

We  
Believe

YEAR  
IN  
REVIEW  
2018



## Contents

**We  
Believe  
Anything  
Is Possible**

### OUR PURPOSE

- About This Report
- A Message From Chairman and CEO Daniel O'Day
- Looking at 2018
- The Why Behind Our Work

**We  
Believe  
Discovery  
Never Ends**

### SCIENCE & INNOVATION

- The Science Driving It All
- Our Groundbreaking Research and Development
- Our Partnerships

**We  
Believe  
In Our  
People**

### WORKING AT GILEAD

- Our People Make a Difference
- We Welcome and Celebrate Diverse Perspectives
- Our Global Workforce

**We  
Believe  
No One Can  
Do It Alone**

### COMMUNITY IMPACT

- Providing Access to Our Medicines
- Giving Back to Our Communities

**We  
Believe  
Our Business  
Is Sustainable**

### PRACTICES & ENVIRONMENT

- A Smarter, Smaller Footprint
- Sustainability: Climate Change, the Environment and Global Health

### APPENDIX

- About Gilead
- Governance
- GRI Content Index

PAGE

05

22

38

60

74

100



## About This Report

To standardize our data collection, measurement and reporting activities, we use industry-leading frameworks such as the United Nations Global Compact (UNGC), United Nations Sustainable Development Goals (UN SDGs), the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP) and other frameworks.

Gilead's 2018 Year in Review is organized in accordance with the "core" reporting framework defined by the GRI Standards. This report covers all topics listed in the GRI Content Index for all entities listed in the company's 2018 Form 10-K on the SEC Filings (<http://investors.gilead.com/financial-information/sec-filings>) page of our website.

### Report Content, Period and Boundary

Following GRI's principles for defining report content, Gilead considered stakeholder inclusiveness, sustainability context, materiality, completeness and other reporting principles. Refer to the GRI Content Index for additional information on the reporting period and boundaries for each indicator included in this report; these will differ for some metrics based on data availability before the publication date of this report. For indicators with 2017 reporting periods, we will provide updated 2018 data in 2019. We regularly re-evaluate the reporting boundaries for material topics to ensure they are the most current and complete.



# **Welcoming Daniel O'Day as Chairman and Chief Executive Officer**

Daniel O'Day was named chairman and CEO following the departure of former President and CEO John F. Milligan, Ph.D., at the end of 2018.

Dan was appointed following a comprehensive search led by the board of directors. He was selected based on his record of success in highly scientific and competitive therapeutic areas, his deep understanding of the evolving global healthcare environment, and his unwavering commitment to driving innovation, which will serve Gilead in our continuing quest to transform patients' lives around the world.

## A MESSAGE FROM

# Daniel O'Day

Chairman and CEO

**As I join my 11,000 colleagues at this remarkable company, I'm both humbled by the opportunity and excited about the potential I see. During this time of unprecedented change in our industry, few companies possess the resources, employee passion and longstanding commitment to science and innovation that Gilead has shown for more than 30 years.**

With new challenges and greater potential for progress than ever before, Gilead is well-positioned to build on our legacy of delivering transformational medicines for patients. We are dedicated to discovering and developing lifesaving medicines, but we also recognize that science alone can't solve the world's toughest healthcare challenges. We believe in putting patients first — and we do this in numerous ways by supporting access to healthcare services around the world and by forging partnerships with patient advocacy groups and healthcare professionals.

I've spent a lot of time thinking about Gilead's unique role as a leader and our ability to shape the future of healthcare during this era of change. As we seek to discover, develop and commercialize innovative therapeutics in the areas of unmet medical needs, our role is defined by three core beliefs:

### We Believe Discovery Never Ends

Behind every medication Gilead has developed over the last three decades is a group of dedicated individuals — across our entire company — united by a common desire to make groundbreaking discoveries that can help patients and save lives. It's this sense of purpose that has allowed Gilead to make a difference in the world. Our shared commitment has made possible the prevention and treatment of HIV/AIDS and fueled our quest that may one day lead to finding a cure for HIV. It's driven us to pursue a cure for cancer through our work in the field of cell therapy. And it's what led to the development of a cure for hepatitis C.

### We Believe In Our People

Throughout my career, I've had the privilege of working with many smart and passionate individuals, and I've seen firsthand what people can achieve when they're given an inclusive work environment in which every person and every voice receives equal value. This is why it is so important to ensure our people are always given opportunities to learn, grow and achieve their greatest potential. I am grateful to be part of a company that puts such emphasis on diversity and inclusion — a core value that is essential to Gilead's long-term success.

### We Believe Our Business Is Sustainable

As a large, global company, we understand the impact our day-to-day operations can have on people and the environment. To help ensure we continue to execute our mission of providing lifesaving medicines in areas of unmet need, we have built a corporate social responsibility (CSR) program that supports patients, society, the planet and our business. In 2018, Gilead established its CSR committee to help ensure our business meets the highest social and environmental standards. Our approach to CSR, and our continued support of the UNGC/UN SDGs, reaffirms our commitment to drive short-, medium- and long-term action in the areas of human rights, labor, environment and anti-corruption.

As chairman and CEO, I am committed to ensuring Gilead makes the most of this unprecedented time in our industry. I am excited to be at Gilead and to work alongside our talented employees to harness our collective commitment to doing what is right for patients.

Thank you for believing in us.

Daniel O'Day



# Looking at 2018

At Gilead, we strive to transform the promise of science and technology into therapies that have the power to cure, prevent or treat diseases and revolutionize the standard of care.

We believe in our approach to innovation by relentlessly pursuing the best breakthroughs in science — whether they come from within our own labs or from our partnerships with other industry leaders. Looking back, 2018 was a year of strong and consistent operational and financial execution across our portfolio in HIV, HCV, cardiovascular and oncology. We also made great progress at strengthening our pipeline.

## Product Sales

Largely driven by a successful launch of Biktarvy® and continued uptake of Descovy®, Genvoya® and Odefsey®, total revenue from our HIV medicines increased to \$14.6 billion from \$13 billion the previous year, even as overall product sales decreased in 2018 compared with 2017 — notably due to the unique dynamics and curative nature of our hepatitis C virus (HCV) products. Our oncology sales grew substantially, with a total of \$264 million in 2018 sales of Yescarta®, our chimeric antigen receptor T (CAR T) cell therapy.

## Collaborations

In 2018, Gilead entered into 25 partnerships, licensing, merger & acquisition (M&A) or equity investment deals to significantly enhance our research pipeline in therapeutic areas including HIV, inflammation, immunotherapy, oncology and liver disease.

These include collaborations with Pfizer, Sangamo Therapeutics, Verily, the National Cancer Institute, Hookipa, Gadeta, Trianni, Precision BioSciences, HiFiBiO Therapeutics, Tango Therapeutics, Scholar Rock and Agenus.

## 2018 TOTAL REVENUE

\$22.1B

**\$8.4B**  
Cash From Operations

**\$3.0B**  
Cash Dividends Paid to Stockholders

**\$31.5B**  
Cash, Cash Equivalents and Marketable Securities

**\$2.9B**  
Share Repurchases

**\$5.0B**  
Research and Development Expenses

**\$6.3B**  
Debt Repaid

A photograph of a modern architectural building with a curved glass facade. The building is set against a warm, orange and yellow sunset sky. In the foreground, there's a parking lot with several cars and some trees.

We  
Believe  
Anything  
Is Possible

OUR PURPOSE



# "We never really expected people like me would be living with HIV this long."

Nearly 30 years after being diagnosed with HIV, Douglas Brooks is alive and healthy — and in his words, it's all thanks to Gilead. As a patient-turned-employee, Doug is living proof and inspiration for why we do what we do: Discover and develop breakthrough HIV treatments.



To hear Douglas' story in his own words and learn more about Gilead's work to treat, prevent and ultimately end the HIV epidemic, visit:

**GILEAD.COM/YIR2018**



# The Why Behind Our Work

We believe in relentlessly pursuing breakthroughs in science, whether they come from within our own labs or from our partnerships.

Our primary purpose is to help people with life-threatening diseases. Our work is built on four pillars that enable us to develop and deliver innovative medicines:

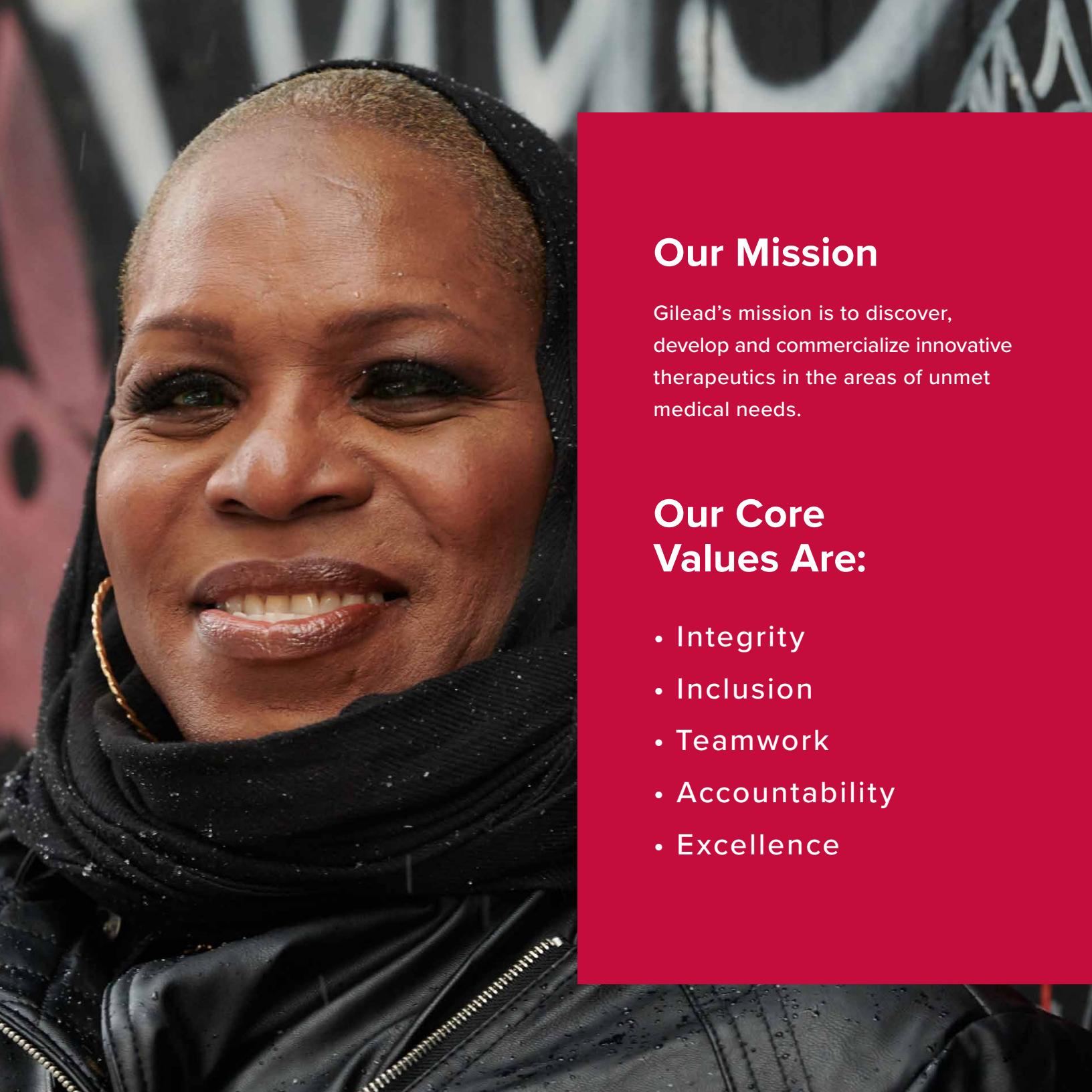
**Supporting Patients:** Our patients-first approach is demonstrated by our collaboration with patient advocacy organizations, our work to discover and develop therapies that revolutionize the standard of care and cure diseases, and offering comprehensive support programs that help meet the needs of patients and their caregivers.

**Science and Innovation:** Through our own research, as well as partnerships with universities, medical research institutions and other global pharmaceutical leaders, Gilead is bringing forward scientific and clinical advancements that prevent, treat or cure life-threatening diseases.

**Inclusiveness:** We promote a high-performing workplace culture informed by a diverse set of backgrounds, experiences and points of view that enables our employees to embrace and leverage each other's talents and diverse perspectives, foster a sense of belonging and purpose, achieve their full career potential, and contribute to Gilead's success.

**Giving Back:** We recognize that patients and communities often face challenges in accessing the best possible care, and we know that passion for scientific discovery alone — and that Gilead alone — cannot solve these challenges. Through our partnerships with community organizations and our approach to corporate philanthropy, we support initiatives and programs that improve access to care, reduce disparities, improve education and support our local communities.

We  
Believe  
  
Anything  
Is Possible



## Our Mission

Gilead's mission is to discover, develop and commercialize innovative therapeutics in the areas of unmet medical needs.

## Our Core Values Are:

- Integrity
- Inclusion
- Teamwork
- Accountability
- Excellence



## What We're Doing to Address Global Challenges

The United Nations Global Compact (UNGC) calls for companies to align their operations with 10 universally accepted principles in human rights, labor, environment and anti-corruption. Gilead became a signatory member in 2018, joining other industry-leading companies in supporting the United Nations Sustainable Development Goals (UN SDGs).

