YEAR IN REVIEW
2016
WELCOME FROM OUR CEO

This year marks Gilead’s 30th anniversary. I joined Gilead more than 27 years ago as a research scientist and have worked in many different roles over the years, completing my first year as CEO in March. Being part of a company that has transformed care and made a difference in the lives of so many individuals is something that I carry with me every day, as do all Gilead employees.

During my past year in this new role, I’ve spent time meeting with people across the organization — researchers, field representatives, manufacturing team members and many, many others. My most important takeaway from these interactions — and the knowledge that gives me great confidence in Gilead’s future — is that our nearly 9,000 employees share a drive to accomplish the same goal: to develop and deliver innovative medicines that truly change lives.

SCIENTIFIC INNOVATION

It’s often difficult to describe what we do to people who don’t see our efforts up close. I spoke recently with an employee in our research organization who has dedicated his career to improving treatment for people with HIV. Like many of us, he could not have imagined the progress that has been made since HIV, the virus that causes AIDS, was first identified. Since the approval of Viread in 2001, Gilead has led the field, introducing multiple single tablet regimens that improve and simplify the lifelong treatment that is required to suppress the virus. Yet, we know we can do more. Our researchers continue to innovate, with an unrelenting focus on how to further improve care and even, perhaps, one day cure HIV. I recently watched from the audience as one of our scientists presented at a medical conference on groundbreaking work to develop an investigational molecule that inhibits HIV capsid, a novel target, and is potent enough to potentially be dosed far less frequently than the daily therapy required today. This is just one example of the exciting work taking place in our laboratories every day, across our therapeutic areas. And it is just one example of what we do, and how we do it, made clear through the dedication of our employees.

In chronic hepatitis C (HCV), we have introduced three unique treatments since 2013, each one expanding the number of people who can be cured with direct-acting antiviral combination therapy. Such rapid innovation is unusual in our industry. And yet we are developing a new combination regimen, designed specifically for use in a salvage setting among patients who have not been cured by existing treatments. This regimen is currently under regulatory review and we hope to have approval later this year. Gilead’s range of treatment options means that nearly every patient will have a good choice available to potentially cure them of their HCV infection, regardless of the genotype of the virus or the level of disease in their liver. With tools like these in hand, it seems more and more possible that we could realize the goal of eliminating HCV.

We’re making significant strides in nonalcoholic steatohepatitis, or NASH, which is a chronic liver disease associated with the accumulation of fat in the liver, that can lead to inflammation, progressive fibrosis and cirrhosis. NASH is a growing public health concern as more and more individuals progress to the later, debilitating stages of fibrosis. Patients who progress to the latest stages of disease have a poor prognosis and very few options for treatment. We are targeting this smaller patient population for studies using one of our three investigational drugs. The most advanced is selonsertib, a compound that targets ASK-1, an enzyme implicated in NASH. Last year we presented data from a Phase 2 clinical study suggesting that selonsertib can reverse fibrosis in patients with NASH. Two Phase 3 studies of selonsertib are now enrolling.

In the area of inflammation, Phase 3 studies of filgotinib, an investigational JAK1-selective inhibitor for inflammatory disease indications, are now underway in rheumatoid
arthritis, ulcerative colitis and Crohn’s disease. Filgotinib is being studied as a once-daily pill and the safety profile seen in Phase 2 studies has encouraged us and our partner Galapagos to look at filgotinib across a range of different inflammatory diseases where JAK-1 activity is implicated. We have now started or announced our intention to study filgotinib in six Phase 2 clinical trials in additional inflammatory diseases.

While we are encouraged by our internal pipeline programs, our 30-year history has taught us that innovation comes from many sources and we will continue to pursue compounds, programs or companies that complement our science, fit with our culture and have the potential to make a big difference for patients.

ENABLING ACCESS
Over the past year, I’ve had the chance to meet with many physicians, payers and public health officials to discuss how we can best enable access to our medicines. We have put in place significant discounts and rebates for our HCV medicines to ensure we reach the populations in highest need; for example, our lowest pricing in the United States has helped expand the number of veterans being linked to care in the Veterans Administration health care system. And we’ve worked with governments, from Portugal to Mongolia, to broaden access to HCV therapy.

In HIV, through our access program, we have increased the number of people receiving the company’s antiretroviral therapies in the developing world from 30,000 in 2006 to more than 10 million in 2016. The countries where our access program operates account for more than 75 percent of the world’s HIV cases. These 10 million treated individuals represent about two thirds of the total number of people receiving treatment worldwide — a significant public health success. We thank our manufacturing partners and important funders of these initiatives such as the Global Fund and the U.S. PEPFAR program. Without their vital help and dedication, we would not have been able to provide access for more than one quarter of the world’s infected population. We look forward to bringing our tenofovir alafenamide (TAF)-based regimens to HIV-infected people in the developing world.

Gilead is also working on neglected and emerging tropical diseases, most of which disproportionately impact resource-limited countries. We have partnered with the World Health Organization for many years to provide AmBisome for use in several developing countries as a treatment for visceral leishmaniasis, a deadly parasitic infection. We are also collaborating with U.S. Department of Defense, Centers for Disease Control and Prevention and National Institutes of Health, as well as multiple academic institutions, to discover and develop novel antivirals for highly pathogenic infections and neglected or emerging viral diseases. As an example, GS-5734 — Gilead’s most advanced investigational agent — is currently being studied in Ebola survivors.

COLLABORATIVE APPROACH
In 2016, Gilead partnered with more than 2,000 organizations — providing a total of almost $460 million in funding across the four areas of focus of our corporate giving program: reducing health disparities, providing access, advancing medical education and supporting local communities.

The impact of this funding is critical, and in the following report, you can read about some of the work that our grantees do to reach and advocate for people with serious diseases. Beyond the funding we provide, Gilead employees engage directly, through volunteerism, with organizations in our communities. In 2017, we will mark our first formal week of volunteerism, in honor of the company’s 30th anniversary, as employees around the world will offer their time to local groups whose missions are closely aligned with our own.

IN CLOSING
This year, we have combined our Annual Report and Corporate Social Responsibility Report into a single report titled Year in Review 2016 to share essential information about the company’s financial, social, environmental and governance performance. The stories we highlight underscore how the company’s core values guide us in our mission to advance the care of individuals living with life-threatening diseases worldwide. I encourage you to learn more about what inspires our employees to be good corporate citizens.

I am proud of the efforts we have made and will continue to make, and I look forward to sharing with you the many accomplishments across this organization in 2017.

Thank you,

John F. Milligan
President and Chief Executive Officer

May 2017
In 2016, Gilead partnered with more than 2,000 organizations to address unmet medical needs and lessen the impact of diseases such as HIV and viral hepatitis around the world. Funders Concerned About AIDS once again ranked Gilead as the leading corporate funder helping to address the HIV/AIDS epidemic. Gilead’s funding totaled almost $460 million in cash donations.

2016 marked the 10th year of Gilead’s HIV generic licensing program, designed to expand access for people in resource-limited countries. In that time, we increased the number of people receiving our antiretroviral therapies in the developing world from fewer than 30,000 people in 2006 to 10 million in 2016, representing two thirds of people currently on HIV medicine in these regions.

Gilead added “inclusion” to the company’s core values and added two new Employee Resource Groups (ERGs) in 2016. This reinforced our commitment to workforce diversity, which drives innovation and helps us better serve patients.

Gilead added 657 jobs to local communities around the world in 2016, representing a year-over-year growth rate of eight percent.

With 23 marketed products and hundreds of ongoing and planned clinical studies, we are focused on solving some of the biggest health challenges of today. Last year, Gilead produced and distributed 33 million bottles of oral medicines and approximately 11 million vials of liquid medicine worldwide.

Gilead’s Pharmaceutical Development and Manufacturing group made significant progress developing new active pharmaceutical ingredient (API) process improvements in 2016 for HIV and HCV therapies. These “green chemistry” improvements reduce potentially harmful materials used during manufacturing, while increasing product yields.

In 2016, Gilead added an employee shuttle service, with the capacity to remove more than 800 commuters from their cars each day. Key benefits from the service include reducing traffic burden on local communities and air pollutant emissions.

Gilead achieved zero waste to landfill in 2016 at corporate sites in Cork, Ireland, Stockley Park, UK and Cambridge, UK. At its Foster City, California headquarters, Gilead achieved a 66 percent annual waste diversion rate.
2016 marked strong performance for Gilead, particularly in our HIV and cardiopulmonary franchises. In HIV our continued innovation, including the introduction of two new tenofovir alafenamide-based regimens, contributed to growth.

