we defined our roadmap to:

- strengthen our relationships with academia, patient groups, and industry partners;
- include patient and investigational site expectations into the design of late phase clinical trials with the aim of making participation easier and more rewarding;
- identify measurable performance indicators; and
- assess our performance during clinical development as well as after.

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 easily understandable, and our commitment to our Open Access publishing enables us to communicate clearly and effectively to all our stakeholders.

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

Actions 2022

- We set-up the Galapagos Patient Engagement Council as a consultative body, advising Galapagos on patient engagement-related topics, and as a knowledge exchange platform between Galapagos and the patient community
- We embedded the health literacy principles in our key documents for clinical trial participants
- We published plain language summaries in Galapagos driven scientific manuscripts disclosing data from clinical-stage trials

Our People



Our Commitment to our People

We are purpose driven: Our commitment to creating a *Purposeful Workplace for our People* to deliver breakthrough innovation for patients

Our entrepreneurial mindset combines collaborative and continuous learning approaches that enable our people to be empowered, get opportunities to learn and grow, feel recognized for their contributions, and perform to the best of their abilities and together as a team.

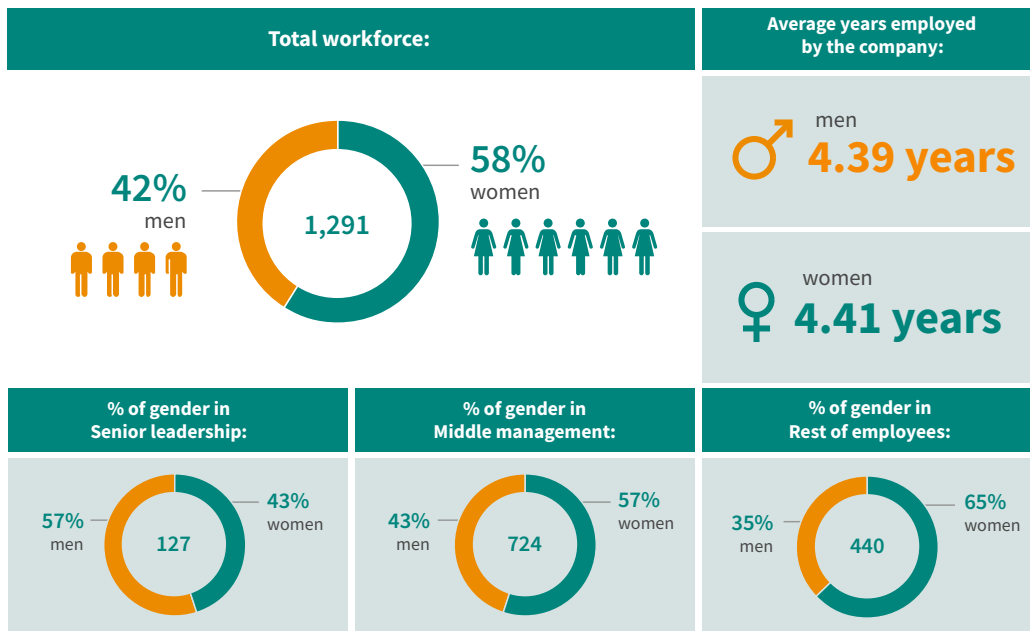
We value – and measure – equity, transparency, diversity, and leadership quality to foster trust and belonging.

To monitor equity, we perform annual equity checks during our promotion and end-of-year review processes. Additionally, we strive for a balanced pipeline of future employees to keep a sound talent mix across all levels of the organization.