Stemming from the UNGC, the UN SDGs identify impact areas where we can improve the quality of life for all people. By aligning our existing sustainability and social practices within the UNGC and the UN SDGs, we better articulate our commitment to our patients, local communities, society and the planet.

Although Gilead supports all SDGs, we have identified key goals where we can deliver our greatest influence and positive impact. In particular, Gilead's mission to provide lifesaving therapeutics to marginalized and underserved communities aligns strongly with SDG 3, "Good Health and Well-Being." As Gilead expands our business and operations, we strive to further support global health and sustainable development.

Our priority SDGs are displayed on pages 20 and 21. SDG icons are also used throughout this report to highlight areas where our work corresponds with specific goals. Additional information on alignment between our work and the SDGs can be found in the GRI Content Index of this report.

**GOOD HEALTH AND WELL-BEING**

We expand access to innovative therapeutics that improve human health worldwide. We aim to help end epidemics of AIDS and hepatitis, and combat other communicable diseases.

**QUALITY EDUCATION**

We educate and train healthcare providers on advanced therapies, especially in low-income and developing regions.

**GENDER EQUALITY**

We cultivate an inclusive and diverse workforce that celebrates differences in race, age, gender, sexual orientation, gender identity and thinking style.

**CLEAN WATER AND SANITATION**

We protect water-dependent ecosystems by using natural bioswales, rainwater capture systems and water conservation measures.

We  
Believe  
Anything  
Is Possible

**AFFORDABLE AND CLEAN ENERGY**

We generate and purchase renewable energy to offset grid-supplied energy at some of our worldwide facilities.

**INDUSTRY, INNOVATION AND INFRASTRUCTURE**

We leverage science and innovation to develop industry-leading therapeutics for areas of unmet medical need.

**REDUCED INEQUALITIES**

We formed a Diversity Council in 2018 to enhance our inclusion and diversity initiatives worldwide.

**RESPONSIBLE CONSUMPTION AND PRODUCTION**

We use green and sustainable chemistry where possible to produce therapies that benefit human health and minimize environmental impact.

**CLIMATE ACTION**

We are committed to reducing our greenhouse gas emissions by 25% by 2025 compared with 2016 levels.

**PARTNERSHIPS FOR THE GOALS**

We forge internal and external partnerships to improve patient care, strengthen health systems, and reduce social and environmental impacts.



We  
Believe  
Discovery  
Never  
Ends

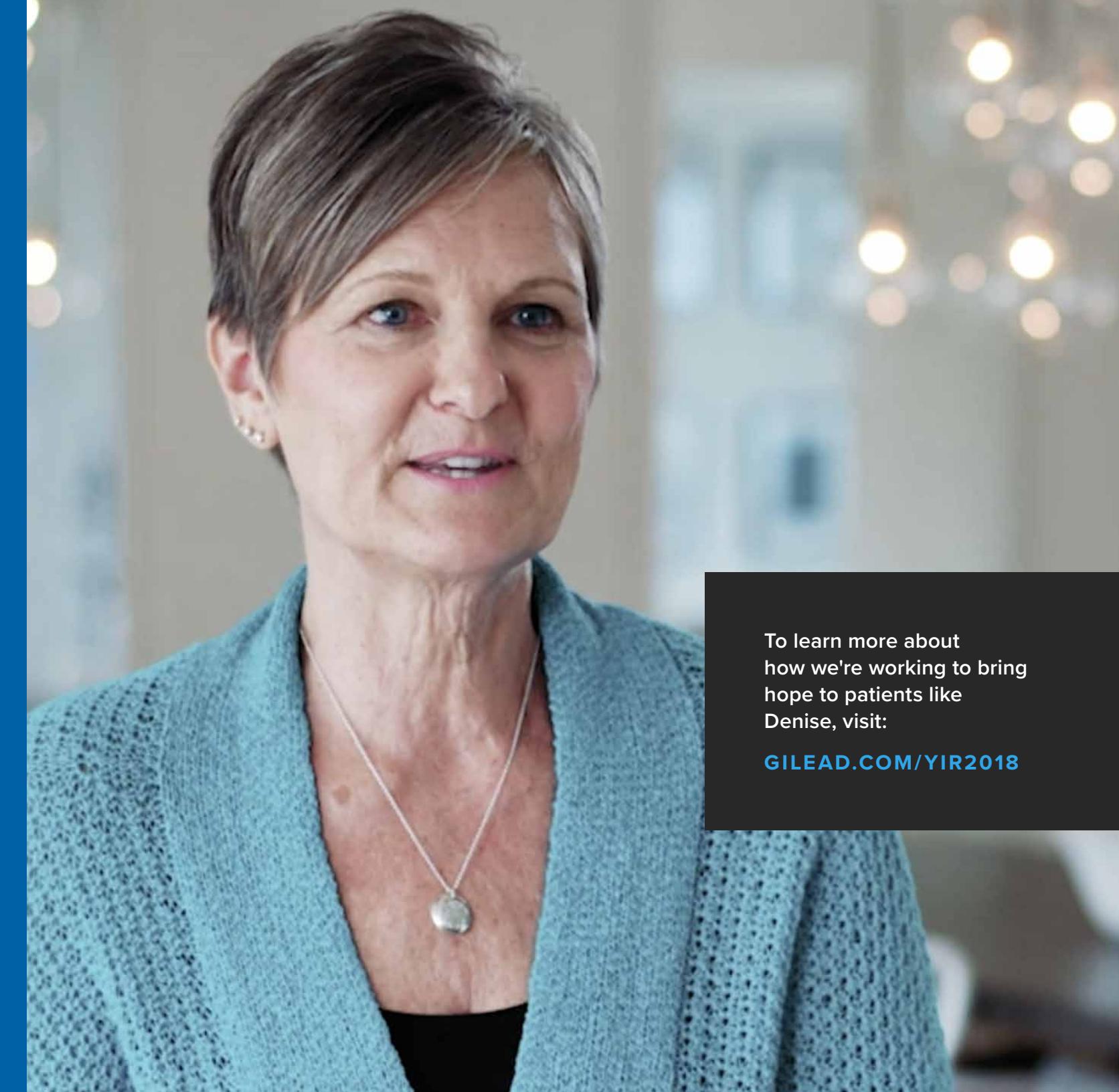


SCIENCE & INNOVATION



# Treating Cancer After All Else Fails

Denise was diagnosed with lymphoma on her birthday. After two different chemotherapy regimens failed to treat 30 tumors, she was told she had six months to live. Then, she discovered CAR T cell therapy. She enrolled as patient No. 1 in one of our cell therapy trials, a cutting-edge treatment that would engineer her own immune system to attack her cancer.



To learn more about how we're working to bring hope to patients like Denise, visit:

**GILEAD.COM/YIR2018**



We  
Believe

Discovery  
Never  
Ends

### 3

## The Science Driving It All

At Gilead, through science and innovation, our goal is to develop lifesaving products that make a difference for patients around the world. We envision a world where all disease is treatable, curable or preventable.

For more than 30 years, we have used our scientific expertise to develop therapies that revolutionize the standard of care for many diseases. Still, we recognize that science alone is not enough — that is why we also support innovative partnerships that address the very challenges that make certain communities disproportionately susceptible to disease.

We also invest in communities and apply the same rigor we use for scientific innovation to how we support sustainable programs that focus on the intersection of diseases like HIV and social determinants of health. With a portfolio of more than 24 marketed products, we target areas of significant unmet medical need, including HIV/AIDS, liver diseases, hematology and oncology, inflammatory diseases, and respiratory diseases.

## 9

## Our Groundbreaking Research and Development

Gilead's portfolio features a number of category firsts, including complete treatment regimens for HIV and chronic hepatitis C virus (HCV) infection available in once-daily single pills, and Yescarta, the first chimeric antigen receptor T (CAR T) cell therapy for adult patients with relapsed or refractory large B-cell lymphoma.

Today, our research and development efforts include hundreds of ongoing and planned clinical studies evaluating compounds with the potential to become medicines that set a new standard of care. At the end of 2018, our research and development pipeline included 119 active clinical studies, of which 41 were Phase 3 clinical trials.

### New Therapies for HIV

For decades, Gilead has been a leader in developing innovative therapies to help treat HIV. Gilead's newest HIV therapy, Biktarvy, is a daily single tablet regimen combining bictegravir, emtricitabine and tenofovir alafenamide (TAF). Approved by the FDA in February 2018, Biktarvy was found to be effective and tolerable for adults new to treatment, as well as for stably suppressed adult patients transitioning from other medicines. In the United States, Biktarvy is the most prescribed product in the first 13 months, compared with any other products launched to treat HIV.

A single tablet regimen can help make it simpler for patients compared with the earliest HIV treatments that required dozens of medications to be taken each day, multiple times a day. Still, our scientists continue to work on developing new treatments with the goal of making it even easier for patients to adhere by providing them with additional treatment and dosing schedule options, as well as compounds that may be effective for patients whose disease is showing greater resistance.

## Expanding Access in China

Gilead's presence in China expanded significantly in 2018, with the China National Medicinal Products Administration (NMPA) approving Epclusa®, Genvoya, Vemlidy®, Harvoni® and Descovy.

Increasing access to safe and effective treatments is vital to public health in the world's most populous country, which had more than 140,000 new HIV-1 diagnoses in 2017 and has an estimated 10 million people living with HCV.

**More than 200 Gilead employees work in China.**



to treatment. These include investigational long-acting injectables that could potentially be administered just once a month — or even every three months or longer. One of these compounds, GS-6207, is an investigational small molecule capsid inhibitor designed to disrupt the protein shell that protects the viral genome, interfering with two stages of the virus's replication cycle. GS-6207 is now in clinical trials, and we are looking at other drugs to pair with it to create a potentially effective and well-tolerated, long-acting treatment regimen.

In addition to developing new treatment options, Gilead is committed to the prevention of HIV infection for appropriate individuals, through the use of Truvada for PrEP® (pre-exposure prophylaxis), a once-daily tablet that is the first medication approved to help prevent HIV infection. PrEP is one approach to helping individuals who are HIV-negative and at risk of HIV infection to reduce their chances of acquiring HIV through sex. In 2018, Gilead launched its first U.S. television advertisement for Truvada for PrEP to help raise awareness and encourage people who have a higher risk of HIV exposure to have a candid conversation about HIV prevention with their healthcare provider.



# Biktarvy

In the United States, Biktarvy is the most prescribed product in the first 13 months, compared to any other products launched to treat HIV.

2018 WORLDWIDE SALES

\$1.18B

## Kite Is Advancing the State of Oncology

In 2017, Gilead acquired Kite Pharma, solidifying our dedication to helping achieve one of the most ambitious goals of 21st century medicine: curing cancer. In 2018, we continued to advance a pipeline of cancer therapies including cell therapy, immunotherapy and targeted therapy.

Kite's cell therapy portfolio is led by Yescarta (axicabtagene ciloleucel), the first chimeric antigen receptor T (CAR T) cell therapy approved by the FDA for the treatment of adult patients with relapsed or refractory large B-cell lymphoma after two or more lines of systemic therapy. Yescarta works by genetically modifying immune cells to target tumors — effectively re-engineering a patient's own T cells to detect and kill cancer cells. The European Commission granted marketing authorization to Yescarta in August 2018. To support patients in Europe, Kite has established a distribution center in the Netherlands and is building a manufacturing facility that is expected to begin operating in 2020.

Our achievements at Kite were capped with one of the most prestigious honors in biopharmaceutical research: Yescarta was named co-winner of the 2018 Prix Galien USA Award for best biotechnology product. Prix Galien aims to promote significant advances in pharmaceutical research. Each year, the award gives credit to the most important drugs introduced into the public market as well as to the achievements of the best research team in the pharmaceutical field. It is considered the industry's equivalent of the Nobel prize and the highest accolade for pharmaceutical research and development.

In addition to ongoing studies of Yescarta, Kite is advancing novel, investigational therapies for a range of hematologic malignancies and solid tumors.

We are also advancing oncology research through partnerships, licensing agreements, M&As, and strategic investments. And as a founding member of the Foundation for the National Institute of Health's Partnership for Accelerating Cancer Therapies, Gilead collaborates with peers to enhance understanding of cancer immunotherapy and engineered cell therapies.

We  
Believe

Discovery  
Never  
Ends



## Our Approach to Tackling Liver Diseases

Gilead has developed breakthrough medicines that can cure patients of hepatitis C virus (HCV) infection regardless of the virus genotype or cirrhosis status. Gilead has developed Vemlidy, which helps people living with hepatitis B virus (HBV) infection control their condition every day with a small once-daily tablet.

But we know that caring for people living with chronic illnesses is about more than just medicine. Screening and increasing patient access to treatment is critical. That's why we continue our work to expand hepatitis screening and linkage to care for at-risk individuals and increase access to our medicines around the world. To do this, we actively support the efforts of governments and partner with professional organizations, patient advocacy groups, payers and healthcare professionals who have declared their intention and commitment to work toward the World Health Organization (WHO) goal of elimination of viral hepatitis around the world by 2030.



Epclusa, the first pan-genotypic and pan-fibrotic treatment, now accounts for the majority of Gilead's HCV product sales in the United States and about 75% of our HCV sales in Europe. In 2018, the NMPA approved Epclusa and Harvoni for the treatment of HCV, and Vemlidy for the treatment of HBV, bringing new treatment options to the millions of people in China living with viral hepatitis.

In HBV, we continue to work toward the goal of finding a cure. In 2018, Gilead shared numerous research findings with the scientific community and entered into new strategic partnerships to supplement our in-house research.