In liver disease, we navigated through the changing dynamics of the HCV treatment landscape, where we saw rapid uptake of products after launch as patients who had been awaiting new options sought treatment, followed by a deceleration of demand as that group completed treatment. This caused our HCV and total revenues to increase dramatically from 2013 to 2015 and then decline in 2016. The significant revenue and cash flows generated from this franchise provide us with critical resources needed to invest in our internal pipeline and external opportunities in order to create long-term shareholder value.

We were operationally and financially efficient in 2016, with high operating margins and a healthy balance sheet. We continued to return capital to our shareholders through dividends and share repurchases. Total share repurchases for 2016 were $11 billion.

Over the last five years, our total shareholder return was 29 percent, nearly double that of the NASDAQ Biotechnology Index median. Looking forward, our primary focus will be on leveraging our capital to pursue external opportunities to expand the research and development pipeline.

2012
Non-GAAP diluted earnings per share for 2012 excludes after-tax acquisitions-related expenses of $0.08, restructuring expenses of $0.01 and stock-based compensation expenses of $0.22.

2013
Non-GAAP diluted earnings per share for 2013 excludes after-tax acquisitions-related and other expenses of $0.11 and stock-based compensation expenses of $0.11.

2014
Non-GAAP diluted earnings per share for 2014 exclude after-tax acquisition-related and other expenses of $0.55 and stock-based compensation expenses of $0.18.

2015
Non-GAAP diluted earnings per share for 2015 exclude after-tax acquisition-related and other expenses of $0.53 and stock-based compensation expenses of $0.17.

2016
Non-GAAP diluted earnings per share for 2016 excludes amounts related to acquisition-related, up-front collaboration, stock-based compensation and other expenses of $1.63.
ABOUT GILEAD

Gilead is a research-based biopharmaceutical company that discovers, develops and commercializes innovative medicines in areas of unmet medical need. With each new discovery and investigational drug candidate, Gilead seeks to improve the care of patients living with life-threatening diseases around the world.

Founded in 1987, Gilead employed more than 8,700 full-time employees across six continents in 2016. We have operations in almost 40 countries, with worldwide headquarters in Foster City, California.

COMPANY OVERVIEW

Gilead’s primary areas of focus currently include human immunodeficiency virus (HIV), liver diseases such as chronic hepatitis C virus (HCV) infection and chronic hepatitis B virus (HBV) infection, hematology/oncology, cardiovascular and inflammation/respiratory diseases. We seek to add to our existing portfolio of products through our internal discovery and clinical development programs, as well as through product acquisition and in-licensing strategies.

Many of our products are category firsts or are among the leading medicines used to treat, cure or prevent the diseases they address. For more information about Gilead, including detailed financial data, refer to our 2016 Financial Highlights or the company’s 2016 Form 10-K on the Shareholder Center section of our website.
In 2016, Gilead was ranked #1 on Business Insider’s list of top companies to work for based on how meaningful employees find their work and #2 in Barron’s 2016 500 rankings.

Gilead Operations

Gilead has employees in almost 40 countries worldwide, spread across six continents

GOVERNANCE

Gilead’s board of directors serves stockholders by overseeing the management of our business. Our board has an Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Scientific Committee. Roles and charters can be found on the Investors section of our website. Gilead’s Nominating and Corporate Governance Committee has responsibility for oversight of environmental and social governance (ESG) issues.

Listing rules require that a majority of the members of a public company’s board of directors qualify as “independent.” Our current board leadership structure provides effective oversight of management and leadership of independent directors. At the end of 2016, two of the 10 active board members were Gilead employees.

The board of directors, senior leadership and all employees at Gilead are responsible for upholding the corporate values of integrity, inclusion, teamwork, excellence and accountability. In addition, every employee at Gilead is expected to comply with our Code of Ethics, Anti-Corruption and Anti-Bribery Policy as well as our business conduct and corporate policies.

With products distributed throughout the world, Gilead, its affiliates and others acting on Gilead’s behalf are required to comply with all applicable anti-corruption laws. These laws include the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act and other legislation. 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. For example, audits were performed in roughly 30 countries for financial or FCPA compliance.

COLLABORATIONS

To remain at the forefront of innovation, Gilead collaborates with experts who share the goals of advancing patient care. As part of our business strategy, we establish collaborations with other companies, universities and medical research institutions to assist in the clinical development and/or commercialization of certain products and product candidates and to provide support for our research programs. Gilead also evaluates opportunities for
acquiring products or rights to products and technologies that are complementary to the company's business. For more information regarding these relationships, including their ongoing financial and accounting impact on our business, refer to the company’s 2016 Form 10-K on the Shareholder Center section of our website.

MEMBERSHIPS AND AFFILIATIONS
Gilead maintains memberships and affiliations with industry organizations, trade associations and other groups to share and receive information with peers across our industry. Noteworthy company memberships or affiliations in 2016 included:

- Biotechnology Industry Organization (BIO)
- California Life Sciences Association (CLSA)
- TechNet
- Diversity Alliance for Science (DA4S)

POLITICAL CONTRIBUTIONS
Gilead participates in the political process by contributing to state and local candidates and political organizations when such contributions are permitted by state and local law. In the interest of transparency for our stockholders and other stakeholders, a full list of policy-related contributions can be found on the Political Contributions section of our website.

RISK MANAGEMENT
Gilead’s enterprise risk management process uses precautionary principles to identify and develop action plans for material social, environmental and economic risks. Example risks include changes in health, safety and environmental regulations, climate change, energy supply disruptions, manufacturing requirements, natural disasters, consumer demand and consumer privacy. Gilead performs periodic risk-based assessments that consider all geographies and locations. Audit locations are selected using a risk-based approach which considers a number of relevant factors.

Gilead is required to comply with federal, state and local regulations regarding workplace safety and protection of the environment. For example, laws and regulations are implemented and under consideration to mitigate the effects of climate change caused by greenhouse gas emissions. Our business is not considered to be energy intensive, so we do not anticipate being subject to a cap and trade system or other mitigation measure that would materially impact our capital expenditures, operations or competitive position.

To mitigate risks associated with data security, we use third-party managed security services to monitor cybersecurity incidents and advanced persistent threats. We also employ in-house technology solutions and a Security Operations Center to help maintain the integrity of Gilead’s infrastructure and systems. In addition, we use a combination of systems and processes to comply with data protection regulations, such as the European Union Data Protection Directive, for storage and use of personal data.

ABOUT THIS REPORT
The Year in Review 2016 has been assembled following leading industry standards. This report provides essential information on Gilead’s financial, environmental, social and governance performance and covers all entities listed in the company’s 2016 Form 10-K in the Shareholder Center section of our website. The performance period is January 1, 2016 to December 31, 2016.

For questions or feedback about the information contained in Gilead’s Year in Review 2016, please email csr@gilead.com.
GIVING AND ACCESS

Tyra Callender, AIDS Alabama client
Find out more at: www.gilead.com/yir2016
GIVING AND ACCESS

Gilead recognizes that patients and communities often face challenges in accessing the best possible care. Through our partnerships with more than 2,000 organizations worldwide, we are able to help expand disease awareness, address stigma, create and deliver front-line services and care for the most vulnerable members of society in the places that require the greatest support.

CORPORATE GIVING

In 2016, Gilead provided almost $460 million in cash donations to address unmet needs and lessen the impact of life-threatening diseases faced by communities around the world.

HIV CURE GRANT PROGRAM

Gilead was founded in 1987 in the Bay Area, one of the epicenters of the HIV crisis in the United States. We have spent the past 30 years working to develop life-saving medicines for this disease, and we have witnessed first-hand the devastation it has caused in communities around the world.

As a company, our goal is to help end the AIDS epidemic. Through our corporate giving programs, we partner with organizations in raising HIV prevention awareness, support people living with HIV and partner with scientific, academic and community groups who are working in the field of HIV cure.

Curing HIV presents a formidable challenge to the scientific community. That’s why in 2016, Gilead announced the HIV Cure Grants Program to support academic institutions, nonprofit organizations and community groups engaged in HIV cure activities. Grants are awarded to organizations with a track record of excellence in results-driven research.

