NVIDIA

2016
SUSTAINABILITY
REPORT

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EXECUTIVE LETTERS

LETTER FROM OUR CEO
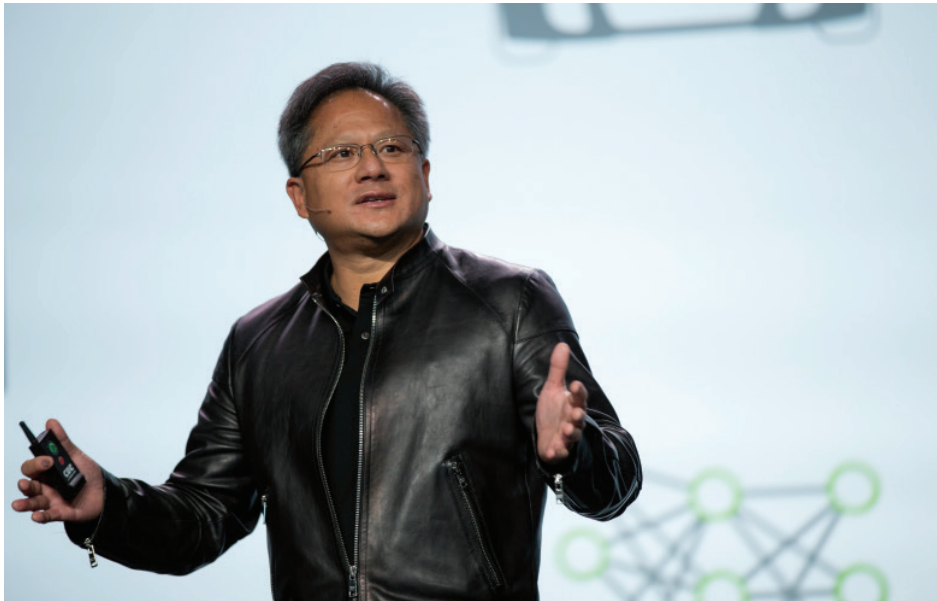
NVIDIA's pioneering work in GPU computing is central to one of the most important advances in computing history—deep learning. This discipline harnesses the massive processing power of the GPU to enable software to write software that can tackle data complexity at a scale impossible for human programmers.

Early cancer detection and personalized treatments for the disease. Intelligent robots that assist the elderly. Self-driving cars that reduce accidents, traffic and urban congestion. Challenges that just a few years ago we dreamed of tackling someday are now within our grasp. Deep learning is changing everything—and NVIDIA GPU computing is making it possible.

Deep learning is revolutionizing medicine. Massachusetts General Hospital's new clinical data science center is powered by NVIDIA DGX-1,

the world's first deep learning supercomputer. With a database of 10 billion medical images, the center will train a deep learning system to assist doctors in detecting and treating diseases such as cancer and Alzheimer's. A team at the University of Toronto is advancing computational cancer research by developing a deep learning method for identifying cancer-causing mutations. Deep Genomics, a Toronto startup, applies deep learning to understand how genetic variations lead to disease.

Deep learning is the key to the promise of self-driving cars. Some 1.2 million people die every year in car accidents, according to the World Health Organization. Ninety-four percent of U.S. car accidents are the result of human error, according to the National Highway Traffic Safety Administration. AI-powered self-driving cars have

enormous potential to make our roads safer. More than 80 companies around the world are working with the NVIDIA DRIVE PX end-to-end self-driving car platform. Volvo, for example, is putting 100 self-driving cars powered by NVIDIA on the road in its hometown of Gothenburg, Sweden. Toyota is using NVIDIA to power simulation and deep learning to train autonomous cars on numerous real-world situations before they hit the road.

And there are literally hundreds of startups around the globe using deep learning to address humanitarian and environmental issues. Robotic recycling startup Sadako, of Spain, won our Early Stage Challenge award earlier this year. Horus Technology, of Italy, received our first Social Innovation Award for its work using deep learning to help the blind "see".

Our role in these challenges is no accident. Our company exists for the bold purpose of tackling the world's great, impactful challenges. Our mission is to create computers loved, and needed, by the most demanding computing users in the world—scientists, designers, and gamers. They are the Curies and Da Vincis, the Monets and Alis of our time. We are inspired by their work, and have dedicated our life's work to make theirs possible.

Jen-Hsun Huang
CEO & Co-Founder

LETTER FROM OUR EVP, OPERATIONS

Researchers and developers worldwide are working to improve lives through technology, and NVIDIA is passionate about creating innovative products to help them succeed.

Our inherently energy-efficient products are particularly valued by consumers and businesses that care about climate change and resource conservation. A large percentage of our stakeholders understands that social and environmental responsibility is imperative for business to thrive in an increasingly complex world. They appreciate and often support our ongoing efforts to integrate both resource efficiency and respect for global human rights into our operations.

Individuals throughout the company guide our approach to corporate sustainability and responsibility by identifying priority issues and integrating feedback from key external stakeholders. They have established three primary objectives for the company, which help guide us to become more sustainable:

› Operational efficiency and excellence

› Employee recruitment and retention

› Risk and reputation management

Within these areas, we focus on initiatives such as increasing employee diversity, improving the employee experience, minimizing risk in our supply chain, and responding to increasing calls from investors to improve our performance and transparency around key issues related to corporate responsibility.

This Sustainability Report—our seventh—describes these objectives, identifies our priority issues and strategies to address them, and discusses our 2015 performance. We adhere to the Global Reporting Initiative, an internationally recognized standard, in our disclosures and reporting processes.

In this report, you'll learn how we address our priority issues by:

› Designing products that maximize performance and minimize energy use

› Managing our suppliers from a social, ethical, and environmental perspective

› Enabling innovation globally and supporting the developers who use our products

› Setting goals and carefully monitoring our progress toward them

› Addressing the needs of various stakeholders while becoming a better managed, more efficient company

You will also learn about our achievements over the past year. In 2015, we:

› Discussed our corporate responsibility risks and opportunities with NVIDIA's board of directors

› Implemented a third-party supplier management solution to better track supplier progress related to conflict minerals

› Received further recognition from leading corporate responsibility ratings organizations, such as the Dow Jones Sustainability Index, Carbon Disclosure Project, and Newsweek's Greenest Companies

Finally, you will learn about how we work to meet the expectations of a broad variety of stakeholders in today's challenging business environment. Among these expectations:

› Heightened interest in how we address key environmental, social, and governance issues

› Proper monitoring and management of a complex supply chain to ensure that all partners are working to achieve sustainability

› Increased employee diversity, which we are addressing by committing to inclusiveness, recognition, and development of women and minorities in technology, and investing in a future workforce of diverse youth interested in engineering careers

› Continued evaluation of emerging risks and opportunities (product safety, sustainability, and so forth) related to growing our brand with direct-to-consumer products

Our ability to address these and other challenges will enable us to continue to increase our operational effectiveness, attract and retain top talent, manage our risk, and bring greater long-term value to customers, investors, and other stakeholders.

We have made headway this year, but we still have much more to accomplish. We strive for continuous improvement and understand that only by partnering with our customers, employees, suppliers, and investors will we be able to shape the kind of future we envision for coming generations.

Sincerely,

Debora Shoquist

Debora Shoquist
EVP, Operations, NVIDIA

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ABOUT NVIDIA

INTRODUCTION

NVIDIA is a computing technology company dedicated to creating products loved by the most demanding computer users in the world—gamers, designers and scientists. We are the pioneers of accelerated computing, based on the GPU, which we invented in 1999. The GPU serves as the visual cortex of modern computers and is at the heart of our products and services.

Our company is united by a core belief that excellence and mastery of our craft are the source of power that lets us tackle challenges that matter to the world. We aspire to build one of the world's great companies, respected and admired for the amazing work we do and the impact we make. Our work opens up new universes to explore, enables amazing creativity and discovery, and powers what were once science fiction inventions like self-learning machines and self-driving cars.

We apply our deep expertise and significant scale to large growth markets where our specialty is greatly valued—gaming, professional visualization,

data center and automotive. For each market, we offer a tightly integrated platform of processors, software, algorithms, system architecture and services.

Founded in 1993, NVIDIA is headquartered in Silicon Valley, Calif., with more than 40 offices around the world, and over 9,000 employees. We attract the best minds in the industry to pursue their life's work.

The people of NVIDIA also share a passion for community service. Our philanthropic giving for 2015 totaled $3.06 million. Over the course of the year, employees contributed nearly 17,000 volunteer hours. Many chose to support education programs that, in total, benefited more than 64,000 children.

NVIDIA HAS RECENTLY BEEN RECOGNIZED IN SUCH LISTS AS:

FORTUNE
World's Most Admired Companies

FORBES
America's Best Employers

GLASSDOOR
Highest Rated CEOs

MIT TECH REVIEW
50 Smartest Companies

NEWSWEEK
America's Greenest Companies

NVIDIA PRODUCTS

NVIDIA GeForce GTX

Our GPU brand for PC gamers. The world's largest gaming platform, with 200 million users.

NVIDIA SHIELD Android TV

Changes the way people enjoy entertainment at home, delivering video, music, apps and amazing games in 4K.

NVIDIA GeForce NOW

Game-streaming service— "a Netflix of games". Allows gamers to connect their SHIELD devices to a GeForce-powered supercomputer in the cloud.
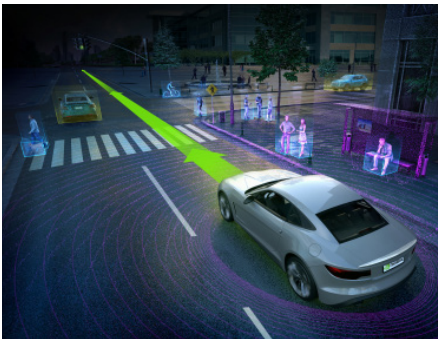
NVIDIA DRIVE

Car computers power the digital cockpits, infotainment systems and advanced driver assistance systems of some of the world's most innovative cars, including models from Audi, BMW, Honda, Tesla and VW. NVIDIA DRIVE also gives automakers the power to develop artificial intelligence systems that enable cars to see, learn, adapt and improve, paving the way toward self-driving cars.

NVIDIA Tesla

A GPU-accelerated computing platform that provides parallel processing capabilities to scientists and researchers to do groundbreaking work in areas as diverse as earthquake research and cancer detection. Tesla GPUs have been broadly adopted in deep learning, a branch of artificial intelligence in which machines are trained to recognize images, text and speech across a variety of applications.

NVIDIA Quadro

The preeminent platform for professional artists involved in everything from industrial design to advanced special effects. NVIDIA Iray rendering technology brings physically based rendering capabilities to millions of designers who build the products we use every day, from cars to skyscrapers.

NVIDIA GRID

Virtualized graphics technology provides enterprise workers who use design tools the flexibility, security and efficiency of the cloud.
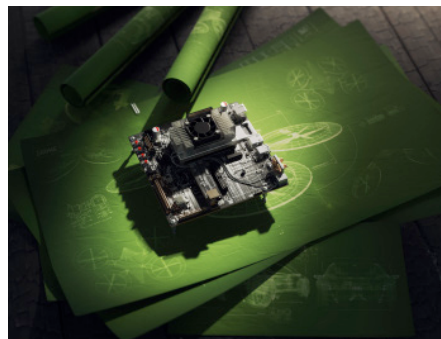
NVIDIA Jetson

Brings deep learning and artificial intelligence to the world of robots and drones, enabling autonomous machines to learn on their own.

GOVERNANCE AND ETHICS

NVIDIA and its board of directors are committed to operating under sound principles of corporate governance and upholding the highest ethical standards. In this section, we detail our approach to running our business.

GOVERNANCE

The company has adopted charters, codes of conduct, and policies to define our corporate governance, promote the interests of our shareholders, and establish common expectations as to how we run our business.

We have 12 directors on our board and three board committees (Audit, Compensation, and Nominating and Corporate Governance). As of April 2016, 11 of our 12 directors (92 percent) are independent, which exceeds the majority threshold required by NASDAQ. Independence is determined by heightened compliance with NASDAQ rules on director independence. The sole exception is Jen-Hsun Huang, the company's president and chief executive officer. Our bylaws and corporate governance policies permit the roles of chairman of the board and CEO to be filled by the same or different individuals, which provides the board flexibility in determining what is best for the company. At this time, NVIDIA has a lead director, William J. Miller, rather than a board chair.

In fiscal year 2016, all directors attended at least 75 percent of board and committee meetings on which they served.

Our corporate governance practices are rated by external organizations such as Institutional Shareholder Services (ISS). According to ISS, as of April 2016, NVIDIA's overall Governance QuickScore was 6, based on the following components: Audit & Risk Oversight (1), Board Structure (7), Compensation (7), Shareholder Rights (6). These scores indicate decile ranking relative to a particular index or region determined by ISS. A decile score of 1 indicates lower governance risk, whereas a score of 10 indicates higher governance risk.

Executive Compensation

Our compensation program is designed to attract, motivate and retain a high-caliber executive team. As part of our emphasis on best practices, we are committed to paying for performance. To this end, a significant portion of executive compensation is based on our corporate performance.

GOVERNANCE SNAPSHOT

11
of our 12 board members are independent

DECLASSIFIED BOARD STRUCTURE
and all board members serve one-year terms

INDEPENDENT DIRECTORS
compose our board's audit, compensation, and nominating and corporate governance committees

MAJORITY VOTE
practices have been adopted voluntarily

SUCCESSION PLANNING
for the position of Chief Executive Officer is in place

ANNUAL PERFORMANCE EVALUATION
of board and board committees

PUBLIC DISCLOSURE OF
› director nomination process
› approach to board diversity
  › committee charters
  › governance policies

18%
of outside directors are female

25%
of our board members are minorities

Our compensation program is administered under a rigorous process that includes reviewing peer group practices, advice from an independent compensation consultant (reporting directly to the Compensation Committee, not to the company), and long-standing, consistently applied practices with respect to the timing of equity grants.

Watch five long-time NVIDIANs talk about the company's core values and why they are important to us.

Compensation Recovery Policy

In April 2009, our board adopted a Compensation Recovery Policy where our CEO or CFO shall disgorge to NVIDIA the net after-tax amount of such variable compensation payment if (i) we are required to prepare an accounting restatement to correct an accounting error on an interim or annual financial statement included in a report on Form 10-Q or Form 10-K due to material noncompliance with any financial reporting requirement under the federal securities laws, and (ii) the board or a committee of independent directors concludes that our CEO or CFO had received a variable compensation payment that would not have been payable if the original interim or annual financial statements reflected the restatement.

To learn more about our executive compensation practices, please see our proxy materials.

Internal Control

NVIDIA's Sarbanes-Oxley Compliance Group is responsible for evaluating the effectiveness of the company's disclosure controls and procedures and internal control over financial reporting. Based on their evaluation as of January 31, 2016, our management has concluded that our disclosure controls and procedures were effective in providing reasonable assurance and that our internal control over financial reporting was effective.

For more information, please visit our FY2016 10-K, Item 9A.

ETHICS

We believe that the integrity with which we conduct ourselves and our business is key to our ability to running a successful, innovative business and maintaining our reputation. We expect our directors, executives and employees to conduct themselves with the highest degree of integrity, ethics and honesty.

Our Code of Conduct applies to all of our executive officers, directors and employees, including our principal executive officer, principal financial officer and principal accounting officer. In addition, we have established a Financial Team Code of Conduct that applies to our executive officers, directors and members of our finance, accounting and treasury departments.

The Code of Conduct and the Financial Team Code of Conduct can be found in the Investor Relations section of our website under Corporate Governance. If we make any amendments to either code or grant any waiver from a provision of either code to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website.

Our codes do not permit engaging in transactions or activities that are a conflict of interest. When entering purchase requisitions, employees must certify that they don't have a conflict of interest. To better protect the company and our stockholders, we regularly review our codes and related policies to ensure that they provide clear guidance to our directors, executives and employees.

We have established a corporate hotline (operated by a third party) to allow any employee to confidentially and anonymously lodge a complaint about any accounting, internal control, auditing, Code of Conduct or other matter of concern (unless prohibited by local privacy laws for employees located in the European Union). Employees are encouraged to report suspected conflicts of interest to their manager or human resources representative, or through the hotline. An external organization operates the hotline, and this administrative choice enhances our employees' comfort level with anonymous reporting. We have a strict "no retaliation" policy regarding reports of activities that run counter to our ethical expectations.

If an employee is found to have violated either the Code of Conduct or the Financial Team Code of Conduct, we take appropriate actions up to and including termination of employment.

All NVIDIA employees receive ethics and sexual harassment training. Our goal is for all employees globally to receive our Code of Conduct training within 30 days of starting with the company, which covers environmental and social responsibility issues. As of February 2016, 96 percent of employees had completed this training. Ninety-seven percent of employees who have frequent contact with customers, partners and suppliers (such as those in sales, finance and procurement) have completed additional global anti-bribery and anti-corruption training.

CULTURE AND VALUES
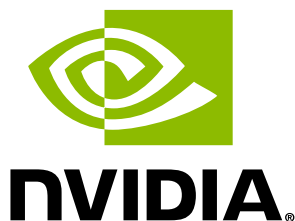
CORE VALUES

INNOVATION
Willing to take risks.

We create products and services that raise industry standards—in some cases pushing them to new heights. Sometimes we offer products and services that people don't yet know they need. We endeavor to delight users and shape the industry.

