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Economic Impact Summary Analysis: Gilead's Master Plan Expansion

The San Francisco Bay Area region is home to some of the most innovative and fastest-growing companies in the world. Many of these companies have a global presence, but their employment footprints in the Bay Area create significant economic impact here. With a gross regional product of nearly \$1 trillion, the Bay Area is one of the most productive regions in the U.S., if not the entire globe.

Gilead Sciences, Inc., a global life sciences company with a headquarters in Foster City, is one such example of a company driving the Bay Area's economic success. **Gilead is the second largest biotech employer in the Bay Area and is the 18th largest private sector employer in the region, creating high-value products and employment opportunities at all income levels.**

In Foster City, Gilead researches, develops and commercialized innovative medicines to prevent and treat life-threatening diseases, including HIV, viral hepatitis and cancer. Gilead's presence in Foster City has benefitted from a long-standing Master Plan Expansion development agreement with the city, which has been amended to incorporate and develop the 73-acre campus to produce new offices, laboratories, and additional amenities including a state-of-the-art wellness center, cafeteria, meeting center, and other outdoor amenities. These expansion plans have resulted in an increase in employee headcount and new construction at the Foster City headquarters.

Economic Impact Methodology

This analysis studies Gilead's economic impact – as measured in jobs supported, gross regional product, and total economic output – on San Mateo County and the nine-county San Francisco Bay Area. Data points on Gilead's employment were collected in 2015 and 2020,

and run through an economic modelling software called IMPLAN, which can determine the multiplying effects that investments have on a local geography. IMPLAN categorizes economic impact in three ways, which are aggregated to produce total impact figures:

- **Direct:** Captures the original expenditure – examples include Gilead's wages paid to full-time equivalent employees at their Foster City headquarter campus; and
- **Indirect:** Encompasses spending that is related to the provision of goods or services, such as expenditures on suppliers, vendors, or materials; and
- **Induced:** Originates from the wages supported by the direct expenditure, such as spending that occurs via Gilead's employees on food, healthcare, education, and housing

Gilead's Economic Impact

In 2003, Gilead acquired its worldwide corporate headquarter campus in Foster City. Today, the campus covers 73-acres and employs over 8,000 people on site (including contractors, temporary workers, and professional services staff that numbers in the thousands).

Economic impact models were created for two geographies – San Mateo County and the nine-county Bay Area – with results highlighted below. The county model captures less of Gilead's overall economic impact as there is considerable leakage to other parts of the region, which is captured in the San Francisco Bay Area model.

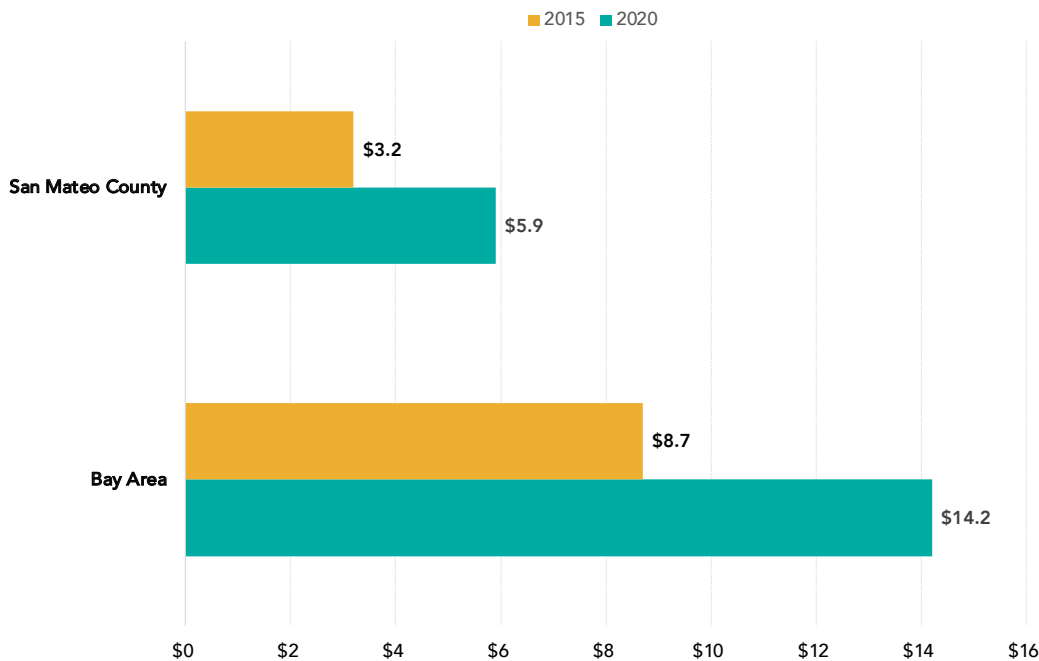
San Mateo County Impacts:

- 5,937 jobs (full-time equivalent) supported in San Mateo County households and businesses, including direct employment of San Mateo County residents and the multiplying effects of Gilead spending and the spending of its employees.
- \$1.0 billion of annual expenditures in San Mateo County through wages, suppliers and vendors, and capital projects.
- \$8.6 billion in total economic impact in 2020,
- \$5.9 billion in gross regional product contribution in 2020, up 84% from 2015. Of San Mateo County's 2020 gross regional product of \$135 billion, Gilead accounts for 4.4%.

San Francisco Bay Area Impacts:

- 14,750 Jobs (full-time equivalent) supported across Bay Area households and businesses in 2020, including direct employment of Bay Area residents and the multiplying effects of Gilead spending and the spending of its employees.
- \$2.6 billion of annual expenditures in the Bay Area through wages, suppliers and vendors, and capital projects in 2020.
- \$22.1 billion in total economic impact in 2020, measuring the total value of all transactions in the region that can be traced back to an original Gilead expenditure.
- \$14.2 billion in gross regional product contribution in 2020, up 63% from 2015.