We are also developing medicines for nonalcoholic steatohepatitis (NASH) and primary sclerosing cholangitis (PSC). NASH, a disease that causes fat accumulation and inflammation in the liver and can lead to liver fibrosis, is expected to become the leading cause of liver transplantation by 2020. PSC is a rare and chronic condition that damages the bile ducts and can lead to cirrhosis, liver failure and cancer. There are no treatments to cure PSC or stop disease progression.

Gilead is advancing multiple novel investigational compounds for the treatment of advanced fibrosis due to NASH, and is currently conducting a Phase 3 trial in PSC.

We  
Believe  
  
Discovery  
Never  
Ends

## Asegua Is Bridging a Gap in Treatment

Asegua Therapeutics is a Gilead subsidiary that produces authorized generics of Epclusa and Harvoni, offering health insurers a lower list price option for these HCV medications. Pricing for the authorized generics more closely reflects existing discounting on the branded products, providing payers with policy and contractual constraints an option that may enable them to more easily provide coverage to their insured populations and, ultimately, offer the promise of treatment and cure to more patients throughout the United States.

## Advancing Potential Treatments in Inflammatory Diseases

Despite several available and effective medications for patients with rheumatoid arthritis (RA), inflammatory bowel disease (IBD) and other inflammatory conditions, some of the existing treatments can stop providing adequate control of symptoms over time. We believe additional treatment options are needed, and our aim is to break through the efficacy ceiling for patients with inflammatory conditions.

Galapagos and Gilead entered into a global collaboration in 2015 for the development and commercialization of filgotinib, an investigational JAK-1 inhibitor, in inflammatory indications. In May 2018, Gilead and Galapagos announced that the EQUATOR Phase 2 trial of filgotinib in psoriatic arthritis met the primary endpoint. Gilead and Galapagos announced that the Phase 2b/3 SELECTION trial with filgotinib in ulcerative colitis progressed into Phase 3 following an interim futility analysis in which the data monitoring committee (DMC) recommended that the study proceed as planned, evaluating 100 mg and 200 mg once-daily doses in biologic-experienced and biologic-naïve patients. In September 2018, Gilead and Galapagos announced that the TORTUGA Phase 2 trial of filgotinib in ankylosing spondylitis met the primary endpoint. At the same time, Gilead and Galapagos announced that the Phase 3 FINCH 2 trial in RA patients refractory to biologics met the primary and all key secondary endpoints, in line with previous studies. The results from EQUATOR and TORTUGA were published in *The Lancet*.

Filgotinib is our lead asset in this therapeutic area and has the potential to establish a foundation for Gilead in combination treatment strategies to improve outcomes for patients with RA, IBD and other inflammatory diseases. We continue to develop internal compounds and are actively evaluating external opportunities that can complement or accelerate our internal efforts.

# Our Partnerships

To make the fastest progress possible in the fight against life-threatening diseases, Gilead finds ways to build upon the complementary strengths and accomplishments of industry peers.

Collaborations and acquisitions are an important part of Gilead's growth strategy. During 2018, Gilead executed 15 partnership, licensing, and M&A deals, and completed 10 equity investments in biopharma companies. These collaborations provide Gilead with access to new technology and resources that may enable rapid advancement in oncology and cell therapy, HIV liver disease, and inflammatory diseases.

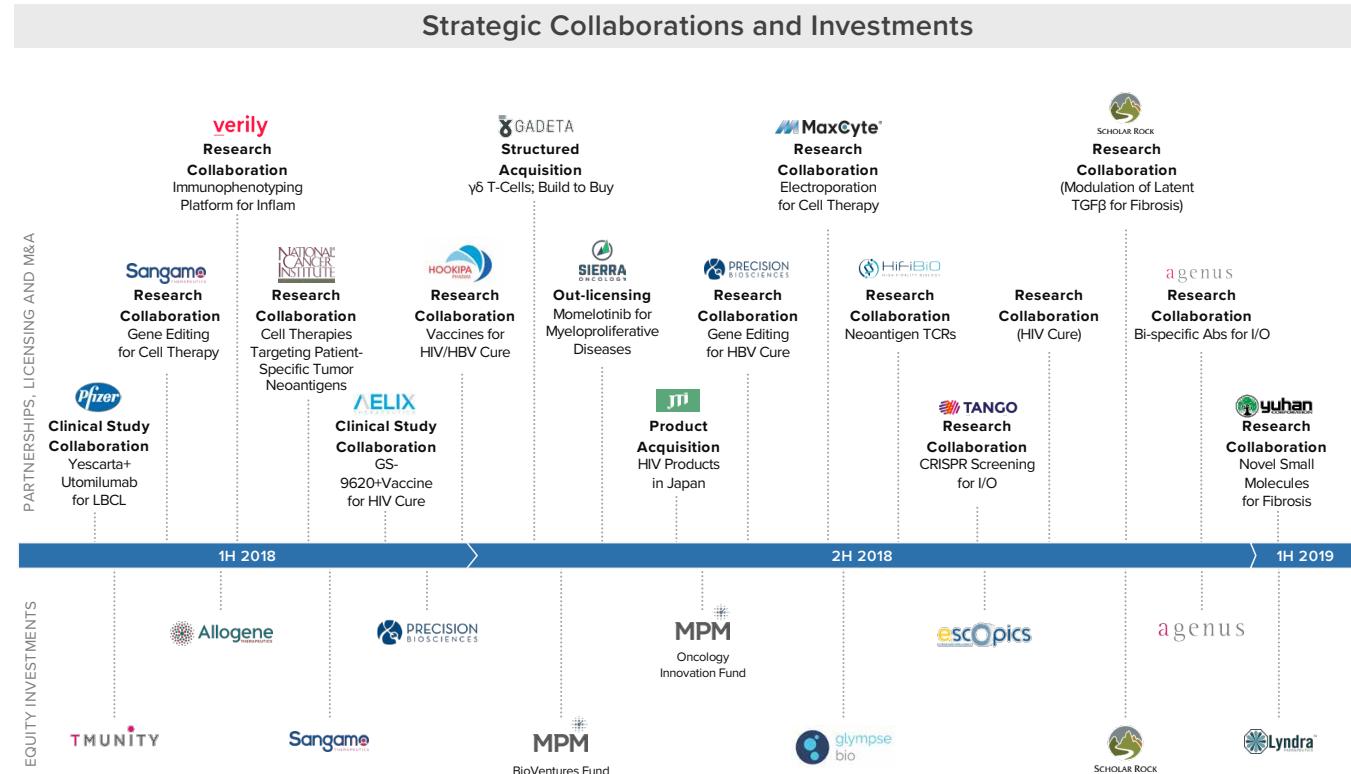
Our 2018 collaborations in oncology and cell therapy included the following industry innovators:

- A worldwide collaboration using **Sangamo's** zinc finger nuclease gene editing technology platform to develop next-generation ex vivo cell therapies
- A new Cooperative Research and Development Agreement with the **National Cancer Institute** to develop adoptive cell therapies targeting patient-specific tumor neoantigens
- A strategic collaboration with **Gadeta** to develop novel gamma delta T cell receptor therapies
- A research collaboration and license agreement with **HiFiBiO Therapeutics** to develop technology for discovery of neoantigen-reactive T cell receptors
- A global strategic collaboration with **Tango Therapeutics** for a pipeline of targeted immuno-oncology treatments

We Believe  
Discovery Never Ends

Other collaborations include a strategic collaboration with Precision BioSciences to develop therapies targeting the in vivo elimination of HBV with Precision's proprietary genome editing platform, ARCUS; a research collaboration and license agreement that grants Gilead exclusive rights to Hookipa's TheraT® and Vaxwave® arenavirus vector-based immunization technologies for HBV and HIV; and a scientific collaboration with Verily Life Sciences using Verily's Immunoscape platform to identify and better understand the immunologic basis of rheumatoid arthritis, inflammatory bowel disease and lupus-related diseases.

Gilead plans to pursue additional collaborations in 2019.





We  
Believe  
In Our  
People

WORKING AT GILEAD



# "As different as we are, we are all committed to our mission."

Katie Watson and Tara MacCannell come from very different backgrounds. But at Gilead, they share a vision: to work together to deliver life-changing medicines for patients around the world. By celebrating each other's differences and unique perspectives, our employees make Gilead a company that is greater than the sum of its parts. Our employees are our not-so-secret strategy for tackling some of the world's most challenging diseases.



To hear more from Katie and Tara about what it means to be part of the team at Gilead, visit:

**GILEAD.COM/YIR2018**



# Our People Make a Difference

We  
Believe  
In Our  
People

At Gilead, we are inspired by delivering lifesaving therapies to patients in need. Our core values — integrity, inclusion, teamwork, accountability and excellence — are the cornerstones of everything we do.

We're also committed to creating, promoting and maintaining an inclusive, high-performing culture in which all team members embrace and leverage each other's talents and backgrounds. Our sense of shared purpose and our culture of excellence enable us to reach millions of patients around the world and turn the tide on serious, life-threatening diseases.

Gilead offers employees a unique opportunity to combine professional advancement and continual learning with the ability to impact our local communities and people around the world. No challenge is too great and no contribution too small to inspire us to act. Our people bring a spirit of service to everything they do, from advanced scientific research to mentorship and community engagement. We're proud to support a workplace culture that allows all of us to bring our best selves and serve our highest purpose.

## How We Reward, Recognize and Retain Employees

At Gilead, we offer competitive compensation programs as well as country-focused benefits related to health, wellness, retirement, disability and leaves of absence.

The Total Rewards program is designed to help attract, cultivate and retain the industry's most talented workforce. We offer employees financial benefits including base pay, bonuses and stock grant opportunities; access to a variety of health and wellness resources; time-off benefits; and support for training and education. We assess the benefits package each year to ensure we have in place the right offerings to help us attract and retain critical talent. Our Total Rewards package covers the following core elements:

### Compensation and Financial Benefits

Gilead is a pay-for-performance company that is committed to pay equity. We pay employees based on market-based salary ranges. Pay decisions are made without regard to personal characteristics such as gender, race, color, national origin, ethnicity, age, disability, sexual orientation, gender identity, gender expression,



genetic information, religion or veteran status. All Gilead employees receive regular performance and career development reviews. We monitor and review employee compensation on an annual basis to ensure that our pay practices are gender neutral.

**Gilead's salary ratio for women to men in the United States is**



Our financial benefits include:

- Retirement savings with matching contributions, available in many countries based on local market practice and regulations\*
- Employee Stock Purchase Program (ESPP) that enables eligible Gilead employees to become stockholders by purchasing Gilead stock at a 15% discount, consistent with Internal Revenue Service requirements

\*For detailed information about Gilead's defined benefit plan obligations, visit the company's Form 10-K on the Shareholder Center page of our website.

We  
Believe

In Our  
People

3

## Health and Welfare Benefits

To demonstrate our commitment to the health and well-being of our employees and their families, we offer market-competitive wellness, extended healthcare and risk benefits in many countries.

Our wellness offerings include biometric screenings, wellness seminars, on-site fitness centers or annual fitness reimbursement, and health assessment tools. Risk benefits include sick days, disability benefits and company-paid life, accidental death and dismemberment, and business travel accident insurance.

**In 2018, we expanded our U.S. health and welfare benefits to include Applied Behavioral Analysis therapy and fertility support for employees.**

Our Employee Assistance Program (EAP) services include financial, legal, pre-retirement, elder care and child care consultations, as well as clinical counseling. And, now, a new online coaching tool provides our U.S. employees and their families with access to on-demand behavioral health support.

### Time Off

Gilead offers a competitive time-off program to help employees remain rested and balanced throughout the year. Time-off benefits include company-paid vacation days and holidays, which vary from country to country based on compliance with local laws, regulations and common market practice.

We also offer family-friendly leaves of absence such as parental and adoption leaves to employees in many countries, including six weeks of Paid Parental Time Off (PPTO) for employees in the United States.



In 2018, more than 98% of our worldwide employees on parental leave returned to work at the end of leave.

	Male	Female	TOTAL
Number of employees entitled to parental leave in 2018*	5,353	5,472	10,825
Number of employees who took parental leave in 2018	184	333	517
Number of employees who returned to work after leave ended in 2018	183	328	511
Number of employees retained 12 months after returning to work following a period of parental leave in 2017	155	279	434
Number of employees who took a parental leave in 2017	175	337	512
2018 return to work rate	99.5%	98.5%	98.8%
2017 return to work rate	97.7%	98.5%	98.2%
2017 retention rate	85.6%	84%	84.6%

\*Employees not eligible for Bonding Leave may request a Personal Leave of Absence to spend time with their new child; therefore, all employees are technically eligible to take "Parental Leave."

## 4

## Professional and Personal Development

Gilead's Learning and Development Program fosters a culture of continuous learning designed to help employees develop cross-functional skills and tools to grow their careers and learn about our culture.

- In 2018, Gilead employees completed 50,409 hours of professional, management and leadership development training programs or an average of 4.7 hours per employee.\*
- Employees can receive reimbursement for tuition expenses incurred while pursuing undergraduate, graduate or certificate courses at an accredited college or university. Annual reimbursement maximums and eligibility may vary from country to country.

\* Online courses are assumed to be one hour.

We  
Believe

In Our  
People

- Gilead also supports continued education with a discount on MBA programs through Golden Gate University. In 2018, 55 employees participated in the on-site MBA program in Foster City.

## Giving Together

In 2018, Gilead launched Giving Together, a program through which we match 1:1 donations to eligible nonprofit organizations of up to \$2,000 per employee each year. In 2018, we donated to the California Fire Foundation, the Wildfire Relief Fund in Los Angeles and the North Valley Community Foundation in Chico, California, to help those affected by the Northern and Southern California fires.