SPEED AND AGILITY
Adapt to a fast-changing world.

We adjust internal priorities to match external reality, enabling us to create groundbreaking products at astonishing speed. No politics, no hierarchy stands in the way of inventing the future.

ONE TEAM
Do what's best for the company.

We foster an environment that motivates our employees, empowering them to work as one integrated team. By putting the interests of the company before our own, we can more easily align around NVIDIA's vision.

INTELLECTUAL HONESTY
Admit mistakes, no ego.

We operate at the highest ethical standards. We seek to know ourselves and our capabilities, learn from our mistakes, and continually focus on improvement.

EXCELLENCE
Hold ourselves to the highest standards.

We hire extraordinarily talented individuals across the globe and challenge them to do their best work. We treat each other with candor and respect, and strive for excellence in whatever we do.

We have pioneered the art and science of visual computing for more than two decades. We are in the business of creating immersive, interactive experiences for computer users of all kinds—from gamers to scientists, and consumers to enterprise customers.

We have been successful because we are focused and passionate about what we do. We are committed to technology leadership and strive to operate at the highest levels of achievement. Even as we grow, we remain nimble and able to reinvent ourselves to create exciting new capabilities for our customers.

Our regular employee survey tells us that NVIDIANs feel great pride in the company— 88 percent say they are proud to work here. Our corporate culture arises from five core values that provide our foundation for success. These values create workplaces where innovation thrives and mistakes are transformed into opportunities.

OUR CODE AND CULTURE

We believe that high performance must be grounded in integrity, and thus our professional relationships are guided by a set of standards we call Our Code. These principles govern how we act toward customers, competitors, partners, vendors, government regulators, stockholders, fellow employees, and the larger community.

Our corporate culture resonates with our users, who are uniquely passionate about our products. Many customers express this passion in deeply personal ways, including creating artwork and tattoos based on our logo, and even in naming their children NVIDIA.

SUSTAINABILITY SNAPSHOT

$5.01
BILLION IN REVENUE

9,227
EMPLOYEES

WORKFORCE

94%
believe NVIDIA is doing important, industry-leading work

88%
feel proud to work at NVIDIA

7.2%
voluntary turnover rate (versus industry average of 9.7%)

79%
of promotions were of employees from minority classes

18,000
internship applicants

300
internship positions awarded

INCLUSION

100%
Human Rights Watch Corporate Equality Index score

30,000
diverse contacts reached

GENDER STATISTICS

16%
female managers

12%
females in technical roles

40%
female named executive officers

18%
females globally

12%
female leaders

18%
female outside directors

COMMUNITY

$3.06 MILLION
donated to non-profits

90%
of offices engaged in giving activities

33%
of employees engage in volunteer activities

87%
of employees believe the Foundation's programs are effective

16,833
hours volunteered by employees

64,000
youth reached through our programs

ENVIRONMENT

95%
of our waste was diverted from landfills

3X
increase in datacenter output over the last three years, using the same amount of energy

6%
decrease in the amount of greenhouse gas emissions per headcount from the previous year

30%
reduction in water use over the past two years

PACKAGING

20%
increase in the amount of product carried by every pallet shipped

0%
plastic in consumer packaging

CORPORATE AWARDS

Forbes 2016

America's Best Employers
Forbes

FORTUNE WORLD'S MOST ADMIRED COMPANIES® 2016

World's Most Admired Companies
Fortune

MOST ATTRACTIVE EMPLOYERS USA universum 2016

America's Most Attractive Employers
Universum

Harvard Business Review

World's Best Performing CEOs
Harvard Business Review

HUMAN RIGHTS CAMPAIGN BEST PLACES TO WORK 2016 for LGBT Equality 100% CORPORATE EQUALITY INDEX

Best Places to Work for LGBT Equality
Human Rights Campaign

MIT Technology Review

Fifty Smartest Companies
MIT Technology Review

Global 2000
Forbes

Newsweek

2015 Green Rankings
Newsweek

Best of What's New Award
NVIDIA SHIELD
Popular Science

eliminating racism empowering women ywca silicon valley

Tribute to Women
YWCA Silicon Valley

SILICON VALLEY BUSINESS JOURNAL

Women of Influence
Silicon Valley Business Journal

Automotive News 20 Years PACE AWARD EY Building a better working world TRC Transportation Research Center Inc.

PACE Award
Automotive News

Edison Award
for Innovation

SILICON VALLEY BUSINESS JOURNAL

Corporate Philanthropy Award
Silicon Valley Business Journal

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vmware®
Partner Innovation Award
2015 Global Winner

Technical Partner of the Year 2015
VMware

Dow Jones Sustainability Indexes

Member
Dow Jones Sustainability Index

This is a partial list providing only highlights.

03
OUR
PRIORITIES

LISTENING TO STAKEHOLDERS

We seek to increase our understanding of the issues that mean the most to NVIDIA and our stakeholders through a multi-level process of internal and external engagement.

To better inform our reporting objectives, we evaluate and analyze issues that our stakeholders say are the most important to them, separately assess our enterprise risk and corporate responsibility priorities, and combine the results on a matrix. Through this assessment, we are able to identify the key issues to address in this annual sustainability report.

We regularly review trends in the marketplace around the issues presented on the matrix. We also execute several initiatives each year related to our priorities that provide various levels of return based on the business goals assigned to each initiative.

In determining our priorities and the content for this report, we apply the following principles, as set forth in the Global Reporting Initiative GRI G4 Guidelines. These guidelines provide a globally recognized framework for companies to measure and communicate their environmental, social and governance performance:

› **1.Stakeholder inclusiveness:** We take into consideration multiple stakeholder viewpoints. (See Our Stakeholders for information about engaging our stakeholders.)

› **2.Sustainability context:** We consider the economic, social and environmental sustainability impacts associated with issues in the analysis.

› **3.Materiality:** We focus our analysis on issues that we have identified as highest priority for NVIDIA and its stakeholders.

› **4.Completeness:** We do not avoid difficult or contentious issues.

We participate in external stakeholder efforts such as the Dow Jones Sustainability Index and various "best place to work" ratings, and in employee surveys to keep our stakeholders engaged, demonstrate progress, and receive constructive feedback.

In 2016, we began providing an overview of our corporate responsibility priorities and objectives to NVIDIA's board of directors to keep them informed about our priorities and strategies. We will continue to assess, track and communicate our performance on the issues that are the highest priority from both internal and external perspectives.

ASSESSING STAKEHOLDER PRIORITIES

We reviewed more than 25 external stakeholder source documents during our baseline assessment year. These sources included:

› Community surveys

› Competitors' reports

› Customer requirements/requests

› Disclosure standards, such as the GRI G4 Sustainability Reporting Guidelines

› Employee survey feedback

› Industry and trade association publications

› Investor queries

› Ratings and rankings questionnaires

› Regulatory requirements

› Trade organizations' codes of conduct

For this year's evaluation, we updated baseline information with feedback received over the course of the year. The chart below represents our stakeholders' perceptions of issues included in this year's analysis.

| Stakeholder Score	Issue*
Very High	Supply chain management
	Materials availability
	Supplier working conditions
	Energy
	Transparency
	Climate change
	Employee health and safety
	Environmental management
High	Water
	Compliance
	Diversity and inclusion
	Waste
	Innovation
	Employee satisfaction
	Competitiveness
	Community engagement
Medium	Ethics
	Cybersecurity
	Customer relations
	Talent management
	Anti-corruption
	Governance
	Supplier environmental management
	Product Safety
Low	Recycling and e-waste
	Social impact of products
	Emergency preparedness
	Packaging
	Transport and logistics
	Business continuity

* Listed by score on the matrix.

SETTING OUR PRIORITIES

ASSESSING COMPANY PRIORITIES

To arrive at our internal priorities, we evaluated information from various company sources. Among this are the risk factors identified in our periodic reports filed with the Securities and Exchange Commission, and in enterprise risk discussions with NVIDIA executives. We also conducted individual interviews with members of the executive team to ensure that their views were reflected in the analysis.

The chart below represents a ranking of issues and their importance to NVIDIA. We ranked them according to their prevalence in company documentation, the importance accorded to them during executive conversations, and the extent and urgency of potential associated impacts.
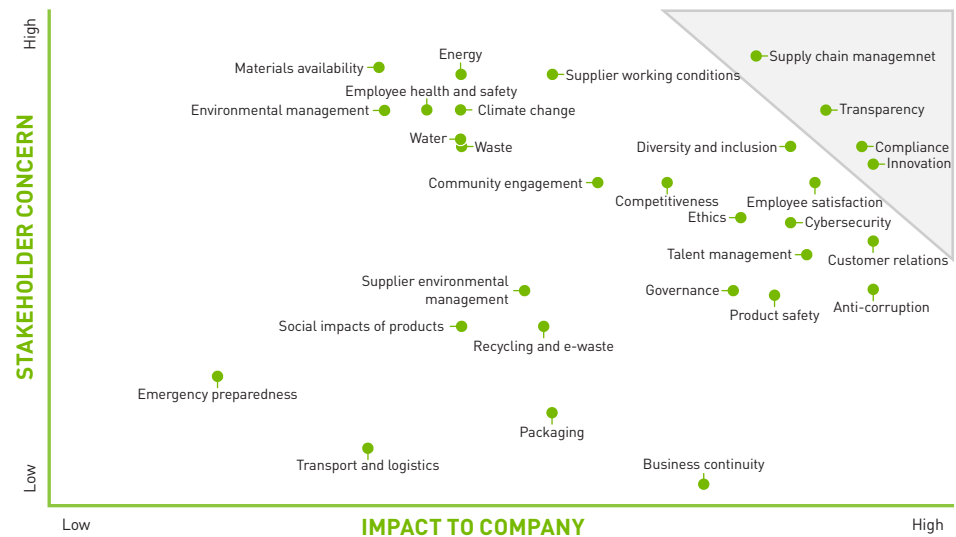
Company Score	Issue*
Very High	Innovation
	Customer relations
	Anti-corruption
	Compliance
	Transparency
	Employee satisfaction
	Talent management
High	Cybersecurity
	Diversity and inclusion
	Product Safety
	Supply chain management
	Ethics
	Governance
	Business continuity
	Competitiveness
Medium	Community engagement
	Supplier working conditions
	Packaging
	Recycling and e-waste
	Supplier environmental management
	Energy
	Climate change
	Water
	Waste
	Social impact of products
Low	Employee health and safety
	Environmental management
	Materials availability
	Transport and logistics
	Emergency preparedness

MAPPING COMBINED PRIORITIES

We mapped the results of these analyses on a matrix to highlight the most important issues from the perspective of external stakeholders and company management. The matrix includes the entire list of issues considered for inclusion in the analysis.

In the resulting priority matrix, the issues with the highest priority are shown in the top right quadrant (shaded triangle).

Based on our findings, the following changes resulted from our 2016 priorities assessment update:

› Customer Relations is no longer classified as a priority issue. Although it remains important, we believe that our robust management of this issue and our engagement with customers and consumers will ensure continued performance.

› We evaluated Competitiveness as a new issue in the assessment, reflecting changes in our product mix and rising economic, societal and customer concerns.

› The issues that increased in importance between 2014 and 2015 (but not to the level of priority issues) for both the company and stakeholders included: Cybersecurity, Diversity, Product Safety and Talent Management.

Based on this year's assessment, our three key objectives (which are unchanged from last year) are to:

Drive operational efficiency and excellence

Strengthen hiring and retention

Manage corporate responsibility risks and opportunities

The table below shows how each objective maps to this year's priority issues:

Objective	Corresponding Priorities
Drive operational efficiency and excellence	Innovation, Supply Chain Management
Strengthen hiring and retention*	Innovation, Transparency
Manage corporate responsibility risks and reputation	Compliance, Innovation, Transparency

*Although Employee Satisfaction is not designated as a priority issue for 2016, we maintain a strong focus on this area, which encompasses employee engagement, diversity and inclusion.

* Listed by score on the matrix.

OUR APPROACH TO PRIORITY ISSUES

The result of our 2016 priorities assessment is shown below:

Our approach to the management of each of these priority areas is discussed separately below.

| Issue	Description
Compliance	Compliance with all applicable policies, laws and regulation. Inclusive of fines/penalties, particularly any related to product compliance requirements.
Innovation	The ability to innovate products, services, and/or operational practices, including through company investments in research and development; encompasses issues related to the protection of intellectual property.
Supply Chain Management	Policies and practices related to overall supply chain management, including auditing.
Transparency	Publicly sharing information about corporate responsibility efforts (policies, progress, level of disclosure), including external assurance of disclosures and direct stakeholder engagement.

Compliance

Priority issue for NVIDIA, customers, and shareholders

Compliance is covered in NVIDIA's Code of Conduct, which is available on the Company Policies page on our website.

We view compliance as the activities we undertake and the systems we have in place to ensure continual adherence to all applicable laws and requirements from governments and our customers, whether related to environmental issues, social issues or regulations.

Governmental compliance is a critical component of NVIDIA's business strategy because it involves our license to operate in markets where we want to manufacture and sell our products, manage offices, and hire employees. We comply with all mandatory governmental regulations that apply to us in the communities in which we do business. We also comply with our customers' requirements in order to meet contractual obligations.

But this legal compliance is simply the baseline that establishes the minimum standards to which we hold ourselves accountable. In addition, we are committed to comporting ourselves in accordance with the highest ethical standards, regardless of whether there is a legal requirement to do so.
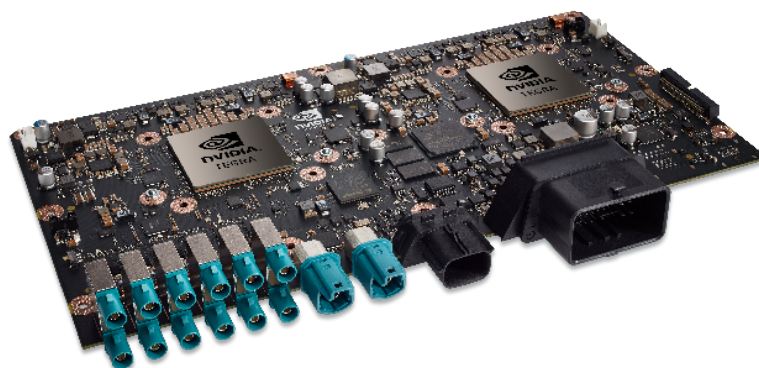
Driving Innovation: In 2015, we launched NVIDIA DRIVE PX, a powerful self-driving car computer designed to integrate the power of deep neural networks into real-world cars.

We employ social and environmental compliance engineers in our worldwide operations organization. These employees manage issues such as human rights, end-of-life recycling, hazardous substances and conflict minerals. Our global Legal and Human Resources teams receive regular guidance from legal counsel and industry associations on issues related to bribery, ethics, and hiring and labor practices. The Sales Operations team oversees our customers' environmental, social and governance requirements and works cross-functionally to ensure the compliance of all related teams.

In all of these functions, we have established mechanisms to maintain active compliance, assess our performance, and anticipate impending requirements and regulations.

To learn more about our specific compliance activities and approaches, refer to Governance and Ethics, Product Delivery, Supply Chain Management, and Supplier Responsibility.

Innovation

Priority issue for NVIDIA, shareholders, customers, and employees

The drive to innovate brought NVIDIA into being. From our inception, we have been known, in part, for bringing information to life through computer graphics.

Our invention of the GPU introduced the world to the power of programmable graphics. Our subsequent invention of CUDA has enabled the massively parallel processing capabilities of GPUs to be harnessed to accelerate general purpose computing. About 27 percent of our revenue in fiscal 2016 ($1.33 billion) funded research and development activities. In total, we have invested more than $12 billion in research and development since our inception, yielding some

7,300 patent assets, including inventions essential to modern computing.

NVIDIA has transformed into a specialized platform company that targets four large markets—Gaming, Professional Visualization, Datacenter and Automotive—where visual computing is essential and valued.

Our two reportable segments—GPU and Tegra Processor—are based on a single underlying graphics architecture. From our proprietary processors, we have created platforms that address the four large markets where our visual computing expertise is critically important. We are focused on delivering value through PC, mobile and cloud architectures. Our vertical integration enables us to bring together hardware, system software, programmable algorithms, systems and services to create unique value for the markets we serve.

Our GPU product brands are aimed at specialized markets including GeForce for gamers; Quadro for designers; Tesla for researchers and analysts focused on artificial intelligence, deep learning and big-data; and GRID for cloud-based visual computing users. Our Tegra brand integrates an entire computer onto a single chip, incorporating GPUs and multi-core CPUs aimed at online gaming and entertainment devices, as well as autonomous robots, drones and cars.