Through this grants program, we are funding four primary areas:

Translational Research

Antiretroviral drugs do not cure HIV, because a persistent and quiet reservoir is established in all infected people. Areas of support include developing ways to measure this persistent reservoir and testing novel therapeutic concepts with the potential to cure HIV in small groups of infected people taking antiretroviral drugs.

Efficacy Studies in Animal Models

Animal models of AIDS to test novel therapeutic concepts targeting the HIV reservoirs and/or enhancing the immune control of AIDS viruses.

Institutional Funding

Institutional programs currently engaged in HIV cure research.

Community Groups

Research among HIV-infected individuals and affected communities to understand potential concerns related to HIV cure clinical research.
Luis Mendão, Chair of Grupo de Ativistas em Tratamentos (Group of Activists on Treatment, or GAT), explains why the group was founded: “I’ve been living with HIV and AIDS for more than 20 years now. I was also co-infected with hepatitis C and was cured 18 months ago. My experiences as a patient showed me that here in Portugal, health services were operating in distinct silos. You would have testing for HIV over here, for HCV over there — and the different parts of the system weren’t really talking to one another.”

With Gilead’s help, GAT is supporting more than twenty different organizations operating as part of its network. They work together to share knowledge, support one another and help streamline services for patients. Being part of a broader, well-known network also lends member organizations an extra degree of credibility and recognition that helps them in their outreach work. Network members include centers dedicated to HIV, viral hepatitis and sexually transmitted infections (STIs). Some centers also focus on underserved populations, such as men who have sex with men (MSM), migrants, people who are currently injecting or have previously used drugs, and sex workers.

“We saw the gaps that existed and realized that by collaborating we could not only share best practice between ourselves, but we could also really improve the patient experience,” says Mendão. “This has been invaluable in helping ensure people are able to access all the services they need.”

**REDUCING DISPARITIES**

Many of Gilead’s therapeutic areas disproportionately affect minorities and communities who have historically experienced discrimination, exclusion and socioeconomic inequality. The Joint United Nations Programme on HIV/AIDS (UNAIDS) 2016 – 2021 Strategy affirms that “defending the rights of all people — including children, women, young people, men who have sex with men, people who use drugs, sex workers and clients, transgender people and migrants” is critical in achieving health equality. We believe everyone should have access to the same health care, regardless of their background.

Through the Reducing Disparities pillar of our corporate giving strategy, Gilead provides funding to organizations that are directly impacting the lives of these key populations. In 2016, 32 percent of our corporate grants were aimed at reducing health disparities in our communities.
ARTHUR ASHE INSTITUTE
GRASSROOTS ENGAGEMENT IS ESSENTIAL TO COMMUNITY OUTREACH

Dr. Marilyn Fraser has worn many hats during her 16 years at the Arthur Ashe Institute for Urban Health, starting as a program coordinator and subsequently working as the director of the breast cancer program and the Institute’s Deputy Director, before being named Chief Executive Officer.

Throughout her tenure, one concept has remained clear: health inequities must be addressed by developing and supporting change agents within communities. “Partnership is very important to us,” says Fraser. “We want to make sure that relationships can be sustained even once funding for a program has ended.”

One of the flagship initiatives of the Arthur Ashe Institute is a program that trains hairstylists and barbers to talk about urban health issues to their customers, including topics such as HIV treatment and prevention, heart disease, high blood pressure and cancer. “It’s not just about having a great idea and academic insights,” says Brian Hagan, development associate for the Institute. “It’s about making it relevant to the community.”

Over the years, the Arthur Ashe Institute has partnered with Gilead to support these and other community health engagement programs. The Institute is also integrally involved in the Delivery Systems Reform Incentive Program (DSRIP), which helps reduce the number of ER visits and hospitalizations, and addresses the social determinants of health such as housing needs, food insecurity and insurance issues.

“We want the people we serve to be owners of their own health care,” says Hagan. “This makes them better partners with their own medical providers and helps them live healthier lives.”

A salon client reads up on heart health as part of the Arthur Ashe Institute Program

HIV PREVENTION GRANTS
Prevention is an important strategy for reducing HIV rates. Biomedical intervention is one among several critical tools supported by the Centers for Disease Control and Prevention (CDC) guidelines and the World Health Organization (WHO). In addition, behavioral and structural challenges continue to impact populations vulnerable to HIV infection. Gilead provides grants and support to community organizations that help raise awareness about pre-exposure prophylaxis (PrEP) among at-risk populations.

We have provided more than $22 million in grants to more than 100 organizations working to raise awareness about HIV prevention since 2012, including 37 grants, totaling almost $7.0 million, in 2016.

DREAMS PEPFAR PARTNERSHIP
DREAMS is a partnership led by the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR) with support from the Bill & Melinda Gates Foundation and other corporate donors to reduce HIV infections among adolescent girls and young women in sub-Saharan Africa. The goal of DREAMS is to help girls develop into Determined, Resilient, Empowered, AIDS-free, Mentored and Safe women. Girls and young women account for 71 percent of new HIV infections among adolescents in sub-Saharan Africa.

While the DREAMS program looks to deliver a comprehensive approach that is evidence-based and goes beyond the health sector — such as addressing the social determinants that indirectly increase the risk of acquiring HIV, Gilead has provided funding over a three-year period to provide PrEP with the aim of enabling 25,000 young women to remain HIV-free. Since June 2016, drugs used for PrEP have been disseminated to various DREAMS sites in Kenya, Swaziland, Uganda and Zimbabwe, with possible expansion to other African countries.
PROVIDING ACCESS

Gilead works with partners around the world to overcome the barriers that prevent patients from accessing the best possible care. Through the Providing Access pillar, Gilead supports organizations that expand the capacity of health care systems, innovative models that support patients accessing health care services in rural settings, health care workforce training and other programs such as infrastructure/building health clinics that support underserved regions. In 2016, 25 percent of our total corporate grants were focused on improving access to health care worldwide.

AIDS ALABAMA
WORKING TO END THE HIV EPIDEMIC IN THE SOUTHERN UNITED STATES

AIDS Alabama’s mission is two-fold: to help those with HIV live healthy, independent lives and to prevent the spread of the virus.

More than half of all new diagnoses in the United States occur in southern states, and combating the disease means addressing the many issues that accompany it — not only those which may be more apparent, such as stigma, homophobia and drug addiction, but systemic issues of inequality such as insufficient education and awareness, homelessness or lack of access to transportation.

“There was a woman who didn’t know her husband was HIV-positive, and he eventually died,” says Hiers. “She had also contracted the virus, and she had a baby, who was born HIV-positive. When her child died, she really spiraled back into drug use.”

With the help of AIDS Alabama, this woman entered substance abuse treatment, found housing and worked as a peer mentor before earning her college degree in social work.

With Gilead’s support, AIDS Alabama has been able to work with patients individually: first by providing housing and transportation, then by offering emotional, logistical and medical assistance. As for ending HIV, Hiers recognizes that her part of the country is now on the front lines. “If we’re ever going to end this thing,” she says, “we’ve got to go through the South to do it.”

Find out more about AIDS Alabama’s work by watching our video at: www.gilead.com/yir2016
Ryan Clary, Executive Director of the National Viral Hepatitis Roundtable (NVHR), found his calling after the death of two loved ones. “I moved into focusing on hepatitis when I was doing HIV work because I had two significant personal losses. I lost a partner to hepatitis B, and I lost an uncle to hepatitis C.”

With more than 450 members, NVHR is the largest national coalition of community-based organizations working together to increase awareness of HBV and HCV. Clary and his team make sure that those at risk for these diseases have access to proper testing, and if chronically infected, help link them to care. They describe their work as an uphill battle: first to help increase testing for two of the major groups at risk — baby boomers born between 1945 and 1965, and people who inject drugs — and second to help remove barriers to prevention, care and treatment.

Clary believes that an end to the HBV and HCV epidemics are within reach and can be achieved through addressing stigma and health disparities. NVHR leads initiatives to identify and share best practices with its members and advocates with policymakers for funding and policies to increase access to screening, prevention and care.

Clary says that Gilead’s support has significantly helped the NVHR grow their programmatic and policy activities — work that has not only changed his life, but saved countless others. “What we’ve learned,” he says, “is that strong community-based advocacy can lead to public policy changes that impact and save people’s lives. And that has been really gratifying.”