For our employees and their families who were evacuated in 2018 by the wildfires in California and Greece, Hurricane Michael in Florida, and the typhoons in Asia, we offered paid time off and financial assistance to help cover the cost of hotel rooms, meals and damaged personal belongings.

## Employees in Southern California Hold First Week of Service

Gilead's annual Week of Service brings together employees around the world to make a difference in their communities. In October, the Kite team in Southern California participated in its first Week of Service. Volunteers assembled care packages for children receiving cancer treatment in Los Angeles-area hospitals, decorated for Halloween parties at Boys & Girls Clubs locations and contributed to a food drive for Westside Food Bank.

*"The Week of Service gave us the chance to work together to provide a little hope and smiles for people in need through small gestures that can have a positive ripple effect and also help create a bond with our local communities."*

Lindy Him, specialist, Cell Therapy II



## Volunteering in Our Communities

Gilead aims to positively impact the communities where we work and live, and to connect the talents of employees with unmet needs in those communities. We encourage worldwide employees to engage in volunteer activities that benefit four core areas of focus: underserved communities, education, environment and health awareness/outreach.

**In 2018, worldwide employees received an additional paid day off from work to volunteer with an organization of their choice.**

As part of Gilead's second annual "Week of Service," employees around the world gave back to local communities by providing meals, maintenance, habitat restoration, care packages for members of the military and other assistance. In Foster City, employees spent more than 1,000 community service hours supporting the following six organizations:

- Pacifica Beach Coalition
- LifeMoves
- Operation Care & Comfort

In 2018, Gilead's legal department spent approximately 300 pro-bono hours representing clients in a variety of areas including domestic violence survivors, asylum for immigrant juveniles and veterans seeking medical aid.





- Boys & Girls Clubs of Oakland
- GLIDE
- Larkin Street Youth Services

More than 200 of our employees in Southern California participated in the Week of Service for the first time, volunteering with three nonprofit organizations supporting youth and families in the Los Angeles area.

## 5 We Welcome and 10 Celebrate Diverse Perspectives

As Gilead expands into new therapeutic areas and geographic regions, our business becomes increasingly complex. Building an inclusive and diverse workforce helps us evolve along with our business and, ultimately, better serve our patients. By generating greater diversity of thought, we accelerate our innovation, amplify our productivity, and achieve our mission of improving patient care and meeting unmet medical needs around the world.

Diversity at Gilead means recognizing and accepting all the ways in which we differ. It includes visible differences — such as age, gender, ethnicity and physical appearance as well as underlying differences such as thinking styles, religion, nationality, veteran status, sexual orientation, sexual identity and education. Gilead added “inclusion” as a core value in 2016 to better help us build a community of accountability.

Working to demonstrate our commitment to inclusion requires us to:

- Encourage and support each other
- Recognize and mitigate unconscious bias
- Consider multiple pathways to success
- Respect people of all backgrounds and experiences
- Seek diverse perspectives to drive innovation

In 2018, we formed a diversity council, chaired by senior management, to measure our ability to attract, develop and retain employees of diverse backgrounds.

## Our Commitment to the LGBTQ+ Community

Honoring our diversity not only makes us a more effective workforce, it helps us better understand and serve patients around the world. It's only natural that, having started out developing treatments for diseases that disproportionately affect the LGBTQ+ community, we are fiercely committed to supporting our LGBTQ+ employees today.

From advocating for transgender rights, to marching in Pride parades around the world, to hosting honest conversations about inclusion and diversity, Gilead stands with our LGBTQ+ employees — and takes pride in the difference they make in our communities.

**“Our varied perspectives and experiences help drive innovation. All of us at Gilead are committed to promoting inclusion and diversity — it’s simply the right thing to do.”**

Daniel O’Day, Chairman and CEO



The new diversity council will track our progress relative to the following improvement goals:

- Increasing the transparency of diversity data
- Implementing and tracking diversity action plans specific to different organizations and regions
- Building a more inclusive culture by integrating and expanding unconscious bias trainings globally, and launching multicultural tools to improve team effectiveness across borders

## Creating Communities at Gilead

Many of our employees participate in Employee Resource Groups (ERGs). These groups provide opportunities for leadership development, community involvement, networking, mentoring, skills advancement, participating in the recruitment of diverse candidates and other ways for Gilead employees to make a difference beyond their usual work responsibilities.

With more than 6,000 members and 20 chapters around the world in 2018, Gilead's ERGs are helping us scale our inclusion and diversity initiatives, while creating a sense of belonging for all employees.

In 2018, we received a top score of 100% on the Human Rights Campaign (HRC) 2018 Corporate Equality Index (CEI), a national benchmarking tool on corporate policies and practices related to lesbian, gay, bisexual and transgender (LGBTQ) employees.

In recognition of our diversity and inclusion efforts, Forbes named Gilead one of 2019's Best Employers for Diversity.

We  
Believe

In Our  
People

## Amplifying Our Employees' Voices

Listening to our employees is crucial to our continued success, especially as we continue to evolve. To obtain valuable insights from our employees, we periodically issue workplace surveys covering a multitude of topics including our core values, impact, innovation, career development, inclusion, engagement, work environment, collaboration and efficiency.

**In 2018, 92% of our worldwide employees provided valuable feedback that is helping shape our business strategy moving forward.**



**Gilead Asian Interest Network (GAIN)**  
GAIN unites Asian employees and their allies to deepen cultural understanding across the company.



**Gilead Leadership Organization of Black Employees (GLOBE)**  
GLOBE works to cultivate leadership among people of African descent, advancing opportunities for all people to be valued.



**Women at Gilead**  
Our global network of Women at Gilead boosts how we recruit, develop and support our female employees — so they can thrive now and into the future.



**The LGBTQ+ Alliance**  
The LGBTQ+ Alliance is all about keeping Gilead a place where gender diversity is celebrated, community is prioritized and all people feel empowered.



**Gileados**  
Gileados members embrace and espouse an appreciation for the multifaceted Latino culture at Gilead, with the goal of enhancing the recruitment and retention of diverse talent.



**Gilead Veterans Engagement Team (GVET)**  
GVET plays an important role in how we recognize, appreciate and support veterans, active duty military and their families.



Results from the 2018 survey reflected positive feedback in several categories including core values, impact, innovation and career development. At the same time, our employees identified opportunities for improving our collaboration, operational efficiency, and inclusion and diversity initiatives. In response to this feedback, we formed action teams in late 2018 to evaluate opportunities and take action.

In the spirit of creating a community of accountability, our action teams will meet quarterly to report on our progress with respect to these and other improvement opportunities in 2019.

Improvement Opportunity	2018 ACTION
Collaboration	We implemented an organizational network analysis (ONA) to map connections between employees to understand and improve cross-functional and cross-locational collaboration.
Efficiency	We unveiled new work schedule options to increase flexibility around when and where employees work.
Inclusion and Diversity	We formed a Diversity Council and created organizational diversity action plans to enhance our diverse hiring and development programs.

# Our Global Workforce

Gilead's worldwide staff has grown to more than 11,000 people, but we still strive to make our workforce a close community where everyone can see the tangible results of their contributions, where every individual matters and where everyone has a chance to enhance their skills through ongoing development.

## Our People by the Numbers

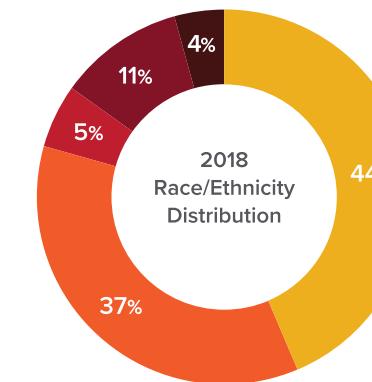
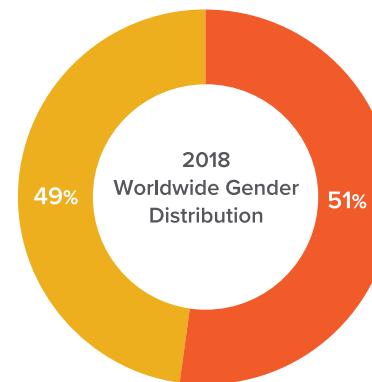
Our people are more than just numbers to us. Gilead continually looks for opportunities to diversify our workforce, and data is an important part of that process. Each year, we review total new hires, voluntary turnovers, gender, race, ethnicity and other metrics. The following is a snapshot of some of Gilead's 2018 workforce demographic data.

### Worldwide New Hires and Voluntary Turnovers

	2017	2018
New Hires*	1,155	1,997
New Hire Rate	12.7%	19.2%
Voluntary Turnovers	781	937
Voluntary Turnover Rate	8.5%	9%

\*New hire data includes individuals that were hired externally.  
Existing employees that changed positions internally are not included in this calculation.

### United States Gender, Age and Race/Ethnicity Distribution\*



● Male   ● Female

● White   ● Hispanic or Latino  
● Asian   ● Other\*\*  
● Black or African American

### GENDER

EEO-1 Category*	Male	Female	White	Black or African American	Hispanic or Latino	Asian	Other**
Executives***	69%	31%	71%	7%	1%	19%	2%
First-/Mid-Level Managers	51%	49%	49%	5%	7%	36%	3%
Professionals	47%	53%	40%	5%	14%	37%	4%
Total Gilead U.S. Population	49%	51%	44%	5%	11%	37%	4%

\*Data based on U.S. definitions/demographics as of 2019 EEO-1 filing (based on 12/31/2018 data and includes Kite). Some percentages may not add to 100 percent due to rounding.

\*\*"Other" category includes two or more races, Native Hawaiian or Pacific Islander and American Indian or Alaskan Native categories.

\*\*\*Executives comprise less than 2% of Gilead's U.S. population and make up governance bodies that comprise VP levels and above.



## Building a Culture of Workplace Safety

Gilead believes that a safe and secure workplace inspires innovation while promoting health, wellness and productivity. Our workplace safety, training and security program is designed to prevent occupational injuries and illnesses, and promote a culture of reporting. Safety measures include tailored training sessions, annual refresher courses, and detailed assessment of incidents and near-misses worldwide.

In 2018, the most frequent work-related injuries were from musculoskeletal extremity, back and neck strains, which were caused by material handling, ergonomic, slip, fall and motor vehicle hazards. Ergonomics and a trip hazard led to two high-consequence injuries where the individuals were unable to recover fully within six months.

Executive management meets quarterly to review the environmental and safety performance across all of our sites, while joint management-line health and safety committees review site-level performance. Teams complete in-depth reviews at individual sites where incidents occur to identify the causes and determine how to keep these and similar events from happening in the future.

### Gilead Workforce Data

We  
Believe

In Our  
People

	FTE and Non-FTE Employees
Number of fatalities as a result of work-related injury	0.0
Rate* of fatalities as a result of work-related injury	0.0
Number** of high-consequence work-related injuries	2.0
Rate* of high-consequence work-related injuries	0.02
Total number of recordable work-related injuries	74.0
Rate* of recordable work-related injuries	0.65

\*Rates are calculated based on 22,648,146 hours worked by all FTE and non-FTE (e.g., temporary) workers managed directly by Gilead, which is consistent with U.S.-OSHA record keeping requirements and how data is reported to U.S. authorities and internally.

\*\*The number of high-consequence work-related injuries is based on lost time/days away and restricted workday cases reported to OSHA.



A close-up photograph of a woman with long dark hair smiling warmly at the camera. She is holding a baby in her arms, and the baby's face is partially visible, looking towards the viewer. The lighting is soft and natural.