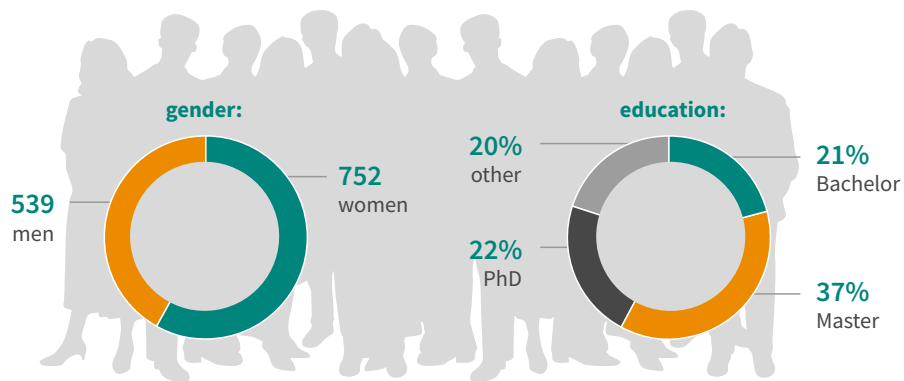
As we actively seek to grow a diverse and inclusive workplace, we aim to define a roadmap in 2023 to deliver on our ambition to be a more a diverse, equitable and inclusive organization by 2028, and to embed these values in everything we do, including in our commitment to patients and strengthening our initiative aimed to ensure that our clinical trials are designed with diversity as a key factor.

Galapagos

SUSTAINABILITY REPORT



Job level 10-14 : Senior leadership; Job level 7-9 : Middle management; Job level 1-6: Rest of employees



Average age: 43.95	Number of employees older than 45: 629	Nationalities: 43
Average years of service: 4.25	Employee turnover: 8.67%	New hires in 2022: 179

Total number of employees includes consultants and temporary staff, and excludes data from CellPoint and AboundBio as the data migration has not been completed yet.

We offer competitive and evolving remuneration packages to reward, recognize, develop, and retain our employees in a way that aligns with the company’s strategy and culture. Through a bi-yearly performance cycle, we aim to ensure an open and supportive professional environment. Performance bonuses and, for many employees, share-related opportunities, help drive sustainable performance and commitment, and reward employees for their contributions to our success. As part of the performance cycle, we also increased our investment in the development and engagement of our employees, by focusing on learning, coaching, and training opportunities. Additionally, we introduced “How Are You?” conversations to stimulate an open dialogue between manager and employee as well as departmental “Talent Talks” focused on development opportunities within and outside the different departments.

The benefits we offer vary from country to country, based on local customs and statutory conditions. We enriched our employee benefits at both the international and country level:

- Enhanced pay for performance linkages in our Year-End compensation review and related programs;
- Broad-based annual stock-based awards to drive further alignment between the company and all our employees;
- Roll-out of further family leave policies;
- Improvements to various local benefits offerings ranging from enhanced time off to improved medical provision; and
- The implementation of mobility programs to encourage environmentally sound transportation behaviors.

Further to our Environmental, Health and Safety (EHS) policy, we provide safe and healthy working conditions aiming to prevent any work-related personal harm. Our Health and Safety performance data for 2022 show that no fatalities because of work-related injuries or work-related ill health were reported, nor did we have any high consequence work related injuries.

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

2022 HIGHLIGHTS



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

- We hired and onboarded 179 new colleagues, including our new CEO, bringing the headcount to 1,338 people. Given the era of talent and the scarcity in the market for many profiles, we increased our focus on proactive talent sourcing, created an internship program to attract and grow young talents and launched a compelling employer brand campaign, with the tagline #IFoundMyPurpose, that consisted of podcasts and videos with employee testimonials
- A revised strategy was set-out soon after onboarding our new CEO, redesigning the company around our two strategic therapy areas, immunology and oncology, as core value drivers. As part of this strategic expansion in oncology, we led the due diligence, onboarding and integration of new colleagues at CellPoint and AboundBio, in the Netherlands and the U.S. respectively. Another part of the transformation was the reset towards a fit-for-purpose organization, and we announced a restructuring potentially affecting 200 positions. We organized face-to-face sessions on three locations to coach employees in dealing with change and insecurity. In total, over 150 employees attended these sessions and more than 85% of the participants rated them as 'helpful'
- We celebrated the United Nations' Health and Safety at Work Day on 28 April by organizing a wide range of well attended, site-specific awareness and training sessions related to first aid, the use of Automated External Defibrillators, ergonomic workplace design, fire and explosion prevention, etc.
- Belgian companies are required by law to conduct a wellbeing survey and we launched the *RAPSi*²⁰ survey at beginning of 2022 for our staff employed at our headquarters in Mechelen. 74% of our employees participated and overall wellbeing met or exceeded the Belgian benchmark in the vast majority (88%) of the questions included in the survey. In addition, we conducted a separate Employee Engagement Survey among our commercial affiliates for which we reported overall engagement rates above Global & Industry Benchmarks. The level of employee motivation, commitment to the company's mission, and strong relationships between employee and line manager stood out