ADVANCING MEDICAL EDUCATION
Gilead recognizes that education is key to effective disease prevention and long-term disease management. Through support of medical education initiatives, Gilead increases patient awareness, making testing and treatment more widely available and expanding knowledge and skills for health care professionals worldwide.

SUPPORTING LOCAL COMMUNITIES
Gilead gives back to the communities in which its employees live and work by funding initiatives to promote the well-being and development of local neighborhoods and cities.

In the Bay Area, Gilead funded community support organizations including LifeMoves, a shelter and support service for homeless families and individuals, the United Service Organizations Bay Area, an organization providing support to service members and military families, and the Ronald McDonald House at Stanford, which provides services for families caring for critically ill children.

In 2016, approximately 39 percent of Gilead’s corporate grants helped advance medical education initiatives around the world.
When Paul Ash joined the SF–Marin Food Bank as executive director 28 years ago, it was a “scrappy, back of a pickup truck kind of operation” with only seven employees. Today, the organization employs 135 people — not only the sign of a job well done, but a symptom of a widening economic disparity in our society.

In a region with one of the highest costs of living in the country, more and more people living in San Francisco and neighboring Marin County are finding themselves in need of food assistance, but stigma persists. “There are barriers for the higher-earning groups,” says Ash. “It’s difficult to get those folks to see themselves as users of a charitable program. But we want them to participate if they need our help.” The Food Bank’s farmer’s market-style distribution centers and simple registration requirements help decrease the barriers — real or perceived — to food assistance.

Better food serves as a building block for better health. Produce makes up two thirds of the Food Bank’s distribution and the remaining third is in the high-nutrition category. Through partnerships with farmers, packers and wholesalers, the organization provides roughly 100,000 meals a day and reaches 225,000 families a year. “We also have a role in the medical system, either catching people up to the nutritional level they should be at before they receive treatment, or being a resource for physicians who send their patients to us,” says Ash.

With the continued support of companies such as Gilead, the Food Bank plans to expand its distribution to nearly 50 million pounds of food in 2017, another step forward in their long-term fight against economic and health disparities. “We typically don’t get huge touchdowns,” says Ash. “But we do get a lot of three-yard gains.”

The Gilead Foundation

The Gilead Foundation is a non-profit organization established in 2005 that seeks to improve the health and well-being of underserved communities around the world. Operating independently from our corporate contributions function, the Gilead Foundation focuses on expanding access to HIV and hepatitis education, outreach, prevention and health services.

Frontlines of Communities in the United States (FOCUS)

Gilead’s Frontlines of Communities in the United States (FOCUS) program partners with hospitals, community health centers and community-based organizations in cities and counties across the country that are heavily impacted by HIV, HCV and HBV. The goal of the FOCUS program is to scale up routine blood-borne virus screening and
linkage to care in accordance with the Centers for Disease Control and Prevention (CDC) screening guidelines.

Since 2010, FOCUS partners have conducted 3.2 million HIV tests. Since integrating HCV testing in 2014, FOCUS partners have conducted 880,000 HCV antibody tests and also conducted 45,000 RNA tests to identify RNA+ patients living with chronic HCV infection.

In 2016, FOCUS grew to encompass 161 partnerships in 63 cities and counties in the United States. The program’s geographic expansion has largely been driven by the recognized need for routine blood-borne virus screening and linkage to care in more rural areas of the country that are deeply impacted by the opioid and heroin epidemic. As the largest HCV screening program in the U.S., in 2016 we established, at CDC’s request, a data-sharing agreement to review the program’s data and best practices on a quarterly basis to help inform the CDC’s understanding of the U.S. HCV epidemic.

To date, FOCUS partners have had 350 abstracts accepted to major conferences and have published 40 articles in peer-reviewed journals. In 2016, the National Nurse-Led Care Consortium (NNCC), a FOCUS partner, was recognized by the World Health Organization as one of five winners of their Hepatitis Testing Innovation Contest and seven additional FOCUS partners were awarded with special commendations. Two FOCUS partners also received Viral Hepatitis Testing Recognition Awards from the Department of Health and Human Services (HHS).

AIDSVu

AIDSVu is a partnership between Gilead and Emory University’s Rollins School of Public Health with the mission to make HIV surveillance data widely available, easily accessible and locally relevant. AIDSVu provides users with an online interactive mapping tool that visualizes the U.S. HIV epidemic at the state, county and ZIP code level. AIDSVu’s maps illustrate areas of the country that are most impacted by HIV, allowing users to better understand where HIV prevention, testing and treatment services and resources are most critical. AIDSVu also features searchable service locators for HIV testing, prevention and care services.

In 2016, AIDSVu added ZIP code-level data for six additional cities — Las Vegas, Austin, Raleigh, Nashville, Baltimore and Hartford — bringing the total to 40 cities mapped on AIDSVu that together represent more than 60 percent of the U.S. HIV epidemic.

The HIV Prevention Services Locator was also launched in 2016, a first-of-its-kind tool that allows users to find prevention services in all 50 states and Puerto Rico. With the addition of the HIV Prevention Services Locator, AIDSVu is now able to provide its users with easy access to information on HIV testing, care and prevention services, alongside its interactive maps of the HIV epidemic.
U.S. PATIENT ACCESS
Gilead’s U.S. patient support and assistance programs help patients and their families by providing information regarding insurance coverage, financial assistance and eligibility for free medication. We make our therapies accessible for uninsured individuals and those who need financial assistance and we also provide information about programs for those unable to afford the co-payments associated with their prescription drug coverage.

Half of all patients taking our HIV medicines in the United States receive them through federal or state programs, which receive substantially discounted prices. Gilead has a long history of working with state AIDS Drug Assistance Programs (ADAPs) to provide lower pricing for our HIV medicines. The price freeze we instituted for ADAPs in 2008 has been extended through the end of 2017, providing important support to these critical programs as they evolve in the changing U.S. health care environment.

Gilead currently has seven U.S. patient assistance programs across therapeutic areas including Advancing Access® for our HIV therapies and our HBV therapies, Support Path® for our HCV therapies and the Truvada® (emtricitabine and tenofovir disoproxil fumarate) for PrEP Medication Assistance Program.

ACCESS OPERATIONS AND EMERGING MARKETS (AOEM)
Gilead’s Access Operations and Emerging Markets (AOEM) team works to expand access to the company’s medicines for people living in more than 130 low, lower-middle and upper-middle income countries.

AOEM’s approach to expanding access to medicines is centered around a system of voluntary generic licensing and a tiered pricing strategy that includes no-profit and steeply discounted prices on our branded medicines. We recently extended our no-profit HIV drug prices to 22 middle-income countries for the first time.

Our approach also includes:
- Demonstration projects and pilot programs
- Training for nurses, doctors and community health workers
- Strategic partnerships and donation programs designed to reach vulnerable populations
- Demand forecasting and supply chain management
- Transparent and timely regulatory submissions of drug dossiers

Gilead understands the importance of partnership and collaboration for increasing drug access. Following are just a few of the examples from 2016 of how AOEM is bringing our life-saving medicines to patients and building partnerships with governments, medical professionals and non-profit organizations in parts of the world where health care needs are greatest.

HIV
Gilead recognized that on its own, the company did not have sufficient capacity to meet the global needs for HIV treatment in a cost-effective manner. For this reason, Gilead began its voluntary licensing program in 2006. Today the company has direct partnerships with generic drug manufacturers in India, China and South Africa. 99 percent of the company’s HIV medicines used in low- and middle-income countries is produced and sold by our voluntary license partners.

Gilead was also the first pharmaceutical company to sign an agreement with the Medicines Patent Pool (MPP), an organization established by the United Nations to increase worldwide access to high-quality, low-cost antiretroviral therapy through the sharing of patents. We also forge innovative partnerships to develop new models of HIV treatment delivery in resource-limited settings.

2016 marked a significant milestone for Gilead. It is now estimated that Gilead’s HIV medicines are reaching 10 million people living in low- and middle-income countries. This represents nearly two thirds of people currently on HIV treatment in the developing world.
For example, in Tanzania, in collaboration with the Holy See’s Good Samaritan Foundation, we have made considerable progress in our HIV “test-and-treat” demonstration project. The program’s goal is to enable screening of 300,000 patients for HIV and provide therapy to 20,000 HIV-positive individuals over five years.

**CHRONIC HEPATITIS C VIRUS (HCV)**

The AOEM team is pursuing multiple health systems strengthening strategies to expand access to our HCV therapies, prioritizing those with the greatest disease burden. In two years, more than 600,000 patients received Gilead-based HCV therapies in developing countries.

