



**2019**  
NVIDIA  
CORPORATE  
SOCIAL  
RESPONSIBILITY  
REPORT

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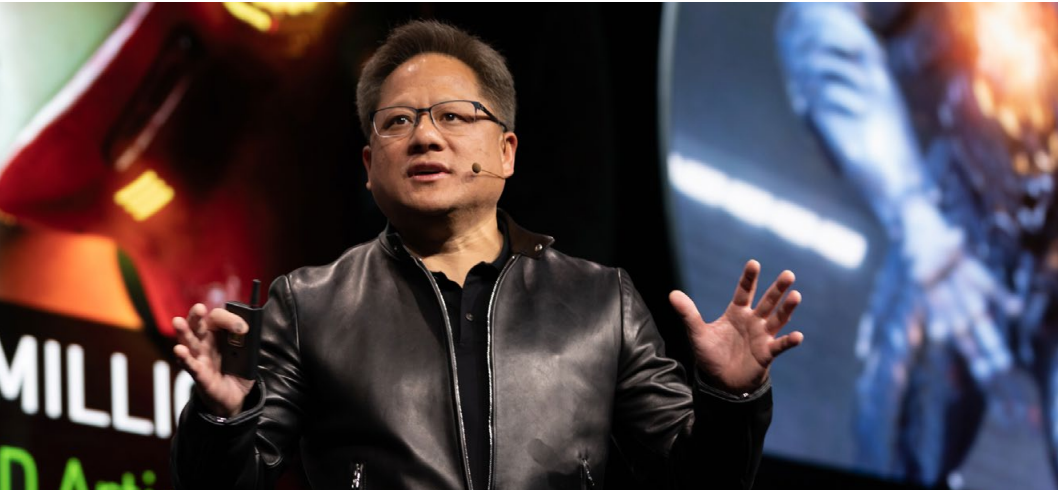
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### ABOUT THIS REPORT

# 01 EXECUTIVE LETTERS



## LETTER FROM OUR CEO

Our invention of the GPU reinvented computer graphics and set computing on a new trajectory. GPU computing has since evolved to advance the fields of high performance computing and artificial intelligence. And those technologies, in turn, are empowering scientists, doctors, creators, and engineers - the da Vincis and Einsteins of our age - to create positive change in the world.

High-performance computers are essential instruments of scientific discovery. Supercomputers use intense computing power to simulate the world. They help us understand global weather patterns and seismic activity to prepare us for natural disasters. They predict the interaction of molecules so that we can develop new drugs, create hyper-efficient batteries, and design new materials that improve the safety of our cars and airplanes.

NVIDIA GPUs make these discoveries possible by accelerating the performance of computers while reducing the energy they consume. NVIDIA powers 22 of the 25 most energy-efficient supercomputers.

Better energy efficiency goes beyond making supercomputers more sustainable - it reduces their costs and democratizes access to them, empowering a new generation of scientific explorers.

In healthcare, researchers use our systems to develop AI techniques that improve disease diagnosis and increase the success of targeted treatments. We created the NVIDIA Clara computing platform, named for Red Cross founder Clara Barton, to bring AI to medical imaging systems and make it easier for all hospitals to adopt them. The American College of Radiologists is making Clara available to nearly 40,000 radiologists to develop and deploy AI at their own institutions.

Autonomous machines, perhaps the greatest expression of AI's potential, can protect and improve our lives as well. The life-saving potential of self-driving cars is especially powerful. NVIDIA DRIVE is a platform to deploy autonomous vehicles, combining a powerful in-car computer, AI software, and a VR-based simulator to train cars in the safety of the data center. Automakers like Toyota, Volvo, and Mercedes-Benz are using DRIVE to make vehicles that sense their environments both inside and outside the car to keep drivers safe.

Self-driving cars are only part of the autonomous machines story. Our work in robotics will revolutionize manufacturing, agriculture, and space exploration. Robots can play an important role in assisting people in their homes and at work, and in making our cities safer, more secure, and more efficient.

These inventions and ideas help NVIDIA contribute to society and industry at the global level. But the people of NVIDIA also share a commitment to improving our local communities. We balance our near-term business goals with long-term commitments to improving lives, protecting our environment, and creating a workplace where bright minds of all cultures can build their families and do their life's work.

Making a positive impact on the world is the highest purpose a company can have. We're honored that we can help create a better future for generations to come.

**Jensen Huang**  
CEO and Co-Founder  
NVIDIA



## LETTER FROM EVP OF OPERATIONS

Our mission is to develop revolutionary technology that improves lives, and this is reflected in our two most fundamental commitments: to integrate social and environmental responsibility into all aspects of our company, and to create value for all our stakeholders.

Corporate social responsibility (CSR) is integral to our mission, our unique culture, and our business success. We strive to provide a great place to work and partner with our employees to develop innovative products. Through our business practices, we work hard to safeguard and protect the human rights of all workers in our supply chain. We aim to build the most energy-efficient technologies possible, and we conduct our business using sound environmental practices with an eye toward mitigating climate change. We invest in and give back to our local communities and global society at large.

Each year, we reassess our CSR priorities to inform our strategy. At the helm of this work is a committee of employees that meets regularly and works closely with executive staff. Together, they identify our annual priority issues by integrating

feedback from key stakeholders and prioritizing risks and opportunities. Our board of directors oversees our CSR efforts and is briefed annually on risks and progress.

Our annual disclosures adhere to the Global Reporting Initiative’s Sustainability Reporting Standards, and we continue to align our social impact activities with the United Nations’ Sustainable Development Goals.

Our CSR priorities revolve around the following key business areas: competitiveness and business model, cybersecurity, innovation, supply chain and product quality, talent management strategy, and trade issues. To execute these priorities, our efforts follow three primary objectives:

- > Operational efficiency and excellence
- > Employee recruitment and retention
- > Risk and reputation management

With these objectives in mind, we:

- > Design power-efficient products with a strong social impact
- > Increase employee diversity and foster inclusion
- > Minimize risk in our supply chain and uphold the highest quality standards
- > Engage in opportunities to reduce our energy footprint and address climate change
- > Evaluate emerging risks and opportunities related to growing our brand
- > Set goals and monitor our progress toward them

We’ve made strong progress against these objectives over the past few years. Highlights include:

- > Growth in our self-driving car and AI healthcare businesses
- > Continued development of generous parental benefits, including expansive leave of absence policies and coverage for adoption, in vitro fertilization, and egg freezing

- > A performance-based award system for suppliers that includes their active efforts to improve social and environmental performance
- > Adding CSR to the oversight responsibilities of the Nominating and Corporate Governance Committee of our Board of Directors
- > Holding annual meetings with top shareholders to provide updates on our CSR efforts and performance
- > Continued recognition in innovation, CSR, and “best place to work” rankings, including Fast Company’s Most Innovative Companies, Fortune’s Best Places to Work, the Bloomberg Gender Equality Index, JUST100, and the Dow Jones Sustainability Index

Our ability to tackle these challenges enables NVIDIA to increase our operational effectiveness, attract and retain top talent, manage our risk, and bring greater long-term value to our stakeholders.

Thank you for joining us on this journey to create a better, more sustainable future. We promise to continue pushing the limits of possibility.

Sincerely,

**Debora Shoquist**  
EVP, Operations  
NVIDIA

# 02 PRIORITIES



## SETTING PRIORITIES

We update our issue analysis each year to ensure that our priorities continue to align with stakeholder expectations, market trends, and business risks and opportunities.

In FY19, we identified six priority issues as essential to our continued business success.

