



Assurance Statement: AA1000

S&P Dow Jones Indices
ESG Analysis

Trucost was engaged by **Nvidia** to provide assurance of the environmental data held within its 2017 CDP Climate Change Questionnaire Response

Intended users

The intended users of this assurance statement are the management and stakeholders of Nvidia.

Responsibilities of Nvidia and assurance provider

The management of Nvidia has sole responsibility for the preparation and content of the CDP Climate Change Response (hereafter, CDP). Trucost's statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

Assurance standard

Trucost undertook the assurance in accordance with AA1000AS (2008) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000APS (2008) Principles of inclusivity, materiality and responsiveness (the Principles)
- ✓ The reliability of specified environmental performance information (greenhouse gas emissions)

Trucost used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate Nvidia's performance information and adherence to the Principles.

Scope and limitations

Trucost was engaged to assure the data and claims in Nvidia's 2017 CDP response. This submission covered the period 1 February 1, 2016 – January 31, 2017 for greenhouse gas emissions data. Nvidia took an operational control approach. No potential emissions sources have been excluded.

Trucost verified the environmental impacts (as calculated by Nvidia) in the table below.

Scope	Source	Unit	Quantity
GHG Scope 1	Natural gas, Propane, Diesel, & Gasoline		2,571
GHG Scope 2	Location Based	metric tons CO ₂ e	52,903
	Market Based		49,360
GHG Scope 3	Category 3 - Fuel and energy related activities		20,246
	Category 5 - Waste generated in operations	240	
	Category 6 - Business travel (Air)	24,658	

Methodology

Trucost's assurance activities included the following:

- Review of the processes by which Nvidia defines the sustainability issues that are relevant and material to its operations and its stakeholders
- Interviews with managers responsible for sustainability performance and data collection
- Assessment of the extent to which Nvidia's sustainability activities adhere to the Principles
- Limited assessment of evidence provided to support Nvidia's key claims
- Review of processes and systems used to gather and consolidate environmental data
- Verification of data accuracy for a selection of sites, including an audit of conversion factors and calculations

Findings, conclusions and recommendations

The principles: Nothing came to Trucost's attention to suggest that Nvidia's internal reporting or CDP Response does not adhere to the Principles.

Data reliability: Trucost did not find evidence to insinuate that the processes and systems in place to collect and collate environmental data are such that the company's environmental performance would be erroneously described.

Nvidia has implemented excellent processes and software systems to collect and collate environmental data. All data was taken from original invoices. Upon evaluating this system, Trucost found that the calculated data included was accurate. Trucost found that the greenhouse gas emissions factors applied in the calculation spreadsheet were accurate, up-to-date and used correctly. All minor corrections were made as necessary. Trucost recommends that emissions factors continue to be updated annually or as available.



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Principle	Comments
<p>Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>Nvidia completes a comprehensive annual review to identify its key stakeholders. Key stakeholders are published annually in Nvidia's annual Corporate Responsibility report. For 2016-2017, Nvidia conducted a source reevaluation and identified Communities, Consumers, Customers, Developers, Employees, Nonprofit and Nongovernmental Organizations, Shareholders, and Suppliers as its key stakeholder groups.</p> <p>Nvidia has developed excellent processes that facilitate communications between the company and both its internal and external stakeholders to help promote environmental performance improvements and improve interaction with stakeholders. All stakeholder concerns are communicated to the relevant or impacted people across the organization as necessary.</p> <p>Nvidia engages with stakeholders via the company website, social media and other online publications, which contains comprehensive information on the company's stakeholder response processes, initiatives and results.</p> <p>Nvidia requires its suppliers to complete an annual Electronics Industry Citizenship Coalition (EICC) Self-Assessment questionnaire, and encourages its key Silicon Chip Operations suppliers to report to the CDP Supply Chain Questionnaire. Nvidia uses a third-party tool to collect sustainability information from suppliers, which provides a dashboard that is used to monitor progress.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>Nvidia completes an annual materiality analysis to identify priority sustainability issues and uses this information to create a Priority Matrix. The materiality analysis ranks issues based on their frequency in discussions, the significance assessed in internal executive conversations, and the extent and urgency of potential associated impacts.</p> <p>The issues identified in the Priority Matrix are used to focus assessment, tracking, and communication of performance. Nvidia publishes information on the identified Priority Issues, Priority Matrix, and its response to Priority Issues in the company's online Corporate Responsibility report. Nvidia groups priority issues into three key areas that are reported to the executive level quarterly and communicated to Nvidia's board of directors.</p> <p>Nvidia also applies an Environmental Management System (ISO 14001) within its operations, helping the company identify and address material environmental issues.</p>
<p>Responsiveness: an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders</p>	<p>Nvidia attempts to respond to all stakeholder feedback received and has implemented a formal tracking system to assist in prioritizing issues, identifying trends, and monitoring progress. The response activities undertaken following stakeholder communication depend on the complexity and potential impact of each sustainability concern.</p> <p>Nvidia has targets for GHG emissions intensity reduction (15% reduction of Scope 1 and 2 relative to 2013 by 2019), waste diversion (80% or greater each year through 2019), and energy efficiency within its data centers. The company sets all environmental targets based on historical performance, feasibility, and industry standards.</p>

Assurance provider

Trucost has been researching, standardizing and validating corporate environmental performance data since 2000. Trucost's research team has the relevant professional and technical competencies and experience to conduct an assurance to the AA1000 standard. Trucost did not provide any services to Nvidia during FY2016-2017 that could conflict with the independence of this work.

S&P Trucost Limited
London, May 2017

Libby Bernick
Global Head of Corporate Business