**VISCERAL LEISHMANIASIS (VL)**

Visceral leishmaniasis (VL) — also known as kala-azar — is the second-deadliest parasitic disease after malaria. There are approximately 400,000 new cases of VL each year, 90 percent of which occurs in six countries — Bangladesh, Brazil, Ethiopia, India, South Sudan and Sudan. Without treatment, VL is nearly always fatal.

Since 1992, Gilead has partnered with WHO and other groups to donate or offer AmBisome® (amphotericin B liposome for injection) at significantly discounted prices to help control and eliminate the disease.

In 2016, Gilead announced a five-year extension and expansion of our partnership to provide $20 million in funding and drug donations over five years to expand access to diagnostic services and treatment for visceral leishmaniasis (VL).

As part of this collaboration, Gilead will donate 380,000 vials of AmBisome to treat VL in key endemic countries.

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**PARTNERSHIP IN ACTION**

**HCV ELIMINATION PILOT PROGRAM**

In Georgia, a small country at the intersection of Europe and Asia, WHO estimates that almost eight percent of the population is chronically infected with the hepatitis C virus — among the highest prevalence in the world.

Partnering with the Georgian government and the CDC, Gilead helped establish the Georgian HCV Elimination Project in 2015. Its aim is to provide free medicines to all those affected by the disease in Georgia and to collaborate with the government and health professionals across the country to expand its health systems infrastructure.

By ensuring that all those who may be at risk are tested for the virus, providing access to treatment for all patients — not just the sickest — and working to combat stigma associated with the disease, the goal is to dramatically reduce, or potentially even eliminate, HCV from the country.

Since its inception, more than 35,300 people have been enrolled in the project and almost 26,000 patients have completed treatment.

Davit Seergenko, Minister of Labour, Health and Social Affairs for Georgia, says, “Not only would that have a positive impact on the lives of thousands of people across Georgia, but we hope it will also demonstrate what is possible to the rest of the world.”

Find out more about Georgia’s HCV Elimination program by viewing our video at [www.gilead.com/yir2016](http://www.gilead.com/yir2016)
PUBLIC HEALTH AND MEDICAL EDUCATION

Gilead has in place a dedicated team to help understand and navigate the health and socioeconomic issues impacting countries, regions or provinces in which our AOEM team operates. In addition to focusing on increasing access to medicines, Gilead also works to make testing and treatment more widely available — and we know education is key to effective disease prevention and long-term disease management. We help community organizations by supporting disease awareness programs for patients and expanding knowledge and skills of health care professionals (HCPs).

By providing context-driven medical educational programs at facilities located in the geographies where the need for our therapies is greatest, as well as leveraging international and national conference platforms and webcasting technologies, Gilead’s Public Health and Medical Affairs team expanded the knowledge and skills of more than 6,500 HCPs and supported 172 medical events worldwide in 2016.

VIDA EM MOVIMENTO
AMID UNCERTAINTY, HIV ACTIVISM THRIVES IN BRAZIL

Vida em Movimento, or “Life in Movement,” empowers young people to be, as its president Henrique Avila describes, “protagonists,” in ensuring human rights are respected for people living with HIV in Brazil.

Vida em Movimento’s grassroots efforts provide HIV awareness, prevention and treatment services to communities across the country.

Gilead partnered with Vida em Movimento to support the International Seminar on Youth HIV & AIDS Prevention. With the goal of inspiring young activists to become change agents in their own communities, the seminar drew 1,500 applicants from all areas of Brazil for 150 spots at the seminar. Vida em Movimento hopes to host a similar event within the coming year. “A young Indian from the interior of Brazil said how important it was for him and his people to be included,” said Avila. “This seminar provided him not only an opportunity for learning, but it was recognition of his identity and his community as a native Brazilian people.”

Avila says his organization also aims to carry out fieldwork with the Indian tribes in the Tocantins and Mato Grosso regions of the Amazon, bringing prevention and health education to indigenous people and others throughout Brazil.
Marissa Braff and Bhavita Pancholi, Gilead Seattle
Find out more at: www.gilead.com/yir2016
Gilead’s workforce grew to 8,795 full-time employees in 2016. As our company grows, so does our commitment to supporting employees and their families in managing their overall health and financial well-being.

Working at Gilead is not just a job; our employees share a passion for addressing the unmet medical needs of patients facing life-threatening diseases around the world. In 2016, we made 657 new hires, bringing our worldwide headcount to 8,795. Our turnover rate was 11.1 percent.

U.S. TOTAL REWARDS
Gilead provides a competitive Total Rewards package to help employees succeed both inside and outside work. To promote financial well-being, all employees receive base pay, bonus and stock grant opportunities. The Total Rewards benefits package also aims to provide employees and their families with valuable resources designed to promote overall health and wellness. Our Total Rewards philosophy covers the following tenets:

**Compensation**
- We are a pay-for-performance company
- All Gilead employees receive regular performance and career development reviews
- Gilead is committed to pay equity for its employees and will continue to review compensation to maintain fairness in pay practices for all employees

**Benefits**
- Market-competitive
- Support and engage our employees
- Easy to administer and maintain long term
- Cost-effective

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.

**Increased 401(k) Matching**
In 2016, Gilead expanded its employee 401(k) retirement contribution to match 100 percent of employee contributions up to $10,000 per participant per year. Gilead’s matching contributions vest immediately.

**Employee Stock Purchase Program (ESPP)**
Gilead’s ESPP is available to all U.S. employees who are assigned to work 20 hours or more per week. Employees may contribute 1 to 15 percent of pay (subject to IRS limits) to purchase Gilead stock at a discount. At the time of purchase, employees will benefit from a minimum purchase discount of 15 percent.
HEALTH AND WELFARE BENEFITS

Full-time and part-time employees working at least 30 hours per week are eligible for health and other benefits. Part-time employees working fewer than 30 hours per week are eligible for some of the benefit programs, including 401(k), time off and wellness activities.

Health Benefits
Gilead offers competitive medical, dental and vision plans and spouses, domestic partners and dependent children through age 25 are also eligible for these plans. In addition, Gilead provides life, accidental death and dismemberment (AD&D) and short- and long-term disability coverage. The company offers health and dependent care reimbursement programs that allow employees to set aside a portion of their salary on a pre-tax basis to pay for qualified health and dependent care expenses. We also provide access to a Health Savings Account (HSA) for employees enrolled in the High Deductible Health plan. The HSA allows employees to use pre-tax dollars for current and future health care expenses. Gilead contributes to this account.

Complementing medical plans, Wellness at Gilead offers an array of services that help employees achieve and maintain optimal health, including biometric screenings, wellness seminars, onsite fitness centers or annual fitness reimbursement and health assessment tools.

Time Off
Gilead offers a competitive time off program to help employees remain rested and balanced throughout the year. Employees receive 13 company-paid holidays (including an annual year-end shutdown) and a minimum of 15 vacation days each year.

Income Protection
U.S. employees enjoy many forms of coverage that help protect their income and provide financial security: company-paid life insurance, AD&D insurance, business travel accident insurance, sick days and short-term and long-term disability benefits. Employees may also elect and pay for supplemental life and AD&D coverage.

Employee Assistance Plan (EAP) and Back-Up Care
Employees and their families are eligible to receive EAP services, which include financial, legal, pre-retirement, elder care and child care consultations, as well as clinical counseling.

Gilead’s Back-Up Care program provides elder care and child care, when employees experience a temporary interruption in normal care and need to get to work. Center-based and in-home care is available for loved ones of any age, in any U.S. location. Gilead covers the majority of costs and provides up to 80 hours of care per year.

Professional Development
Gilead takes pride in providing an environment where employees can achieve professional success and grow their careers. We challenge ourselves to offer employees a selection of trainings, coaching, mentoring and on-the-job experiences that help them learn about our culture, develop cross-functional skills and deliver business results.

In 2016, 6,378 Gilead employees completed 37,087 hours of professional, management and leadership development training programs.

2016 Corporate Learning and Development Statistics

- **E-Learning**: 1,355 hrs
- **Instructor-Led Trainings**: 29,960 hrs
- **Leadership Development**: 5,772 hrs

All online training completions are assumed to be one hour.