These issues reflect the topics of highest concern to NVIDIA and our stakeholders:

- > Competitiveness / Business model
- > Cybersecurity
- > Innovation
- > Supply chain management / Product quality
- > Talent Strategy
- > Trade Issues

A strategic focus on these areas enables us to build a more agile, future-oriented company. We annually implement several initiatives related to our priorities, each of which provides varying levels of return according to the business goals assigned to it.

Guided by the leadership of NVIDIA's Board of Directors, we continue to find new ways to integrate CSR efforts into our business strategy. The Nominating and Corporate Governance Committee of our Board oversees our CSR efforts and keeps current on our execution strategy. The full Board is informed annually about our CSR priorities.

To arrive at our internal priorities and ensure that our executive leadership's views are reflected in the analysis, we conduct individual interviews with members of our executive staff. During these interviews, we evaluate the risk factors identified in enterprise risk discussions with NVIDIA executives and in reports filed with the U.S. Securities and Exchange Commission. This year, we added a new level of engagement: an internal survey to a select group of subject matter experts. The insights gleaned from this engagement added new depth to our company analysis and confirmed that our internal priorities are aligned.

NVIDIA FY20 CSR PRIORITIES



We mapped the results of our internal and external analyses on a matrix to highlight the most important issues from the perspective of our internal and external stakeholders.

The matrix includes the entire list of issues considered for inclusion in the analysis. The issues with the highest priority are shown in the top right highlighted quadrant of the matrix above.

The findings from our FY19 priorities assessment resulted in the following changes from the prior year:

- > To reflect the current dynamic operating environment, we added two priority issues: *competitiveness/business model* and *trade issues*.
- > On the stakeholder analysis, *employee engagement* and *waste* increased in priority, and *transport and logistics* decreased slightly in relationship to other issues.
- > On the company analysis, *public policy engagement* increased in importance to our stakeholders.


Our priorities are addressed in subsequent sections of this report. We define each issue, discuss why it's important to NVIDIA and how we manage it, and disclose any relevant performance data.

## MAPPING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

### GOAL #3: Ensure healthy lives and promote well-being for all at all ages


ISSUE	INITIATIVES
<p><b>3 GOOD HEALTH AND WELL-BEING</b></p> 	<p><b>AI-Driven 3D Cell Modeling:</b> AI is completely reshaping life sciences, medicine, and healthcare as an industry. Researchers are harnessing the power of NVIDIA GPU and AI computing technology to create the first predictive 3D model of a live human cell. Using the model, scientists can digitally visualize and even manipulate cell behavior on a computer screen. These GPU-accelerated capabilities give the model the potential to impact drug discovery, disease research, and basic studies involving human cells.</p>
	<p><b>The Future of Radiology: NVIDIA Clara Platform:</b> NVIDIA Clara™ is a computational platform that makes it easy for developers to build, manage, and deploy intelligent medical imaging workflows and instruments. From improving processing speed and image quality to AI-enabled clinical workflows, medical imaging developers are adopting the Clara platform to improve patient outcomes and reduce the cost of care. NVIDIA is working with dozens of healthcare companies, startups and research hospitals to implement Clara, transforming the field of radiology by saving time and money for healthcare organizations while improving patient care.</p>
	<p><b>NVIDIA Xavier, World's First Single-Chip Self-Driving Car Processor:</b> Safety is the whole point of autonomous vehicles. And it starts with a new class of computer, a new type of software, and a new breed of chips. Xavier's safety architecture was created over several years by more than 300 architects, designers, and safety experts who analyzed over 150 safety-related modules. Inventing technology that will one day eliminate accidents on our roads is one of NVIDIA's most important endeavors. We are inspired to tackle this grand computing challenge that will have great social impact.</p>

### GOAL #5: Achieve gender equality and empower all women and girls


ISSUE	INITIATIVES
<p><b>5 GENDER EQUALITY</b></p> 	<p><b>Recruiting 9 to 5, What AI Way to Make a Living:</b> Silicon Valley-based Eightfold is changing recruitment and retention with its artificial intelligence (AI)-powered talent management platform. Through the use of algorithms, Eightfold also offers diversity help for recruiters. The diversity function allows recruiters to blind screen—remove gender and ethnicity barriers—in order to reduce bias in their recruiting process and increase applicant diversity.</p>
	<p><b>Grace Hopper Conference Inspires Women in Computing, Technology:</b> AI and how it can help machines and humans unite in tackling some of society's biggest challenges was our theme in Houston, where 40 NVIDIAians recently joined the Grace Hopper Celebration of Women in Computing conference. Women at every stage of their careers attended highly technical sessions that covered AI, computer systems engineering, and data science.</p>

## NVIDIA 2019 CSR REPORT PRIORITIES


### GOAL #8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

ISSUE	INITIATIVES
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p><b><u>Keep on Rocking: Startup Develops AI for Mapping Tunnels and Mineshafts:</u></b> The Toronto-based startup RockMass is developing an NVIDIA AI-powered mapping platform that can help engineers assess tunnel stability in mines and construction. The startup's Mapper AI device now offers a safer way to keep engineers farther away from a possible tunnel collapse and offers a faster system for gathering and processing data.</p>

### GOAL #9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

ISSUE	INITIATIVES
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p><b><u>How AI and Machine Learning are Advancing Academic Research:</u></b> Universities and research institutes around the world are key drivers of discovery and innovation, and professors and researchers are looking for answers to the biggest questions facing each academic discipline. With powerful GPU computing resources, academics can use AI, machine learning, and data science to more swiftly advance knowledge in fields such as astrophysics and astronomy, biology, earth and climate science, humanities, medicine, and physics.</p>

### GOAL #11: Make cities and human settlements inclusive, safe, resilient and sustainable


ISSUE	INITIATIVES
<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p><b><u>Safety is What Drives Us: Introducing the NVIDIA Self-Driving Safety Report:</u></b> Self-driving cars will dramatically change the future of transportation, making driving safer, reducing carbon emissions, and transforming how cities are designed. At the heart of autonomous driving technology is safety, and we have integrated it into every step of the development process. Our <a href="#">Self-Driving Safety Report</a> details how computing performance translates to safety at all stages, from initial data collection to public road testing.</p>
	<p><b><u>Clean Machines: Startup's Bots Sweep Up Corporate Campuses:</u></b> Thanks to robotics, outdoor maintenance is becoming more sophisticated, safer, and less costly. Silicon Valley-based ViaBot has created an entirely autonomous robot that uses sensors, cameras, object detection algorithms, and NVIDIA Jetson-powered navigation capabilities to clean and recycle waste in outdoor spaces. ViaBot aims to serve multiple needs for maintenance outdoors with their efficient, productive, and cost-effective robotic solution.</p>



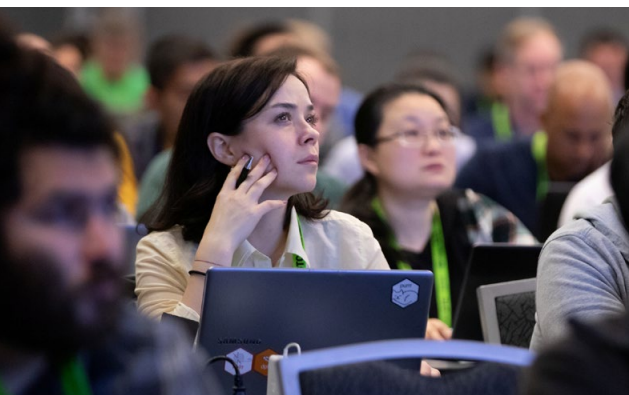
**GOAL #11: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development**