We continuously assess whether and where to seek formal protection for particular innovations and technologies, based on such factors as the commercial significance of our operations and our competitors' operations in particular countries and regions, the location in which our products are manufactured, our strategic technology or product directions in different countries, and the degree to which intellectual property laws exist and are meaningfully enforced in different jurisdictions.
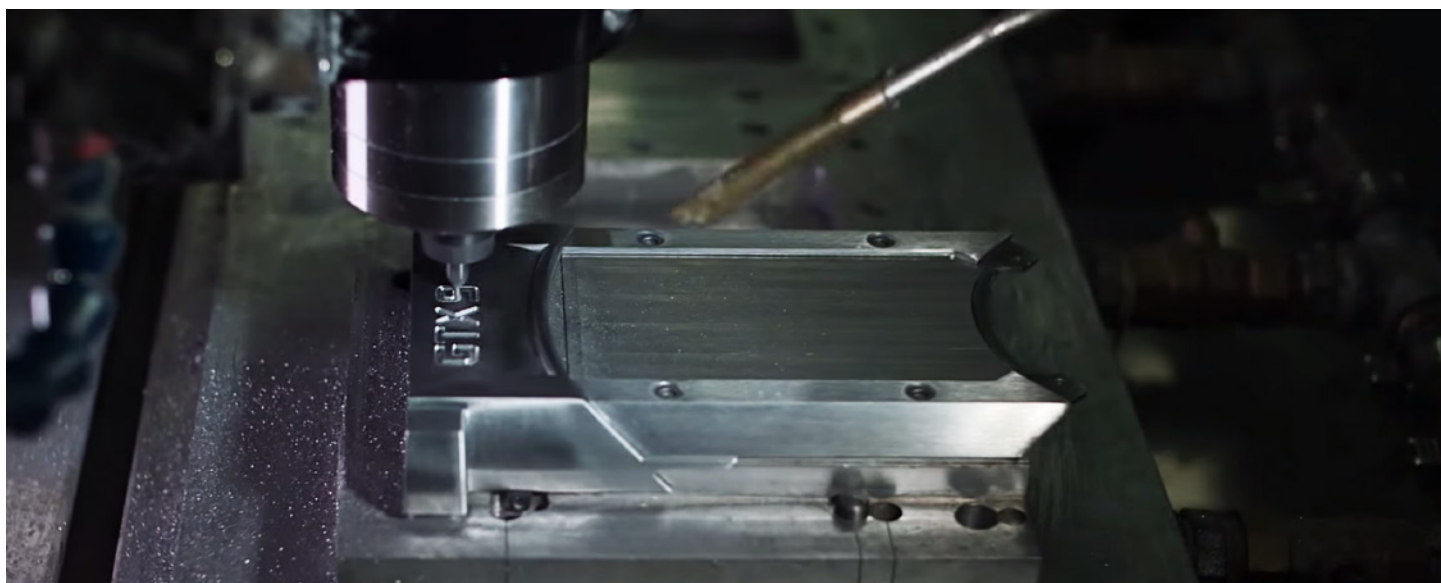
Supply Chain Management

Priority issue for NVIDIA, customers, and nongovernmental organizations

We do not directly manufacture the semiconductor wafers or printed circuit boards used in our products, nor do we manufacture the company's branded devices. We work with world-class suppliers for all phases of the manufacturing process, including wafer fabrication, assembly, testing and packaging. We also contract with manufacturers to build, test, and distribute our branded devices. We closely manage our supply chain to continue delivering innovative products in a social and environmentally conscious manner.

We drive several of our supply chain initiatives through participation in the Electronic Industry Citizenship Coalition and strive to go beyond EICC compliance. We have adopted the EICC Code of Conduct and integrated its elements into our program, including auditing critical suppliers and conducting internal assessments to ensure that we address all aspects of responsible supply chain management. We also comply with the EICC's guidance regarding stakeholder grievances related to our social or environmental performance.

In Supplier Responsibility, we cover in detail several areas that are material to NVIDIA and our performance in these areas. These include: safe working practices, auditing, water, carbon footprint, and conflict minerals. We also participate in organizations focused on issues relevant to Supplier Responsibility, such as the Public-Private Alliance for Responsible Minerals Trade and the Association Connecting Electronics Industries.

Transparency

Priority issue for NVIDIA, shareholders, and government

We value and prioritize transparency across our entire business. In this report, the discussion of transparency relates specifically to sustainability issues. We report in accordance with the Global Reporting Initiative G4 at its "Core" level.

We engage Trucost to assure the integrity of our global greenhouse gas data, and the Scope 3 emissions of waste and business travel. We also publish dashboards of key workforce, diversity and environmental metrics to give stakeholders a snapshot of our performance. See Our Performance for details.

Throughout the year, we share data directly with customers, researchers and shareholder groups.

EICC®
ELECTRONIC INDUSTRY CITIZENSHIP COALITION

NVIDIA has been a member of the EICC since 2007.

We actively work in priority areas to address business risks and improve performance. We have increased our external positioning by providing data about our performance to institutional investors and environmental, social, and governance reporting firms, such as Bloomberg, Carbon Disclosure Project, Corporate Knights, MSCI, RobecoSAM and Sustainalytics.

In late 2015, we undertook a gap analysis of stakeholder reporting frameworks (Dow Jones Sustainability Index, EICC, Best 100 Corporate Citizens and Bloomberg ESG) to identify areas where we want to improve performance. Our progress in these areas is listed in the table below:

2016 GOAL IMPROVEMENT AREAS

CODE OF CONDUCT
update will provide stronger language around our practices and policies on human rights and child labor, diversity and inclusion, product sourcing and supplier expectations

IMPROVE REPORTING
on our expectations of suppliers in accordance with our membership requirements of the EICC (see Supplier Responsibility)

SET GOALS AND REPORT
on metrics around health and safety

KEY SUSTAINABILITY
reporting metrics to our board of directors, which we did for the first time this year

04
OUR
STAKEHOLDERS

ENGAGEMENT CHANNELS

Engaging our diverse stakeholders informs and helps us improve our approach to corporate responsibility. We define stakeholders as groups or individuals who can be affected by NVIDIA and whose actions can affect the organization. We continually track requests from our stakeholders so that we can identify and respond to key concerns. As we review and prioritize stakeholder interests, we consider their relationship to our company and the relative importance of the issues they raise.

Although NVIDIA does not have a formal stakeholder advisory panel for corporate responsibility issues, at least one member of the Corporate Responsibility Committee evaluates each stakeholder request to determine whether a response is appropriate. If it is not, we inform the stakeholder of our reason(s) for not responding.

ENGAGEMENT CHANNELS

The diversity of our stakeholders requires that we engage in various ways based on their interests and the relationship they have with NVIDIA. Below we provide examples of our key stakeholders and the means by which we engage with them.

Communities

When we enter new communities or begin facility construction, we interact with local governments to update community members on our progress and receive approval when needed. We are members of public policy organizations such as the Silicon Valley Leadership Group, Information Technology Industry Council and Digital Europe. Through the work of the NVIDIA Foundation, we work closely with communities and local governments where we have offices worldwide.

Consumers

Our customer service team tracks all interactions with consumers as they occur and shares bi-weekly satisfaction reports internally. The sustainability team leverages our widely followed blog and social media channels to share stories of our efforts to engage employees and deepen the company's social impact.

Customers

Through the Electronic Industry Citizenship Coalition (EICC), we make our self-assessment questionnaires available to customers and collaborate with them through various working groups. We promote our corporate responsibility efforts when possible in business reviews.

Developers

We have established robust mechanisms for communicating with and facilitating interaction among developers through targeted discussion forums and conferences (the frequency varies, depending on the channel). Developer resources include courses in parallel programming; enhancement tools for debugging, performance and testing; access to highly skilled engineers and specialists who provide custom services and co-design industry-specific applications; and financial support to university researchers in various scientific disciplines.

Employees

We conduct a global employee survey every 18 months, and secured a 92 percent response rate in the last survey, which was conducted in 2014. See the results in Engagement and Retention. Our next survey will be conducted in June 2016.

In addition to using an online suggestions box, employees can and do contact our CEO or any executive staff member with questions or suggestions. Employees also are encouraged to submit questions (anonymously, if they prefer) before our quarterly company meeting. Our CEO answers some questions onstage, and we respond to the rest in writing. Our responses are posted so that all employees can read them.

We have established a third-party corporate hotline to allow any employee to confidentially and anonymously lodge a complaint about any accounting, internal control, auditing, or other matter of concern (unless prohibited by local privacy laws for employees located in the European Union).

Some 90 percent of our offices participated in 2015 in either a charitable fundraiser or volunteer event. Globally, our volunteerism rate is 33 percent. Eighty-seven percent of employees tell us that they are proud of the work NVIDIA does in their local communities and 90 percent believe that it is important for NVIDIA to be a responsible corporate citizen.

Nonprofit and Nongovernmental Organizations

We continuously engage directly with charitable organizations through the work of the NVIDIA Foundation. We partner with NGOs through initiatives like the EICC or Public-Private Alliance for Responsible Minerals Trade.

Shareholders

Since 2007, we have been invited to participate in the Carbon Disclosure Project. We respond to individual shareholder requests as they arise. We also respond through shareholder meetings, individual meetings, proxy statements, analyst days, and external shareholder events.

Individual shareholders who wish to communicate with the board regarding nominations of directors or other matters may do so by sending written communications to our Corporate Secretary, David M. Shannon. If no particular director is named, letters are forwarded (depending on the subject matter) to the Chair of the Audit, Compensation, or Nominating and Corporate Governance Committee.

Suppliers

We engage with suppliers through quarterly business reviews and allocate points in their performance score for their efforts to participate in social and environmental initiatives. Through the EICC, we analyze their self-assessment documentation and request periodic audits. We actively reach out to suppliers for issues related to product compliance and conflict minerals.

2015 INTERACTIONS

To better understand our shareholders' expectations, we conducted a gap analysis of NVIDIA's corporate social responsibility performance within five investor-oriented ratings frameworks: CDP, MSCI, Oekom, RobecoSAM and Sustainalytics. This input became part of our priority issues discussions with executives. See Transparency for the results of this year's gap assessment.

DISTRIBUTING THIS REPORT

After publishing our Sustainability Report each year, we promote its availability through:

› Targeted employee communications

› Outreach to stakeholders and reporting organizations with which we have built a relationship

› Individual outreach to shareholder groups that make inquiries throughout the year

› Our social media channels, which reach more than 15 million people

We also distribute the report to our executive staff and to sales and marketing employees who interact directly with customers and partners.

| Stakeholder	Engagement
Employees	Conducted discussions with female and LGBT employees about desired benefits and programs.
Customers	Received an average of 10 compliance requests from customers weekly.
	Conducted an analysis of customer contracts to confirm that our priorities are aligned with their requirements.
	Worked directly with customers to report our supplier status related to conflict minerals.
	Responded to several customer surveys and maintained our Sony Green Partner certification for the 10th year.
Shareholders	Participated in the Carbon Disclosure Project (investor, supply chain and water reports). Our current investor score is 98C.
	TerraAlpha Investments contacted us in June 2015 to inform us that they were now holding NVIDIA shares, bringing to twelve the number of socially-responsible investment funds owning our stock.
Board of Directors	Provided to the board of directors for the first time an overview of our corporate responsibility objectives and our key priorities.
Government	Continued to add recycling programs in states where applicable.
	Improved our Form SD to provide greater transparency around our efforts related to conflict minerals.
Research/Ratings Organizations	Were featured as a member of the Dow Jones Sustainability Index for a second year.
	Continued to address gaps from last year's gap analysis by increasing our reporting transparency in areas related to supplier responsibility and environmental issues. An analysis conducted in 2015 pointed to our need to improve reporting in health and safety and human rights in the supply chain, and also increase our reach to our board of directors (see Board of Directors entry above).
	Interacted with 14 organizations interested in our corporate responsibility: Bloomberg ESG, CDP, Corporate Equality Index, Corporate Knights (for Global100, Newsweek), Forbes Change the World list, FTSE4Good, Harvard Business Review, IW Financial, MSCI, Oekom, RobecoSAM, Sustainalytics, and Vigeo.

05
OUR
OPERATIONS

VALUE CHAIN

We examine our priority issues from a value chain perspective. Charting our value chain gives us the ability to understand the risks and opportunities associated with key activities and their related impact on stakeholders.

As illustrated in the Value Chain Map on the right, we begin with a strong governance and operational foundation. We then build and extend our value through product design, manufacturing, delivery, customer satisfaction, and the social impact our products have in people's daily lives.

In this section, we report on the relevant policies, activities, accomplishments and recognition in each of these links in our value chain.

Throughout this report, we take into account the internal and external boundaries of priority issues in presenting a balanced picture of company performance, as illustrated in the Aspect Boundaries Table below.

VALUE CHAIN MAP

```
                    GOVERNANCE AND ETHICS
                              ↓
                    NVIDIA OPERATIONS
      WORKFORCE          DIVERSITY          ENVIRONMENT
                              ↓
                      PRODUCT DESIGN
                              ↓
                      SUPPLY CHAIN
                              ↓
                    PRODUCT DELIVERY
              ↓                            ↓
   CUSTOMER SATISFACTION            SOCIAL IMPACT
```
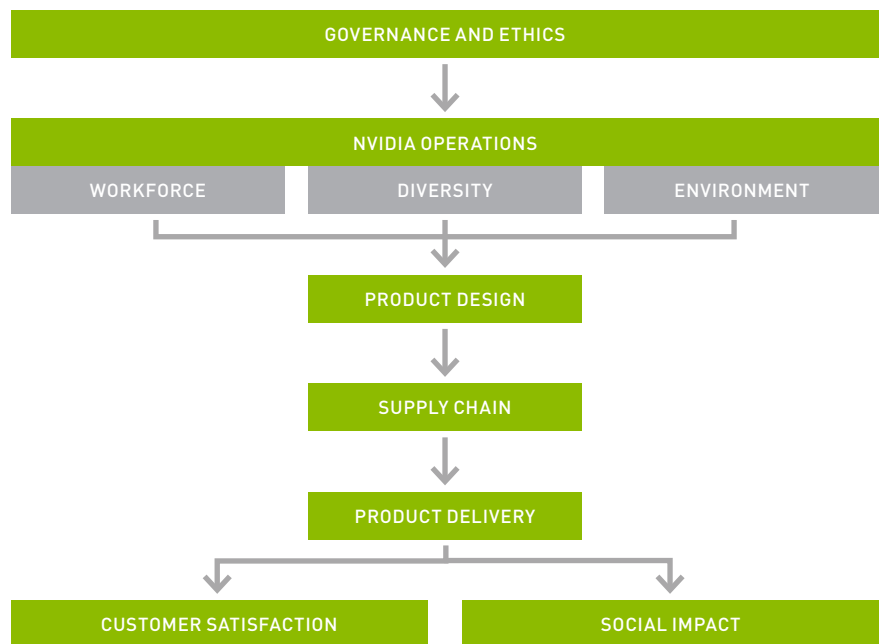
GRI ASPECT BOUNDARIES FOR PRIORITY ISSUES (G4-19, G4-20, G4-21)

Priority Issue	GRI material aspects	NVIDIA Operations	Product Design	Supply Chain	Product Delivery	Customer Satisfaction	Social Impact
Innovation	Economic Performance	Both	Both	Both	Both	Both	Both
	Products and Services (Environment)		Internal			External	External
Transparency	(N/A)	Both	Both	Both	Both	Both	Both
Compliance	Compliance (Environment)	Internal	Internal	External	Internal	External	
	Compliance (Product Responsibility)				Internal	External	External
	Compliance (Society)	Internal	Internal	External	Both	External	External
	Compliance (Product & Service Labeling)		Internal		Internal	External	
Supply Chain Management	Environmental Grievance Mechanisms						
	Human Rights Grievance Mechanisms						
	Impacts on Society Grievance Mechanisms			External			
	Labor Practices Grievance Mechanisms			External			
	Supplier Assessment for Human Rights			External			
	Supplier Assessment for Impacts on Society			External			
	Supplier Assessment for Labor Practices			External			
	Supplier Environmental Assessment			External		External	

● Internal   ● External   ● Internal and External

WORKFORCE

Forbes has recognized NVIDIA as one of America's Best Employers. Fortune includes us on their list of the World's Most Admired Companies. And the Human Rights Campaign calls us a best place to work for LGBT equality.

We attract some of the technology industry's most creative and gifted individuals, and they take pride in our dynamic culture. Our teams of world-class engineers and developers thrive in high-performance environments where passion is expected, talent is recognized, and collaboration is valued in an atmosphere that also celebrates individual drive, commitment, and achievement.

MIT Technology Review

The MIT Technology Review named us one of the world's Fifty Smartest Companies in 2015.

Our employees give us a competitive advantage, and we value them accordingly.

We recruit and retain the best, actively promote diversity, offer competitive compensation, appropriately recognize performance, incubate potential through internship and university partnerships, and support our workforce with outstanding opportunities and benefits.

See Workforce and Diversity Metrics for the detailed measures we use to track our success.

RECRUITING, DIVERSITY AND INCLUSION

Diversity and inclusion are integrated within our recruiting and hiring practices, and we practice them across our operations. We call this strategy OneForce:

ONEFORCE STRATEGY

Recruiting and Hiring

› Equality in hiring practices
› Targeted recruitment to underrepresented minorities
› Supporting future STEM leaders

Recognition and Development

› Systematic performance and compensation analysis
› Mentoring programs
› Internal and external promotion of diverse employees

Employee Support

› Unconscious bias training
› Enhanced benefits for diverse employees
› Employee group support

The metrics we use to track our progress include:

PERFORMANCE METRICS

Hiring

› Setting internal goals to increase our hiring of women and minorities
› Striving to ensure that our recruiting, screening and interview pipeline reflects the industry's minority representation

Retention

› Reviewing, analyzing compensation and performance biannually
› Tracking employee-survey metrics focusing on how women and minorities view NVIDIA's work environment

Turnover

› Monitoring turnover within minority groups against total turnover

RECRUITING AND HIRING

We strive to create an environment where great people can do their best work. We believe that diverse opinions help us do the best research, create the best products and build the best company.