Annual Gross Regional Product from the Gilead Headquarters Campus
(2020 dollars in billions)



Gilead’s Other Contributions to Economic Activity

Gilead has a long-standing and deep relationship with community partners and organizations in San Mateo County and the broader Bay Area. Through community engagement, Gilead contributes through financial donations, environmental and sustainability initiatives, and diversity and inclusion efforts.

Diversity Representation Goals

As of 2020, the breakdown of Gilead employees in the Bay Area by gender and race/ethnicity is indicated in the table below:

To create a diverse workforce, Gilead has enhanced diversity recruiting practices to build talent across the company. Additional diversity and inclusion efforts include:

- **Pay Equity** - Gilead is a pay-for-performance

company committed to pay equity, and Gilead’s salary ratio for women-to-men globally is 99.98:100 as of 2021.

- **Employee Resource Groups (ERGs)** - An integral part of Gilead’s diversity and inclusion program are ERGs, which promote a sense of belonging and inclusion.

- **Work Life Balance** – In 2019, Gilead launched

G.Flex, a program offering flexible work opportunities that allows employees to adjust where and when they work based on their individual needs and those of the business.

- **Progressive Policies** – To further embrace their workforce, Gilead has instituted policies to ensure that every employee feels seen, heard, and respected.

Additionally, over the course of 2021, Gilead focused on expanding its diversity initiatives across its value chain. In 2021, Gilead spent \$349 million nationally with small, diverse, and black-owned businesses.

Gilead Employees by Gender and Race/Ethnicity in the Bay Area							
EEO-1 Category*	Gender		Race/Ethnicity				
	Male	Female	White	Black	Latinx	Asian	Other**
Executives***	63%	38%	69%	6%	3%	22%	0%
First-/Midlevel Managers	49%	51%	39%	5%	6%	47%	4%
Professionals	40%	60%	31%	3%	6%	56%	4%
Total Gilead Population	44%	56%	36%	4%	7%	49%	4%

*Data based on U.S. definition/demographics as of 2021 EEO-filing (based on December 31, 2020 data). ***Other" category includes two or more races, Native Hawaiian or Pacific Islander, and American Indian or Alaskan Native categories. ***Executives comprise vice president levels and above

Environmental and Sustainability Initiatives

Gilead is committed to environmental stewardship through sustainability and efficiency strategies that are aligned with their corporate strategies. Bay Area highlights include:

- Partnering with architects, engineers, and contractors who are committed to sustainability and green building and renovation strategies.
- Pursuing LEED (Leadership in Energy and Environmental Design) certifications for new buildings constructed on the campus.
- Increasing renewable energy through solar installations at multiple sites in California, including Foster City. The solar installations generated 2.6M kWh in 2021, on pace to power Gilead's operations with 100% renewable energy by 2025.
- A commitment to electrifying Gilead's entire fleet of vehicles by 2030.
- Converting commuter buses from biodiesel to renewable diesel starting in 2021.
- Increased water conservation through increased efficiency of current systems.
- Initiated a plan to have labs certified by My Green Labs and achieved first "Gold Certified" My Green Lab Certification; and
- Recycling over 28,000 masks during the pandemic.
- Implemented occupancy controls to manage fume hood air flow in the largest laboratory building and delivered 397,000kWh in annual energy savings.
- Engaging with suppliers to reach green goals and reduce GHG Emissions 15% across the value chain by 2030

Philanthropy

Gilead has supported more than 100 nonprofit organizations in the Bay Area with grants totaling nearly \$75 million since 2018. Gilead also gave the large percentage of its profit to Bay Area charities in 2019, at 7.29%. Notable grant recipients include the San Francisco AIDS Foundation, Tides Center, Transgender Law Center, Shanti Project Inc., Project Open Hand, Oakland Public Education Fund, Curiodyssey, Urban Ed Academy, Life Science Cares & Ayudando Latinos a Sonar (ALAS), San Mateo-Foster City Community Education Foundation, and San Francisco Community Health Center.

Recognition and Awards

Gilead has received notable recognition and awards in 2021 and 2022 including:

The International Society for Pharmaceutical Engineering (ISPE) awarded Gilead the 2021 Facility of the Year Award for Special Recognition for Operational Agility: COVID-19 Impact

#1 Funder of HIV-Related Philanthropy by Funders Concerned About AIDS (FCAA)

#6 Ranking from Newsweek Most Responsible Companies

The Best Employers for Diversity from Forbes

#16 2021 Top Bay Area Companies for Supply Chain Inclusion and Equity from San Francisco Business Times

Top 25 on the Working Mother 100 Best Companies

Acknowledgments

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About the Institute

Since 1990, the Bay Area Council Economic Institute has been a leading think tank focused on the economic and policy issues facing the San Francisco/Silicon Valley Bay Area, one of the most dynamic regions in the United States and the world's leading center for technology and innovation. A valued forum for stakeholder engagement and a respected source of information

and fact-based analysis, the Institute is a trusted partner and adviser to both business leaders and government officials. Through its economic and policy research and its many partnerships, the Institute addresses major factors impacting the competitiveness, economic development, and quality of life of the region and the state, including infrastructure, globalization, science and technology, and health policy. It is guided by a Board of Trustees drawn from influential leaders in the corporate, academic, non-profit, and government sectors.

The Institute is housed at and supported by the Bay Area Council, a public policy organization that includes hundreds of the region's largest employers and is committed to keeping the Bay Area the world's most competitive economy and best place to live. The Institute also supports and manages the Bay Area Science and Innovation Consortium (BASIC), a partnership of Northern California's leading scientific research laboratories and thinkers.

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