ISSUE	INITIATIVES
	<p><b><u>No Barrier to this Reef: Dazzling Film Brings Coral to Life in GPU-Powered Museum Show:</u></b> Expedition Reef, the San Francisco museum’s GPU-powered coral reef experience, immerses viewers in a dramatic 3D video re-creation of reefs as they live, reproduce, and struggle to survive. Because these complex ecosystems demand a highly realistic approach to help people engage with them, the film posed unprecedented challenges for the museum’s visualization studio, which relied heavily on NVIDIA Quadro GPUs (the same technology used by movie studios). With dazzling visual effects, Expedition Reef seeks to highlight the vital role coral reefs play in the world’s ecosystems.</p>

**GOAL #11: Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**

ISSUE	INITIATIVES
	<p><b><u>AI Offering Fertile Ground for Biodiversity Informatics:</u></b> Researchers at Smithsonian Institution and Costa Rica Institute of Technology are using a combination of big data analytics, computer vision, and GPUs to deepen science’s access and understanding of botanical information. Their use of GPU-accelerated deep learning promises to hasten the work of researchers, who discover and describe about 2,000 species of plants each year and need to compare them against the nearly 400,000 known species. Both sets of researchers expect their work to fuel a revolution in the field of biodiversity informatics.</p>

# 03 STAKEHOLDER ENGAGEMENT



Engaging our diverse stakeholders on important issues is integral to how we do business. We define stakeholders as entities or individuals who can be affected by NVIDIA and whose actions can affect the company, and we engage with them in numerous ways on a variety of topics through the year.

We rely on our annual priority issue assessment to help us understand the issues that matter most to them. This allows us to focus our engagement

with stakeholders and transparently respond to their concerns. Although we do not have a formal stakeholder advisory panel for CSR issues, at least one member of the CSR Committee evaluates each stakeholder request to determine what type of response is appropriate.

The chart below lists our stakeholders, how we engage with them, and examples of how we interacted with them in FY19:

BOARD OF DIRECTORS	
ENGAGEMENT APPROACH	FY19 INTERACTIONS
<p>The Nominating and Corporate Governance Committee of the Board oversees CSR.</p> <p>The full Board receives our annual priority issues assessment.</p>	<p>We presented our CSR strategy, programs, and risks to the Nominating and Corporate Governance Committee.</p> <p>In early FY20, we provided a diversity and inclusion overview to the Committee.</p>
COMMUNITIES	
ENGAGEMENT APPROACH	FY19 INTERACTIONS
<p>We interact with local governments to receive approval and update community members on any facility construction.</p> <p>We invest in communities where we have offices through the NVIDIA Foundation.</p>	<p>We engaged with the Santa Clara, Calif., and Bangalore, India, county departments on the development of a new corporate campus.</p> <p>See the <a href="#">NVIDIA Foundation annual report</a> for FY19 activities.</p>
CUSTOMERS / DEVELOPERS	
ENGAGEMENT APPROACH	FY19 INTERACTIONS
<p>Through the Responsible Business Alliance (RBA), we provide customers with self-assessment questionnaires and collaborate with them through various working groups.</p> <p>We engage with customers directly through quarterly business reviews and CSR surveys.</p> <p>For developers, we facilitate interaction through targeted discussion forums and global developer conferences. We also provide 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.</p>	<p>We received several compliance requests per week from customers regarding product and social compliance, legal, and regulatory issues.</p> <p>We conducted an analysis of customer contracts to confirm that our priorities align with their requirements.</p> <p>We worked directly with customers to report our supplier status related to conflict minerals.</p> <p>We responded to several customer surveys and maintained our Sony Green Partner certification for the 13th year.</p> <p>We hosted developer conferences in seven countries. We celebrated reaching <b>1 million developers</b> in FY19.</p>

## NVIDIA 2019 CSR REPORT STAKEHOLDER ENGAGEMENT

EMPLOYEES AND PROSPECTIVE EMPLOYEES	
ENGAGEMENT APPROACH	FY19 INTERACTIONS
<p>We engage employees via a global employee survey every 18-24 months.</p> <p>We administer an online suggestion box and facilitate a direct channel between employees and our CEO or any executive staff member through the submission of questions (anonymously, if preferred) prior to our quarterly company meeting, which our CEO can respond to onstage.</p> <p>We engage with prospective employees through the careers section of NVIDIA's website and through university, diversity, and professional recruiting events.</p> <p>We also offer an employee referral program.</p>	<p>Our latest global employee survey from November 2017 yielded a 95 percent response rate.</p> <p>We held discussions between our CEO and resource communities (African-Americans, Hispanics, women, veterans, and early career employees), which resulted in significant expansion of our parenting benefits to fund adoptions, in vitro fertilization, and egg freezing.</p> <p>We reached 47,000 underrepresented candidates at university and professional recruiting events.</p> <p>We created a video series about the societal impact of NVIDIA's technology for employees and external audiences.</p> <p>We increased outreach to underrepresented candidates through an expanded presence at university and professional recruiting events. See <a href="#">Diversity and Inclusion</a> in the Social section for FY19 interactions with prospective employees.</p>
GOVERNMENT / PUBLIC POLICY ENGAGEMENT	
ENGAGEMENT APPROACH	FY19 INTERACTIONS
<p>We educate policymakers on AI technology and the AI enterprise space, translating complex topics into a conceptual framework for policy.</p> <p>We amplify our work in areas that resonate with non-technology-focused policymakers, and work with other educational and industry groups to follow the same blueprint.</p> <p>We demonstrate our technology at events in Washington, DC to emphasize the societal benefits of AI.</p> <p>We collaborate with like-minded companies and organizations to create working groups of technologically savvy policymakers, introducing them to our experts and executives.</p> <p>We facilitate meetings between our autonomous driving team and regulators such as NHTSA to discuss our technology and the policy implications.</p> <p>We reinforce the tech policy ecosystem, positioning NVIDIA as a source of expertise and a good faith, collaborative partner.</p>	<p>We deepened our relationship with the Congressional AI Caucus, the Congressional Tech Staff Association, the Information Technology Industry Foundation, and key officials in Congress and the Administration.</p> <p>We participated in the <a href="#">White House AI Summit</a> and the re-evaluation of the <a href="#">National AI R&amp;D Strategic Plan</a>.</p> <p>We generated attendance by several federal agencies to our third annual <a href="#">GPU Technology Conference</a> in Washington, DC.</p> <p>We <a href="#">convened policymakers</a> from Congress and six government departments for policy panels at GTC DC. This included bringing together a group of high-profile regulators for a discussion around how the industry can safely and effectively deploy <a href="#">self-driving technology</a>.</p> <p>At GTC San Jose, we hosted an interview session with Representative Jerry McNerney, co-chair of the Congressional AI Caucus.</p> <p>We worked with China and the EU to navigate geopolitics and local regulations, and provided feedback to inquiries on the technical and economic implications of their proposed rules.</p>

