



## **Gilead's Tax Strategy**

Gilead Sciences, Inc. (including its consolidated subsidiaries, referred to as "Gilead," the "company," "we," "our" or "us") is a biopharmaceutical company that has pursued and achieved breakthroughs in medicine for more than three decades, with the goal of creating a healthier world for all people. We are committed to advancing innovative medicines to prevent and treat life-threatening diseases, including HIV, viral hepatitis, coronavirus disease 2019 ("COVID-19") and cancer. We operate in more than 35 countries worldwide, with headquarters in Foster City, California.

## **Our Approach to Tax**

Our global tax strategy<sup>1</sup> is in line with Gilead's general framework of maintaining a low risk tolerance level in the countries in which we operate. Our strategy focuses on:

- Ensuring there are appropriate levels of governance, risk management, and accountability
- Complying with tax laws in a responsible manner
- Having open and constructive conversations with stakeholders, including governments and tax authorities

This strategy guides our approach to tax compliance. We are committed to paying our fair share of tax, and we seek to comply with all applicable laws, rules, and regulations in meeting our tax compliance and reporting responsibilities. Accordingly, we pay a variety of taxes, including corporate income taxes, customs duties, excise taxes, stamp duties, employment, and other business taxes in these jurisdictions, as required by local law. We also withhold and pay employee taxes and indirect taxes such as the Value Added Tax.

This strategy also guides our approach to tax planning. We analyze the potential tax implications to ensure clarity of business tax consequences in locations in which we operate to ensure compliance and business alignment.

## **Tax Governance, Control, and Risk Management**

Our management establishes and maintains robust internal controls that govern our tax policies and financial reporting procedures, including management of associated risks. Under this system, key tax processes are reviewed by our internal and external auditors for adherence. Our Chief Financial Officer and Board Audit Committee receive updates on at least a quarterly basis.

Despite our strong governance, a level of risk associated with tax compliance naturally exists because tax law is inherently complex and can result in a variety of interpretations

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<sup>1</sup> *This document complies with the obligations of our UK group companies – Gilead Sciences Europe Limited, Gilead Sciences International Limited, Gilead Sciences Limited, MiroBio Ltd and CymaBay UK, Ltd. – to publish their company tax strategies in compliance with the UK legislative requirements of section 161 and Schedule 19 Finance Act 2016. Our UK group companies' tax affairs are managed directly within our global governance structure and adhere to our global tax policies. In relation to the UK companies, this document should be read as referring to UK taxation and to the approach of the companies to their dealings with HMRC.*

with respect to how our operations are taxed.

Our tax processes and procedures are designed to mitigate such material tax risks. Among other processes and procedures, transactions between our affiliated companies are guided by the arm's length standard as set out by the Organisation for Economic Co-operation and Development (OECD) guidelines for international tax matters. All material tax planning proposals are discussed with and approved by our executive management, Chief Financial Officer, and the Board Audit Committee. Where appropriate, we seek high quality external advice on tax consequences of business transactions.

Moreover, all Gilead employees are responsible for upholding Gilead's Core Values. All employees receive training on Gilead's Core Values and Code of Ethics, which includes specific reporting procedures for any suspected violations.

### **Stakeholder Engagement and Management of Concerns Related to Tax**

We engage with tax authorities with honesty, integrity, respect, and fairness and in a spirit of cooperative compliance. Our tax positions and filings are subject to review and audit by tax authorities in jurisdictions where we conduct business. During such a review, we strive to be transparent with tax authorities, providing relevant facts and documentation to support our tax positions and to resolve disputes constructively and in a timely manner on current, future, and past tax risks.

Where appropriate, we also seek to proactively engage with tax authorities on their interpretation of local tax laws and their application to our specific facts and circumstances.

New tax laws and regulations often bring uncertainty in their interpretation and application, and inconsistent treatment of a transaction by different jurisdictions brings the risk that the same income may be taxed by two or more tax authorities. In those situations, we also seek to work with tax authorities in a transparent manner to mitigate or, if possible, prevent double taxation of our economic profits, in compliance with tax treaties and applicable national legislation.

We monitor proposals and changes to tax incentives and regulations in the countries in which we operate to assess their impact on our business. From time-to-time, Gilead may collaborate with taxpayer advocacy groups to ensure Gilead's views are considered during the public discourse. We also support initiatives to increase public trust and transparency in national and international tax regimes.

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