We  
Believe  
No One  
Can Do It  
Alone



COMMUNITY IMPACT



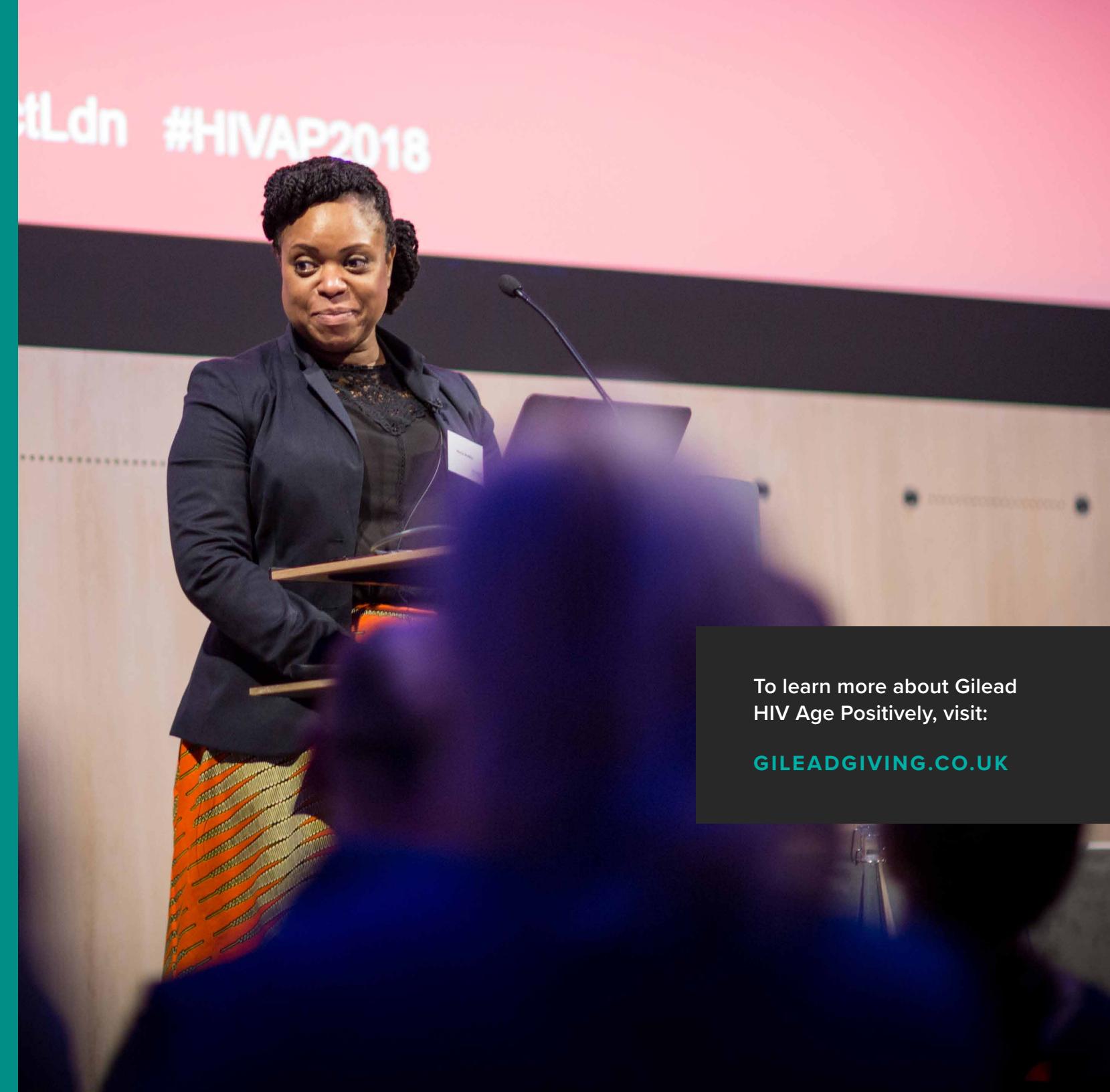
# Aging With HIV: How We're Managing New Challenges

Over the years, the HIV community has pushed boundaries, broken down barriers and campaigned for positive change. But as the first generation of people with HIV enters later life, new and unprecedented challenges are emerging, while many historic challenges remain.

Launched in 2018 in the UK, Gilead's HIV Age Positively aims to address the greatest challenges of aging with HIV — taking action for today and for tomorrow.

HIV Age Positively embraces the ethos of thinking and doing things differently. To provide innovative ideas and fresh perspectives, we work with "Future Thinkers" — individuals known for groundbreaking work inside and outside the HIV space.

Through the HIV Age Positively initiative, Gilead provides funding for projects inspired by thinking and doing things differently and that focus on one or more of the HIV Age Positively key focused areas: community action, personal health, equality and health services.



To learn more about Gilead HIV Age Positively, visit:

**GILEADGIVING.CO.UK**



3

4

10

17

## Providing Access to Our Medicines

To be effective at treating, preventing or curing disease, medicines must be available to the patients who need them. Through our Access to Medicines programs, Gilead is expanding access to treatment by helping patients overcome barriers to get the medicines they need.

Because obstacles to care can occur in both resource-rich countries and in the developing world alike, Gilead collaborates with governments, nongovernmental organizations, healthcare providers, payers and other partners around the world to increase access to treatment.

# Access to Our Medicines in the United States

The U.S. healthcare landscape is complex and can be difficult to navigate. To ease the burden this can place on patients and their caregivers, Gilead's patient assistance programs help provide access to medicines, copay assistance and counseling across our therapeutic areas and in accordance with all applicable laws.

In addition to discounting programs aimed at addressing affordability challenges for patients, Gilead is pursuing creative solutions to these challenges. For instance, in 2018, Gilead authorized the launch of generic versions of Epclusa and Harvoni in the United States starting in January 2019 through our separate subsidiary, Asegua Therapeutics LLC. The authorized generics will allow for greater access for patients.

## Gilead Patient Support Programs

- **Patient Counseling.** Our case managers help patients navigate insurance coverage and access to treatment. Assistance includes finding alternative coverage and copay support when appropriate.
- **Assistance for Individuals Living With HIV.** Gilead works with state AIDS Drug Assistance Programs to provide lower pricing for our HIV medicines. Approximately half of all individuals taking Gilead HIV medicines in the United States receive them through federal and state programs at substantially discounted prices. Gilead's Truvada for PrEP Medication Assistance Program helps provide access to Truvada for PrEP for eligible individuals in the United States without insurance. Gilead also offers a copay assistance program to help eligible people with insurance offset any out-of-pocket costs. The program provides consistent access for both prevention and treatment indications.

We Believe  
No One Can Do It Alone

- **Patient Assistance Programs.** Eligible patients without insurance can apply to our Patient Assistance Program to receive free treatment, directly from Gilead.

## Expanded Access Program

For some people with serious or life-threatening conditions — who aren't eligible for clinical trials and for whom there are no therapeutic options available to meet their needs — Gilead's Expanded Access Program offers access to our investigational medicines. The program varies regionally as a result of the unique regulatory mechanisms worldwide. Since investigational medicines have not yet received regulatory approval, their potential risks and benefits are not yet established. Patients and their physicians must carefully consider all possible benefits and risks before seeking access through compassionate use.

## Rapid Access to Our Medications Program

Gilead also recognizes that extreme weather events can threaten health systems and interrupt access to care. In an effort to prevent interruptions to patients' treatment with Gilead medicines in the continental United States and territories, we have implemented emergency disaster procedures through our Patient Support Programs. Gilead works with healthcare providers and pharmacies to help provide prescribed Gilead medications to patients in need. Some individuals may be eligible to obtain a 30-day replacement supply of their Gilead medications at no cost.



## Access to Our Medicines in the Developing World

For more than 15 years, Gilead has carried out pioneering programs and partnerships that provide access to our medicines in low- and middle-income countries. During that time, we have learned there is no one-size-fits-all solution to treatment access challenges.

That's why we work with public health officials, community advocates, researchers, doctors and patients to understand barriers and opportunities, with a focus on communities impacted by HIV, viral hepatitis and visceral leishmaniasis. We apply a variety of approaches to increase disease awareness, engage partners strategically and deliver medicines efficiently. These include:

- **Tiered pricing**, with discounts on medicines based on disease burden and national per-capita income
- **Responsible generic licensing** of our products to enable high-quality, low-cost versions of our HIV and viral hepatitis medicines in low- and middle-income countries
- **Advocacy for public health initiatives** and policies that maximize patient reach and prevent new infections
- **Strengthening health systems** to bolster diagnostic, treatment and surveillance capacity
- **Collaborative research** that targets innovative therapies, informs drug delivery and helps countries map disease burdens

For more information about these and other initiatives to improve global access to lifesaving medicines and public health education, refer to our 2018 Impact Report for emerging markets.

## Giving Back to Our Communities

At Gilead, we know that we alone cannot solve the challenges that patients and communities face in accessing the best possible care. Gilead's corporate giving programs fund projects that support underserved communities that systematically experience social or economic obstacles to health. We build relationships with patient advocates, nonprofits and healthcare professionals around the world who work tirelessly in local communities to improve people's lives day after day.



In 2018, Gilead provided almost \$400 million in cash donations to reduce health disparities, eliminate the barriers to healthcare encountered by underserved populations, advance education among healthcare professionals and support the local communities in which we operate. We also made donations to support relief efforts for communities recovering from wildfires in California, hurricane damage in the Eastern United States, flooding in India and an outbreak of Ebola in the Democratic Republic of Congo.

## Gilead COMPASS Initiative™

The South is home to one-third of the U.S. population but saw 52% of new HIV infections and 49% of deaths from HIV in the country in 2017. Four of the five states with the highest rates of new HIV diagnoses in 2016 were in the South. To bring solutions to this hardest-hit region, Gilead launched the COMPASS (COMmitment to Partnership in Addressing HIV/AIDS in Southern States) Initiative in December 2017.

COMPASS is managed by three Coordinating Centers, which draw on their long history of local engagement to more effectively understand and develop programs that meet the unique needs of Southern communities:

- **The Rollins School of Public Health at Emory University** oversees programs for capacity building and shared knowledge.
- **The University of Houston Graduate College of Social Work (GCSW)** oversees programs that focus on well-being, mental health and trauma-informed care.
- **The Southern AIDS Coalition (SAC)** oversees awareness, education and anti-stigma campaigns.

We  
Believe

No One  
Can Do It  
Alone

# COMPASS INITIATIVE™

helps community-based organizations reduce HIV-related health disparities, build awareness, advance education and reduce stigma.

### In 2018, COMPASS Coordinating Centers

\$2.9M

8,313

18

delivered \$2.9 million in grants to support local organizations and evidence-based solutions to meet the needs of people living with and impacted by HIV/AIDS.

promoted visibility of the program to 8,313 advocates at six conferences throughout the region.

hosted 18 shared learning opportunities designed to foster collaboration through best practices and connection with subject-matter experts.



## Partnerships to Advance Education and Improve Cancer Care



In 2018, Gilead launched Lift™, an initiative to provide project grants to organizations focused on cell therapy, a cutting-edge immunotherapy that modifies a patient's immune cells to target cancer cells. Our Lift grantees include:

- American Society for Blood and Marrow Transplantation
- Arm Foundation for Regenerative Medicine Education and Research
- Be The Match Foundation
- Cancer Support Community
- Lazarex Cancer Foundation
- Leukemia & Lymphoma Society
- Lymphoma Research Foundation

Lift grants will be used for projects that increase awareness and education, improve the experience of patients, their families and caregivers, and increase access to clinical trials.



We  
Believe  
Our  
Business Is  
Sustainable

PRACTICES & ENVIRONMENT



# Caring for the Environment

James O'Regan is on a mission: to positively impact his community by reducing Gilead's footprint in it. As the sustainability manager at our manufacturing facility in Cork, Ireland, he's doing just that. Last year, Cork marked its sixth consecutive year as a zero-waste facility, running on 100% renewable energy.



For more about how  
James and the Cork team are  
keeping things green, visit:  
**GILEAD.COM/YIR2018**

# 5    A Smarter, 12    Smaller Footprint

Gilead is committed to the socially and environmentally responsible production of medicines to help people living with some of the world's most serious illnesses.

Through the years, we have developed a worldwide sustainability strategy built on our initiatives to reduce the impact associated with our supply chain, the manufacturing and distribution of our products, and the design, construction and operations of our worldwide corporate facilities.

Over the past 14 years, Gilead's real estate portfolio has grown to over 6.2 million square feet. We use responsible growth strategies to minimize our environmental impact and improve our operational efficiency while pursuing our vision to advance therapies for life-threatening diseases worldwide.

Our international facilities master plan is a valuable resource for thoughtfully managing our infrastructure and real estate decisions.

At Gilead, we are doing our part to transition to a low-carbon future and mitigate the effects of climate change. In line with the Paris Agreement's central aim of keeping the global temperature rise below 2 degrees Celsius this century, we have established a goal to reduce our global Scope 1 and 2 greenhouse gas emissions by 25% by 2025, compared with a 2016 baseline.

We  
Believe

Our  
Business Is  
Sustainable

## Green Buildings at Gilead

Our buildings house the laboratories where we develop the medicines that help millions of people around the world live healthier lives. Embracing core sustainability and green building practices, such as conserving natural resources, eliminating unnecessary waste and responsibly sourcing materials, has enabled us to better deliver high-performance working environments that operate efficiently and promote the health and productivity of our employees.

Partnering with building designers, engineers and contractors who share our commitment to sustainability adds value through all phases of the development process. It also streamlines our efforts to align with local green building standards including Leadership in Energy and Environmental Design® (LEED®) and Building Research Establishment Environmental Assessment Method® (BREEAM®).

In 2018, Gilead began taking steps toward LEED Silver certification for a new site in Frederick, Maryland, and BREEAM certification for a new site in Hoofddorp, Netherlands. These sites will expand Gilead's portfolio of facilities that either are pursuing or have achieved green building recognitions.



## 2018 Gilead Site Highlights



### Foster City, California, United States

At the start of 2018, 100% of the electricity supplied to our worldwide headquarters was sourced from renewable energy.



Renewable energy procurement efforts at Foster City and Cork, Ireland, demonstrated a 16% reduction of Scope 1 and 2 emissions — achieving over half of our 2025 GHG reduction goal. Procurement efforts were expanded at Foster City in 2018.



### Edmonton, Alberta, Canada / ISO 14001: 2015

Recovering high-purity wastewater from laboratories to cool vacuum pumps on-site will save 7,884 million liters of freshwater per year.



### Stockley Park, England

Stockley Park eliminated the use of plastic water bottles from the site, avoiding waste from over 320,000 single-use plastic bottles per year.

Driven by growth and activity at newly built facilities, our total energy consumption increased 9% from our 2016 baseline. However, over that same time, our investments in procuring low-carbon sources of energy reduced our worldwide Scope 1 and 2 (market-based) greenhouse gas emissions by 16%. Gilead is actively looking for opportunities to increase the proportion of our energy derived from renewable sources.

## Environmental Performance Summary

We Believe

Our Business Is Sustainable

	Units	2017	2016
Total area of facilities worldwide under operational control	Million sq. ft.	5.99*	4.75
<b>ENERGY USE</b>			
Total energy consumption	MWh	365,842	337,003
Renewable energy purchased	MWh	37,430	0
<b>GREENHOUSE GAS EMISSIONS</b>			
Scope 1	MT CO <sub>2</sub> e	46,363	44,472
Scope 2 (Market-based)	MT CO <sub>2</sub> e	23,132	38,295

\* This is a restatement of the square footage value reported on pg. 47 of the 2017 Year in Review.  
Refer to disclosure 102-48 in the GRI Content Index for additional details.