## NVIDIA 2019 CSR REPORT STAKEHOLDER ENGAGEMENT

NONGOVERNMENTAL ORGANIZATIONS	
ENGAGEMENT APPROACH	FY19 INTERACTIONS
<p>We partner with NGOs through initiatives like the RBA and Public-Private Alliance for Responsible Minerals Trade.</p>	<p>We provided information to the Business &amp; Human Rights Resource Center for inclusion in its <a href="#">Know the Chain ICT benchmark</a>, which addresses human rights practices.</p>
RESEARCH/RATINGS ORGANIZATIONS	
ENGAGEMENT APPROACH	FY19 INTERACTIONS
<p>We respond to regular survey requests on environmental, social, and governance practices.</p>	<p>We were featured for a fifth year as a member of the Dow Jones Sustainability Index and remained on the FTSE4Good index, Bloomberg Global Equality Index, Global 100, the 100 Best Corporate Citizens list, and Forbes' JUST 100 ranking. We debuted on Equileap's Gender Equality Index, and were featured again in RobecoSAM's Sustainability Yearbook.</p> <p>We were also featured for the third year on Fortune's 100 Best Companies to Work For list at #38.</p> <p>Overall, we interacted with 10 research/ratings orgs: Corporate Knights, FTSE4Good, ISS, MSCI, Oekom, RepTrak, RobecoSAM, Sustainalytics, Trucost, and Vigeo Eiris.</p>
SHAREHOLDERS	
ENGAGEMENT APPROACH	FY19 INTERACTIONS
<p>Since 2007, we participate in the CDP.</p> <p>We respond to individual shareholder requests as they arise, and we hold annual governance and ESG calls with top shareholders.</p>	<p>We participated in the CDP for the eleventh year, and achieved an A- for our investor score and a B- for water use.</p> <p>We presented CSR issues to shareholders holding 26% in aggregate of our common stock during the company's annual outreach meetings. Topics covered included: societal impacts of AI, diversity and inclusion, and Board involvement in CSR.</p>
SUPPLIERS	
ENGAGEMENT APPROACH	FY19 INTERACTIONS
<p>We engage with suppliers through quarterly business reviews and allocate points to their performance scores commensurate with their efforts to participate in social and environmental initiatives. Through the RBA, we analyze suppliers' self-assessment documentation and request periodic audits.</p> <p>We reach out to suppliers directly on issues related to product compliance and conflict minerals.</p>	<p>We continued to conduct an ongoing evaluation of our suppliers using RBA analysis tools.</p> <p>We sent an average of 21 requests to suppliers each week.</p>

# 04 GOVERNANCE



## BOARD GOVERNANCE

### HOW WE DEFINE IT:

*Board composition, independence of committees and leadership, anti-takeover measures, Board and named executive officer compensation*

NVIDIA, including its Board of Directors, is committed to operating under sound principles of corporate governance. Our corporate governance structure ensures robust Board and management accountability and transparency to our shareholders, and promotes good decision-making now and for the future. To ensure that long-term interests are being served, our Board oversees management performance. Our overarching code of conduct, financial team code of conduct, corporate governance policies, Board committee charters, certificate of incorporation,

and bylaws form the framework for governance at NVIDIA.

We have 12 directors on our Board, and as of April 2019, 11 of our 12 directors (91 percent) are independent. The sole exception is Jensen Huang, who is our founder, president, and chief executive officer. Our bylaws and corporate governance policies permit the roles of chairperson of the Board and CEO to be filled by the same or different individuals, which gives the Board flexibility in determining what is best for the company. At this time, NVIDIA has a lead director, Mark Perry, rather than a chairperson of the Board. In FY19, all directors attended at least 75 percent of meetings of the Board and committee on which they served.

Director compensation is reviewed by the Board's Compensation Committee, in consultation with a third-party firm and evaluation of compensation from peer groups, and ultimately approved by our Board. We design our

## 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 proxy access approach to Board diversity

**18%**

of our independent Board members are female

**25%**

of our Board members are underrepresented minorities



named executive officer (NEO) compensation program to pay for performance and to attract, motivate, and retain a high-caliber executive team. NEO pay is heavily weighted toward performance-based variable cash and long-term equity awards that are earned only if we achieve pre-established corporate financial metrics. Our executive compensation program requires executives to maintain meaningful stock ownership, and a claw back policy is in place for performance-based compensation

## COMPLIANCE

### HOW WE DEFINE IT:

*Compliance with all applicable policies, laws, and regulations, including fines/penalties*

We view compliance as the activities we undertake and the systems we establish and maintain to ensure continual adherence to laws and requirements of governments and our customers that address environmental and social issues. Compliance is the baseline that

establishes the minimum standards to which we hold ourselves accountable.

We are committed to comporting ourselves in accordance with the highest ethical standards regardless of whether there is a legal requirement to do so.

Governmental compliance is a critical component of our 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.

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 ethics requirements, and works cross-functionally to ensure the compliance of all related teams. In all these functions, we have established mechanisms to maintain active compliance, assess our performance, and anticipate impending requirements and regulations.

## ETHICAL CONDUCT

### HOW WE DEFINE IT:

*Policies, systems, processes, and performance relating to ethical operation, including ethics hotline and whistle-blower protection*

We strive to achieve the highest standards of ethical conduct in all our business dealings. Our charters, codes of conduct, and policies guide how we conduct ourselves in our professional



Nearly 100 % of employees who have frequent contact with customers, partners, and suppliers have completed additional global anti-bribery and anti-corruption training.

## ANTI-CORRUPTION

### HOW WE DEFINE IT:

*Policies, processes, and practices related to anti-corruption and anti-bribery*

Our longstanding commitment to doing business with integrity means avoiding all forms of corruption. Our anti-corruption practices involve the steps the company and its employees take to ethically conduct business and avoid negatively impacting our ability to work with customers and governments.

We specifically emphasize making ethical decisions, never engaging in bribery or insider trading, avoiding conflicts of interest, approaching competition ethically, complying with international trade regulations, practicing transparency, and maintaining accurate business records. To protect our company's reputation, we have several policies related to these issues, and we expect employees to comply with them. Nearly 100 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.

relationships toward our customers, partners, competitors, vendors, government regulators, shareholder, fellow employees, and the community at large. Our longstanding [code of conduct](#) outlines our core values and establishes the expectations we have about how we conduct business. This code applies to all our executive officers, directors, and employees, and we expect all third parties we do business with, including consultants, contractors, and other service providers, to act in a manner consistent with it. In addition, we have established a [financial team code of conduct](#) that applies to our executive staff, directors, and members of our finance, accounting, tax, and treasury departments.

Our commitment to promote a culture of integrity means that we aim to foster an environment where everyone is expected to act ethically and where people can voice concerns without fear of retaliation. Any employee can confidentially and anonymously lodge a complaint about any accounting, internal

control, auditing, code of conduct, or other matter of concern, using a corporate hotline, which is hosted by an independent third party. By using an external organization to host the hotline, we ensure our employees feel comfortable with anonymous reporting. Employees are encouraged to report suspected conflicts of interest to their manager or human resources representative or through the hotline. We have a strict "no retaliation" policy regarding reports of activities that run counter to our ethical expectations.

All NVIDIA employees receive ethics and sexual harassment training. They complete training on our code of conduct, which covers environmental and social responsibility issues, upon hire and then every two years. As of April 2019, nearly 99 percent of employees had completed this training.

Since 2012, we've engaged Trucost to assure that our GHG emissions data and contextual information in our CDP response meets the AA1000 standard.



## TRANSPARENCY

### HOW WE DEFINE IT:

*Corporate responsibility transparency and disclosure (policies, level of disclosure, performance), external assurance, and direct stakeholder engagement*

We promote a culture at NVIDIA that values integrity and prioritizes transparency across our entire business. We maintain high levels of transparency to build trust in a way that supports our business success. In this report, we discuss transparency as it relates to environmental, social, and governance issues. We report in accordance with the Global Reporting Initiative Standards at the Core level. Since 2012, we've engaged Trucost to assure that our GHG emissions data and contextual information in our CDP response meets the AA1000 standard.

