

Statement Regarding Forced and Child Labour (2023)

Pursuant to *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9.

Joint report on behalf of: Gilead Sciences Canada, Inc. and Gilead Alberta ULC

1. Introduction

This report is made pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) which requires that businesses report steps they have taken during the fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain. This is a joint report for Gilead Sciences Canada, Inc. (“Gilead Canada”), and Gilead Alberta ULC (“Gilead Alberta”). This report refers to the 2023 fiscal year, being January 1, 2023, to December 31, 2023. Both Gilead Canada and Gilead Alberta are subsidiaries of Gilead Sciences, Inc. (“Gilead US”).

References to Gilead Canada, Gilead Alberta, or Gilead US are specific to each entity. References to ‘Gilead’, ‘we’, ‘us’, or ‘our’ are reference to the Gilead group more broadly, of which Gilead Canada and Gilead Alberta are part of.

Gilead is committed to creating a healthier world for all people, and has a mission to discover, develop and deliver innovative therapeutics for people with life-threatening diseases through bold and transformative sciences.

Globally, Gilead’s principal business activity is the development, manufacturing, sale and distribution of pharmaceutical products for human healthcare. Gilead operates in a highly regulated environment. It uses a combination of Gilead owned facilities and strategic third-party partners to manufacture and distribute Gilead products worldwide.

Gilead sells pharmaceutical products to hospitals, retail pharmacies and other healthcare providers in Canada, the United States of America (“US”) and worldwide. Gilead also provides technical and support services to group companies in connection with our pharmaceutical products.

Gilead’s global headquarters are located in Foster City, California. Gilead Canada and Gilead Alberta are both based in Canada, in Ontario and Alberta respectively.

At Gilead, we are committed to maintaining the highest standards of legal and ethical conduct. Gilead recognizes the seriousness and importance of combatting modern slavery, forced and child labour, and human trafficking, and is committed to fully understanding and taking all appropriate action to address any slavery and human trafficking risks in our own business and in our supply chains.

We seek to conduct our business in a manner that respects the human rights and dignity of people. Each of us can play a role in the elimination of human rights abuses such as forced and child labour, slavery and human trafficking, and forced labour. We support and respect the protection of human rights and expect that our suppliers and business partners do the same.

2. Gilead Structure, Activities, and Supply Chains

Structure

Gilead Canada (business number: 602443) is a wholly owned subsidiary of Gilead US. Gilead Canada has approximately 181 employees and 7 contractors.

Gilead Alberta (business number: 2012792806) is controlled by its parent company, Gilead US, through GALLC. Gilead Alberta has approximately 363 employees and 5 contractors.

Activities

Gilead sells pharmaceutical products to hospitals, retail pharmacies and other healthcare providers in the Canada, US and worldwide. Gilead's global headquarters are located in Foster City, California. Gilead operates and manages its subsidiaries through global policies, systems and processes that are designed to ensure consistency across the group, including third party contract governance, audit processes and oversight.

Gilead Canada is the Canadian subsidiary of Gilead US. Gilead Canada sells and markets Gilead Products in Canada. Gilead Canada supports full-scale commercial, medical, regulatory, finance and legal operations for both Gilead US and Kite, a Gilead Company, within Canada.

Gilead Alberta is involved in the development of small molecule programs and provides active ingredients for Gilead's worldwide research programs. Gilead also leverages Canadian contract manufacturing capabilities to serve both local and global production. Approximately one-third of worldwide Gilead tablet requirements are produced via Canadian contract manufacturing.

Supply Chains

Gilead's supply chain includes hundreds of direct suppliers and thousands of indirect suppliers across the globe.

What Gilead Purchases

Gilead purchases goods and services that include but are not limited to creative and advertising services, construction, facilities operations and supplies, IT hardware, software and consulting services, lab equipment and supplies, logistics and distribution services, manufacturing raw

materials and services, market research, pre-clinical service, print services, real estate, staffing and consulting services, and travel related services.

Manufacturing and Production

Gilead uses a combination of company owned facilities and strategic third-party partners to manufacture and distribute products worldwide. With manufacturing sites located in the United States, Canada (Alberta) and Ireland, our Pharmaceutical Development and Manufacturing group is committed to reducing the environmental impact associated with manufacturing our products.

Gilead's suppliers for active pharmaceutical ingredients (APIs) and drug products are expected to observe Good Manufacturing Practice (GMP) regulations as required by the 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.

Additional Information about Gilead Canada and Gilead Alberta

Gilead Canada receives products for sale and distribution from Gilead owned manufacturing sites based in the US and Ireland, and within Canada (in Alberta) as well as third party manufacturers (Contract Manufacturing Organizations) in the US, and Canada. These products are sold and distributed across Canada.

Gilead Alberta receives raw material from Gilead owned manufacturing sites and third-party manufacturers across the world and in particular the United States, China, European Union, Mexico, Japan, Korea, and India. These raw materials are used to manufacture APIs which are sent to drug product manufacturers (both Gilead and third parties) who produce, package and label the end product. The end product is distributed across Canada and globally to be sold to end customers.