## Responsible Delivery Systems

Gilead's Pharmaceutical Development and Manufacturing (PDM) team is responsible for ensuring that our therapies are available when and where patients need them. We use a combination of company-owned facilities and an expanding network of international partners to manufacture, package and distribute our products.

To meet the growing demand for innovative medicines in areas of unmet need, we constantly are working to optimize and diversify manufacturing capabilities. In 2001, when Viread™ (tenofovir disoproxil fumarate or TDF) was launched, Gilead produced about 111,000 bottles at one manufacturing site — the equivalent of a year's supply for 9,000 patients. In 2018, Gilead produced 18 million bottles of solid-dose tablets, capsules and pediatric formulations, and 8.6 million sterile vials were manufactured at more than a dozen partner sites worldwide.

As we increase manufacturing production, we are committed to doing so in a socially and environmentally responsible manner. Gilead's suppliers for active pharmaceutical ingredients (APIs) and drug products must observe good manufacturing practice (GMP) regulations as required by the U.S. Food and Drug Administration (FDA) and other relevant health authorities worldwide. GMP covers all aspects of production including manufacturing procedures, testing methods, maintenance of premises and equipment, training, personal hygiene of staff, and appropriate documentation.

To maintain the highest levels of quality, our products are packaged and distributed in accordance with industry regulations and standards. We regularly assess our operations to identify opportunities to enhance these processes without compromising quality.

At the end of 2018, Gilead consolidated product shipments from our sites in San Dimas and La Verne, California, to our distribution centers in the Midwest and East Coast, reducing our annual ground freight mileage by 59%.

In 2018, Gilead began utilizing a new distribution site in Ohio. The strategic location of this facility substantially reduces the shipping distances of our products packaged at manufacturing partner sites in the Midwest and eastern United States and provides additional product storage capacity, helping to mitigate potential supply-chain disruption risks.

## Better Yields With Green Chemistry

Gilead uses green and sustainable chemistry practices to reduce the environmental impacts of our manufacturing processes. Our process chemists develop and implement new green chemistry protocols such as innovative use of enzymatic catalysis, flow chemistry and use of greener solvents in API synthesis. Green chemistry practices have allowed us to:

- Improve the potency of APIs and significantly reduce chemical waste from the production of Biktarvy, a single tablet regimen launched in 2018 for the treatment of HIV
- Significantly reduce the process mass intensity (PMI) of two investigational compounds currently in development

PMI is a green chemistry metric used to quantify the efficiency of a process. PMI represents the mass of all process inputs such as substrates, reagents, solvents and water, divided by the mass of the isolated product. The PMI of an entire API process or route can be analyzed to evaluate the contribution of each input category (substrates, reagents, solvents, water). This analysis is used to identify opportunities to improve our API manufacturing processes.

We  
Believe  
  
Our  
Business Is  
Sustainable

## Pharmaceuticals in the Environment

Pharmaceuticals in the environment (PiE) can have serious health consequences for people and wildlife. Pharmaceuticals typically reach the environment through the excretions of treated patients, improper disposal of medications and releases from production facilities into local water sources.

Gilead's manufacturing facilities maintain high operational standards and do not release active pharmaceutical ingredients into the environment. We adhere to strong internal policies and operate in compliance with regulatory requirements for wastewater discharge and solid waste disposal.

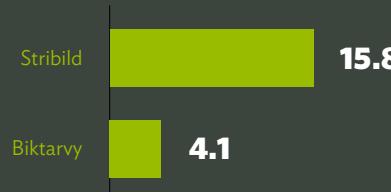
Gilead is a member of the Pharmaceutical Product Stewardship Work Group (PPSWG), a membership association for drug manufacturers formed to address the complex issues associated with disposal of unused and unwanted pharmaceutical products. PPSWG provides members with a platform to organize and present science-based data about safe pharmaceutical disposal practices and coordinates the industry's efforts to raise awareness about appropriate disposal methods. PPSWG also helps manufacturers understand and comply with enacted drug take-back and stewardship laws and ordinances nationwide.

Through PPSWG, Gilead supports consumer-focused drug take-back and stewardship efforts by MED-Project, which performs medication education and disposal work in jurisdictions across the country. In 2018, Gilead contributed \$19,894 to support MED-Project take-back efforts. As of December 2018, MED-Project serviced approximately 614 active medication disposal kiosks that collected more than 110 metric tons of unwanted medications. MED-Project received over 2,400 unwanted medical mailers from distribution programs in California and Washington and held in-person drug take-back events in San Francisco and Alameda County, California, that collected more than 1.3 metric tons of unwanted medications.

**By improving drug potency and using green chemistry techniques, we reduced the chemical waste associated with the API manufacturing of Biktarvy by 74% per patient per year compared with Stribild, Gilead's previous generation of HIV fixed-dose combination tablet containing four drug substances.**

A single 275 mg tablet of Biktarvy has the same API potency as an 800 mg tablet of Stribild but eliminates 11.7 kilograms of chemical production waste per patient each year.

### Gilead HIV Single Tablet Regimens Annual Chemical Waste Produced (kg/patient/year)



In 2018, Gilead joined the American Chemical Society Green Chemistry Institute Pharmaceutical Roundtable (ACS GCIPR). As a member, Gilead is involved in the development of tools and educational resources to facilitate global collaboration and influence the pharmaceutical industry research agenda.

## Working With Suppliers That Share Our Values

To ensure we are consistently providing the highest quality therapies, we partner with suppliers that share similar principles in responsible sourcing, supplier inclusion, risk management, sustainability, auditing, green chemistry, manufacturing and distribution. Across our supply chain, we vehemently oppose and condemn

the use of child labor; unfair treatment, wages and benefits, and working hours; forced labor; human trafficking; and discrimination based on race, color, gender, religion, disability, sexual orientation, gender identity or expression. We also support full compliance with all applicable legislation including the United Kingdom Modern Anti-Slavery Act.

### Responsible Sourcing Program

Gilead's responsible sourcing program builds relationships with suppliers that meet our criteria for inclusion and diversity, health and safety, human and labor rights, anti-corruption, environmental performance, and other supplier management considerations.

#### Three Pillars of Responsible Sourcing

Gilead suppliers must align with our core values and meet financial and performance criteria in order to be qualified for business with Gilead



##### Supplier Inclusion

Inclusion of small and/or diverse suppliers



##### Risk Mitigation & Performance

ESG risk, financial risk, geographic risk, supplier code



##### Sustainability

GHG emissions, environmental impact, green procurement

## Supplier Inclusion

**Our vision is to become a biopharmaceutical industry leader for supplier inclusiveness.**

Inclusion and diversity fuel innovation within Gilead, and also help us forge stronger, more productive supply-chain partnerships. Our vision is to become a biopharmaceutical industry leader for supplier inclusion. We are committed to creating and fostering an inclusive and high-performing supply base where we embrace and leverage the unique talents of small businesses and/or businesses owned by women, minorities, LGBTQ individuals, veterans, and service-disabled veterans.

In 2018, we established the following inclusion targets:

- Spend \$300 million with small businesses
- Establish supplier inclusion champions in select business functions
- Further integrate supplier inclusion into our procurement processes and procedures

To help us build capacity and grow relationships with inclusive suppliers in 2018, we partnered with the following organizations:

- **Diversity Alliance for Science.** An alliance that identifies small and/or diverse businesses with which Gilead and its industry peers can partner.
- **Supplier Diversity Pharmaceutical Forum.** A forum where members are dedicated to:
  - Driving business results through innovation, agility and performance
  - Mentoring and developing small and diverse suppliers

- Pursuing inclusive procurement
- Sharing best practices

- **Western Regional Minority Supplier Development Council.** A group that supports the growth and welfare of minority communities by championing the use of minority-owned businesses in Northern California, Nevada and Hawaii.

## Risk Management and Performance

Gilead is a long-standing member of the Drug Insurance Group (DIG), a consortium of global companies representing the pharmaceutical, biotech, diagnostics and medical device industries to exchange information and ideas to promote risk and insurance management.

In 2018, Gilead launched a three-year responsible-sourcing strategic plan to enhance our supplier risk management and performance assessment, reporting, auditing and procurement integration efforts.



### Initial Assessment

Initial assessment of suppliers through supplier code and PSCI



### Supplier Reporting

Implement self-assessment tool and send to top 80% + "secondary critical" suppliers



### Expand & Audit

Expand self-assessment and audit critical suppliers



### System Integration

Responsible sourcing fully integrated, including buy-desk/supplier onboarding and SRM

Integral to this plan is our Supplier Code of Conduct, which establishes minimum requirements for supplier diversity, labor practices, human rights, environmental health and safety, environmental impact, and management systems. We aim to have 90% of our suppliers (by annual spend) agree to our Supplier Code of Conduct by 2020.

By the end of 2018, 400 suppliers representing close to \$2 billion in annual spend agreed to our Supplier Code of Conduct.

## Supplier Sustainability

To help improve the sustainability performance of our supply-chain partners, we joined the Pharmaceutical Supply Chain Initiative (PSCI) in 2018. Our goal is to have our preferred suppliers align with PSCI guidelines and have sustainability targets in place and regularly reviewed by 2021. We plan to initially work with select suppliers to establish greenhouse gas (GHG) reduction targets, and we plan to expand this process to include a larger share of our suppliers in the future.

## Auditing Procedures

Gilead's Environmental Health and Safety (EH&S) auditing program for drug substances has conducted more than 100 on-site audits or EH&S visits to 75 unique suppliers since the program was established in 2015.

These site visits and audits determine the extent to which chemical raw materials manufacturers and suppliers of finished APIs meet Gilead's EH&S standards for practices, including capture of volatile organic compounds, chemical solid waste disposal, solvent recycling, and compliance with local and international standards.

Our assessment, risk mitigation and auditing procedures are continually evolving to ensure that our products are consistently produced and controlled according to quality standards such as GMP. We work closely with our suppliers to identify practical improvement areas and share best practices for reducing or eliminating risks.

We Believe  
Our Business Is Sustainable

We continually monitor our supply chain for adequate capacity, diversification, potential risks, and adherence to Gilead policies and governing regulations such as the Foreign Corrupt Practices Act (FCPA), the U.S. Trafficking Victims Protection Act (TVPA), and other applicable labor and environmental regulatory policies.

Refer to the Ethics and Code of Conduct section of our website for more information about how we evaluate and address the risk of ethical violations for all countries involved in our supply chain.

If we encounter actual or potential violations of our company policies or governing regulations, we recommend corrective action and flag the supplier for follow-up evaluations. Certain violations, such as the use of forced labor, human trafficking or environmental negligence, would lead Gilead to terminate our agreement with the supplying organization and remove it from our supply chain.

## Safety, Ethics and Transparency

Gilead adheres to strict product safety, labeling, marketing, data security and anti-counterfeiting guidelines. All of our products undergo rigorous development, testing and clinical trials, and we use labeling and marketing practices pursuant to governing policies and regulations. Gilead did not receive any official warnings, fines or penalties in 2018 related to our marketing or labeling practices.

To protect personal data, we use a combination of in-house technology and third-party security services and systems to comply with data protection regulations such as the European Union General Data Protection Directive. There were no substantiated complaints concerning breaches of customer privacy or losses of customer data in 2018.

Our anti-counterfeiting team consists of brand protection, legal, security, supply-chain, quality and packaging professionals who protect patient safety by using measures to help detect, stop, deter and report illicit sales of counterfeit or diverted medicines.

3  
13

# Sustainability: Climate Change, the Environment and Global Health

Climate change, intensified by greenhouse gas (GHG) emissions, threatens the health of populations and environments worldwide. Often, the populations most impacted by the effects of climate change are the same underserved communities where Gilead provides medical care for life-threatening medical conditions such as HIV, viral hepatitis and visceral leishmaniasis.

The impact of climate change on underserved and at-risk populations has important implications for global health. These include increased transmission of serious diseases, compounding health risks for the young and elderly, and greater danger for those already immunocompromised. As global citizens providing care, Gilead stands by our patients, at-risk populations and the environment through our ambitious GHG strategy.

We  
Believe  
  
Our  
Business Is  
Sustainable

## Greenhouse Gas Prevention

Each year, we measure our Scope 1 and 2 GHG emissions resulting from our business activities worldwide and the Scope 3 emissions associated with our business travel. For this report, Gilead's greenhouse gas reporting boundary includes all sites for which Gilead maintained operational control between Jan. 1, 2017, and Dec. 31, 2017. Bureau Veritas North America Inc. completed limited assurance using the International Organization for Standardization (ISO) 14064-3 standard for greenhouse gas assertions.

Gilead will publish a verified 2018 worldwide greenhouse gas inventory in 2019 when data are available.

## GHG Reduction Initiatives

Our baseline year for measuring GHG reductions is 2016, the first year we tracked Scope 1 and 2 emissions for all sites under our operational control.

**In 2018, Gilead established a target to reduce absolute Scope 1 and 2 (market-based) GHG emissions by 25% by 2025 compared with our 2016 baseline.**

To meet this goal, which is in line with the Paris Agreement's central aim of keeping the global temperature rise below 2 degrees Celsius this century, we developed a multiyear plan that includes procuring renewable energy for high-impact locations and applying energy efficiency technologies and measures to improve the performance of our facilities.