In 2015, we updated our website's Careers and Benefits pages to improve the search process.

Our goals for hiring a diverse employee population include:

› Striving to ensure that the recruiting, screening and interview pipeline at least reflects the industry's minority representation

› Developing women and minority recruiting teams for academic and professional job fairs

› Ensuring that all female technical candidates have a chance to speak with a female employee

› Writing job descriptions and recruiting materials to appeal to a broad mix of candidates

Metrics related to diversity can be found in Our Performance.

TARGETED RECRUITMENT

In 2015, we tripled the number of diversity recruiting fairs we attended on college campuses, which we estimate enabled us to reach 30,000 diverse candidates. We participate in campus recruiting fairs run by such organizations as the

UNDERREPRESENTED MINORITY EMPLOYEES

Women (Global)

FY14	FY15	FY16
16%	16.5%	17.5%

African American (US)

FY14	FY15	FY16
0.4%	0.9%	1%

Hispanic (US)

FY14	FY15	FY16
2%	3%	3.5%

Society of Women Engineers, oSTEM, National Society of Black Engineers, and Society of Hispanic Professional Engineers.

We also aim to participate in professional recruiting fairs, including Grace Hopper, Women in Technology, Out to Innovate, Vets in Tech, and Project Hired.

Although we have increased our hiring of underrepresented minorities, we still have much work to do, as shown in the table above.

STEM INVESTMENTS

$100,000
donated to support programs by Hack the Hood, MESA, and Techbridge

150
students at a diverse middle school participated in an exercise using Code for Fun tools

TECHBRIDGE
girls hosted at our Santa Clara, California and Redmond, Washington offices

STEM GRANT
provided to our long-time partner City Year to help youth from diverse communities build their math and science competencies

WE TEACH SCIENCE
funded for a third year to help youth in San Jose, Calif. excel in algebra

BLACK GIRLS CODE AND TECHNOVATION
Silicon Valley chapters hosted at our annual developer conference

STUDENT LOAN REPAYMENT PROGRAM

In 2015, we launched a student loan repayment program in which employees can apply for reimbursement of $6,000 each year, up to $30,000 total.

SUPPORTING FUTURE STEM LEADERS

Mindful of the long-term perspective required to improve the representation of minorities in tech, we are developing a plan to engage with girls and other underrepresented groups in STEM activities. In 2015, we reached more than 1,700 diverse youth through funding and programs aimed at connecting our employees with K-12 students interested in STEM.

EMPLOYEE RECOGNITION AND DEVELOPMENT

We actively seek ways to recognize our best and brightest employees, and we provide opportunities for employees to develop their skills to enhance their career success.

Performance and compensation analysis

We conduct a periodic equal compensation analysis. This includes a review of employees at the same compensation level and performance rating who have been performing a role for the same amount of time. We analyze pay and promotion data semi-annually to ensure fairness and review our pay practices across multiple variables to ensure completeness. In 2015, we hired an independent firm to review our pay practices and did not find any significant disparities related to male and female salaries.

Mentoring programs

In March 2016, we launched a peer-to-peer mentoring program for technical women at our Silicon Valley headquarters. We are using a software platform to capture metrics related to the program and intend to roll out the program globally to all employees if it proves successful.

NVIDIA's Women in Technology (WIT) group re-launched at our headquarters in early 2015 and hosted four successful events over the course of the year. A steering committee (comprised of several women and one man) will take feedback from a recent survey and develop a full set of programs focused on networking and improving leadership and technical skills. Among featured speakers at our WIT events were our female

NVIDIA board members, Dawn Hudson, who serves as CMO of the National Football League, and Persis Drell, Dean of Stanford University's Engineering School.

Internal and external promotion of diverse employees

We promote opportunities for internal promotion on our corporate intranet site, and employees of all backgrounds and professional achievements are encouraged to apply. Externally, we submit employee names for various awards. Our women have recently been recognized by the YWCA Silicon Valley's Tribute to Women and the Silicon Valley Business Journal's Women of Influence award. Our CFO, Colette Kress, was recognized as one of the 50 Most Powerful Women in Technology by the National Diversity Council.

2015 PARENTAL LEAVE IMPROVEMENTS

Birth Mother Policy

	Old Policy	New Policy
Pregnancy Leave	6 weeks 100% pay / 4 weeks reduced pay	**22 WEEKS 100% PAY + 8 WEEKS FLEXTIME**
Baby Bonding Leave	6 weeks reduced pay / 6 weeks unpaid	
Flextime		

Father, Adoptive Parents, Foster Parents Policy

	Old Policy	New Policy
Baby Bonding Leave	6 weeks 100% pay / 1 week reduced pay / 5 weeks unpaid	**12 WEEKS 100% PAY + 8 WEEKS FLEXTIME**
Flextime		

More than 150 employees, including members of NVPride, NVIDIA's LGBT group,
participated this year in the San Francisco Pride Parade.

EMPLOYEE SUPPORT

We continually strive to create an employee experience that lets our people know that they are valued and supported. We have made progress in several areas.

Unconscious bias training

In 2016, we will conduct unconscious bias awareness workshops with our executive team and leaders group (comprising senior directors and above worldwide). Our intention is to roll out this training to all global employees, and leverage trained leaders to help us identify areas where we can remove the potential for unconscious bias in recruiting, hiring, leadership development and performance management.

Our efforts to improve benefits for our LGBT employees have brought us a score of 100 percent in the Corporate Equality Index.

Enhanced benefits

In 2015, we took a big step to increase our parental leave benefits. Birth mothers will now receive 22 weeks of fully paid leave. Fathers and adoptive and foster parents will receive 12 weeks of fully paid leave. These groups are also entitled to eight weeks of flex time in addition to their leave, so they can work from home during alternative hours. Above is a chart outlining how our new parental leave benefit compares with the previous program.

Employee resource groups

We've taken a number of steps over the past few years to increase support of our LGBT employees. These include strengthening language in our Equal Employment Opportunity policy and Code of Conduct in regards to sexual orientation, gender identity and expression; and expanding insurance coverage for same-sex couples and for transgender health care and surgery. Our efforts to improve benefits for our LGBT employees have brought us a score of 100 percent in the Corporate Equality Index. See our blog for more details.

Developer inclusion and diversity

Our annual developer conference, the GPU Technology Conference (GTC), engages not only our employees but developers around the world. We recognize our responsibility to ensure that attendees are free of harassment and to communicate that we wish to hold an inclusive event that recognizes all participants.

Efforts also are underway to increase the number of women attending and speaking at the conference, and adding more women to the speaker review committee. We estimate that the number of women attending our 2016 event tripled over the previous year.

Our most recent GTC featured an inclusion-focused event for the third straight year. We invited men and women to hear from our CEO about the benefits of inclusion in creating an innovative company, and from a panel of experts who discussed concrete steps attendees can take to embed diversity into their companies and universities.

COMPENSATION

NVIDIA's compensation strategy has four key objectives: attract and retain the world's best talent, reward performance, focus on growth, and think in terms of total pay. Our total compensation packages are competitive, fair and structured to encourage employees to invest in the company's future.

We provide employees with a comprehensive, above-average benefits package (see NVIDIA benefits for more information). All employees have the opportunity to be shareholders in the company through our employee stock purchase plan (ESPP), which is considered one of the most generous in the industry. Nearly 86 percent of eligible employees participated over the past year in our ESPP, which brought an average financial return of approximately 63 percent on employee investment funds (as a percent of contribution).

As reported under Enhanced Benefits, we significantly revamped our parental leave program in 2015.

ENGAGEMENT AND RETENTION

We invest in and are committed to our employees' long-term success. NVIDIA's benefits include flexible work hours, as much time off as needed, programs to help employees deal with stress and time-management challenges, and an array of convenient onsite services. We support employees in their important life events through our global Employee Assistance Program and a generous leave program.

Our employees receive training on the job and also in more formal settings. We use both internally and externally created training content, and our "NVLearn" portal offers dozens of development classes for our employees. Harvard ManageMentor®, GlobeSmart® and courses from LearniT! are available online for all employees, as are the electronic libraries of the Institute of Electrical and Electronics Engineers and the Association for Computing Machinery through our corporate memberships. We offer tuition reimbursement at most accredited educational institutions—including Coursera—and pay tuition to technical education programs at the Stanford Center for Professional Development.

We conduct a global employee survey every 18 months, which has exceptionally broad participation. Our next survey will be conducted in June 2016. The results of our 2014 survey are shown below.

Low-scoring areas include investment in infrastructure and employee development. These competing projects stress existing resources and present challenges associated with managing the rapidly-evolving strategies associated with new markets. Our executive team highly values this feedback from employees. We are concerned about these issues, and we strategize to determine how we can best respond to their concerns.

NVIDIA encourages employees to volunteer in their local communities and contribute to global humanitarian causes. The NVIDIA Foundation surveys all employees annually to gather data about charitable and volunteer participation and to ensure that the foundation is on the right track with its funding priorities. Ninety percent of our global offices participated in at least one charitable activity in 2015. Globally, our volunteer rate is 33 percent. See Charitable Giving for more information.

2014 GLOBAL ANNUAL SURVEY RESPONSES

Survey Element	Favorable Response 2014 – 2015	Favorable Response 2012
NVIDIA is doing important, industry-leading work	94%	(new for 2014)
I often put more effort into my job than is required so I can help NVIDIA succeed	92%	92%
I trust and respect my manager	90%	90%
I feel comfortable discussing work-related problems and concerns with my manager openly and honestly	89%	88%
I feel proud to work for NVIDIA	88%	87%
I have the freedom to use my own judgment in getting the work done	86%	86%
Rate your manager's performance overall	85%	84%
I would recommend NVIDIA as a great place to work	81%	79%
How would you rate your satisfaction with NVIDIA at the present time?	80%	77%

Employee participation rate: 92%

ENVIRONMENT

ENVIRONMENT, HEALTH AND SAFETY

A comprehensive Environmental Management System (EMS) enables us to identify and control environmental impacts and continuously improve our performance. A dedicated Environmental, Health and Safety team and employees in all offices around the globe execute the system's policies and practices, which are made tangible through solid goals and metrics.

Environment

Our Santa Clara operations, product design, and supply chain functions have been certified to the ISO14001 standard. Our Environmental Policy provides the framework for our EMS, which is summarized in this section and detailed throughout this report.

For a broad list of metrics we track related to the environment, see Our Performance.

We require suppliers to submit environmental impact information, and we ensure that key contract-manufacturers comply with the requirements for the Restriction of Hazardous Substances (RoHS) in several countries as well as other product-related regulatory requirements.

ENVIRONMENTAL GOALS

Increase energy efficiency in our offices and data centers

Reduce waste tonnage to landfills

Encourage water use reduction

Promote alternative options for transportation

Climate Change and Greenhouse Gas Emissions

We recognize that our changing climate requires us to reduce our operational footprint. We carefully track our energy usage and look for opportunities to reduce our greenhouse gas emissions.

Our greenhouse gas emissions reporting includes:

› **Scope 1:** Stationary combustion sources (e.g. natural gas, diesel fuel), HFC refrigerant emissions

› **Scope 2:** Purchased electricity use (offices and labs, data centers)

› **Scope 3:** Business travel, emissions from operational waste, fuel and energy-related emissions not included in Scope 1 or Scope 2

Greenhouse gas emissions from the small amount of onsite laboratory chemicals we use are considered de minimis and are not reported.

NVIDIA's scope 1 and 2 emissions for business operations (including co-located data centers) were calculated as follows: direct calculations of 100 percent emissions using actual primary data (e.g. meter readings from utility bills) for offices larger than 50,000 square foot and all data centers, including co-located data centers (90 percent of our total footprint); and estimation of emissions from all other offices less than 50,000 square feet.

Scope 3 emissions were expanded in 2014 from just U.S. travel emissions to: global business travel, emissions from operational waste, fuel and energy-related emissions not included in Scope 1 or Scope 2.
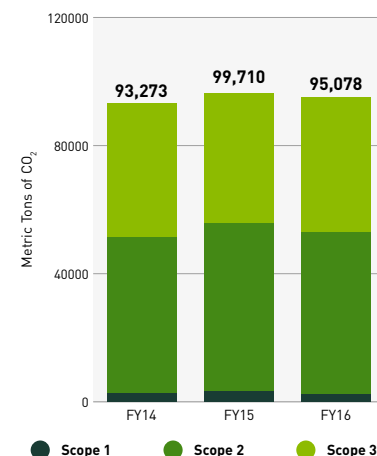
Water use is calculated for global offices, and NVIDIA-operated data centers and waste data are collected and reported for our Silicon Valley headquarters.

Our goal is to reduce Scope 1 and 2 emissions by 15 percent by FY2019 compared with 2013. Our global data centers make a considerable contribution to our total emissions. Despite the increasing demand we place on our data centers, we were able to reduce the total energy used by 2 percent between 2014 and 2015, thanks to a continual focus on efficiency by our IT group. Looking ahead, we anticipate that it will become increasingly challenging to achieve similar levels of efficiency gains as we see a declining benefit from Moore's Law. Our Sustainability Committee meets quarterly with key executives to discuss options for improving efficiency and reducing emissions, bearing in mind the potential challenges around

future data center growth and is considering the most meaningful way to address these challenges.

Because suppliers manufacture our products, our currently measured greenhouse gas emissions constitute only a portion of the overall greenhouse gas and other air emissions related to our growing business. In 2014, we began requiring key suppliers to report energy usage data. In 2015 we were able to roughly calculate the weighted average of carbon emissions on a per-GPU basis, which will help us begin to understand the GHG emissions footprint of our product manufacturing supply chain. In 2016, we will continue to improve both the validity of the data we receive from suppliers and the accuracy of our calculations.

GREENHOUSE GAS EMISSIONS

	FY14	FY15	FY16
Total	93,273	99,710	95,078

● Scope 1   ● Scope 2   ● Scope 3

Metric Tons of CO_2

NVIDIA ENVIRONMENTAL POLICY

Policy Element	Action
Product design	Learn about NVIDIA's approach to energy efficiency in Product Design.
Supplier responsibility	See Supplier Responsibility for our detailed approach to managing environmental issues in our supply chain.
Energy, water, waste	See right and below for our reduction commitments and initiatives.
Environmental procurement	Our corporate purchasing decisions are based on requirements such as quality, service levels, technology, financial viability, environmental impact and cost. › We allocate 5% of the supplier selection score to environmental considerations. › We do business with recognized industry leaders in environmental performance for IT equipment and services. › We work with a primary office supply vendor that offers environmentally preferable options. The office paper we purchase comprises 100 percent post-consumer recycled material. › We are targeting conformance with the LEED Gold standard for the new building under construction at our Silicon Valley headquarters.
Stakeholder engagement	See Our Stakeholders to learn about the ways we gather feedback from across our ecosystem.
Compliance	Evaluation of legal compliance is completed through regular inspections carried out by our internal teams, EHS consultants, and external regulatory authorities. Compliance against customer requirements is evaluated through customer audits. We require suppliers to submit environmental impact information, and we ensure that key contract-manufacturers comply with the requirements for the Restriction of Hazardous Substances (RoHS) in several countries as well as other product-related regulatory requirements.

NVIDIA ENVIRONMENTAL GOALS

| Category	Goal	FY16 Progress
Greenhouse gas emissions, global offices and data centers	We have committed to a 15% greenhouse gas reduction, normalized per employee, by FY2020 from baseline year FY2014.	1% reduction
Energy efficiency, data centers	We plan to achieve a blended average Power Usage Effectiveness (PUE) value of 1.55 for our global data centers by the end of 2016.	1.58
	We expect to achieve an 80% virtualization rate for corporate computing systems by the end of 2016.	81.5%
Waste	We aim to achieve a waste to landfill diversion rate of 80% or greater each year at our Silicon Valley headquarters.	95%
New Headquarters Building	Achieve LEED Gold certification for our planned new Silicon Valley headquarters.	On track

ENERGY INITIATIVES

Campuses

Since 2010, we have steadily reduced annual average electricity usage for our facilities in the United States, where our largest real estate footprint exists. Average usage was reduced in 2015 to .029 MWh per square foot from .034 MWh.

Each new NVIDIA office, wherever it is located around the world, complies with LEED standards. We opened a LEED Silver building in Shanghai in 2013. In 2014, we constructed a 350,000-square-foot LEED Gold facility in Pune, India. And in 2015, we broke ground on a 500,000 square feet building at our Silicon Valley headquarters. We are on track to achieve LEED Gold for this new building, which is expected to open in late 2017 and be highly energy efficient. A total of 95% of the demolition, excavation and construction waste materials generated so far have been diverted from landfill through re-use and recycling.
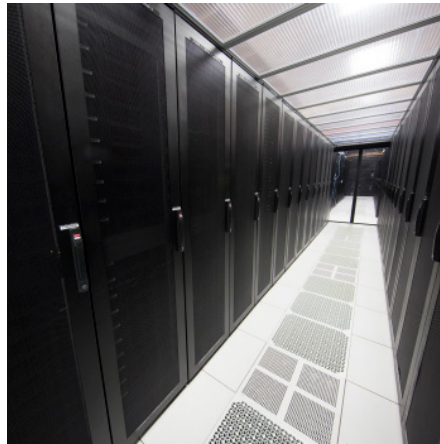
Data Center Energy Reductions

Data center operations are responsible for 30 percent of the greenhouse gas emissions from our global facilities, and we continuously evaluate ways to optimize and reduce this part of our footprint.