²⁰ RAPSi: Risk analysis psychosocial aspects

- A new cross-functional team of “Make It Happiness” ambassadors designed and executed a global program to promote wellbeing at work. Over 500 employees engaged in a physical team activity and received a GLPG branded activity wear in return. The “Make It Happiness” team also offered all employees access to the Headspace App, resulting in 27,000+ minutes of content usage and meditation within the first six months. Other initiatives were healthy breakfasts, inspirational keynotes and local as well as global office games to stimulate connections

Planet



Our Commitment to the Planet

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

The health of the planet and the health of people are interconnected.

To support our environmental ambitions, we have set the clear aspiration to become carbon neutral by 2028. We have defined a 5-year roadmap on how to achieve this goal, applying a sound and credible mix of carbon reduction and carbon compensation projects. We are also embracing the circular economy, reducing waste, and reusing or recycling materials where and when we can.

As the reduction of green-house gas emissions is an essential success factor in our approach, our reduction roadmap entails three pathways. These include initiatives to

- 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 and raising environmental awareness among our staff.

As an example, we are seeking BREEAM (Building Research Establishment Environmental Assessment Method) and WELL (eco-friendly initiative focusing on human health and welfare enterprise) certifications for our newly constructed buildings.

For instance, in Oegstgeest, The Netherlands, we obtained a BREEAM Excellent and a WELL Gold certification for our new building and our garden gather native plants, trees, shrubs, as well as beehives and insect hotels.

In our research locations in Mechelen, Romainville and Leiden, we launched Green Teams looking for opportunities to reduce the footprint of our day-to-day operations by promoting initiatives aimed at behavioral change.

Our approach is planned, consistent, transparent, and measurable. In 2022, we defined the carbon footprint of our value chain. In 2023, we will disclose this footprint and will define for long-term targets, supported by key performance metrics (such as CO₂ emissions defined as Scope 1²¹, Scope 2²² and Scope 3²³, and relevant KPIs for waste management) in our goal to consistently reduce our environmental footprint. Furthermore, our Environmental, Health and Safety oversight group has developed an EHS management system based on the international ISO 14001 and ISO 45001 standards.

Actions 2022

- We engaged in quantifying the carbon footprint of Galapagos' value chain (including scope 1, 2 and 3 CO₂ emissions), in accordance with the Green House Gas Protocol, with the aim to disclose the data in 2023
- We confirmed our ambition to become climate neutral by 2028 and have defined the roadmap to achieve this aspiration, building on both carbon reduction and carbon compensation initiatives
- We defined expected BREEAM²⁴ and WELL²⁵ performance levels, to be considered when designing new Galapagos facilities, aimed at improving our energy efficiency performance
- We defined a new mobility strategy which includes o.a. the acceleration of the electrification of our car fleet
- We launched Green Teams in our research sites. These teams of volunteers identify opportunities to reduce Galapagos' footprint in our day-to-day operations

²¹ 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.

²² Energy indirect GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization.

²³ Other indirect GHG emissions not included in Scope 2 GHG emissions, that occur outside of the organization, including both upstream and downstream emissions.

²⁴ BREEAM is a profound sustainability assessment for masterplanning projects, infrastructure, and building. It recognizes and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment.

²⁵ 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 considered, ensuring that we act in the best interest of patients, people, and the planet. It is about building trust by setting measurable goals, communicating them clearly, and being open and transparent about the progress we are making to deliver on them – both where we are doing well and where we need to put more effort.

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 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. We also continually 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 across our company.

To ensure 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 as well as compliance laws.

We nurture a culture of voice that encourages every one of our employees to share ideas and that ensures that our employees feel protected if they believe something needs to be corrected.

We also nurture a culture of integrity, in which 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. We currently have one medicine, Jyseleca®, on the market in Europe and Japan. We have implemented a pharmacovigilance system designed to monitor the safety of Jyseleca® and to detect any change to the benefit/risk profile.