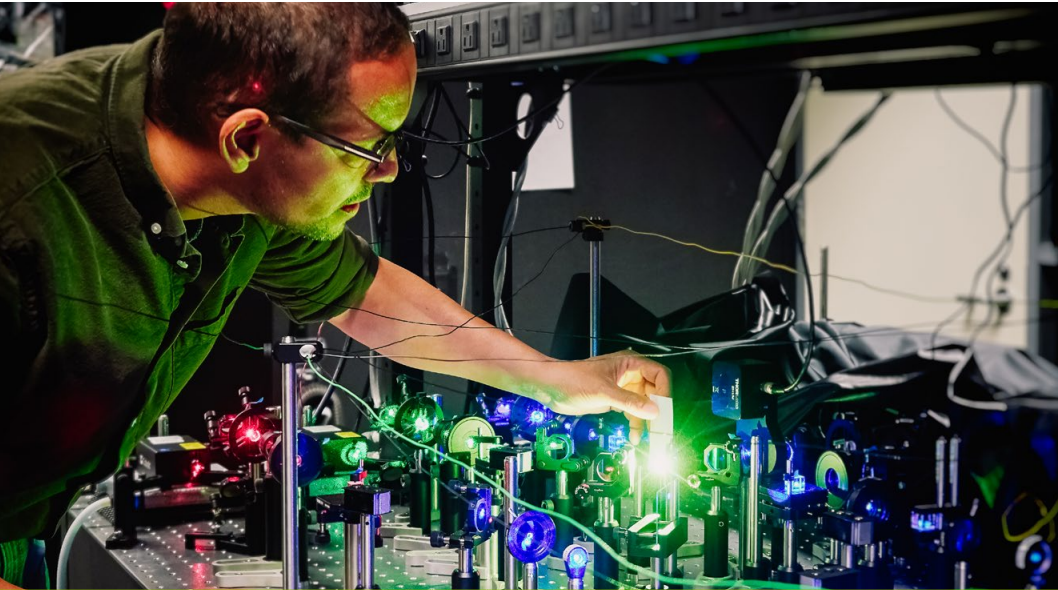
We actively work in our priority issue areas to address business risks and improve performance. We publish dashboards of key workforce, diversity, environmental,

and supply chain metrics to give stakeholders insight into our performance. Throughout the year, we respond to several requests for information from customers and share data directly with shareholders. We have also increased our external positioning by providing data about our performance to environmental, social, and governance reporting firms, such as Bloomberg, Carbon Disclosure Project, Corporate Knights, JUST Companies, MSCI, Oekom, RobecoSAM, and Sustainalytics.

In FY18, NVIDIA's internal audit group reviewed elements of our CSR program to ensure it had adequate governance structures. They benchmarked the CSR report against comparable companies, and assessed program ownership, monitoring, and communications. They also evaluated key metrics in the CSR report for accuracy, included those related to community giving, supply chain, environmental, packaging, and workforce. In FY19, their metrics evaluation focused on economic, environmental, and diversity data points.



# 05 ECONOMIC



**MOST INNOVATIVE IN AI** NVIDIA snagged the top spot on Fast Company's [Top 10 Most Innovative Companies](#) in Artificial Intelligence

## PRIORITY: INNOVATION

**HOW WE DEFINE IT:**  
*Innovation of new products, technology, and operational practices; enabling innovation through support of developers who use NVIDIA products; intellectual property protection; research and development*

The drive to innovate is embedded in NVIDIA's DNA. Our invention of the GPU defined modern computer graphics and established us as the leader in visual computing. With our subsequent introduction of the CUDA programming model, we opened the parallel processing capabilities of the GPU for general purpose computing. We have since extended our research and development emphasis to the revolutionary field of AI.

About 20 percent of our revenue in FY19 (\$2.38 billion) funded R&D activities. In total, we have invested more than \$17 billion in these efforts since our inception, yielding inventions that are essential to modern computing.

NVIDIA has a platform strategy that brings together hardware, system software, programmable algorithms, libraries, systems, and services to create unique value for the markets we serve. While the requirements of these end markets are diverse, we address them with a unified underlying architecture, leveraging our GPUs and CUDA as the fundamental building blocks. The programmable nature of our architecture allows us to support several multibillion-dollar end markets with the same underlying technology by using a variety of software stacks developed either internally or by third-party developers and partners. We specialize in markets in which

GPU-based visual computing and accelerated computing platforms can provide tremendous throughput for applications.

Our two reportable segments — GPU and Tegra Processor — are based on a single underlying graphics architecture. From our proprietary processors, we have created specialized platforms that address four large markets where our expertise is critical: gaming, professional visualization, data center, and automotive.

Our GPU product brands are aimed at specialized markets, including GeForce for gamers, Quadro for designers, Tesla and DGX for AI data scientists and big data researchers, and GRID for cloud-based visual computing users. Our Tegra brand integrates an entire computer onto a single chip and incorporates GPUs and multicore CPUs to drive supercomputing for mobile gaming and entertainment devices, 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 various jurisdictions.



### MOST ADMIRED COMPANIES

NVIDIA ranked first in the semiconductor category on Fortune magazine's list of the Most Admired Companies.

## PRIORITY: BUSINESS MODEL AND COMPETITIVE- NESS

**HOW WE DEFINE IT:**  
*Market and global competitiveness, including NVIDIA's business model, market leadership, and financial success; issues that impact NVIDIA's fair access to the market, including: anti-competitive practices and global unrest*

Our success depends on our ability to identify emerging industry changes and to develop new (or enhance our existing) products, services and technologies that meet the evolving needs of markets. Such activities may require considerable technical, financial, compliance, sales, and marketing investments.

If we fail to anticipate the changing needs of our target markets and emerging technology trends, or if we do not appropriately adapt our strategy in a timely manner as

market conditions evolve to exploit potential market opportunities, our business will be harmed.

We devote significant resources to the development of technologies and business offerings in markets where we have a limited operating history, such as the automotive and data center markets, which presents additional risks to our business.

We must continue to develop the infrastructure needed to appropriately scale our business in these areas, including customer service and customer support. We must meet customer safety and compliance standards, which are subject to change. Additionally, we continue to make considerable investments in research and development, which may not produce significant revenue for several years, if at all.

If our investments are unsuccessful and we fail to develop new products, services, and technologies, or if we focus on technologies that do not become widely adopted,

our business, revenue, financial condition, and results of operations could be adversely affected. We cannot assure that our strategic direction will result in innovative products and technologies that provide value to our customers, our partners, and, ultimately, our shareholders.

Our full response to this issue is outlined in our [FY19 10-K, p. 12](#).



**PRIORITY:**  
**CYBERSECURITY**

**HOW WE DEFINE IT:**  
*Technologies, processes, and practices designed to protect networks, computers, programs, and data from attack, damage, or unauthorized access; product safeguards*

We define cybersecurity as measures designed to protect our IT assets from unauthorized access or attack. Included are NVIDIA's products and the privacy of our customers' and employees' data. As we become aware of more frequent high-profile security breaches in business and government, and as new dangers arise, we remain committed to respecting privacy and implementing appropriate protections for any personal information we collect or that our users share with us.

Our efforts are managed by a global team of cybersecurity, IT, engineering, and legal experts. A cybersecurity committee, which meets monthly and is driven by

executive-level leaders, reviews metrics and evaluates emerging threats. We also address cybersecurity scenarios in our resilience planning, document them through business continuity plans, and follow the processes outlined in frameworks such as the ISO 27000 for Information Security Standards. Against the backdrop of frequent changes and new knowledge, we continually evaluate and adapt our security measures.