In 2014, we set a goal to drive global data centers to a blended PUE of 1.55 by 2016. And we are on track to meet this goal, having achieved a blended power usage effectiveness ratio of 1.58 in 2015. During the year, our global data centers achieved a 2 percent absolute reduction in energy use, equivalent to an approximate CO_2 saving of 360 metric tons.

Thanks to our ongoing efforts to optimize our data center in Santa Clara, it is now using 35 percent less electricity than in 2013 and has delivered a PUE improvement of more than 50 percent over the same time period. In 2014, we installed additional sub-meters, which are providing better insight to where energy is being used and wasted.

In 2015, we completed a significant IT equipment refresh, which includes compute core systems, memory-based systems, and storage equipment at several of our locations, including the U.S., the United Kingdom, and France. These refreshed products have delivered a combined total CO_2 annualized savings of more than 700 metric tons.

We have already exceeded our goal of 80 percent virtualization of our servers by the end of 2016, having achieved a virtualization rate of 81.5 percent in 2015. We will continue to migrate additional systems to a virtual environment during 2016 and beyond.

Commute Initiatives

We actively encourage our employees to reduce their commute footprint. In 2014, we increased commuting options for employees at our Silicon Valley headquarters through our Green2Work program, which combines existing resources (electric vehicle charging, pre-tax dollars for transit and local transit shuttles) with new features, such as last-mile shuttle service for Caltrain and ACE Train riders, expanded bicyclist resources, advantages for carpooling and vanpooling, a shuttle from San Francisco, an online resource for commuters, and an Emergency Ride Home program.

We have 15 electric vehicle charging stations at our headquarters and approximately 125 employees use this service. We ask a nominal fee from employees using the service, which decreases usage wait times.

Waste Initiatives

We have tracked total waste generated and waste diversion rates at our headquarters since 2007, and have an annual goal of an 80 percent landfill diversion rate from 2013 to 2016. In 2015, our waste diversion rate was 95 percent reflecting in part our efforts to divert demolition and other waste materials generated during the construction of our new headquarters building.

Since implementing a composting program in 2009, we have sent 12 million pounds less waste to landfill than we otherwise would have. Between 2013 and 2014, we generated 7 percent less total waste at the Silicon Valley campus, despite an increase in employee headcount. E-waste from all facilities worldwide is sent to an e-steward certified company for responsible recycling. In 2015, we sent more than 70 tons, or 100 percent, of our electronic waste for recycling.

Water Initiatives

We do not manufacture our products so our direct operations are not water intensive. We do, however, have a large presence in California, which has been experiencing unprecedented drought conditions. Our water use is primarily for cooling towers, food service, landscaping and sanitation. In Santa Clara, we are evaluating and implementing ways to avoid unnecessary water use.

During the past two years, we have reduced our total water usage at our headquarters by 28 percent. Our irrigation water usage has been halved thanks to efforts to reduce the frequency of watering, transition to drought resistant landscaping and optimize the efficiency of our irrigation activities. In 2015, we installed water efficient bathroom fixtures throughout our headquarters buildings and are upgrading our campus cooling towers to more water efficient models.

Reporting and External Assurance

We participate each year in the CDP Climate Change and Water surveys. Participants are scored based on their understanding of their business risks and opportunities related to climate change and on their management of greenhouse gas emissions. Since 2009, we have improved our disclosure score from 34 to 98 (out of a possible 100 points). See our most recent response on the CDP web site (log-in required).

Since 2012, Trucost has assured our greenhouse gas emissions data and contextual information in our CDP response against the AA1000 standard (see the 2016 Assurance Report).

HEALTH AND SAFETY

We are committed to providing safe, healthy workplaces for all our employees. We demonstrate our commitment to this ideal through programs such as environmental monitoring, emergency response planning, health analysis, skin cancer screening, and our Cancer Support Network, sponsored by the NVIDIA Foundation as part of its Compute the Cure initiative (see Charitable Giving).

HEALTH AND WELLNESS

Our record reflects our dedication to employee health and wellness. Less than one percent of leave-of-absence requests within NVIDIA relate to work. Our lost-time incident rate is 0.11 percent and our total recordable incident rate is 0.19 percent. Few workers' compensation claims are submitted and the majority of those processed are repetitive motion injuries. To address this fact, we have taken steps to work with affected employees through our ergonomics program and online courses.

Following our decision to provide healthier drink options at our headquarters, soda consumption fell 40% last year, equal to 1 million grams less sugar.

SAFETY

Our Environmental Health and Safety Team oversees workplace conditions for NVIDIA employees around the globe. Team members help to design facilities that meet or exceed local safety requirements; implement safe practices in all NVIDIA's programs, activities and facilities; and ensure compliance with all applicable health and safety laws, regulations, and policies through trainings and audits.

Keeping our employees safe requires planning for emergencies. Our volunteer Emergency Response Teams involve over 300 employees worldwide. These volunteers assist with evacuation drills and may receive training (in basic first aid, CPR, AED and fire extinguisher training) and emergency preparedness so they can rapidly respond in a medical emergency.

Offices with active teams in 2015 were located in the U.S. (Santa Clara, Calif.; Austin, Texas; Durham, N.C.; Redmond, Wash.; Beaverton, Ore.; and Madison, Ala.), Germany (Berlin, Munich and Wuerselen) U.K. (Reading, Cambridge and Bristol) Russia (Moscow), India (Bangalore, Hyderabad, Pune), Taiwan (Taipei, Hsinchu), and China (Beijing, Shanghai, and Shenzhen).

ENVIRONMENTAL HEALTH AND SAFETY PROGRAMS

Air Quality
Environmental Compliance, Protection and Impact Assessments

Hazardous Materials
Inventory, Use, Transportation, Disposal, Recycling and Waste Minimization

Occupational Safety and Health Assistance

Pollution Prevention

Water Quality
Storm Water and Wastewater Discharge Testing

PRODUCT DESIGN

Whether we are designing technology to power next-generation tablets or creating designs to support high-performance supercomputers, improving energy efficiency is a principal goal in each step of our research, development, and design processes.

In 2015, NVIDIA won a PACE Award for its Tegra Visual Computing Module (VCM), which helps automakers quickly integrate cutting-edge mobile technology into their vehicles.

Parallel processing consumes far less power than other computational forms. On a per-instruction basis, GPUs are 10 times more efficient than CPUs, which have traditionally handled most instructional processing. Eight of the 10 greenest supercomputers in the world were powered by NVIDIA technology, according to the November 2015 Green 500 list.
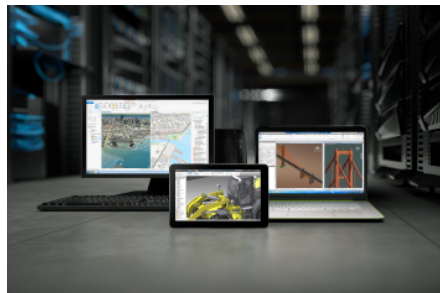

Eight of the top 10 systems on the Green500 supercomputing list contain NVIDIA GPUs.

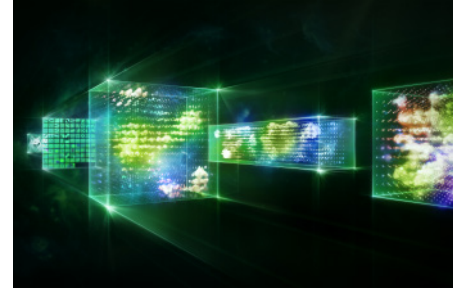## OUR HIGHLY EFFICIENT PRODUCTS AND TECHNOLOGIES INCLUDE...

NVIDIA Tegra mobile processors

The Tegra X1 is the most powerful mobile processor ever created, and uses less than 15 watts of power. Developers use it to build the most challenging mobile and automotive applications.
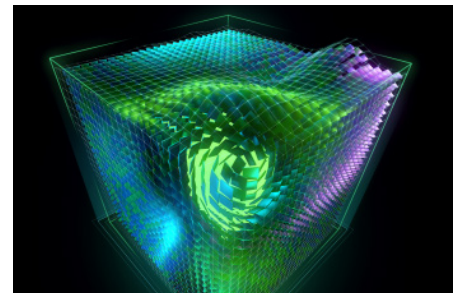

Pascal architecture

NVIDIA's Pascal GPU architecture accelerates deep learning applications 10X beyond the speed of our previous-generation Maxwell processors. Pascal will feature NVIDIA NVLink (see below).

NVIDIA GRID

GRID delivers GPU-accelerated applications and games over a network. It lets multiple users simultaneously share GPUs with ultra-fast streaming display, enabling them to experience graphics-intensive desktops, applications and games. GRID offers exceptional capture, efficient compression, fast streaming, and low-latency display of high-performance games and enterprise applications.
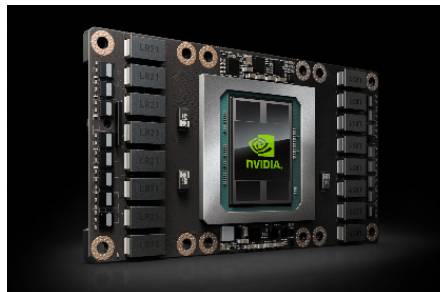

NVIDIA CUDA parallel processing architecture

CUDA is a parallel-computing platform and model that enables compute-intensive calculations to be executed on lower cost, power-efficient GPUs. Use of the platform is gaining momentum—GPU computing is now taught at some 900 universities worldwide. Learn more about GPU computing.

NVIDIA Tesla solutions for high-performance computing

Tesla Accelerated Computing Platform is the leading platform for accelerating big data analytics and scientific computing. The Top500 list of the world's fastest supercomputers, released in November 2015, shows that more than 100 of these systems use accelerators. Of these, two-thirds use NVIDIA accelerators, up 50 percent from last year.

NVIDIA NVLink

NVLink lets data move between GPUs and CPUs five to 12 times faster than they can with today's current standard, PCI-Express. It doubles the number of GPUs that can work together in deep learning computations. CPUs and GPUs can connect in new ways, enabling more flexible and energy-efficient server design compared to PCI-E.

SUPPLIER RESPONSIBILITY

As mentioned in Supply Chain Management, our commitment to produce products responsibly and sustainably requires us to pay close attention to our supply chain. We work with the subcontractors who manufacture our products to monitor and improve their social and environmental performance, and we require them to comply with international guidelines for responsible practices and material safety.

MANUFACTURING COMPLIANCE

NVIDIA manufacturing suppliers must comply with the following:

› EU RoHS
› EU REACH
› EU End of Life Vehicles
› Halogen-free
› ISO 14001:2004
› OHSAS18001 (GB/T28001-2011 in China)

EICC CODE OF CONDUCT

As a member of the EICC, we encourage our employees to participate in the organization's workgroups and serve on its board of directors. We use the EICC Code of Conduct to drive our own practices as a supplier to the world's largest electronics companies. And we use it for the suppliers who manufacture and assemble our products. We have integrated EICC risk assessment tools, auditing protocols and educational resources into our supplier management practices. The EICC enables us to leverage the collective weight of more than 100 electronics companies and provides a platform that lets us go above and beyond compliance.

ABOUT OUR MANUFACTURERS

Taiwan Semiconductor Manufacturing Company (TSMC) and Samsung manufacture our semiconductor wafers. For the past three years, the Dow Jones Sustainability Index has recognized TSMC, our primary supplier, as a semiconductor industry leader. Over the past four years, TSMC has reduced its per-unit power and water consumption, as well as its per-unit wastewater discharge and Volatile Organic Compound emissions. Samsung has been an EICC member since 2007; TSMC joined the EICC in late 2014.

Our two main contract manufacturers for company-branded devices are Foxconn and BYD. We have conducted annual customer-managed audits on our product lines since 2012. In 2015, we required them to complete an EICC-ON Self-Assessment Questionnaire.

2015 COMPLIANCE REPORT

We measure compliance against EICC member requirements and the EICC Code of Conduct for NVIDIA and its suppliers.

EICC MEMBER COMPLIANCE

| Compliance Element	NVIDIA's Requirement	NVIDIA Performance
Risk assessment on all strategic suppliers	100%	100%
Self-assessment questionnaires completed by suppliers in top 80% of NVIDIA spend	100%	100%
Validated Audit Process (VAP) among 25% of high-risk suppliers	0	In 2015, we conducted six VAP audits. In 2016, NVIDIA's audit cycle requires that two silicon suppliers go through VAPs, and we will request a VAP or customer-managed audit from two contract manufacturers.
Corrective action plans (CAP)	0	We managed six CAPs from the 2015 auditing season. For the two CAPs related to working hours, we will continue to monitor to ensure that suppliers demonstrate an effective process for working-hours conformance.

PERFORMANCE WITH THE EICC CODE

EICC Code Element	NVIDIA as Supplier	NVIDIA as Customer
Labor	Updated NVIDIA's code of conduct to strengthen human rights language. Certified an additional NVIDIA employee for labor/ ethics auditing.	Worked with suppliers to track working hours through VAP, CAPs or EICC working-hours templates.
Health and Safety	Completed the health and safety portion of SAQ. Conducted an annual tour of all NVIDIA offices to audit health and safety.	Closed CAPs on all health and safety issues. Required improvement plans on health and safety as part of OHSAS18001.
Environmental	Submitted water and supply chain (score 98C) to CDP. Completed EICC-ON carbon/water/waste survey. Reset greenhouse gas reduction goals. Participated in Environmental Sustainability Work Group.	Collected carbon, water, waste data from all silicon suppliers and contract manufacturers to determine carbon emissions and water consumption per product. Required compliance with environmental standards (see Manufacturing Compliance sidebar above). Required suppliers to submit environmental improvement plans.
Ethics	Continued membership in Conflict-Free Sourcing Initiative (CFSI). Participated in CFSI, due-diligence data collection work groups.	Actively engaged all suppliers to collect smelter data for conflict minerals program. Implemented third-party supplier management solution to better track supplier progress.
Management Systems	Participated in VAP work group. Participated in new Code of Conduct development.	Conducted quarterly business reviews of critical suppliers. Assessed conformance of updated EICC code with respect to labor fees and freedom of association.

The table on previous page tracks NVIDIA's supplier performance against EICC membership requirements.

The table above shows how NVIDIA is performing in relationship to the EICC Code of Conduct.

CONFLICT MINERALS

We support, contribute to, and rely on industry-wide efforts to validate that the minerals used in our products do not contribute to human conflict, and that they come from socially responsible sources. We are a member of the Conflict-Free Sourcing Initiative and participate in work groups of the EICC-Global e-Sustainability Initiative and the CFSI. Further, our due diligence program conforms in all material respects with the Organization for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Review our policy to understand our goals and the steps we take to monitor our supply chain for conflict minerals.
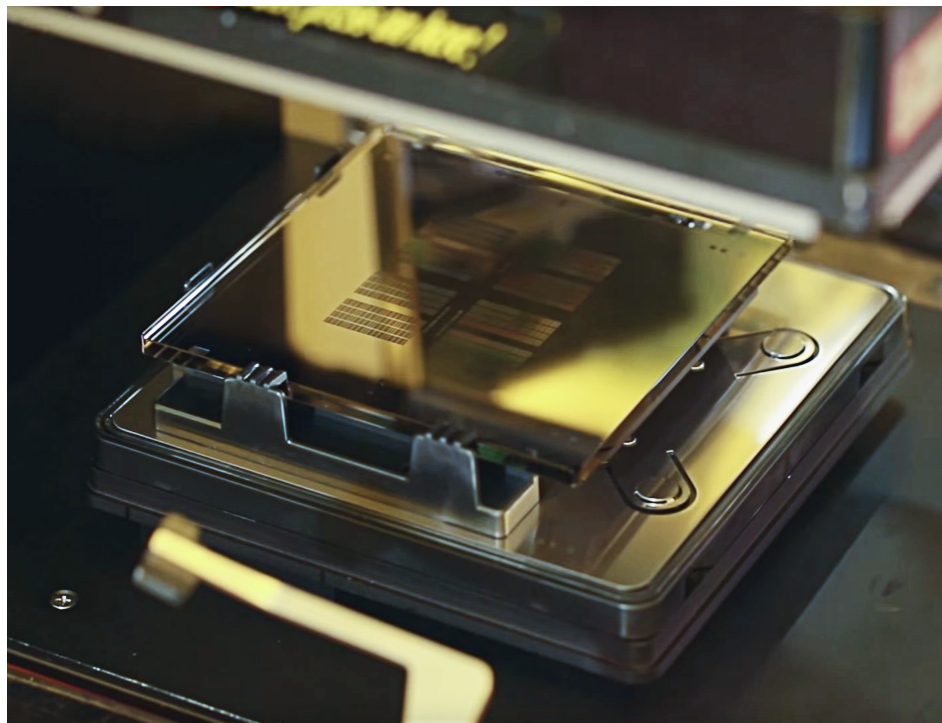
2015 PROGRESS AGAINST GOALS

Functional Area	Strategy	Percentage Complete
Supplier management operations	Align the Product and Social Compliance teams under the newly formed Operations group. Establish a unified set of procedures for monitoring our suppliers' product and social compliance.	50%*
	Align with Ops management teams for our system-critical suppliers, memory suppliers and printed circuit board manufacturers to ensure response to our quarterly scorecards, self-assessment requirements and VAP audit schedules.	50%*
Product compliance	Improve product compliance documentation for system-level products.	25%
	Transition our GPUs away from claiming RoHS Exemption 15.	50%
	Survey the system-level supply chain to identify RoHS compliance risks and initiatives.	100%
Conflict minerals	Perform an internal audit of the conflict minerals due-diligence process to prepare for the SEC-required external audit in 2016.	100%
	Achieve a response rate of greater than 90 percent on the Conflict Minerals Report Template for all approved suppliers.	100%

*Ongoing effort

INTERNAL SUPPLY CHAIN ASSESSMENT

In 2015, we also conducted an internal risk assessment of NVIDIA operations using the EICC Validated Audit Process.