To protect our patients, our partners, employees, and other stakeholders, we implemented state of the art security monitoring systems, data and cyber security and governance frameworks.

We explicitly forbid animal neglect or cruelty. We have also implemented practices that demonstrate our commitment and responsibility to refine, reduce and replace testing involving the use of animals to the greatest possible extent, and we will continue to research, promote, and further implement alternative methods. From a scientific perspective, it is not yet possible to examine all the complex interactions a potential treatment triggers in a living organism without animal testing. Additionally, there is the legal framework for medicine development with regulatory authorities worldwide requiring new medicines be evaluated in animals to ensure the quality, safety, and efficacy of these products before granting approval. However, we are committed to continue to implement 3R (*Replacement, Reduction, and Refinement*) principles. Our Animal Welfare Committee supported more than 15 major 3R initiatives in 2022, including six new initiatives. Our Animal Welfare Policy was endorsed by senior management and is requested from all our Research and Development suppliers. Assessment of animal welfare was also reinforced through several key actions, including requirement of animal standards for internal and external animal laboratories, verification of the implementation of these practices, detailed review and update of the quality management system regarding animal welfare, establishment of a surveillance process of the animal welfare incidents and their resolution.

Actions 2022

- We launched our Speak up, Listen Up program in 2022 and will continue the roll out in 2023
- We launched an anti-harassment and anti-discrimination policy and will implement the policy in 2023
- 97.1% of our employees completed the training on our Code of Conduct
- Since the end of 2022 the Third Party Risk Assessment (TPRA) process for onboarding 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

Reporting on EU Taxonomy

EU Taxonomy 2022 statement

The European Commission's action plan on financing sustainable growth led to the creation of an EU classification system for sustainable activities, being an EU taxonomy. As a listed company with more than 500 employees, Galapagos is in scope of the EU Taxonomy Regulation²⁶. For reporting over the fiscal year 2022, Galapagos has to disclose the proportion of its 2022 turnover, capital expenditures ('CapEx'), and operating expenses ('OpEx') eligible and aligned under the EU Taxonomy on sustainable activities.

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 has 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 the aforementioned overarching criteria, which includes that such activity should substantially contribute to at least one of the six environmental objectives. However, only activities that contribute to the two first environmental objectives (climate change mitigation ("CCM") and climate change adaptation ("CCA")) have been formally adopted so far.

Following thorough analysis of the EU Taxonomy legal framework²⁷, we do not consider our core business activities, being discovering, developing and commercializing innovative medicines, to be in scope of the Climate Delegated Act. Our core economic activities qualify as EU Taxonomy non-eligible economic activities, and do not substantially contribute neither to CCM nor to CCA, and are therefore are not EU Taxonomy-aligned.

²⁶ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

²⁷ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation, and the legislation set forth under footnote 1-3.

For the determination of turnover, CapEx and OpEx during this analysis, we use the reported data in the 2022 consolidated financial statements included in this report:

- **Turnover** covers all business activities of Galapagos at 31 December 2022 and the denominator can be reconciled with the 2022 IFRS total net revenues recognized pursuant to €505.3 million and disclosed in **note 6**, being the revenues from commercial sales and collaboration activities.
- **CapEx** consists of additions to tangible and intangible assets during the financial year 2022 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 'Impact of acquisitions of businesses' and 'Additions' disclosed in **notes 13** and **14** (total €170.0 million) of the consolidated financial statements. The majority of CapEx is associated with licences, rights, technology and in-process R&D acquired through a business combination, and building costs of new office spaces in Belgium and the Netherlands.
- **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 7** (total €515.1 million).

Based on available data and the assessment of requirements, we have no eligible activities to report. Taxonomy eligible Turnover, CapEx and OpEx is 0%, and as a result each are 100% Taxonomy not eligible, therefore not EU Taxonomy-aligned.

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

The “non-eligibility” under the EU Taxonomy refers to the fact that our activities currently remain outside of the scope of the economic activities for which TSCs have been developed under the Delegated Regulations. We want to clarify that revenues, CapEx and OpEx currently considered non-eligible under the EU Taxonomy Regulation should not be interpreted as an indication of our performance in pursuing or achieving certain corporate sustainability objectives or our “greenness”.

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