We have defined a set of actions for teams to initiate to determine the type and rigorousness of our response in the event of a cybersecurity issue. The team also leverages external parties, such as computer security firms and those with risk management and governance expertise. NVIDIA's Board of Directors receives regular presentations on cybersecurity.

We continuously hone our cybersecurity and data privacy training to respond to new requirements in global privacy laws.

NVIDIA's cybersecurity efforts are managed by a global team of IT, engineering, and legal experts.



**PRIORITY:**  
**TRADE ISSUES**

**HOW WE DEFINE IT:**  
*Ability to move and sell goods internationally, including export controls, import duties, quotas, and other trade barriers and restrictions; regulatory, pricing, and supply chain impacts associated with changing political and trade environment; global recruitment activities and hiring for specific skillsets*

Our semiconductor wafers are produced and packaged by third parties located outside of the United States. Revenue from sales outside of the United States accounted for 87% of total revenue for each of fiscal years 2019, 2018, and 2017. And as of January 27, 2019, approximately 46% of our employees were located outside of the United States.

The global nature of our business subjects us to a number of risks and uncertainties, which could have a material adverse effect on our business, financial condition, and results of operations, including:

- > International economic and political conditions, unexpected changes in, or impositions of, legislative or regulatory requirements;
- > Differing legal standards with respect to protection of intellectual property and employment practices;
- > Local business and cultural factors that differ from our normal standards and practices;
- > Exporting or importing issues related to export or import restrictions, including deemed export restrictions, tariffs, quotas, and other trade barriers and restrictions;
- > Disruptions of capital and trading markets and currency fluctuations; and
- > Increased costs due to imposition of climate change regulations.

If our sales outside of the United States are delayed or cancelled because of any of the above factors, our revenue may be negatively impacted.

The global economy is constantly changing, and we are prepared to change with it. To that end, we use foreign currency forward contracts to mitigate the impact of foreign currency exchange rate movements on our operating expenses. And we continuously evaluate the location of our manufacturing and sourcing suppliers.



## BUSINESS CONTINUITY MANAGEMENT

### HOW WE DEFINE IT:

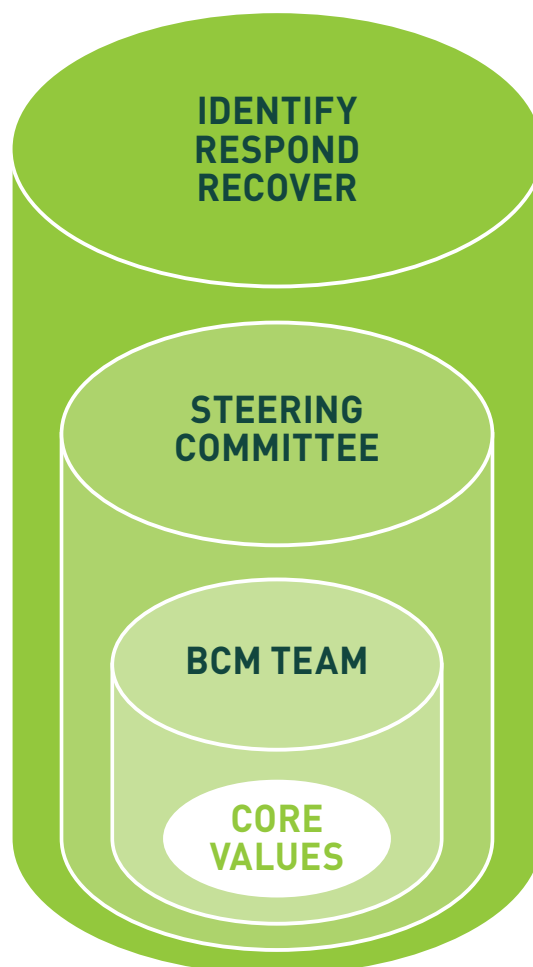
*NVIDIA's ability to operate without interruption and robustness of business continuity systems, infrastructure, policies, and procedures*

Business continuity management (BCM) focuses on protecting our **core values**. Our philosophy of BCM is to identify realistic threats and their potential impact to our core values and design a formal framework for responding. We believe that resilience can be achieved by embedding redundancy and diversity into our response framework. A BCM steering committee of four executives is supported by several business leaders across the following functions: Corporate Communications, Cybersecurity, Facilities, Finance, Global Security, Human Resources, Information Technology, and Operations. Each function has a plan to identify and address potential risks.

These efforts are supported by robust infrastructure, systems, policies, and procedures, and are designed to mitigate risk and protect the safety and trust of our employees and customers when unexpected events such as cyberattack, business disruption, or natural disaster occur.

We believe that BCM is critical to minimizing financial and reputational impacts. By anticipating the likelihood of severe events, we can mitigate these risks and ensure that the company does not endure unnecessary damages.

## NVIDIA BCM PROGRAM



## CUSTOMER RELATIONS

### HOW WE DEFINE IT:

*Customer satisfaction; customer relationship management, including privacy*

Our customers include businesses and consumers. We view our commitment to positive customer relations in terms of the role we play as a responsible supplier, our commitment to our reseller partners and their customers, and to consumers who we sell to directly.

We support customers through a comprehensive [customer support site](#) and several NVIDIA-hosted product [forums](#) and [communities](#). Our customer service team tracks interactions with consumers as they occur and shares bi-weekly satisfaction reports internally. We measure customer satisfaction in several ways and use these metrics to help promote experiences that delight our customers. Measurements include customer satisfaction rate, percentage of support incidents filed, closed incident survey response rate, and referral rate.

Our customer support organization is on the front line of communications with our national and international partners, working with their engineering teams as they test NVIDIA products in their systems and devices. For partners that embed our hardware in their products, quality is monitored through ISO 9000 certification. We engage with strategic suppliers through quarterly business reviews, and business allocation decisions are influenced by quarterly performance.

Our support organization has taken steps to dramatically reduce the time it takes for our software team to incorporate customer feedback, enabling technicians to respond



*GTC is a global conference providing training, insights, and direct access to experts on the hottest topics in computing today. Thousands of researchers and professionals attend to learn the latest on the most dynamic topics related to high performance computing, AI, and deep learning.*

quickly and increase customer satisfaction. We also use data gathered from our customer forums to give our research and development organizations a steady stream of feedback about what is working and what improvements our customers want.

We robustly support developers who want to create innovative applications with our products. We give developers diverse resources, including 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. Our [GPU Technology Conference](#) advances global awareness of accelerated computing, computer graphics, high performance computing, AI, and deep learning.

Our customers include some of the world's largest electronics, consumer brand, and automotive companies. Consequently, we have integrated throughout our global operations the standards outlined in the Responsible

Business Alliance (RBA) Code of Conduct covering labor, environment, health and safety, ethics, and management systems. We use these standards as our management approach for our supply chain.

Inquiries from our original equipment manufacturer customers have increased in line with our focus on supplier responsibility and environmental sustainability. Requests for information have predominantly related to conflict minerals, environmental compliance, quality, consumer satisfaction, and ethics.

To manage these inquiries and requests, we employ quarterly business reviews with key customers, and partner with them on various initiatives through the RBA. Certain customers assign points on their scorecards to environmental, social, and governance performance. Customers who are RBA members monitor our performance through tools provided by that organization, such as self-assessment questionnaires, validated audit processes, and tracking tools for carbon, water, and waste.