› **Management systems:** We employ management systems based on ISO standards to drive continuous improvement. Each management system provides a working framework for our policies, procedures, monitoring and corrective actions.

› **Labor and Ethics:** The nature of our business model as a fabless semiconductor manufacturer helps to lower our risk for issues that surround labor and ethics. Our exposure to citations for labor and ethics violations is extremely low to nonexistent. We have a robust system for soliciting and rectifying confidential notifications on suspected labor or ethics issues.

› **Environmental Control and Management:** Environmental awareness is a central concern for us, and we strive to manage our facilities efficiently. Our environmental risk may increase due to aging buildings. Our fabless model allows us to obtain an elevated level of control and management of hazardous waste, wastewater, air emissions, e-waste and recycling.

In 2015, we:

› Improved our Code of Conduct language in a range of areas related to our commitment to supplier responsibility, our suppliers' expectations of EICC compliance, human rights, equal employment, diversity, freedom of association, and child/forced labor. We expect our new code of conduct to launch in 2016.

› Updated our Conflict Minerals Policy. We developed an internal procedure and conducted audits on our process.

› Implemented auditing controls to ensure that our human resource teams were tracking the hours of hourly workers.

› Implemented a program that deducts a percentage of business we place with suppliers if their quarterly scorecard falls below a certain number. Our goal is to encourage them to improve performance across all areas including sustainability.

The table above shows how we measured up against last year's goals.

Our goals for 2016 are set out in Our Performance.

PRODUCT DELIVERY

We continually seek new ways to minimize our environmental footprint, and work steadily to improve our product packaging and delivery methods.

COMPLIANCE

We comply with all applicable laws and regulations in the countries where we operate. Compliance areas include hazardous substances, conflict minerals, packaging, and logistics.

Our growing business in producing system-level products means that we have additional compliance responsibilities including:

› California Packaging (Cal Pack)

› Directive on Packaging and Packaging Waste

› California Prop 65 to include Phthalates Warning Labels

In anticipation of the 2016 decision on the renewal of EU RoHS Directives Exemptions, we are voluntarily restricting the use of lead in our GPUs.

Where appropriate, we review and make changes to bills of material to ensure that our products meet customer and legislative requirements while delivering optimal performance. In addition, we have specific agreements for environmental compliance with specialized suppliers.

We routinely incorporate third-party lab inspections into our process to verify compliance with applicable standards. We engage an external consultant to benchmark and review our practices, and we participate in joint industry training activities so we can then align our practices with customer and industry expectations.

CONFLICT MINERALS

We are taking an active role to support the Dodd-Frank Wall Street Reform and Consumer Protection Act with regard to conflict minerals. View our policy here and visit Supplier Responsibility to learn more about our response.

REDUCED HAZARDOUS SUBSTANCES

Our regulatory and certification guidelines for hazardous substances include:

› EU RoHS: European Union regulations for restricted hazardous substances.

› EU REACH: European Union regulations for safe chemical use (regarding registration, evaluation, authorization and restriction).

› EU ELV: European Union regulations for managing hazardous substances and end of life for automotive products.

› Halogen-free: Products designed after 2008 are halogen-free. Our new-generation chip products also are free of brominated flame-retardants.

› ISO 14001:2004: All key suppliers are required to be independently audited and certified for conformance to this standard.

› OHSAS18001: All key suppliers are required to be independently audited and certified for adherence to this health and safety management system standard (GB/T28001-20011 in China).

› WEEE: European Union Waste Electrical & Electronic Equipment regulation for recycling of hazardous materials.

› Conflict Minerals: We expect our suppliers to acquire materials from conflict-free sources within the Democratic Republic of Congo and to provide their conflict minerals information to us in line with protocols outlined by the Conflict Free Sourcing Initiative.

PACKAGING

In packaging our products, we strive to maintain a balance of protecting the environment and ensuring that our customers receive their products in excellent condition.

Every new product we ship provides an opportunity to reduce packing materials and increase the proportion of recyclable materials used. We use 100 percent recycled fibers for 80 percent of our consumer packages and 100 percent of bulk packaging. We re-use materials as often as possible.

Whether products are packaged for end-users or prepared for bulk shipping, we design our containers to maximize package density and reduce overall package size.

For our SHIELD consumer products, we have implemented changes over the past 12 months that have resulted in reduced environmental impacts. We have eliminated all plastic in our packaging, down from 50 percent two generations ago. We've also cut down on the amount of materials and black inks used.

Other changes include reducing waste by moving to a core box approach, in which boxes can be repurposed among products. We have also implemented a sub-box system so that only the interior box can be shipped to retailers as needed. We have stopped using anti-static foam products wherever possible, and are transitioning to a foam product that is 60 percent recycled and recyclable. We are also providing online instructions wherever possible (although some markets still require printed instructions in the box).

On average, we have reduced pallet usage by 15 to 20 percent, and in some instances have nearly doubled the number of units on a pallet.

We are assessing the feasibility of transporting by ship rather than by air. In addition to reducing resource consumption, all of these innovations are leading to significant cost savings per box.

Other efforts to recycle and reduce packaging include:

› Using vegetable-oil based printing inks

› Reusing moisture-barrier bags, trays and cartons whenever feasible

› Using suppliers that leverage distribution centers to minimize the shipping footprint of packing/packaging materials

› Shipping accessories wherever possible directly to the distributor for end-point assembly

› Applying materials labels to 100 percent of our packages to simplify consumer recycling

› Leveraging existing packaging for return merchandise authorization support when feasible

Our key bulk and consumer packaging suppliers are compliant with NVIDIA's Environmental Compliance Certification for Forestry Stewardship Council, ROHS, and REACH certifications.

We closely monitor the cost savings associated with packaging-related process improvements, and our goal for future years is to track the environmental impact of these efforts.

LOGISTICS

The methods we use to plan, pack, and execute our raw material, work-in-progress, and finished-goods shipments have a significant effect on our carbon footprint. Fuel represents a major component of our overall freight costs, and our continuous focus on optimizing our supply chain and reducing freight expenditures has resulted in cost savings and a positive impact on the environment.

Logistics optimization efforts include:

› Implementing consolidation programs to efficiently configure packing and reduce the number of pick-ups and deliveries

› Overseeing subcontractor packing to ensure that cartons and pallets are fully packed and efficiently unitized

› Using lightweight paper or cardboard pallets to reduce shipment weights, where feasible

› Implementing a multimodal (ocean/truck) replenishment program within the U.S. and retail distribution outside the U.S.

› Instituting a balanced supplier scorecard that includes a category awarding points for our suppliers' participation in environmental initiatives

› Implementing reverse logistics solutions that use onsite or regional failure verification and/ or repair to streamline product returns and eliminate international shipments

We continue to gather data from shipping partners related to the carbon emissions of our shipments from air, land and sea. Our goal is to determine the appropriate metric by which to target reductions.

SOCIAL IMPACT OF THE GPU

NVIDIA is at the forefront of solving the world's most complex social and scientific problems through our technology and our philanthropic efforts.

We work together with leading visionaries to help bring their work forward. And we use the NVIDIA blog and social media channels to help draw attention to their efforts.

Below are some of the stories we've highlighted over the past year.

ADVANCES IN MEDICINE WITH DEEP LEARNING

Faster, more accurate diagnoses. Predicting disease risk before symptoms appear. Understanding how genetic variations lead to disease. Deep learning is transforming the world of medicine. Read More.

IMPROVING DRIVER SAFETY

Auto accidents kill 1.2 million people globally each year. We are within reach of a world where cars could detect their surroundings and dramatically eliminate danger. Learn more about the role NVIDIA is playing in this important technological shift.

SOCIAL INNOVATORS

Horus brings sight

Sadako recycling robot

Alem Health's telemedicine

PROTECTING THE PLANET

GPUs are used extensively in environmental science, for monitoring weather, modeling climate change and studying threatened species. And startups are harnessing deep learning to enhance data center efficiency, upgrade recycling efforts and improve natural disaster management. Read more.

SUPPORTING SOCIAL ENTREPRENEURS

We launched this year our Social Innovation Award to recognize global startups using NVIDIA technology to address social, humanitarian and environmental challenges. Learn more about our first recipient.

RECOGNIZING REVOLUTIONARIES

NVIDIA's Global Impact Award encourages global research institutions to pursue innovation in the social and humanitarian sphere.

Duke University is our 2016 recipient for its role in bringing 3D stereoscopic technology to eye surgery. Imperial College, of the UK, received honorable mention for its work using deep learning to detect traumatic brain injuries.

ACCELERATING THE SEARCH FOR A CURE

The NVIDIA Foundation's Compute the Cure effort funds researchers who are using innovative computing methods to advance the fight against cancer. Some use deep learning to improve diagnostics. Others apply GPUs to optimize adaptive radiation therapy. Still others use GPUs for other initiatives. With the Foundation's support and the power of GPUs, important discoveries are being made in months rather than years. Dr. Rommie Amaro, at University of California, San Diego, is among them.

CHARITABLE GIVING

Silicon Valley employees participate in the American Cancer Society's Making Strides Against Breast Cancer 5K walk. Team NVIDIA has been the top fundraiser for four years running, raising more than $60,000 in 2015.

The NVIDIA Foundation accelerates solutions to the world's most pressing issues in health and education. We leverage our employees, partners, technology and financial resources to advance the fight against cancer and to help youth excel in learning.

Some 87 percent of employees rated the NVIDIA Foundation's programs as "effective" or "very effective" in our 2016 NVIDIA Foundation Employee Engagement Survey.

Our Fight Against Cancer

Compute the Cure is a philanthropic program we launched in 2010 to advance the fight against cancer through grants and employee engagement initiatives. We fund researchers who use innovative computing methods to accelerate their work. In addition, we recently launched our Cancer Care program to fund global organizations that provide cancer support and services, and our offices around the world hold events that engage employees in raising funds for cancer-focused organizations.

Through grants and employee fundraising efforts, NVIDIA donated nearly $565,000 to fight cancer in 2015. Highlights include:

› Providing a $200,000 grant to a research team at the University of Toronto to support its work using GPU-powered, deep learning techniques to advance cancer diagnostics.

› Awarding four $50,000 grants to nonprofits. These organizations are improving a children's oncology hospital in India, leading breast cancer

prevention efforts in Togo, supporting children with cancer in California, and developing a mobile app to provide a network of support throughout the U.S.

› Raising more than $60,000 for the American Cancer Society's Making Strides Against Breast Cancer walk, which drew a team of more than 175 NVIDIANs.

Our Efforts in Education

The NVIDIA Foundation's education initiatives help our employees provide K-12 students the tools and skills they need to excel in learning. We focus on offering opportunities to underserved and underrepresented youth. We also strive to improve

math and science education, and to inspire youth to enter occupations requiring STEM skills.

Employees get opportunities to use their time and talent to help students through mentoring and tutoring programs. Volunteer events, like our annual Project Inspire, physically transform schools in low-income areas to create a welcoming and stimulating environment for learning. In 2015 the company donated more than $1.5 million and 12,700 volunteer hours to these education-related efforts and reached more than 64,000 children.

Highlights include:

› Revamping education facilities through Project Inspire events held in Austin, Beaverton, Bristol, Courbevoie, Munich, Pune, Silicon Valley and Westford.

› Building and stocking school libraries in China and India with more than 12,000 books and donating more than 1,800 backpacks and 4,400 science kits through office back-to-school efforts.

› Contributing financial and in-kind donations to support an international youth robotics organization.

Measuring Success

We use several metrics to measure the success of our giving and volunteerism programs. The table below shows our progress and outlines our goals for the coming year.

	2014	2015	2016 Goals
Percent of NVIDIA offices holding charitable giving events	94%	90%	97%
Number of offices holding Project Inspire events	9	11	12
Number of volunteers	3,767	4,564	5,000
Volunteer rate, total	43%	52%	55%
Volunteer rate, unique	30%	33%	35%
Number/value of volunteer hours	15,470 / $348,848	16,833 / $388,337	17,500 / $403,725
Donations, company cash	$1,595,215	$2,221,131	N/A
Donations, in-kind	$523,800	$268,270	N/A
Donations, employee	$300,952	$569,105	N/A
Total donations	$2,419,967	$3,058,506	N/A
Administrative overhead	7%	6%	6%

06
OUR
PERFORMANCE

GOALS AND PERFORMANCE

As discussed in Our Priorities, our Corporate Responsibility objectives are to drive operational efficiency and excellence; improve employee recruitment and retention; and manage corporate responsibility risks and reputation. Throughout this report, we have detailed specific accomplishments related to the initiatives we implemented reflecting these objectives and the priority issues linked to them. In this section, we provide an overview of our environmental, social, and economic performance in 2015 and our goals for 2016.

2015 GOALS AND PERFORMANCE

Priority	Progress	Comments
Risks and Reputation		
Update and launch NVIDIA Code of Conduct	90%	Code expected to launch in 2016
Communicate conflict mineral program improvements in Form SD	100%	Communicated our improved supplier response rate, our goal to use only conflict-free 3TG, a new conflict minerals policy and our commitment to the OECD principles
Maintain inclusion in Dow Jones Sustainability Index North America	100%	Improved our score by 4 points
Operational Efficiency and Excellence		
Align the Product and Social Compliance teams under the newly formed Operations group. Establish a unified set of procedures for monitoring our suppliers' product and social compliance	50%	This is an ongoing effort
Align with Operations management teams for our system-critical suppliers, memory suppliers and printed circuit board manufacturers to ensure response to our quarterly scorecards, self-assessment requirements and VAP audit schedules	50%	This is an ongoing effort. System critical and memory suppliers have been determined
Improve product compliance documentation for system-level products	25%	
Transition our GPUs away from claiming RoHS Exemption 15	50%	We expect to have this completed by year end 2016
Survey the systems-level supply chain to identify RoHS compliance risks and initiatives	100%	
Perform an internal audit of the conflict minerals due-diligence process to prepare for the SEC-required external audit in 2016	100%	
Achieve a response rate of greater than 90 percent on the Conflict Minerals Report Template for all approved suppliers	100%	
Recruitment and Retention		
Launch a diversity and inclusion plan, and communicate on our external web site	75%	Goals and strategies are established and we are making progress across all focus areas
Implement a tracking process for measuring progress in diversity metrics for hiring, retention and turnover	100%	Completed in April 2016

2016 GOALS

Risks and Reputation

Update and launch a new NVIDIA Code of Conduct

Achieve a 95 percent conflict-free rate by the end of 2016

Maintain a response rate of 100 percent on the Conflict Minerals Report Template for all active suppliers

Rank all active suppliers based on NVIDIA's criteria for conflict minerals due diligence

Continue to evaluate and implement projects that reduce greenhouse gas emissions

Maintain inclusion in the Dow Jones Sustainability Index North America

Secure a spot in CRO Magazine's Top 100 Corporate Citizens

Maintain a 100 percent score in Human Rights Watch Corporate Equality Index

Operational Efficiency and Excellence

Continue to align the Product and Social Compliance teams under the recently merged Operations group. Establish a unified set of procedures for monitoring our suppliers' social and environmental compliance

Align with Operations management teams for our printed circuit board manufacturers to ensure response to our quarterly scorecards, self-assessment requirements and VAP audit schedules

Rank all active critical suppliers for their compliance to the EICC Code of Conduct

Improve product compliance documentation for system-level parts

Complete the transition of our GPUs away from claiming RoHS Exemption 15

Recruitment and Retention

As part of our inclusion efforts, conduct unconscious-bias training with executive staff and senior global leaders

Continue tracking progress on measures across the diversity metrics of hiring, retention and turnover

GRI INDEX

To produce this 2016 Global Citizenship Report, we applied the internationally recognized Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. The report is in accordance with the G4 Guidelines at the "Core" level.

Per GRI Guidelines, we indicate the location of the required "General Standard Disclosures" and each of the "Specific Standard Disclosures" related to

our Priority Issues ("Disclosures on Management Approach for Material Aspects" and selected indicators). In some cases, we provide a direct response to indicators or additional information related to content located in the main pages of the report within the index itself.

Please click here for more information on the GRI.