MBA Program and Tuition Reimbursement
Partnering with Golden Gate University, Gilead offers an onsite MBA program to help Foster City employees further their education. In 2016, 116 employees took MBA courses onsite. Employees can also receive up to $5,250 per year to pursue undergraduate, graduate or certificate courses at an accredited college or university.
Parental Leave and Support
In the United States, Gilead provided employees with an approved leave of absence of up to 12 weeks to care for a new child born or placed for adoption or foster care in 2016. Parental leave is also offered in most countries outside of the United States, where parental leave is offered. We ensure legislative compliance and alignment with the market median. Benefits-eligible employees may be reimbursed up to $5,000 per adoptive child for expenses related to the adoption.

Outside of the United States
Gilead also provides competitive company-sponsored benefits outside the United States.

Inclusion and Diversity
At Gilead, we believe in an inclusive work environment where employees are encouraged to contribute their unique talents, skills and distinct perspectives. We know we are a stronger company and that innovation flourishes when we are informed by a diverse set of backgrounds, experiences and points of view. Diversity of thought and expertise helps Gilead achieve the company’s organizational goals. In addition, based on feedback from our employee-wide survey, in 2016, we added “inclusion” to our Core Values. This will be measured via our performance management process.

In 2016, Gilead formed two additional diversity-focused Employee Resource Groups (ERGs), building on the momentum of the LGBT Alliance. The Gilead Leadership Organization of Black Employees (GLOBE) and Women at Gilead provide additional opportunities for leadership, development, networking, mentoring and skills advancement for employees. Other employee groups are planned for 2017.

To maintain an inclusive workplace, we provide comprehensive training programs and take prompt action on reports of any type of harassment that would violate our discrimination policy.

Gilead does not tolerate discrimination based on race, color, gender, religion, disability, sexual orientation, veteran status, gender identity or expression.
The Gilead Volunteer Community consists of employees from various departments who volunteer in activities that are aligned with the company’s mission and core values. Through this community, employees engage in a wide range of activities benefiting four core areas of focus: poverty, education, environment and health awareness/outreach. Gilead volunteers have participated in activities such as home builds and park beautification projects with Habitat for Humanity, food sorts at Second Harvest Food Bank, environmental clean-up with Pacifica Beach Coalition and preparing holiday gift baskets for LifeMoves. In addition, the Gilead Volunteer Community has held donation-based drives such as the backpack and toy drives benefiting the Family Giving Tree, and the food drive benefiting Second Harvest Food Bank.

In 2016, more than 400 employees joined the Gilead Volunteer Community and donated their time to help support our local communities.

### Gilead 2016 U.S. Population

<table>
<thead>
<tr>
<th>EEO-1 Category</th>
<th>Gender</th>
<th>Race/Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent Male</td>
<td>Percent Female</td>
</tr>
<tr>
<td>Executives</td>
<td>76.6</td>
<td>23.4</td>
</tr>
<tr>
<td>First-/Mid-Level Managers</td>
<td>48.1</td>
<td>51.9</td>
</tr>
<tr>
<td>Professionals</td>
<td>45.8</td>
<td>54.2</td>
</tr>
<tr>
<td>Total Gilead U.S. Population</td>
<td>48.3</td>
<td>51.7</td>
</tr>
</tbody>
</table>

1 Data based on U.S. definitions/demographics as of 2016 EEO-1 filing 2 Other includes two or more races, Native Hawaiian or Pacific Islander and American Indian or Alaskan Native categories 3 Executives comprises less than two percent of Gilead’s U.S. population
Gilead’s Environmental Health and Safety team has an enterprise-wide responsibility to promote and maintain safe and secure work environments for 100 percent of our employees.

Work Safety Training and Security
Using a combination of custom-developed training sessions and annual refresher courses, all laboratory personnel received safety training in 2016. All non-laboratory workers visiting a laboratory were required to attend a safety course explaining key emergency equipment and potential hazards.

In 2016, the Foster City Fire Department provided in-depth emergency response training to 21 Gilead employees. 52 employees have completed the training since the program started in 2014.

2016 Safety Metrics at the Foster City Campus

- Total Recordable Injury Rate: 0.59
- Lost Day Case Rate: 0.10
- Fatalities: 0
Zhongxin Zhou, Gilead Alberta
Find out more at: www.gilead.com/yir2016
With 23 marketed products and hundreds of ongoing and planned clinical studies, we are focused on solving some of the biggest health challenges of today. Last year, Gilead produced and distributed 33 million bottles of oral medicines and approximately 11 million vials of liquid medicine worldwide.

Gilead’s antiretroviral therapies have helped transform HIV infection from a fatal and debilitating disease into a chronic, manageable condition. We now have nine medicines available to patients and providers to help address the diverse needs of HIV patients worldwide. Through the advancement of PrEP, Gilead is also helping reduce the chances of acquiring HIV infection in HIV-negative individuals at high risk. However, we are not stopping there. We are also working to end the epidemic by conducting early-stage clinical research to identify novel agents and strategies that could play a role in eradicating HIV infection in the body.

To treat HBV, Gilead offers medicines that help patients manage chronic infection. Our research team continues to work on ways to achieve a finite duration of treatment such that patients can control or eliminate the virus without having to endure a lifetime of therapy.

As Gilead works to transform and simplify care by delivering innovative and effective treatments, we are also seeking to reduce the environmental and social impacts associated with manufacturing, packaging and distribution of our products. From implementing environmental process improvements at our manufacturing sites to developing a company-wide Supplier Inclusion program to create opportunities for underrepresented suppliers, Gilead is actively minimizing environmental and social impacts in its supply chain.
RESPONSIBLE SOURCING
In 2016, Gilead’s procurement organization commenced development of a new Supplier Code of Conduct to integrate social and environmental indicators into its supply chain and procurement process. These indicators include supplier diversity, labor practices, human rights, environmental health and safety, environmental impact and mentoring and investment programs to help advance supplier programs and policies.

SUPPLIER INCLUSION
Gilead’s procurement initiatives included small businesses and/or businesses owned by women, minorities, LGBT individuals, veterans and service-disabled veterans.

Gilead’s Supplier Inclusion program is designed to empower all business units to leverage the proven benefits of an inclusive team, including suppliers, to increase diversity of thought.

The goals of this program are to:
• Increase innovation and agility in the supply chain
• Positively impact local communities
• Meet and/or exceed federal regulations

Suppliers are identified and selected not only based on their ability to contribute value to Gilead’s business, but also to help create economic opportunity for underrepresented suppliers.

Influential supply chain partnerships in 2016 included:
• Diversity Alliance for Science (DA4S) — identifies small and/or diverse businesses with whom Gilead and its industry peers can partner.
• Institute for Supply Management (ISM) 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
  • Inclusive procurement
  • Sharing best practices
• Western Regional Minority Supplier Development Council (WRMSDC) — supports the growth and welfare of minority communities by championing the use of minority-owned businesses in Northern California, Nevada and Hawaii.

Gilead takes measures to ensure that its suppliers adhere to ethical standards. In some cases, site audits are conducted to evaluate compliance with regulatory policies, including the Foreign Corrupt Practices Act (FCPA), the U.S. Trafficking Victims Protection Act (TVPA) and other applicable labor, anti-corruption and environmental regulatory policies.

AUDITING PROCEDURES
Gilead’s suppliers are regularly monitored as part of the company’s supply chain audit program. During these audits, the partnership is evaluated for potential discrepancies with regulations or the company’s own guidelines. If any violations are identified, corrective action is recommended and noted for follow-up evaluations. Certain violations, such as the use of forced labor, human trafficking, or environmental negligence would result in a terminated agreement and the supplying organization would be removed from Gilead’s supply chain.

During audits performed in 2016, no material violations of our Code of Ethics were identified.
MANUFACTURING AND DISTRIBUTION
We contract with third parties to manufacture the majority of our active pharmaceutical ingredients (APIs) and drug products and our external supply chain continues to expand around the world. Our internal manufacturing facilities are located in Foster City, San Dimas and Oceanside, California; Edmonton, Alberta, Canada and Cork, Ireland.

Gilead’s suppliers for APIs and products must observe Good Manufacturing Practice (GMP) regulations as designed by the United States Food and Drug Administration (FDA) and other relevant health authorities worldwide. GMP covers all aspects of production: manufacturing procedures of dosage products and APIs from the starting materials, premises and equipment to the training and personal hygiene of staff.