## AWARDS AND ACCOLADES

We have been recognized over the past few years in several prominent business publications for innovation and leadership, notably:

- > **Fortune**  
100 Best Places to Work
- > **Fast Company**  
Most Innovative Companies
- > **Barron's**  
World's Best CEOs
- > **Fortune**  
Businessperson of the Year
- > **Harvard Business Review**  
Best Performing CEOs in the World



## BRAND AND REPUTATION

### HOW WE DEFINE IT:

*Semiconductor and technology industry perception and reputation, and how that influences NVIDIA's business activities; brand reputation and market positioning; integrity of brand and customer perception; CSR performance as an indicator of reputation*

As outlined in our [10-K](#), several factors can impact our brand and reputation. Every day, we build a better business by acting with integrity in all we do. Through our CSR efforts and reporting, we've built trust and credibility with our stakeholders as we disclose the metrics they expect. We're recognized as a great place to work by current and prospective employees, as a respected supplier to customers, and as a successful long-term investment by shareholders.

In 2018, we topped a ranking of 50 tech companies in the [U.S. Technology RepTrak report](#) issued by the Reputation Institute and were the only company to receive its highest ranking of "excellent."

The report noted how we connect our technology and innovations to the projects we support through our CSR.

Our annual CSR report forms the foundation of our CSR communications and is used by all stakeholders to find the information they need. It is a resource for several ratings, rankings, and indexes we participate in each year.

These third-party endorsements help boost our reputation and brand as a strong corporate citizen. Notable recognitions we have received include: the Dow Jones Sustainability Index, CDP, 100 Best Corporate Citizens, Human Rights Watch's Corporate Equality Index, the Bloomberg Gender Equality Index, and the JUST100.

The stakeholder section lists all of the ratings/rankings requests we received in FY19. We have seen a dramatic increase in the number of requests to participate in these lists in the last few years as CSR becomes a central element of companies' strategies.



At our 2018 developer conference in Washington, DC, U.S. Chief Information Officer Suzette Kent said the federal government is investing in AI throughout the system, including agriculture, transportation, healthcare, and cybersecurity.

## Autonomous Driving Regulations

We have participated in sessions with the U.S. Senate Committee on Commerce, Science, and Transportation related to AI's role in autonomous driving. During our FY19 developer conference in Washington, we **convened** policy, tech, and automotive leaders to discuss how the transportation industry can safely and effectively deploy self-driving technology through collaboration, consumer education, and an emphasis on safety. At the conference we issued a **Self-Driving Safety Report** that highlighted how GPUs create functionally safe self-driving systems and how we ensure several lines of defense and redundancy in our self-driving software systems. Self-driving car safety is discussed in more detail in the **Societal Impact** of GPUs section of this report.

We also brief congressional staff and leadership, including primary decision-makers with jurisdiction at the Energy and Commerce Committee and the Senate Commerce Committee, on our technology and the safety work behind it. We enhance our reach in public policy through participation in organizations such as the Consumer Technology Association, Entertainment Software Association, Information Technology Industry Foundation, and the Semiconductor Industry Association, among others.

We do not have a political action committee. In FY19, we did not perform lobbying activity or expend resources that required registration under the Lobbying Disclosure Act.

## PUBLIC POLICY ENGAGEMENT

### HOW WE DEFINE IT:

*Transparency of political contributions and lobbying efforts, including participation through industry organizations; engagement with policy makers*

Public policy engagement enables us to affect government action and provide thought leadership to global governments on issues that directly affect our business. It is also a platform for educating policymakers through demonstrations of our technology, amplifying our work in targeted areas, and collaborating with various organizations on issues of shared interest. We focus our public policy activities in AI, specifically to promote the investment in core AI research and to support the development of autonomous driving technologies and infrastructure.

## Core AI Research

In FY19, as part of a panel focused on the current state of AI and barriers to government adoption, we provided **testimony** to the U.S. House of Representatives Subcommittee on Information Technology. We encouraged the federal government to increase research funding in organizations such as the National Science Foundation, National Institutes of Health, and Defense Advanced Research Projects Agency, and to adopt AI to boost the nation's economy and improve government services through the development of faster supercomputers. We also submitted **comments** for the National AI R&D Strategic Plan.



**ACCELERATING AI ADOPTION** NVIDIA leaders use our popular blog to promote causes of company interest, such as the government's adoption of AI.



# 06 SOCIAL



## **PRIORITY:** **SUPPLY CHAIN MANAGEMENT AND PRODUCT QUALITY**

**HOW WE DEFINE IT:**  
*Policies and practices with regard to overall supply chain management and product quality, including auditing and ensuring that suppliers meet minimum standards or requirements; supply chain transparency and disclosure; supplier diversity*

We hold ourselves and our suppliers to the highest standards of behavior. We engage suppliers that share our values and then collaborate with them to build a stronger, more responsible supply chain that satisfies our customers' product quality expectations.

## **Product Quality**

To ensure that we meet or exceed our customers' quality expectations, we assess the performance of our product families through indicators that measure customer DPPM levels (defective parts per million). We are ISO 9001 certified and have been issued a "letter of conformance" to the ISO/TS 16949 automotive quality standard. Internally, a cross-functional team manages product quality issues. To verify a product failure, customer quality engineering and customer program management engage the customer. Once a failure is verified, we address the issue using the Eight Discipline (8D) problem-solving methodology.

## **SUPPLIER COMPLIANCE**

NVIDIA manufacturing suppliers must comply with the following:

- > NVIDIA's Conflict Minerals Policy
- > EU RoHS
- > EU REACH
- > EU End of Life Vehicles
- > Halogen Free/Low Halogen
- > ISO 14001:2015
- > OHSAS 18001 (GB/T 28001-2011 in China)

## **Supply Chain Management**

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. Instead, we partner with world-class suppliers for all phases of the manufacturing process, including wafer fabrication, assembly, testing, and packaging. We closely manage our supply chain to deliver innovative products in a socially and environmentally conscious manner.

Taiwan Semiconductor Manufacturing Company (TSMC) and Samsung manufacture our semiconductor wafers. Our two main contract manufacturers for company- or partner-branded devices are Foxconn and BYD. Foxconn, Samsung, and TSMC are RBA members. We also contract with manufacturers to build, test, and distribute our branded devices.



We require all suppliers to comply with the RBA Code of Conduct and use the Code as a platform to go above and beyond compliance. We've been RBA members since 2007 and have adopted the RBA Code and integrated its elements into our program, including auditing critical suppliers and conducting internal assessments to confirm that we are addressing all aspects of responsible supply chain management. Our employees are engaged in RBA workgroups relevant to our supply chain operations. We also comply with the RBA's guidance regarding stakeholder grievances related to our social or environmental performance.

Our supplier specification outlines our compliance requirements and covers all manufacturers in our supply chain. The assessment process involves using the RBA online system to vet suppliers against product compliance industry standards, conflict minerals data, and RBA Code compliance.

We require all suppliers to comply with the Responsible Business Alliance Code of Conduct and use the code as a platform to go above and beyond compliance.

For strategic suppliers, business allocation decisions are influenced by quarterly business review (QBR) performance. Strategic suppliers include those who produce or handle NVIDIA production material, non-critical suppliers for whom we closely manage quality requirements, suppliers who design our branded products, and those we are required to work with based on customer agreements.

The specification agreements are deployed and tracked through the QBR process to make certain that these suppliers uphold our requirements. Five of 100 QBR points are allocated to CSR issues, and requirements vary by quarter. Each quarter, overall supplier assessment is reviewed by product category and performance is ranked.

Aside from RBA, 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.