In 2017, Gilead reduced absolute Scope 1 and 2 (market-based) GHG emissions by 13,272 metric tons of carbon dioxide equivalent (MT CO<sub>2</sub>e), which is equivalent to a 16% reduction from our 2016 baseline emissions.



We Believe

Our Business Is Sustainable

#### Scope 1, 2 and 3 GHG Emissions From Gilead Worldwide Operations

Reporting Units: MT CO <sub>2</sub> e	2017	2016
Scope 1	46,363	44,472
Scope 2 (Market-based)	23,132	38,295
Scope 2 (Location-based)	36,018	39,353
Scope 3 (Business air travel)	25,094	21,600

#### GHG Emissions Intensity

Reporting Units: kg CO <sub>2</sub> e per square foot	2017	2016
Scope 1	7.75	9.36
Scope 2 (Market-based)	3.86	8.06
Scope 2 (Location-based)	6.02	8.28

## Alternative Transportation

Gilead proactively supports our employees in finding alternative, low-impact means of transportation through a variety of programs and initiatives including:

- Providing local and regional commuter bus services to and from campus
- Supporting carpool programs through subsidies and other incentives
- Locating offices near public transit
- Installing electric vehicle charging stations
- Encouraging bicycle transportation through installation of showers within facilities and partnering with bicycle service providers

### 2018 Foster City Transportation Metrics



**415**

commuters transported by Gilead's employee bus per day



**1,831**

metric tons of CO<sub>2</sub>e emissions reduced from employee vehicles through commuter bus program

We Believe

Our Business Is Sustainable

7

## Energy Use

Gilead's energy management strategy supports lean, effective and high-quality therapeutic development through optimized processes and facility operations. In 2017 and 2018, we realized major reductions in our energy footprint through investing in renewable energy, implementing energy-efficiency measures and adopting advanced energy processes.

At the start of 2018, we procured 100% renewable electricity for our headquarters campus in Foster City, California. This achievement represents a major milestone toward meeting our 2025 greenhouse gas emission reduction goal. Foster City joins our other campuses, such as our Cork, Ireland, and Cambridge, UK, sites, in procuring and installing green energy.

### Worldwide Energy Consumption

Each year, we track total energy use from nonrenewable sources and renewable energy generated from on-site systems and purchased from local utilities. We also track our energy use intensity to evaluate efficiency as our building portfolio grows.

Compared with our 2016 baseline year, our total energy use increased by 9% due to the organic growth of the organization, including activity at newly built sites.

### 2017 Worldwide Energy Consumption

Energy Source	Energy Consumption (MWh)	Energy Use Intensity (kWh/sq.ft)
Total energy consumption from renewable sources	37,430	6.3
Total energy consumption from nonrenewable sources	328,412	54.9
<b>Total combined energy consumption</b>	<b>365,842</b>	<b>61.1</b>

### Energy Efficiency

Building energy efficiency is a key driver to reducing our worldwide energy consumption. Our facilities personnel continuously monitor building energy use to identify trends and pinpoint opportunities for energy conservation.

Our commitment to renewable energy strongly supports our mission to reduce our worldwide environmental footprint:

- In 2018, Gilead implemented 99 energy efficiency projects worldwide, achieving an estimated total energy savings of 438 MWh.
- 100% of the electricity supplied to Gilead's facilities located in Foster City, California, and Cork, Ireland, was sourced from renewable energy.
- Our on-site rooftop solar photovoltaic system at Cambridge is capable of generating more than 200 kWh of renewable energy per day.

### 6

## Better Water Management

Beginning in 2018, the United Nations called for an International Decade for Action on Water for Sustainable Development. This call to action identifies access to clean drinking water, sanitation and hygiene as critical societal needs. With prolonged droughts in California and many other regions around the world where Gilead has operations, we have increased our focus on water conservation.

In December 2018, Gilead's Foster City campus completed a comprehensive upgrade to smart weather-based irrigation controllers.

To gain a better understanding of our worldwide impact on water supplies, we expanded our water use reporting boundary from our headquarters campus in Foster City, California, to include 24 sites for which we have operational control and/or pay for water directly. In 2017, Gilead consumed 466 ML of water from municipal sources.

### 2017 Worldwide Water Consumption

Water Source	Megaliters
Indoor use	386.0
Irrigation	80.0
Fire/life safety	0.1
<b>Total water consumption</b>	<b>466.1</b>



## Increased Recycling Efforts

We are committed to reducing waste generated from manufacturing our products, constructing new buildings and operating our existing facilities worldwide. To reduce impact on local landfills, we continuously monitor our operations to identify opportunities to reduce, reuse and recycle waste. From 2017 to 2018, we reduced our total waste sent to landfills by 6% at our Foster City headquarters.

In late 2017, we expanded our waste reporting boundary from our Foster City campus to include 23 worldwide sites for which we have operational control and/or pay for waste disposal directly. In 2017, we generated 95,184 metric tons of nonhazardous waste and 5,046 metric tons of hazardous waste; this will serve as our baseline year for future comparisons.

All hazardous and nonhazardous waste streams are picked up from our facilities and transported to local processing facilities by third-party vendors that must comply with local regulations.

### Our Collective Impact

Waste reduction and recycling requires a team effort at Gilead. With the support of our worldwide staff, we diverted 42,338 metric tons of nonhazardous waste from local landfills in 2017.

In September 2018, Gilead Foster City hosted a Shred and E-Waste event, collecting more than 3.4 metric tons of paper and electronic waste. We recycled 98% of the construction waste from the new pilot plant in Foster City, diverting more than 1,360 metric tons of debris from local landfills.

We  
Believe

Our  
Business Is  
Sustainable

### 2017 Worldwide Waste Disposal

Nonhazardous Waste Disposal	Metric Tons
Landfill	52,846
Organics	902
Recyclables	41,350
Incineration	27
Other	59
<b>Total</b>	<b>95,184</b>

Hazardous Waste Disposal	Metric Tons
Incineration	770
Energy recovery	1,917
E-waste recyclables	19
On-site storage	4
Neutralization	2
Solvent recovery	4
Metal recovery	1
Recovery for reuse	1
Deep-well injection	2,328
Landfill	0
<b>Total</b>	<b>5,046</b>



## Appendix

# About Gilead

Gilead Sciences, Inc. is a leading biopharmaceutical company that discovers, develops and commercializes innovative medicines in areas of unmet medical need.

We strive to transform the promise of science and technology into therapies that have the power to cure diseases or revolutionize the standard of care. Gilead's portfolio of products and pipeline of investigational drugs include treatments for HIV, liver diseases, cancer, and inflammatory and respiratory diseases.

Headquartered in Foster City, California, Gilead employed 10,825 full-time employees and engaged 1,108 temporary/agency\* workers in more than 35 countries on six continents in 2018.

\*Individuals who are employed or engaged as an agency worker by a third-party temporary agency, and compensated by the same, to perform work for Gilead for a pre-defined timeframe.

# Our Governing Principles

As a company driven by science and dedicated to improving patient care and quality of life, Gilead adheres to the highest legal and ethical standards of business conduct to protect patient safety, the company and its employees.

Gilead's board of directors serves stockholders by overseeing the management of our business. The board, our leadership team and all employees at Gilead are responsible for upholding the corporate values of integrity, inclusion, teamwork, excellence and accountability. In addition, every Gilead employee must comply with our Code of Ethics and Anti-Bribery and Anti-Corruption Policy, as well as other business conduct and corporate policies.

Our board has four committees: 1) Audit Committee, 2) Compensation Committee, 3) Nominating and Corporate Governance Committee, and 4) Scientific Committee. Our Board Guidelines and Committee Charters can be found on the Investors page of our website. Listing rules require that a majority of the members of a public company's board of directors qualify as "independent." All our committees are composed of independent board members. As of March 1, 2019 (upon Daniel O'Day's appointment and John Martin's resignation), eight out of nine members were independent.



## The Code We Stand By

All of Gilead's governance bodies and employees must comply with our Code of Ethics and Anti-Bribery and Anti-Corruption (ABAC) policy. These and other corporate policies are available on GNet, our company intranet, which is accessible to 100% of managers and employees. In 2018, ABAC trainings were provided to more than 9,000 employees and contractors, our Audit Committee, which is a subset of our board of directors, and regional business partners and distributors located in Asia, North America and South America.

The success of Gilead's Code of Ethics depends upon employee compliance with relevant laws, rules and regulations associated with their employment, including laws prohibiting insider trading.

We assess the adequacy of our key corporate policies annually to help ensure they are consistent with current regulations and good governance practices.

With products distributed throughout the world, Gilead, our affiliates and others acting on Gilead's behalf are required to comply with all applicable anti-corruption laws. These laws include the United States Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act and other applicable laws. Gilead offers training materials to employees and other relevant individuals and organizations to communicate Gilead's prohibition against corrupt or unethical activity.

Gilead performs internal and external audits to monitor for compliance with regulatory and company policies. In 2018, audits were performed in roughly 30 countries for financial or FCPA compliance.

In 2018, there were no findings of corruption or other healthcare compliance violations from any government body.

## Our Approach to CSR

For more than 30 years, Gilead has discovered, developed and expanded access to best-in-class therapeutics that treat life-threatening illnesses. To ensure we can continue to execute this mission in the future while reducing the social and environmental impacts resulting from our business activities, we have built a corporate social responsibility (CSR) program that focuses on patients, society, the planet and our business.

Our objective is to reduce our impact on climate change, foster better communities, attract and retain top-tier employees, mitigate supply-chain risks and prepare for future regulatory changes.

In 2018, we assembled a CSR committee to shepherd our vision and build accountability for driving positive social and environmental change across our company and supply chain. Leaders from Human Resources, Legal, Operations and Public Affairs are responsible for reviewing and making decisions on our CSR-related strategies, stakeholder engagement, reporting, risk mitigation, and other relevant activities of Gilead and our subsidiaries. At least annually the CSR committee provides a report to the Nominating and Corporate Governance Committee of Gilead's Board of Directors.

### CSR Management, Stakeholder Engagement and Materiality

Gilead uses a companywide management approach to continuously monitor internal and external material impacts, with the purpose of reducing the potential or actual negative impacts associated with company operations. Business leaders with direct oversight over each topic area are responsible for managing impacts. Internal





# Center for Political Accountability Ranking #24

Gilead scored

**94.3** out of **100**

— 24th place — in the 2018 CPA-Zicklin Index of Corporate Political Disclosure and Accountability, which analyzes transparency of corporate political spending by large U.S. publicly held companies. The ranking earns us a top-tier Trendsetter mark among the S&P 500.

and external stakeholders evaluate the effectiveness of Gilead's management approach each year to identify strengths and areas for improvement.

Every three years, we evaluate our CSR management approach, stakeholder engagement process and material impacts to maximize the effectiveness of our companywide CSR program. Our last stakeholder engagement and materiality exercise occurred in 2017.

## Internal Stakeholders

Internal stakeholders representing Corporate Communications, Corporate Contributions, Access Operations and Emerging Markets, Pharmaceutical Development and Manufacturing, Global Commercial, Commercial Process Optimization, Environmental Health and Safety, Facilities, Human Resources, Legal, Tax, Investor Relations, and Regulatory Affairs were engaged to discuss sustainability-related topics.

## Material Topics

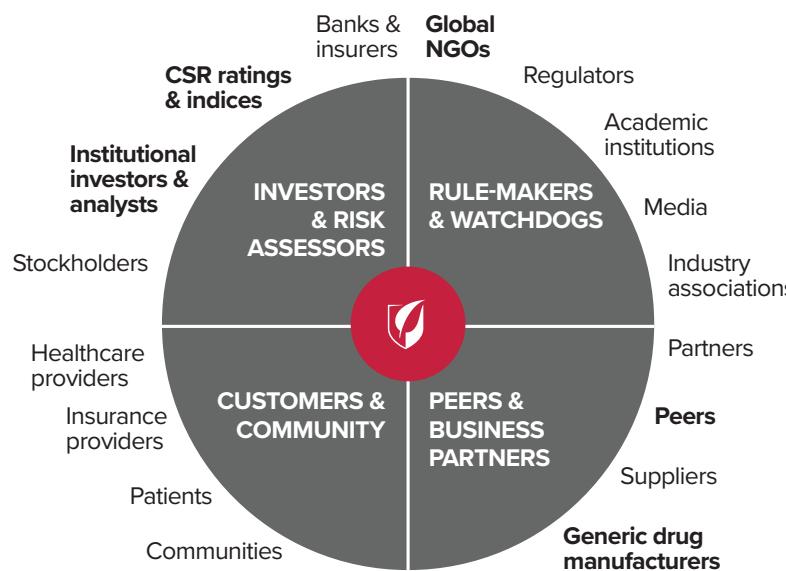
<b>Corruption and bribery</b>	Compliance with state, federal and international laws pertaining to healthcare fraud and abuse.
<b>Drug safety and anti-counterfeiting</b>	Recalls and adverse events; providing relevant information; efforts against counterfeiting.
<b>Access and pricing</b>	Providing access to products around the world, including efforts to ensure fair pricing.
<b>Giving</b>	Charitable efforts aimed at reducing disparities, providing access, advancing medical education and supporting local communities.
<b>Employee health and safety</b>	Efforts to eliminate all serious accidents and manage occupational health and safety risks to ensure employees do not come to any harm while at work.
<b>Employee wellness, development and engagement</b>	Efforts to promote employee wellness, development and engagement; employee benefits and well-being; recruiting and retention.
<b>Inclusion and diversity</b>	Efforts to promote inclusion and diversity.
<b>Climate change and energy</b>	Reducing greenhouse gas emissions associated with company operations and products by using energy efficiently.
<b>Ethical supply chain</b>	Ethical sourcing, ensuring suppliers uphold appropriate standards on corporate responsibility issues.
<b>Manufacturing and supply-chain management</b>	Managing quality, production capacity and inventory in manufacturing and supply chain.
<b>Green chemistry</b>	Design of chemical products and processes that reduce or eliminate the generation of hazardous substances.
<b>Responsible marketing</b>	Efforts to ensure that marketing is conducted ethically and complies with local laws and regulations.
<b>Waste</b>	Hazardous and nonhazardous waste recycling.
<b>Water</b>	Efforts to manage or reduce water use from our operations.