GENERAL STANDARD DISCLOSURES

	Description	Cross-Reference or Explanation
General Standard Disclosures		
Strategy and Analysis		
G4-1	CEO Statement	Message from our CEO
	Letter from EVP	Message from our EVP, Operations
Organizational Profile		
G4-3	Name of the organization	2016 10-K
G4-4	Primary brands, products, and services	2016 10-K / NVIDIA Products Page
G4-5	Location of the organization's headquarters	Santa Clara, California, USA
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations	Significant operations in US (California and Texas), India and China. Offices in 18 countries.
G4-7	Nature of ownership and legal form	2016 10-K
G4-8	Markets served	Our Locations / 2016 10-K
G4-9	Scale of the organization	Performance, Economic / Performance, Workforce
G4-10	Workforce information	Performance, Workforce
G4-11	Percentage of total employees covered by collective bargaining agreements	Employees in the US, Canada, India and APAC regions are not unionized. Employees in Brazil are unionized. Employees in our EMEA region (which make up 7% of our total employee population) could participate in unions but NVIDIA is legally not allowed to inquire with them about their involvement. NVIDIA participates in collective bargaining agreements in France, Finland and Italy. Employees in France and Germany have formal representation on work councils.
G4-12	Organization's supply chain	Supplier Responsibility
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	None
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	We do not specifically apply the precautionary principle. A description of the role of the Board in risk oversight is located in the 2016 Proxy Statement. 2016 Proxy Statement
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Supplier Responsibility
G4-16	List memberships in associations and national or international advocacy organizations	Stakeholder Engagement

Identified Material Aspects and Boundaries

G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	2016 10-K
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries b. Explain how the organization has implemented the Reporting Principles for Defining Report Content	Priority Process
G4-19	Material Aspects identified in the process for defining report content	Priority Process
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Value Chain Impact GRI Content Index - Specific Standard Disclosures: Aspect and Aspect Boundary
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Impact Areas GRI Content Index - Specific Standard Disclosures: Aspect and Aspect Boundary
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	There were no restatements of information.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	There were no significant changes in Scope and Aspect Boundaries.

Stakeholder Engagement

G4-24	List of stakeholder groups engaged by the organization	Stakeholder Engagement
G4-25	Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement
G4-26	Organization's approach to stakeholder engagement	No engagement undertaken specifically as part of the report Stakeholder Engagement Workforce
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Stakeholder Engagement

Report Profile

G4-28	Reporting period for information provided	About this Report
G4-29	Date of most recent previous report	June 2015
G4-30	Reporting cycle (such as annual, biennial)	About this Report
G4-31	Contact point for questions regarding the report or its contents	About this Report
G4-32	GRI Content Index	GRI Index
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report	We did not seek external assurance for the report. We provide limited assurance for Scope 1 and 2 Greenhouse Gas emissions, waste, and travel emissions. About this Report

Governance

G4-34	Governance structure of the organization, including committees of the highest governance body	Governance and Ethics Corporate Governance

Ethics and Integrity

G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Governance and Ethics Culture and Values
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	Governance and Ethics
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Governance and Ethics

SPECIFIC STANDARD DISCLOSURES: INDICATORS

Material Aspects	Indicators	Description	Cross-Reference or Explanation	Explanations	Omissions	Assurance
Economic						
Economic Performance	G4-EC1	Direct economic value generated and distributed	Performance, Economic 2016 10-K NVIDIA Foundation Report			
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	2015 CDP			
	G4-EC4	Financial assistance received from governments	See explanation.	We have funding from the Department of Energy, DARPA and the NSA for GPU-related research. No governments are present in NVIDIA's shareholder structure.		
Environmental						
	G4-EN15	Direct Greenhouse Gas (GHG) Emissions (Scope 1)	Performance, Environment			Yes
	G4-EN16	Energy Indirect Greenhouse Gas(GHG) Emissions (Scope 2)	Performance, Environment			Yes
	G4-EN17	Other Indirect Greenhouse Gas(GHG) Emissions (Scope 3)	Performance, Environment			Yes
Products and Services	G4-EN18	Greenhouse Gas (GHG) Emissions Intensity	See explanation.	Our GHG emissions intensity ratio is 4.9, compared to 5.2 in our baseline fiscal 2015 (the FY15 metric has been adjusted up based on a recalculation of scope 1 and scope 2 later in the year). The metric chosen to calculate the ratio is our global headcount of employees and contractors = 10,880. Scope 1 and scope 2 (52,786 CO2e) are included in the intensity ratio. Additionally, Carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), are included in the calculation.		
	G4-EN19	Reduction of Greenhouse Gas(GHG) Emissions	Our Operations, Value Chain Map Performance, Environment			
	G4-EN20	Emissions of Ozone-Depleting Substances (ODS)	Performance, Environment			
	G4-EN21	NOX, SOX, and other significant air emissions	Performance, Environment			
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Product Design			
Compliance	G4-EN29	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations	Performance, Environment	We consider significant fines those that are required to be disclosed in the company's SEC filings. There were no fines in FY16 that fell into this category. We also were not subject to any non-monetary sanctions for non-compliance with environmental laws and regulations. There were no cases brought through dispute resolution mechanisms.		

Supplier Environmental Assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Supplier Responsibility	100% of new suppliers we selected completed an EICC self-assessment questionnaire, which includes environmental criteria. These included new suppliers as well as suppliers that are manufacturing our products at new sites.	
Environmental Grievance Mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	See explanation.	Confidential. We ask our Tier 1 suppliers to submit Self-Assessment Questionnaires on an annual basis, in which they self-report any issues or grievances. We ensure that all reported grievances are tracked, addressed, and resolved through a corrective action plan, in accordance with the Electronic Industry Citizenship Coalition Validated Audit Process protocol.	

Social - Labor Practices and Decent Work

Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Performance, Workforce		
	G4-LA2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees, by significant locations of operation	Workforce NVIDIA Benefits	"We provide employees with a comprehensive benefits package (see NVIDIA benefits for more information). US employees are eligible to enroll in NVIDIA's health and welfare programs if they are regular, full-time or part-time employees normally scheduled to work 20 hours or more per week. Part-time employees working fewer than 20 hours/week are not eligible."	
Training and Education	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Workforce	Transition support is available through the Employee Assistance Program, which is available through COBRA. In some cases, NVIDIA may provide outplacement services. NVIDIA's Learning & Development organization provides skills building and lifelong learning opportunities.	
	G4-LA11	Percentage of employees receiving regular performance and career development reviews by gender and by employee category	See explanation.	100% of employees receive regular performance and career development reviews.	
Supplier Assessment for Labor Practices	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Supplier Responsibility	100% of new suppliers we selected completed an EICC self-assessment questionnaire, which includes labor practices criteria. These included new suppliers as well as suppliers that are manufacturing our products at new sites.	
Labor Practice Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	See explanation.	Confidential. We ask our Tier 1 suppliers to submit Self-Assessment Questionnaires on an annual basis, in which they self-report any issues or grievances. We ensure that all reported grievances are tracked, addressed, and resolved through a corrective action plan, in accordance with the Electronic Industry Citizenship Coalition Validated Audit Process protocol.	

Social - Human Rights

Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Supplier Responsibility	100% of new suppliers we selected completed an EICC self-assessment questionnaire, which includes human rights criteria. These included new suppliers as well as suppliers that are manufacturing our products at new sites.		
Human Rights Grievance Mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	See explanation.	Confidential. We ask our Tier 1 suppliers to submit Self-Assessment Questionnaires on an annual basis, in which they self-report any issues or grievances. We ensure that all reported grievances are tracked, addressed, and resolved through a corrective action plan, in accordance with the Electronic Industry Citizenship Coalition Validated Audit Process protocol.		

Social - Society

Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	See explanation.	We consider significant fines those that are required to be disclosed in the company's SEC filings. We were not subject to any significant fines in FY16 for non-compliance with laws and regulations.		
Supplier Assessment for Impacts on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Supplier Responsibility			
Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	See explanation.	Confidential. We ask our Tier 1 suppliers to submit Self-Assessment Questionnaires on an annual basis, in which they self-report any issues or grievances. We ensure that all reported grievances are tracked, addressed, and resolved through a corrective action plan, in accordance with the Electronic Industry Citizenship Coalition Validated Audit Process protocol.		

Social - Product Responsibility

Product and Service Labeling	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	See explanation.	We have not been notified by a governmental entity of any non-compliance with regulatory or voluntary codes concerning product and service information and labeling.		
Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	See explanation.	We consider substantiated complaints those that are disclosed in the company's SEC filings. There were no substantiated complaints in FY16 that fell into this category.		
Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	See explanation.	We consider significant fines those that are required to be disclosed in the company's SEC filings. We were not subject to any significant fines in FY16 for non-compliance with laws and regulations concerning the provision and use of products and services. We did undertake a voluntary recall of NVIDIA SHIELD products due to concerns over the battery. More information can be found here.		

SPECIFIC STANDARD DISCLOSURES: ASPECTS AND ASPECT BOUNDARIES

Material Aspects	Cross-Reference	Material within the organization or external? (G4-20, G4-21)	Geographical Aspect Boundaries (G4-21)	Relevant External Entities (G4-21)
Economic				
Economic Performance	2016 10-K 2015 CDP	Both	Across all geographies of operation	Customers, Shareholders, Consumers, Developers, Suppliers, Governments, NGOs, Communities
Environmental				
Products and Services	Innovation	Both	NVIDIA operations, customer and consumer locations globally	Customers, Consumers, Governments
Compliance	Impacts: Environmental Product Delivery Corporate Responsibility Directive Environmental Policy	Both	Across all geographies of operation	Customers, Shareholders, Consumers, Suppliers, Governments
Supplier Environmental Assessment	Priorities: Supply Chain Management Impacts: Product Delivery	External	Supplier locations of operation: China, Korea and Taiwan	Suppliers
Environmental Grievance Mechanisms	Priorities: Supply Chain Management Supplier Responsibility	External	Supplier locations of operation: China, Korea and Taiwan	Suppliers
Social - Labor Practices and Decent Work				
Employment	Employee Satisfaction Workforce	Internal; material for all entities within the organization	Not applicable	Not applicable
Training and Education	Workforce University Partnerships (Internships)	Internal; material for all entities within the organization	Not applicable	Not applicable
Supplier Assessment for Labor Practices	Priorities: Supply Chain Management Impacts: Supplier Responsibility	External	Supplier locations of operation: China, Korea and Taiwan	Suppliers
Labor Practice Grievance Mechanisms	Priorities: Supply Chain Management Impacts: Supplier Responsibility	External	Supplier locations of operation: China, Korea and Taiwan	Suppliers
Social - Human Rights				
Supplier Human Rights Assessment	Priorities: Supply Chain Management Impacts: Supplier Responsibility	External	Supplier locations of operation: China, Korea and Taiwan	Suppliers
Human Rights Grievance Mechanisms	Priorities: Supply Chain Management Impacts: Supplier Responsibility	External	Supplier locations of operation: China, Korea and Taiwan	Suppliers

Social - Society

Compliance	Impacts: Product Delivery Compliance Worldwide Code of Conduct	Both	Across all geographies of operation	Customers, Shareholders, Consumers, Developers, Suppliers, Governments, NGOs, Communities
Supplier Assessment for Impacts on Society	Priorities: Supply Chain Management Impacts: Supplier Responsibility	External	Supplier locations of operation: China, Korea and Taiwan	Suppliers
Grievance Mechanisms for Impacts on Society	Priorities: Supply Chain Management Impacts: Supplier Responsibility	External	Supplier locations of operation: China, Korea and Taiwan	Suppliers

Social - Product Responsibility

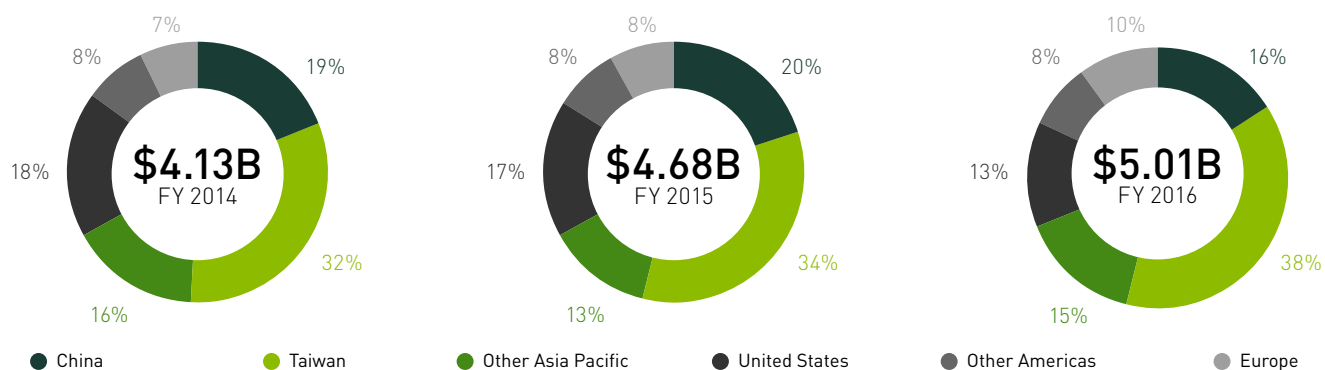| Product and Service Labeling	Worldwide Code of Conduct	Both	NVIDIA operations, customer and consumer locations globally	Customer, Consumers, Governments
Customer Privacy	Customer Privacy	Both	NVIDIA operations, customer and consumer locations globally	Customers, Shareholders, Consumers, Governments
Compliance	Compliance	Both	NVIDIA operations, customer and consumer locations globally	Customers, Developers, Shareholders, Consumers, Governments

ECONOMIC

Included here is an overview of the company's economic activity over the past three fiscal years, and a reporting of our revenue by region.

ECONOMIC INDICATORS

	FY2014	FY2015	FY2016
Revenue	$4,130,162,000	$4,681,507,000	$5,010,000,000
Total operating expenses	$1,771,536,000	$1,840,488,000	$2,064,000,000
Net income	$439,990,000	$630,587,000	$614,000,000
Gross margin	54.9%	55.5%	56.1%
Income tax expense (benefit)	$70,264,000	$124,249,000	$129,000,000
Total assets	$7,250,894,000	$7,201,368,000	$7,370,000,000
Total stockholders' equity	$4,456,398,000	$4,417,982,000	$4,690,000,000
Total liabilities and stockholders' equity	$7,250,894,000	$7,201,368,000	$7,370,000,000
Revenue by country/region	See chart below	See chart below	See chart below
Dividends and stock repurchases	$1,068,640,000	$1,000,052,000	$800,000,000
Compensation of named executive officers	See Proxy Statement	See Proxy Statement	See Proxy Statement
Payments to capital providers	On Dec. 2, 2013, NVIDIA issued $1.5 billion of convertible senior notes to Goldman, Sachs & Co. as initial purchaser.	None	None

REVENUE BY REGION

FY 2014 — $4.13B: 19%, 32%, 16%, 18%, 8%, 7%

FY 2015 — $4.68B: 20%, 34%, 13%, 17%, 8%, 8%

FY 2016 — $5.01B: 16%, 38%, 15%, 13%, 8%, 10%

Legend: China · Taiwan · Other Asia Pacific · United States · Other Americas · Europe

WORKFORCE AND DIVERSITY

We report workforce data to our external stakeholders on an annual basis. These metrics, combined with employee survey data, help us determine how we can improve in specific areas throughout our enterprise. The data show a diverse and engaged employee base, with a turnover rate well below the industry average.

We gather information for this report at the end of the fiscal year, and the data points below reflect a snapshot of the employee base at that time.
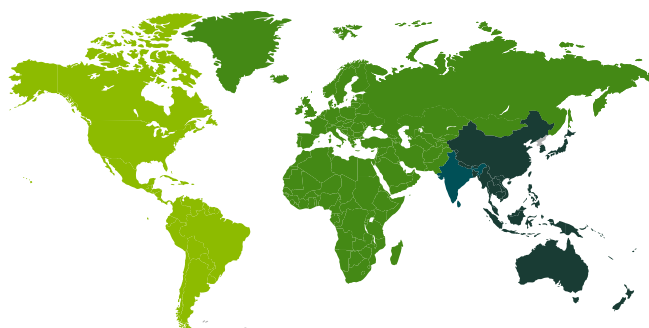
PROMOTIONS

In FY16, we promoted approximately 15.8 percent of our workforce. Of the 1,453 promotions, 55 (4 percent) were at the level of director or above, 1,154 (79 percent) were from minority classes, and 247 (17 percent) were women (up from 15 percent in 2014).
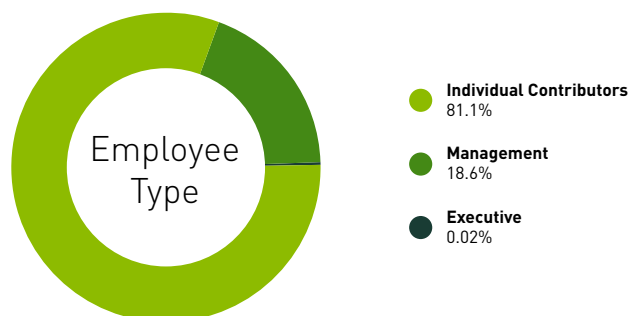
EMPLOYEE PROFILE

	Employees	Offices	Countries
FY2016	9,227	42	18
FY2015	9,228	48	18
FY2014	8,808	54	17

HEADCOUNT TYPE BY REGION

	Americas	EMEA	India	APAC	Total
Exempt	4,614	1,809	1,655	624	8,702
Non-Exempt	240	64	200	21	525
Contractors	992	247	140	66	1,445
Interns	69	54	78	7	208

EMPLOYEE TYPE BY LEVEL

Employee Type

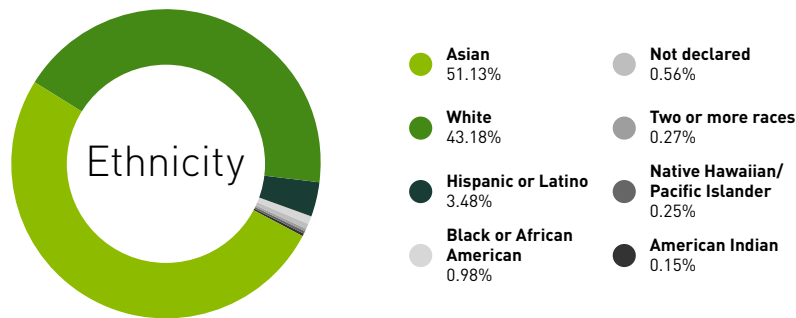- Individual Contributors 81.1%
- Management 18.6%
- Executive 0.02%

DIVERSITY

As stated in our Equal Employment Opportunity Policy and Code of Conduct, we are committed to providing equal opportunity to all employees and applicants.
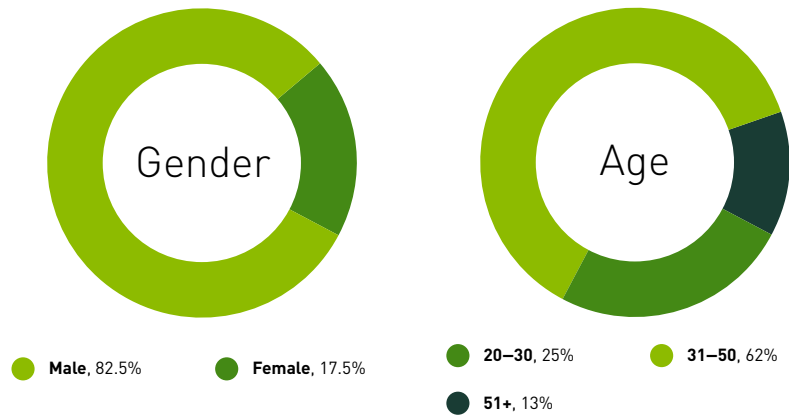
The level of diversity at NVIDIA reflects the current state of the technology and engineering industries as a whole. Roughly 71 percent of our employees are in technical fields that are historically male-dominated. We seek to address gender imbalances in the technology and engineering fields through programs aimed at increasing the number of women and minorities in engineering. Learn more about our approach to diversity and inclusion in Our Operations.