3. Gilead's policies and due diligence processes in relation to forced labour and child labour

Code of Ethics

Gilead's Core Values are integrity, teamwork, accountability, inclusion and excellence, embedding respect for human rights and labour rights across the business. This includes demonstrating ethical and moral conduct, as well as adhering to laws, regulations, and company policies. The Core Values, in particular the values of integrity and accountability, are interwoven throughout Gilead's Code of Ethics, which all employees, officers, directors and contractors of Gilead, its affiliates and subsidiaries (collectively "Gilead Personnel") are expected to comply with. Gilead also expects all third parties performing services for us, or with whom we partner or collaborate, to act in a way which is consistent with the principles in our Code of Ethics. The Code

of Ethics features a section on Commitment to Human Rights which states that we seek to conduct our business in a manner that respects the human rights and dignity of people and that each of us can play a role in the elimination of human rights abuses such as child labour, slavery and human trafficking, and forced labour. The expectation within the Code is for Gilead Personnel to support and respect the protection of human rights and ensure that suppliers and business partners do the same.

Reporting, Investigating Concerns and Internal Accountability

Gilead Personnel are expected to report potential violations of laws, regulations, company policies (including the Gilead Code of Ethics) and any other serious wrongdoing within Gilead. To facilitate disclosures and help protect anonymity, Gilead Personnel can report any concerns through Gilead's Ethics Hotline. Gilead investigates all allegations of misconduct and circumstances that implicate potential violations of laws, regulations or company policies. Violations are not tolerated and can lead to disciplinary action, including termination of employment (where applicable).

Supplier Code of Conduct

As part of our procurement and supply-chain strategy, we employ responsible sourcing, supplier inclusion, auditing procedures, green chemistry and sustainable manufacturing and distribution principles to minimize the impact from our procurement and supply chain practices.

At Gilead, we are committed to maintaining the highest standards of legal and ethical conduct and we expect the same of our suppliers. We endeavour to select suppliers who share these standards. Gilead maintains a Code of Conduct for suppliers ("Supplier Code of Conduct"), reflecting the business practices and principles of behavior that support this commitment. It should be considered against the backdrop of Gilead's corporate core values of Integrity, Teamwork, Accountability, Inclusion and Excellence. The Supplier Code of Conduct stipulates that suppliers are expected to comply with applicable laws and regulations. Notably, the Supplier Code of Conduct outlines that suppliers shall support the protection of internationally proclaimed human rights and ensure they are not complicit in any abuses of human rights, and specifically that suppliers shall not use child labour, forced labour, or human trafficking.

The Supplier Code of Conduct outlines, in addition to complying with applicable laws, each of us is required to apply common sense, together with our own highest personal ethical standards, in making business decisions where there is no stated guideline in the Supplier Code of Conduct. Unyielding personal integrity is the foundation of corporate integrity.

Gilead recently updated the Supplier Code of Conduct in March 2024 to further strengthen its commitment to human rights. In 2022, Gilead US initiated an enterprise-wide reassessment of how to ensure broader adoption of our Supplier Code of Conduct and implemented additional procedures such as conducting gap assessments and prioritizing further engagement with suppliers that have not yet signed.

The Supplier Code of Conduct is available to all Gilead suppliers to access on Gilead US's website, and steps are underway to strengthen its dissemination processes, primarily through enhanced onboarding and contract templates.

Supplier Certification

Gilead expects its suppliers to apply the principles of the Supplier Code of Conduct during the performance of each supplier's responsibilities. As Gilead's business expands into new markets and supply chains, Gilead has translated its Supplier Code of Conduct into ten languages. The Supplier Code of Conduct can therefore be shared with prospective suppliers globally and used as part of the supplier selection process. Refusal by a supplier to commit to the Supplier Code of Conduct's principles is an important factor in deciding whether to do business with a supplier. During 2022, Gilead achieved an increase of approximately 33% in the number of suppliers worldwide who signed the Supplier Code of Conduct, or confirmed they operate under a functionally equivalent counterpart at least as robust as Gilead's own Supplier Code of Conduct.

Gilead intends to automate a requirement for all new suppliers to read and acknowledge Gilead's Supplier Code of Conduct during the supplier onboarding process.

Contractual arrangements between Gilead and our suppliers stipulate compliance with applicable law and regulations. Gilead is entitled to terminate supplier contracts where suppliers have not met their contractual obligations. Gilead encourages suppliers to use management systems to facilitate continual improvement and compliance with the expectations of the Supplier Code of Conduct, and to identify, assess and manage risks in all areas.

4. The parts of Gilead's business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk

As part of Gilead group's procurement and supply-chain strategy, Gilead has responsible sourcing processes in place to minimize the impact from its procurement and supply chain practices.