GREEN CHEMISTRY
As part of the lifecycle management of all products, there may be opportunities to refine the process to achieve chemically equivalent results while reducing or substituting out undesirable inputs such as organic solvents. Limiting organic solvents helps lower Gilead’s environmental impact since these solvents are typically derived from nonrenewable sources and may have hazardous or toxic properties. We have undertaken efforts to reduce the use of organic solvents and other harmful substances from our manufacturing process.

Gilead’s Process Research and Development team, including the Commercial API Process Optimization (CAPO) group, based in Foster City, California, and Edmonton, Alberta, Canada, is responsible for integrating green chemistry principles into the design and development of chemical processes for commercial APIs.

In 2016, Gilead evaluated new opportunities to use enzymatic reactions and flow chemistry to reduce chemical processing steps and improve product yields, while minimizing the environmental impacts associated with manufacturing products.
Gilead’s CAPO group also made significant progress developing API process improvements for the manufacturing of APIs for HIV and HCV therapies in 2016.

Implemented at Gilead’s development manufacturing facilities, these process improvements reduced solvents, halogenated solvents, aqueous washes and organic waste, while increasing yields.

After verifying the feasibility of these optimizations at full scale, Gilead began testing the latest API process in commercial reactors at the end of 2016. Following rigorous tests, the optimizations successfully demonstrated viability and CAPO is now in the process of generating the data required for regulatory approval in countries where Gilead manufactures and distributes HIV and HCV medicines.

**In 2016, Key API Process Improvements Included:**

<table>
<thead>
<tr>
<th>Therapy API</th>
<th>HIV TAF</th>
<th>HCV SOF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in Solvents</td>
<td>12%</td>
<td>35%</td>
</tr>
<tr>
<td>Reduction in Halogenated Solvents</td>
<td>22%</td>
<td>41%</td>
</tr>
<tr>
<td>Reduction in No. of Aqueous Waste</td>
<td>20%</td>
<td>9%</td>
</tr>
<tr>
<td>Reduction in Organic Waste</td>
<td>9%</td>
<td>17%</td>
</tr>
</tbody>
</table>

TAF: Tenofovir Alafenamide
SOF: Sofosbuvir

SAFETY, LABELING AND COMPLIANCE

Product safety is paramount at Gilead. Every product goes through rigorous development, testing and clinical trials phases. All Gilead products are labeled and marketed pursuant to governing policies and regulations. There were no marketing or labeling violations in 2016 resulting in a fine or warning.

*Astrid Clarke and Adam Palazzo, Gilead Seattle*
Gilead understands that the environment contributes to the overall health of our employees, the patients we serve and the communities in which we live and work. That’s why we are committed to developing new and more sustainable processes and practices to minimize our environmental impact. This commitment is led by those at the most senior levels of our company and sets the direction for our strategic approach to sustainability.

Building on our core principles of integrity, inclusion, teamwork, excellence and accountability, Gilead empowers teams at each office location to tailor unique environmental initiatives suited to the individual functions of the site. Cross-functional communications are encouraged within the organization so that innovative ideas and solutions can be shared across our facilities worldwide.

SUSTAINABILITY STRATEGY
Gilead’s worldwide sustainability strategy aims to reduce the environmental impacts associated with operating our corporate facilities and manufacturing and distributing our products. Our strategy targets environmental impacts including energy and water consumption, raw material use, waste generation, land use, biodiversity, transportation and greenhouse gas emissions.

GILEAD SITES
All new and existing sites at Gilead are encouraged to follow green building practices and/or local green building certifications where applicable. Example standards include Leadership in Energy and Environmental Design (LEED), Building Research Establishment Environmental Assessment Method (BREEAM) and California Title 24 — CALGreen.

In 2016, Gilead leased new office space in Istanbul in a LEED Platinum-rated building and LEED principles were incorporated into the design and construction of a new campus in La Verne, California.

MANUFACTURING AND DISTRIBUTION
Gilead leverages green teams at its manufacturing sites to develop innovative ways to reduce building and equipment energy use, water consumption and waste generation. These teams are responsible for implementing improvement measures and communicating with management and other sites to share knowledge, achievements and lessons learned.

Following is a summary of 2016 achievements from Gilead’s sites around the world.
FOSTER CITY, CALIFORNIA, UNITED STATES

Gilead’s worldwide headquarters, located in Foster City, California, comprises 2.2 million square feet of office, research and development and laboratory space.

In recent years we have built a series of new laboratory buildings on campus, including, in 2016, the demolition of several buildings to make space for a new development which will house employees from 12 groups in the Research organization. 2016 also saw the opening of a new office building, which houses many of our general and administrative departments.

We have made these improvements to our campus with sustainability in mind — as well as being positive environments for our employees and helping to foster and drive innovation.

Biodiversity

The site is in an environmentally sensitive area adjacent to the San Francisco Bay watershed, a natural wetland home to some rare and endemic plant and animal species. The wetland marsh functions to absorb storm and tidal surges, filter bay water through natural tidal movements and provide natural habitat.

To mitigate environmental impacts and to promote biodiversity on the site, Gilead designed bioswales with native plant species to collect, treat, retain and infiltrate stormwater onsite instead of releasing it into the bay.

Sustainable Building Practices

Consistent with Gilead’s portfolio-wide green building design and construction standards, the Foster City campus employs a comprehensive set of measures intended to reduce environmental impact and increase employee productivity. For example, to comply with California’s CALGreen sustainable building code, the Foster City campus uses LED lighting and smart controls to turn lighting on and off based on occupant activity. Similarly, the heating and cooling equipment serving the campus meets high efficiency requirements to reduce energy use.

Energy Efficiency and Greenhouse Gas Emissions

In 2016, Gilead tracked greenhouse gas (GHG) emissions in Foster City. The GHG emission inventory includes Scope 1 and 2 emission sources from purchased electricity and natural gas measured in metric tons of CO₂ equivalent (MT CO₂e) to account for emissions of CO₂, CH₄ and N₂O.

Additional Scope 1 and 2 emission sources will be added in the future as Gilead’s data collection process expands.

As Gilead continues to grow in headcount and building footprint, both absolute GHG emissions and GHG intensities will be monitored to track changes over time. In 2016, the GHG emissions intensity for Foster City was 0.01006 MT CO₂e per square foot. As new buildings are brought online, the goal is to maintain or improve upon current GHG intensity levels.

Other Significant Air Emissions from Foster City

In 2016, Gilead quantified emissions of nitrous oxides (NOₓ) and sulphur oxides (SOₓ) resulting from the combustion of natural gas and use of purchased electricity.

2016 GHG Emissions Summary for Foster City


GWP coefficients sourced from the IPCC Fifth Assessment Report (AR5).
Energy Use
In 2016, the Foster City campus consumed a total of 55.2 GWh of electricity and 176,293 MMBtu of natural gas.

Water Use
In 2016, the Foster City campus used a total of 80,226,333 gallons of municipal water. Water conservation is emphasized through use of low-flow interior water fixtures, efficient landscape irrigation systems and drought-tolerant plant species.

Waste Reduction and Recycling
Through active employee participation and strategic partnerships with leading recycling vendors, Foster City achieved a 66 percent waste diversion rate from landfill in 2016.

The campus waste reduction strategy includes recycling for glass, plastic and metals and composting for organic wastes. Employee cafeterias use fully biodegradable tableware and recycling and composting bins are in well-marked and easily accessible areas throughout the campus.

Transportation
In 2016, Gilead added an employee shuttle service, with the capacity to remove more than 800 commuters from their cars each day. Serving San Francisco and the East and South Bays, key benefits from the service include reduced traffic burden on local communities and reduced GHG emissions and other air pollutants.

The Foster City campus has a total of 72 electric vehicle (EV) charging stations in two parking garages. Gilead also offers a mobile bicycle maintenance service and showers and changing rooms are provided to encourage bicycle commuting.

To find out more about 2016 sustainability initiatives at our Foster City site, see our video at www.gilead.com/yir2016
LA VERNE, CALIFORNIA, UNITED STATES
In 2014, Gilead broke ground on a 23-acre campus located in La Verne, California. When complete, the site will expand Gilead’s manufacturing and distribution capacity. In 2016, Gilead completed construction of the central utilities plant that will provide heating and cooling to the rest of the campus. Anticipated to be fully operational in late 2017, the La Verne site will initially employ approximately 350 people.