EMPLOYEE RACIAL/ETHNIC DIVERSITY*

Ethnicity

- Asian 51.13%
- White 43.18%
- Hispanic or Latino 3.48%
- Black or African American 0.98%
- Not declared 0.56%
- Two or more races 0.27%
- Native Hawaiian/ Pacific Islander 0.25%
- American Indian 0.15%

*Self-disclosure of ethnicity is not typical in some countries where we operate.

NEW HIRE DATA BY GENDER AND AGE

Gender

- **Male**, 82.5%
- **Female**, 17.5%

Age

- **20—30**, 25%
- **31—50**, 62%
- **51+**, 13%

NEW HIRES BY REGION

EMEIA 8.68%

NALA 50.58%

INDIA 22.64%

APAC 18.10%

GENDER DATA

17.5% Females, global	**12%** Females, technical roles	**16%** Female managers
12% Female leaders	**40%** Female named executive officers	**18%** Female outside directors
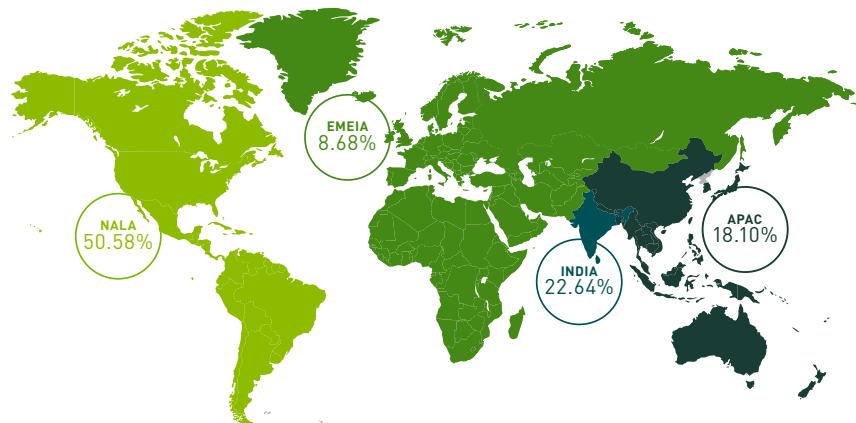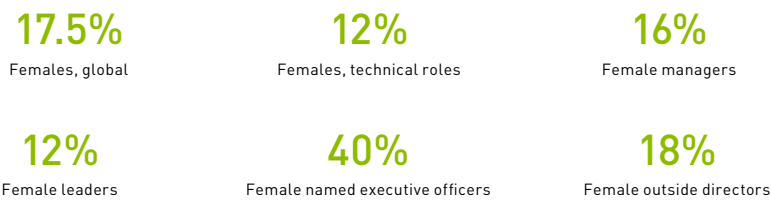
TURNOVER DATA

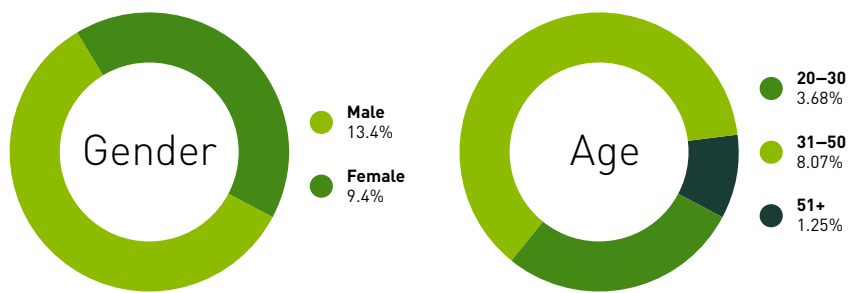Our turnover rate increased in FY16 to 13.0 percent due to a business closure, after remaining steady over the past few years at 8.7 percent. It is still below the industry average of 15.1 percent. Our voluntary turnover rate decreased in FY16 from 7.9 percent to 7.2 percent, compared with the technology industry average of 9.7 percent.

TURNOVER BY GENDER AND AGE

Gender

Male
13.4%

Female
9.4%

Age

20—30
3.68%

31—50
8.07%

51+
1.25%

TURNOVER BY REGION

EMEIA
3.57%

NALA
4.51%

INDIA
2.25%

APAC
2.67%
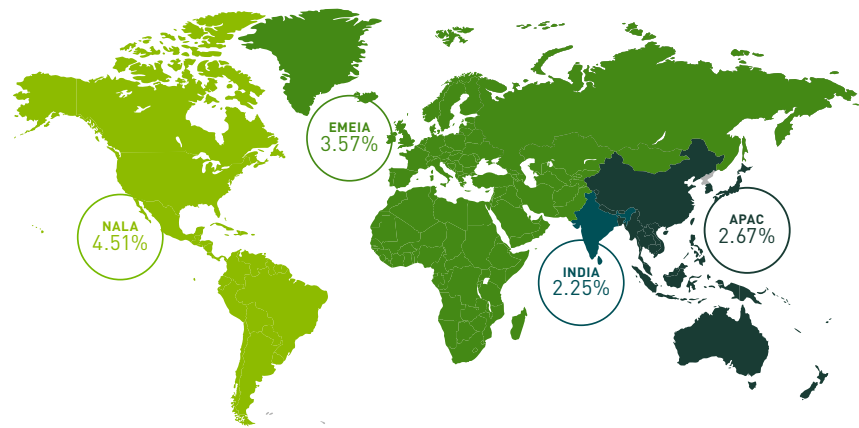
ENVIRONMENT

ENVIRONMENTAL HEALTH AND SAFETY

We track, but do not currently publish, the following health and safety metrics for employees and contractors:

› Accidents

› Lost time from accidents

› Lost time incident rate

› Total recordable incident rate

› Fatalities

› Leave of absence requests

ENVIRONMENTAL PERFORMANCE

Metric	FY16	FY15*	FY14
Greenhouse Gas (GHG)			
Energy used (global) (GJ)	483,175	486,161	464,298
GHG Scope 1 total global (tCO2e)	2,419	3,339	2,520
Stationary natural gas	2,316	2,362	2,252
Stationary distillate fuel oil	71	203	117
Gasoline	16	14	14
Refrigerants	16	1,022	441
GHG in lab operations	Not tracked	Not tracked	Not tracked
GHG Scope 2 total global (tCO2e)* - market based	50,368	52,393	48,750
Purchased and used electricity	50,368	52,393	48,750
Total GHG emissions (Scope 1 and 2 total – tCO2e)*	52,786	55,732	51,270
GHG Scope 2 total global (tCO2e)* - location based	51,199	52,450	48,977
GHG Scope 3 (US) (tCO2e)	42,291**	40,639	42,003
Travel emissions (metric tons)	23,010	19,832	21,628
Emissions from fuel and energy related activities (not included in Scope 1/2)	19,055	20,623	20,183
Emissions from waste generated in operations	226	184	192
Scope 1 carbon dioxide emissions (metric tons)	2,419	2,573	2,378
Scope 1 nitrous oxide emissions (metric tons)	2	2	2
Scope 1 methane emissions (metric tons)	3	4	3
Sulfur dioxide emissions (metric tons)	de minimis	de minimis	de minimis
Sulfur oxide emissions (metric tons)	de minimis	de minimis	de minimis
VOC emissions (metric tons)	de minimis	de minimis	de minimis
Carbon monoxide emissions (metric tons)	de minimis	de minimis	de minimis
ODS emissions (metric tons)	de minimis	de minimis	de minimis
Particulate emissions (metric tons)	de minimis	de minimis	de minimis

*Selected historic values have been updated to reflect changes in methodologies or corrections to data. For example, we are now calculating Scope 2 market-based and location-based emissions per the WRI/WBCSD GHG Protocol and have updated prior years' data to align with the new methodology.

Metric	2016	2015	2014
Energy, Waste, Water			
Renewable energy use (MWh)	In Silicon Valley, we use what is allocated through local utilities (36%)	In Silicon Valley, we use what is allocated through local utilities (24%)	In Silicon Valley, we use what is allocated through local utilities (30%)
Total power generated (MWh)	0	0	0
Water consumption—corporate headquarters (hcf)	40,819	59,009	56,146
Water consumption – global (hcf)	63,770	84,503	80,146
Percent of water recycled	0	0	0
Discharges to water (hcf)	63,770	84,503	80,146
Total waste—corporate headquarters (metric tons)	15,631	1,256	1,344
Waste recycled	105	232 (18%)	353 (26%)
Waste composted	651	594 (47%)	559 (42%)
Waste sent to landfills	349	266 (21%)	275 (20%)
Clean paper recycled	70	86 (7%)	105 (8%)
Waste batteries recycled	1	1 (0.1%)	0.6 (0.04%)
Hazardous waste (recycled)	1	1 (0.1%)	1.1 (0.08%)
Hazardous waste (landfill)	0	0	0
Electronic waste recycled	98	76 (6%)	50 (3.7%)
Lamps recycled	1	0.5 (0.04%)	Not tracked
Demolition debris recycled	13,868		
Demolition debris landfilled	487		

POLICIES, CERTIFICATIONS

Name	Response
Assurance of Scope 1 and Scope 2 global GHG emissions	Yes
Environmental policy	Yes
Corporate responsibility directive	Yes
Environmental supply chain management directive	EICC members
ISO 14001 certified sites	1 (Santa Clara, CA)
Emissions reduction initiatives	Yes
Waste reduction initiatives	Yes
Water reduction initiatives	Yes
Climate change policy	See our Environmental Policy
Climate change opportunities discussed	Yes; see CDP
Climate change risks discussed	Yes; see CDP
Number of environmental fines	0
Amount of environmental fines	0

*Selected historic values have been updated to reflect changes in methodologies or corrections to data. For example, we are now calculating Scope 2 market-based and location-based emissions per the WRI/WBCSD GHG Protocol and have updated prior years' data to align with the new methodology.

UN SUSTAINABILITY

UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

Included here is a list of the United Nations' Sustainable Development Goals and an indication of whether NVIDIA is directly or indirectly involved in working toward them. Indirect involvement means that our technology is used by a third party in achieving the goals. This is our first attempt to report these sustainable development goals, and we look forward to improving our performance.

Click the links in each area to read the stories related to each United Nations' goal.

Goal	NVIDIA's Contribution	Overview
1: No Poverty	Direct/Indirect	1.5 Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.
2: Zero Hunger	Indirect	2.3 Double the agricultural productivity and incomes of small-scale food producers, including through secure and equal access to land, other productive resources and inputs, and knowledge.
3: Good Health and Well-being	Direct	3.d Strengthen the capacity of all countries for early warning, risk reduction and management of national and global health risks.
	Indirect	3.d Strengthen the capacity of all countries, in particular developing countries, for early warning and risk reduction.
4: Quality Education	Direct	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.
	Indirect	4.1 Ensure all girls and boys equitable and quality primary and secondary education leading to relevant and effective learning outcomes.
5: Gender Equality	Direct	5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.
	Indirect	5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.
6: Clean Water and Sanitation	Direct	6.4 Substantially increase water-use efficiency across all sectors.
7: Affordable and Clean Energy	Indirect	7.4 Facilitate access to clean energy research and technology.
8: Decent Work and Economic Growth	Direct	8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor.
	Indirect	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprise.
9: Industry, Innovation and Infrastructure	Direct	9.a Facilitate sustainable and resilient infrastructure development in developing countries.
	Indirect	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

10: Reduce Inequalities	Direct	10.4 Ensure equal opportunity.
	Indirect	10.3 Reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.
11: Sustainable Cities and Communities	Direct	11.a Support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning
	Indirect	11.3 Enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning.
12: Responsible Consumption and Production	Direct	12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse.
	Indirect	12.2 Achieve the sustainable management and efficient use of natural resources.
13: Climate Action	Direct	13.2 Integrate climate change measures into strategies and planning.
	Indirect	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
14: Life Below Water	Direct	14.1 Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities.
	Indirect	14.a Increase scientific knowledge, develop research capacity and transfer marine technology.
15: Life on Land	Direct	15.9 Integrate ecosystem and biodiversity values into national and local planning.
	Indirect	15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands.
16: Peace, Justice and Strong Institutions	Direct	16.6 Develop effective, accountable and transparent institutions at all levels.
	Indirect	16.5 Substantially reduce corruption and bribery in all their forms.
17: Partnerships For the Goals	Direct	17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals.
	Indirect	Strengthen domestic resource mobilization, including through international support to developing countries.

*Selected historic values have been updated to reflect changes in methodologies or corrections to data. For example, we are now calculating Scope 2 market-based and location-based emissions per the WRI/WBCSD GHG Protocol and have updated prior years' data to align with the new methodology.

**In FY16 NVIDIA began reporting on Scope 3 GHG emissions for waste.

ABOUT THIS REPORT

The NVIDIA 2016 Global Citizenship Report covers NVIDIA's economic, social and environmental performance for our fiscal year 2016, which ended January 29, 2016. We report our performance annually via our website.

Previous Sustainability Reports:

› 2015 report

› 2014 report

› 2013 report

› 2012 report

› 2011 report

› 2010 report

The report includes consolidated economic, environmental and social information for our global operations. No significant changes have occurred during the reporting period with regard to the scope, boundary or measurement methods applied in this report.

The environmental information contained in this report covers energy and water usage and greenhouse gas for our global operations, and waste for our Silicon Valley, Calif., headquarters. We report on those entities over which we exercise operational control, including subsidiaries and leased facilities (except for shared space). We calculate greenhouse gas emissions for global offices with greater than 50,000 square feet of office space (which equal 90% of our total greenhouse gas footprint) and estimate emissions for offices that comprise the remaining 10% of our footprint.

We determined the content for this report based on conversations among management and engagement with customers, suppliers and employees. We have applied the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines (GRI G4), including the Guidance on Defining Report Content, at the Core "In Accordance" level. In 2014, we reported for the first time to the GRI G4 Guidelines at the "Core In Accordance" level, and received the GRI Materiality Matters check.

NVIDIA's GRI index, which contains standard disclosures, can be found here. We have engaged Trucost to provide limited assurance on our FY16 global Scope 1 and 2 Greenhouse Gas emissions, and our travel and waste under the AA1000 assurance standards. The assurance report is available in the Environment section.

We welcome your feedback on this report and our performance. Please send your comments and suggestions to globalcitizenship@nvidia.com or write to us at:

NVIDIA
Corporate Responsibility
2701 San Tomas Expressway
Santa Clara, CA 95050

Related sustainability links:

› NVIDIA Corporate Responsibility Directive

› NVIDIA Environmental Policy

› NVIDIA Code of Conduct

› NVIDIA Corporate Governance

The information contained in this report is accurate as of approximately June 15, 2016. The information is subject to change, and NVIDIA will not necessarily inform you of such changes. The information may be updated, amended, supplemented or otherwise altered by subsequent reports and/or filings by NVIDIA.

All statements included or incorporated by reference in this webpage, other than statements or characterizations of historical fact, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry, and our management's beliefs and assumptions. We wish to caution you that these statements are merely predictions and are not guarantees of future results. Actual events may differ materially, perhaps adversely.

Our Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings made with the Securities and Exchange Commission discuss some of the important risk factors that could contribute to differences between projections and outcomes, which could affect our business, operational results and financial condition. Except as required by law, NVIDIA does not recognize any obligation to revise or update any forward-looking statements.