## External Stakeholders

Gilead's external stakeholders included 17 stakeholder groups across the following four categories.

Business leaders across the company selected the following material topics for our CSR Program based on the extent to which Gilead has internal or external influence, our relative impact, peer evaluations and due diligence.



## GRI Content Index

Disclosure <sup>(a)</sup>	Description	Reference	UN SDG	UNGC	Page #	Reporting Boundary
<b>GRI 102: General Disclosures</b>						
102-1	Name of the organization	Appendix, About Gilead			p.100	Worldwide
102-2	Activities, brands, products and services	Science & Innovation, The Science Driving It All			p.27	
102-3	Location of headquarters	Appendix, About Gilead				
102-4	Location of operations	Appendix, About Gilead			p.100	
102-5	Ownership and legal form	Gilead Sciences, Inc. is a publicly traded Delaware corporation				
102-6	Markets served	Africa, Asia, Australia, Europe, Middle East, North America and South America				
102-7	Scale of the organization	Our Purpose, Looking at 2018			p.11	
		Appendix, About Gilead			p.100	
102-8	Information on employees and other workers	Appendix, About Gilead	1, 6		p.100	
102-9	Supply chain	Practices & Environment, Responsible Delivery Systems	4, 5, 6, 8, 9, 10		p.81	
102-10	Significant changes to the organization and its supply chain	Practices & Environment, Responsible Delivery Systems			p.82	
102-11	Precautionary principle or approach	Appendix, Our Approach to CSR		7	p.103	
102-12	External initiatives	Our Purpose, About This Report			p.5	
102-13	Memberships or associations	Science & Innovation, Our Partnerships	1		p.36-37	
102-14	Statement from senior decision-maker	Our Purpose, CEO Letter			p.8-9	

(a) All disclosures reference GRI 2016 Standards and have a reporting period of Jan. 1, 2018 to Dec. 31, 2018 unless the disclosure is marked with (b) or (c)

(b) Disclosure references GRI 2018 Standards

(c) Reporting period covers Jan. 1, 2017 to Dec. 31, 2017

(d) Includes worldwide sites for which Gilead maintained operational control and/or paid utilities directly in 2017



## APPENDIX

## APPENDIX



Disclosure <sup>(a)</sup>	Description	Reference	UN SDG	UNGC	Page #	Reporting Boundary	
<b>GRI 102: General Disclosures</b>							
102-16	Values, principles, standards and norms	Appendix, Our Governing Principles		1, 2, 3, 4, 5, 6, 7, 8, 9, 10	p.101	Worldwide	
102-20	Executive-level responsibility for economic, environmental and social topics	Appendix, Our Approach to CSR		1, 7, 10	p.103		
102-40	List of stakeholder groups	Appendix, CSR Management, Stakeholder Engagement and Materiality			p.104, 106		
102-41	Collective bargaining agreements	All Gilead employees in Austria, Belgium, Brazil and Spain (3 percent of worldwide workforce) were subject to collective bargaining agreements in 2018		3			
102-42	Identifying and selecting stakeholders	Appendix, CSR Management, Stakeholder Engagement and Materiality		p.103-105	p.5		
102-43	Approach to stakeholder engagement						
102-44	Key topics and concerns raised						
102-45	Entities included in the consolidated financial statements						
102-46	Defining report content and topic boundaries	Our Purpose, About This Report			p.5	Worldwide	
102-47	List of material topics						
102-48	Restatements of information	The total square footage of corporate facilities reported on p.47 of the 2017 Year in Review has been corrected on p.82 of the 2018 Year in Review.					
102-49	Changes in reporting	Our Purpose, About This Report			p.5		
102-50	Reporting period						

(a) All disclosures reference GRI 2016 Standards and have a reporting period of Jan. 1, 2018 to Dec. 31, 2018 unless the disclosure is marked with (b) or (c)  
 (b) Disclosure references GRI 2018 Standards  
 (c) Reporting period covers Jan. 1, 2017 to Dec. 31, 2017  
 (d) Includes worldwide sites for which Gilead maintained operational control and/or paid utilities directly in 2017

Disclosure <sup>(a)</sup>	Description	Reference	UN SDG	UNGC	Page #	Reporting Boundary
<b>GRI 102: General Disclosures</b>						
102-51	Date of most recent report	May 2018				Worldwide
102-52	Reporting cycle	Annual				
102-53	Contact point for questions regarding the report	Korab Zuka, Vice President, Public Affairs, csr@gilead.com				
102-54	Claims of reporting in accordance with the GRI standards	Our Purpose, About This Report			p.5	
102-55	GRI content index	GRI Content Index			p.107-113	
102-56	External assurance	Practices & Environment, Greenhouse Gas Prevention			p.91	
<b>GRI 103: Management Approach</b>						
103-1	Explanation of the material topic and its boundary	Appendix, CSR Management, Stakeholder Engagement and Materiality			p.103-105	Worldwide
103-2	The management approach and its components					
103-3	Evaluation of the management approach					
<b>GRI 201: Economic Performance</b>						
201-1	Direct economic value generated and distributed	Our Purpose, Looking at 2018	5   7   9		p.10-11	Worldwide
201-3	Defined benefit plan obligations and other retirement plans	Working at Gilead, Compensation and Financial Benefits			p.44	

(a) All disclosures reference GRI 2016 Standards and have a reporting period of Jan. 1, 2018 to Dec. 31, 2018 unless the disclosure is marked with (b) or (c)  
 (b) Disclosure references GRI 2018 Standards  
 (c) Reporting period covers Jan. 1, 2017 to Dec. 31, 2017  
 (d) Includes worldwide sites for which Gilead maintained operational control and/or paid utilities directly in 2017



## APPENDIX

## APPENDIX

Disclosure <sup>(a)</sup>	Description	Reference	UN SDG	UN GC	Page #	Reporting Boundary	
<b>GRI 205: Anti-Corruption</b>							
205-1	Operations assessed for risks related to corruption	Appendix, The Code We Stand By	10	p.102	Worldwide		
205-2	Communication and training about anti-corruption policies and procedures						
205-3	Confirmed incidents of corruption and actions taken						
<b>2016 GRI 302: Energy</b>							
302-1 <sup>(c)</sup>	Energy consumption within the organization	Practices & Environment, Worldwide Energy Consumption	7 12 13	7, 8, 9	p.95-96	Worldwide <sup>(d)</sup>	
302-2	Energy consumption outside of the organization	Gilead does not currently track energy consumption outside of the organization, but may do so in the future.					
302-3 <sup>(c)</sup>	Energy intensity	Practices & Environment, Worldwide Energy Consumption	7 12 13	8	p.96		
302-4 <sup>(c)</sup>	Reduction of energy consumption	Practices & Environment, Energy Efficiency	7 12 13	7, 8, 9			
302-5	Reductions in energy requirements of products and services	Gilead does not currently track reductions in energy requirements associated with manufacturing its products, but may do so in the future.					
<b>GRI 303: Water</b>							
303-5 <sup>(b), (c)</sup>	Water consumption	Practices & Environment, Better Water Management	6	7, 8, 9	p.97	Worldwide <sup>(d)</sup>	

Disclosure <sup>(a)</sup>	Description	Reference	UN SDG	UN GC	Page #	Reporting Boundary
<b>GRI 305: Emissions</b>						
305-1 <sup>(c)</sup>	Direct (Scope 1) GHG emissions	Practices & Environment, GHG Reduction Initiatives	3 12 13	7, 8	p.93	Worldwide <sup>(d)</sup>
305-2 <sup>(c)</sup>	Indirect (Scope 2) GHG emissions		3 12 13	7, 8		
305-3 <sup>(c)</sup>	Other indirect (Scope 3) GHG emissions		3 12 13	7, 8		
305-4 <sup>(c)</sup>	GHG emissions intensity		3 12 13	8		
305-5 <sup>(c)</sup>	Reduction of GHG emissions		3 12 13	7, 8, 9		
305-6	Emissions of ozone-depleting substances (ODS)		Gilead does not currently track ozone-depleting substances, but may do so in the future.			
<b>GRI 306: Effluent</b>						
306-2 <sup>(c)</sup>	Waste by type and disposal method	Practices & Environment, Increased Recycling Efforts	3 12 13	7, 8	p.98-99	Worldwide <sup>(d)</sup>
306-4 <sup>(c)</sup>	Transport of hazardous waste		3 12 13			
<b>GRI 308: Supplier Environmental Assessment</b>						
308-1	New suppliers that were screened using environmental criteria	Practices & Environment, Risk Management & Performance	7, 8	p.87		Worldwide
308-2	Negative environmental impacts in the supply chain and actions taken	Practices & Environment, Auditing Procedures				
<b>GRI 401: Employment</b>						
401-1	New employee hires and employee turnover	Working at Gilead, Our People by the Numbers	5	4, 5, 6	p.56	Worldwide
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Working at Gilead, How We Reward, Recognize, and Retain Employees			p.43-47	
401-3	Parental leave		5		p.46	

(a) All disclosures reference GRI 2016 Standards and have a reporting period of Jan. 1, 2018 to Dec. 31, 2018 unless the disclosure is marked with (b) or (c)

(b) Disclosure references GRI 2018 Standards

(c) Reporting period covers Jan. 1, 2017 to Dec. 31, 2017

(d) Includes worldwide sites for which Gilead maintained operational control and/or paid utilities directly in 2017

(a) All disclosures reference GRI 2016 Standards and have a reporting period of Jan. 1, 2018 to Dec. 31, 2018 unless the disclosure is marked with (b) or (c)

(b) Disclosure references GRI 2018 Standards

(c) Reporting period covers Jan. 1, 2017 to Dec. 31, 2017

(d) Includes worldwide sites for which Gilead maintained operational control and/or paid utilities directly in 2017



## APPENDIX

## APPENDIX

Disclosure <sup>(a)</sup>	Description	Reference	UN SDG	UN GC	Page #	Reporting Boundary
<b>GRI 403: Occupational Health and Safety</b>						
403-1	Workers representation in formal joint management-worker health and safety committees	Working at Gilead, Building a Culture of Workplace Safety			p.58	Worldwide
403-9 <sup>(b)</sup>	Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities					
<b>GRI 404: Training and Education</b>						
404-1	Average hours of training per year per employee	Working at Gilead, Professional and Personal Development	4   5	6	p.46	Worldwide
404-3	Percentage of employees receiving regular performance and career development reviews	Working at Gilead, Compensation and Financial Benefits	5		p.44	
<b>GRI 405: Diversity and Equal Opportunity</b>						
405-1	Diversity of governance bodies and employees	Working at Gilead, Our People by the Numbers	5	6	p.57	U.S. Only
405-2	Ratio of basic salary and remuneration of women and men	Working at Gilead, Compensation and Financial Benefits	5   10	6	p.44	U.S. Only
<b>GRI 413: Local Communities</b>						
413-1	Operations with local community engagement, impact assessments and development programs	Community Impact, Giving Back to Our Communities			p.69-73	Worldwide
<b>GRI 414: Supplies Social Assessment</b>						
414-1	New suppliers that were screened using social criteria	Practices & Environment, Risk Management & Performance	5		p.87	Worldwide
414-2	Negative social impacts in the supply chain and actions taken		5		p.88-89	

(a) All disclosures reference GRI 2016 Standards and have a reporting period of Jan. 1, 2018 to Dec. 31, 2018 unless the disclosure is marked with (b) or (c)  
 (b) Disclosure references GRI 2018 Standards  
 (c) Reporting period covers Jan. 1, 2017 to Dec. 31, 2017  
 (d) Includes worldwide sites for which Gilead maintained operational control and/or paid utilities directly in 2017

Disclosure <sup>(a)</sup>	Description	Reference	UN SDG	UN GC	Page #	Reporting Boundary
<b>GRI 416: Customer Health and Safety</b>						
416-1	Assessment of the health and safety impacts of product and service categories	Practices & Environment, Safety, Ethics and Transparency			p.89	Worldwide
<b>GRI 417: Marketing and Labeling</b>						
417-1	Requirements for product and service information and labeling	Practices & Environment, Safety, Ethics and Transparency	12		p.89	Worldwide
417-2	Incidents of noncompliance concerning product and service					
417-3	Incidents of noncompliance concerning marketing communications					
<b>GRI 418: Customer Privacy</b>						
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Practices & Environment, Safety, Ethics and Transparency			p.89	Worldwide

(a) All disclosures reference GRI 2016 Standards and have a reporting period of Jan. 1, 2018 to Dec. 31, 2018 unless the disclosure is marked with (b) or (c)  
 (b) Disclosure references GRI 2018 Standards  
 (c) Reporting period covers Jan. 1, 2017 to Dec. 31, 2017  
 (d) Includes worldwide sites for which Gilead maintained operational control and/or paid utilities directly in 2017