Gilead and the design team elected to participate in Southern California Edison’s commercial new construction “Savings By Design” incentive program. The program provides financial incentives for new buildings that demonstrate a minimum 10 percent savings compared to a minimally compliant California Title 24 design.

The central utility plant features heat recovery chillers, ultra-high-efficiency hot water boilers and variable speed drives on nearly all pumps and fans. Condensate water will be collected from the pure steam generator and reused for cooling water to displace potable water sourced from the city. An advanced energy monitoring system will allow for real-time monitoring of natural gas, hot and chilled water, medium- and high-pressure steam, potable water, make-up water and compressed air.

LED lighting is utilized throughout the interior and exterior of the facility and is controlled by state-of-the-art sensors and timers. Natural light will illuminate portions of the buildings through skylights, solar tubes and daylighting-collection design features intended to reduce unnecessary lighting energy.

Two of the buildings have been designed to accommodate future installation of solar photovoltaic systems.

Exterior landscaping will incorporate drought-tolerant plants and low-flow plumbing fixtures with automatic faucets to reduce potable water consumption.

During construction, approximately 600 tons of waste was diverted from landfill, resulting in a 95 percent diversion rate.

A comprehensive recycling program will be put into place when construction is complete to reduce operational waste.

In 2016, Gilead initiated a shuttle service between San Dimas and La Verne to transport employees between sites and reduce the number of cars on the road. Additionally, eight electric vehicle chargers and designated parking spaces will be provided to reduce GHG emissions and other air pollutants further.

SAN DIMAS, CALIFORNIA, UNITED STATES
For 20 years, Gilead’s San Dimas facility has manufactured, packaged and distributed many of the company’s products. The Facilities team at San Dimas continually works to improve operations in all areas, from upgrading lighting fixtures and controls to implementing new rapid-drying ink technology that speeds up product launches and reduces energy consumption.

In 2016, lighting systems in two warehouse buildings were upgraded to more energy efficient LED fixtures, with one also upgrading to motion sensing occupancy controls. The new 200W LED fixtures represent a 37 percent reduction in lighting power from the fixtures they replaced.

To reduce greenhouse gas emissions from product distribution in 2016, Gilead worked with a partnering wholesaler to consolidate individual shipments into a combined shipment for national distribution. This resulted in a reduction of 975 metric tons of CO₂e emissions in 2016.

In 2016, Gilead completed construction of a new lab, office and warehouse building in Oceanside, expanding development, material management and testing functions for biologics candidates. Building upon rigorous California Title 24 and CALGreen green building requirements, the site employed sustainable design and construction measures that contributed to its LEED Gold certification.

Installed lighting power is 35 percent lower compared to California’s Title 24 building code owing to efficient LED fixtures and controls. Approximately 75 percent of the connected lighting load is controlled by occupancy sensors and natural daylight is used to reduce lighting power.

To reduce energy consumed by plug loads, approximately 90 percent of appliances, office equipment and electronics in Oceanside are ENERGY STAR® certified.

Interior water fixtures reduced potable water consumption by 35 percent compared to conventional fixtures.

During construction, 75 percent of the waste generated was diverted from landfill. After the site was occupied, a waste audit was conducted on operational waste, which improved diversion rates by 35 percent.

Improvements were also made to an existing manufacturing building to optimize utility and water performance through replacement of the plant steam generation system and diversion of reverse osmosis reject water. In 2016, Oceanside staff identified that rejected water from the reverse osmosis water system could be reused as make-up water for the cooling tower water system. When fully implemented, the project is estimated to save more than three million gallons of water per year.

High-efficiency boilers were installed in 2016, reducing natural gas consumption by 17 percent. Electricity is sourced from renewable sources through the local utility company.

In 2016, Gilead’s Alberta site is expanding to accommodate the company’s growth and demand for APIs. In 2016, the second phase of the new lab facility came online and is a continuation of the Phase 1 project that earned the Alberta Top Projects Award for Sustainability in 2015.

The combined facility measures more than 90,000 square feet and incorporates numerous innovative design elements including:

- High-performance envelope that maximizes daylight usage
- Waste heat recovery from laboratory fume hoods
- 100 percent containment of stormwater runoff
- Integrated laboratory equipment software system that eliminates paper use during experimentation
- Environmental controls that condense volatile organic compounds from the exhaust ventilation. The liquid is sent offsite for solvent or energy recovery

Through a partnership with Edmonton Waste Management Centre of Excellence, approximately 90 percent of the non-hazardous waste is diverted from landfill.

In 2016, the Alberta site maintained its ISO 14001 certification, standardizing the procedures for managing sustainability and environmental activities. Members of the Green Initiative Committee conducted a series of departmental audits focused on improving sustainability behaviors through subtle reminders, well-placed signage and automating processes where possible.
STOCKLEY PARK, UNITED KINGDOM

Stockley Park is Gilead’s international headquarters. In 2016, the BREEAM “Very Good” rated facility achieved zero landfill status. All 6.49 metric tons of solid waste generated onsite in 2016 was diverted from landfills.

General waste is converted to energy and food waste is utilized as feedstock in an anaerobic digester.

Energy consumption at Stockley Park is measured against a 2012 benchmark electric energy use intensity (EUI) of 37.1 kBtu/ft².

From 2012 to 2016, Stockley Park added 65 percent more occupied space and only increased its electric EUI by one percent.

2016 Solid Waste Diverted from Landfill

- **Total**: 6.49 Tons
  - **Dry Mixed Recycling**: 2.97 Tons
  - **General Waste**: 2.86 Tons
  - **Confidential Waste**: 0.33 Tons
  - **Food Waste**: 0.23 Tons
  - **Glass**: 0.10 Tons

CAMBRIDGE, UNITED KINGDOM

Gilead’s Cambridge office sits on the edge of Granta Park, a green space amid the city’s urban activity. In 2016, construction began on a new facility that will support 170 countries in Europe, Australia and other parts of the world. The facility is expected to open in mid-2017. The new building is on track to achieve a BREEAM “Very Good” rating.

The sustainability features implemented in the design include:

- Installation of 80 bicycle bays to promote alternative commuting options
- Sustainably sourced materials with documented custody chains back to suppliers
- 65 kW solar photovoltaic system that will be capable of displacing 25 metric tons of CO₂e of electrical grid emissions annually.

A major sustainability feature that we will be implementing is a 65 kW solar photovoltaic system that will be capable of displacing 25 metric tons of CO₂e of electrical grid emissions annually.
CORK, IRELAND

Gilead’s Cork facility is responsible for manufacturing, quality control, packaging and the release and distribution of the company’s products in the European Union and international locations.

The professionals that operate our Cork site received recognition for their sustainability efforts, winning the honor of In-House Facilities Team of the Year at the 2016 Irish National Facilities Management Awards.

Cork maintained its zero landfill waste status for the fourth consecutive year, continuing to divert more than 20 metric tons of solid waste from Ireland’s landfills annually.

Submetering systems installed last year made it possible for the engineering staff to benchmark energy and water performance more accurately and use data to identify issues that may have otherwise gone unnoticed.

High-resolution meter data helped identify and isolate an underground system water leak, saving more than 1.4 million gallons of fresh water per year.

In 2016, the heating system equipment and controls were substantially upgraded, improving the system’s overall efficiency by 50 percent and reducing the water consumption of the steam boilers.

The facility continues to focus on improving overall sustainability. Feasibility studies are underway to incorporate rainwater harvesting into the non-potable water systems and to install a solar photovoltaic system to generate electricity onsite.
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STOCKHOLDER INQUIRIES
Inquiries from our stockholders and potential investors regarding our company are always welcome and will receive a prompt response. Please direct your requests for information to:

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Information regarding Gilead also is available at www.gilead.com

STOCK LISTING
Gilead common stock is traded on the Nasdaq Global Select Stock Market, under the symbol GILD.

ANNUAL MEETING
The annual meeting of stockholders will be held at 10:00 a.m. on Wednesday, May 10, 2017, at the Westin San Francisco Airport Hotel.

TRANSFER AGENT AND REGISTRAR
Communications concerning stock transfer requirements, lost certificates and changes of address should be directed to the Transfer Agent.

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Gilead Sciences is proud to be an equal opportunity employer and extends employment to men and women from culturally diverse backgrounds. Our environment respects individual differences and recognizes each employee as an integral member of our company. Our workforce reflects these values and celebrates the individuals who make up our growing team.
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Advancing Therapeutics. Improving Lives.