Gilead recognizes that exposure to the risk of modern slavery increases when we engage with third parties, particularly in such areas of our business as catering, cleaning, transportation, protective equipment and clothing, warehousing, construction, manufacturing, packaging and promotional goods suppliers. Specific to the pharmaceutical industry, our raw materials are diverse, and are sourced from around the world. Our due diligence procedures include mapping and assessing our supply chain's exposure so that any mitigation efforts are directed towards locations and activities with the highest risks, however, these are not explicitly associated with forced and child labour in all instances. Gilead does not perform holistic supply chain mapping that includes partners of our supply chain network and other service providers that our supply chain depends on.

Gilead uses the policies and processes outlined in section 3 above to assess and manage the risks of slavery, human trafficking, forced and child labour in its supply chains. In addition, the below initiatives are undertaken.

Gilead US invests in cross-industry collaboration as part of our ongoing efforts to address a wide range of global challenges that affect communities worldwide. Gilead US has chosen to join other like-minded companies in support of the United Nations Global Compact (UNGC) – a voluntary initiative that is designed to align industries in the name of human rights, labour standards, environmental protection and anti-corruption practices. Gilead is integrating the UNGC principles into our strategy, culture and day-to-day operations.

Additionally, Gilead is committed to responsible supply chain practices. Gilead US joined the Pharmaceutical Supply Chain Initiative (“PSCI”) in 2018. The PSCI has developed standards on six issues common in supply chains: (1) Freely Chosen Employment, (2) Child Labour and Young Workers, (3) Non-Discrimination, (4) Fair Treatment, (5) Wages, Benefits, and Working Hours, and (6) Freedom of Association. These standards set our expectations on these issues. As a member of PSCI, Gilead promotes responsible practices that will continuously improve social, health, safety and environmentally sustainable outcomes. Gilead US actively participates in PSCI committees, driving positive change within Gilead, and across the pharmaceutical industry through collaborative efforts with peer member companies. Gilead US’s involvement with PSCI continues to shape our implementation of best practices, as outlined further below.

5. Remediation measures

There have been no identified or reported instances of forced labour or child labour in Gilead’s supply chain. Therefore, Gilead has taken no measures to remediate any forced or child labour or any measures to remediate the loss of income to the most vulnerable families resulting from such measures.

6. Training provided to employees on forced labour and child labour

Gilead Canada and Gilead Alberta do not currently have training in place that specifically addresses forced and child labour. However, all Gilead employees are required to complete training on Gilead’s Code of Ethics. In addition, at Gilead Alberta, employees are required to complete training on GMP as part of their onboarding process.

7. Effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

Gilead is continuing the development of its program to prevent forced and child labour, modern slavery and human trafficking in 2024. In doing so, we will review measures to assess the effectiveness of the processes already in place through auditing described below, as well as consider what additional measures may be implemented.

Gilead monitors its suppliers as part of our supplier relationship management programs. This may involve routine in-person meetings between Gilead management and our suppliers where appropriate.

Gilead uses its own Gilead Personnel and, also in certain circumstances, independent third parties, to carry out regular and ad-hoc audits and site inspections of our manufacturing and packaging suppliers to ensure compliance with quality agreements (note: Gilead Alberta and Gilead Canada do not separately conduct audits of their suppliers). These suppliers may also be subject to ad-hoc audits and inspection by government authorities.

Whilst forced and child labour, slavery and human trafficking are not specific targets of these audits, Gilead Personnel conducting these audits are expected to escalate any such observations or suspicions immediately. In 2023, there were no issues raised that were associated with forced labour in the facilities audited under this program.

Gilead engages in supplier assessment which aids Gilead in addressing social and ethical risks (including health and safety; human trafficking; modern slavery, including forced, bonded, involuntary prison and child labour; discrimination and unfair treatment; and business integrity), environmental, operational and other risks within its supply chain.

Gilead should be satisfied that suppliers protect workers as evidenced through health and safety performance and by other means, including verification of the management framework for accident or injury, investigation and checks on incident records during onsite assessments of suppliers, and satisfying ourselves that worker protection is under the direction of clearly identified and accountable individuals possessing the appropriate technical and managerial skills, training and knowledge.

In 2023, Gilead US completed our first supplier site assessment audit that leveraged PSCI resources and approaches. These PSCI Audits generally consider all, or part of the pillars described in the PSCI Principles (i.e. Ethics, Labour & Human Rights, Health & Safety, Environment and Management Systems) and in the PSCI Audit Guidance.

Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(b)(ii) of *the Act* by the Boards of Directors of Gilead Sciences Canada, Inc. and Gilead Alberta ULC.

On Behalf of Gilead Sciences Canada, Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name: Christophe Griolet
Title: Vice President and General Manager
Date: May 27, 2024 | 11:04:48 AM PDT
Signature:

DocuSigned by:
Christophe Griolet

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I have the authority to bind Gilead Sciences Canada, Inc.

On Behalf of Gilead Alberta ULC

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name: Greg Klak
Title: Vice President, Operations
Date: May 27, 2024 | 11:38:33 AM PDT
Signature:

DocuSigned by:
Greg Klak

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I have the authority to bind Gilead Alberta ULC