## Working Conditions

We are committed to upholding the rights of workers throughout our supply chain and to treating everyone with dignity and respect. Freely chosen employment is a significant issue that many supply chains are facing. In addition to supporting and aligning with the RBA Code regarding freely chosen labor, we follow the legal requirements of the Federal Acquisition Regulation (FAR) and UK Modern Slavery Act 2015. We track issues through the RBA Validated Audit Process and work directly with suppliers to implement any corrective actions. When violations are discovered, we require suppliers to return hiring fees to workers. Policies related to working conditions (including slavery and trafficking) can be found on our [website](#).

## Environmental Management

We require all suppliers to be ISO14001 certified. We monitor the environmental footprint of our suppliers and work with them through the supplier management process on goal setting and activities they can undertake to reduce their environmental impact. We calculate carbon, water, and waste data of all silicon manufacturers and systems contract manufacturers to determine carbon emissions and water consumption per product and per financial outlay.

We participate in the CDP Supply Chain program (our current score is B-) and the RBA online environmental survey on carbon, water, and waste. We also participate in the RBA environmental sustainability workgroup.

See [Materials Availability](#) in the Environment section for information about responsible minerals.

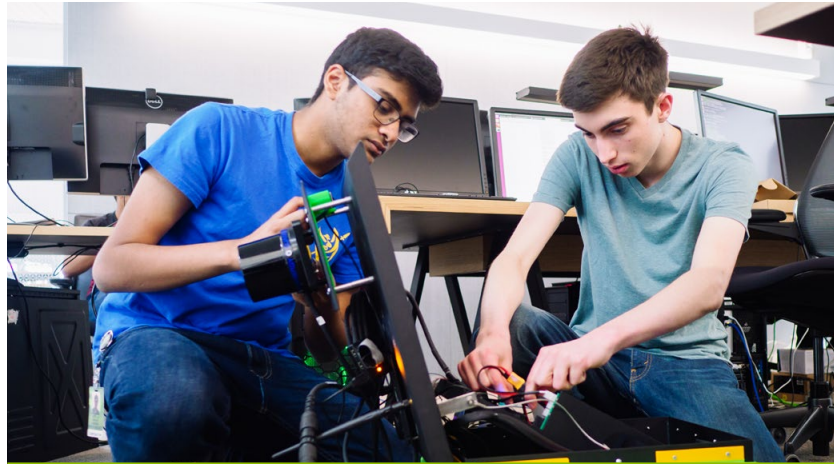
See the [Supply Chain Performance](#) section for an overview of our RBA compliance and metrics related to supplier working conditions (working conditions, hours, wages, child labor, and freedom of association) and supplier environmental management (environmental management systems, data collection, and improvement programs).

100 BEST COMPANIES TO WORK FOR

Fortune has recognized NVIDIA in its list of 100 Best Companies to Work For.

We're also on MIT Tech Review's 50 Smartest Companies list and Human Rights Watch's Corporate Equality Index.

Glassdoor includes us on its Employee's Choice: Best Places to Work list.



**A TOP PLACE FOR TALENT** For the third year, NVIDIA is on Fortune magazine's 100 Best Places to Work. We also were recognized for providing great benefits, such as a generous student loan repayment program, to retain top talent.

**PRIORITY:**  
**TALENT STRATEGY**

**HOW WE DEFINE IT:**  
*Global talent identification and selection, including global recruitment activities and hiring for specific skillsets; leadership development, including professional development and training to build and maintain an internal pipeline of leadership*

We believe that talented employees are our greatest assets, and they play a key role in creating long-term value for our stakeholders. Our ultimate success and our ability to compete are substantially dependent on how well we identify, hire, train, and retain highly qualified key personnel. In the technology industry's highly competitive talent market, we aim to differentiate ourselves through a workplace culture that celebrates drive, commitment, and achievement.

We position our company to attract the industry's most creative and gifted individuals, and they take pride in our dynamic workplace. Our teams of world-class engineers and developers thrive in high-performance environments where passion is expected, talent is recognized, and collaboration is valued.

Fortune has recognized NVIDIA in its list of 100 Best Companies to Work For. We're also on MIT Tech Review's 50 Smartest Companies list and Human Rights Watch's Corporate Equality Index. Glassdoor includes us on its Employee's Choice: Best Places to Work list.



## Compensation and Benefits

We have four key objectives in our compensation strategy: 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. Our employees enjoy a comprehensive, market-competitive benefits package. All employees have the opportunity to be shareholders in the company through our employee stock purchase plan (ESPP).

We invest in and commit to our employees' long-term success. NVIDIA's **benefits** include flexible work hours and flexible time off, programs to help employees address stress and time-management challenges, and an array of convenient onsite services. We support employees in their important life events through our global Guidance Resources Program and a generous leave program.

## Recruiting

As we enter new markets in AI and deep learning, the demand for talent is increasingly competitive. We continually evaluate the right mix of compensation and benefits, so we can continue to attract the best and the brightest. To attract and retain highly qualified individuals, we:

- > Attend professional and university recruiting events
- > Perform semi-annual compensation analysis and adjustments
- > Evaluate benefits annually
- > Analyze global employee engagement survey data
- > Engage in "best place to work" surveys that provide feedback on our strengths and weaknesses



## Learning and Development

Through our learning and development program, employees receive training on the job and in more formal settings. We use both internally and externally created training content, and our employees can access hundreds of technical and professional development courses via our NVLearn portal. LinkedIn Learning, GlobeSmart, Udemy for Business, and courses from LearnIT! are available online for employees, as are the digital 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 also encourage employees to take classes through NVIDIA's [Deep Learning Institute](#), which offers courses online and in person for developers who want to learn the technical aspects of AI.

Additional information about how we recruit, acquire, develop, and retain employees is covered under the issues of [Diversity and Inclusion](#) and [Employee Engagement](#).

NVIDIA offers tuition reimbursement at most accredited educational institutions.

## EMPLOYEE ENGAGEMENT

### HOW WE DEFINE IT:

*Policies and practices to engage employees and create a great workplace as measured through employee surveys; implementation of relevant survey feedback*

For a quarter of a century, we have pushed the boundaries of what’s possible in the world of parallel computing, and we have succeeded because we are focused and passionate about what we do. To ensure our continued success, we maintain a working environment where our employees are engaged and inspired.

Our corporate culture arises from five core values, which provide the foundation for success. These values create a workplace where innovation thrives and mistakes are transformed into opportunities.



## NVIDIA'S CORE VALUES



### INNOVATION

**Dream big, start small. Take risks, learn fast.**

We make things that delight customers and raise industry standards. We encourage employees to innovate, guided by first principles, not consensus.

We know our path to discovery will be paved with mistakes. We anticipate and avoid the ones we can. We accept, learn from, and share the ones that occur. This allows us to invent things the world doesn't even know it needs, and by doing so, invent the future.



### INTELLECTUAL HONESTY

**Seek truth, learn from mistakes, share learnings.**

We operate at the highest ethical standards. We seek to accurately know ourselves and our capabilities—acknowledging our weaknesses and learning from our mistakes.

The sharpest understanding of reality improves our work. Identifying the origins of mistakes is not about blame. It is essential to learning and constant improvement. We say what we believe, and have the courage to act on it.



### SPEED AND AGILITY

**Learn, adapt, shape the world.**

We are alert and constantly learning, and adjust course to align to new realities. This lets us create groundbreaking products at astonishing speed. No politics, no hierarchy stands in the way of inventing the future.



### EXCELLENCE AND DETERMINATION

**Maintain the highest standards.**

We hire extraordinarily talented individuals across the globe, people determined to make a difference. We challenge ourselves to do our best work.

We measure ourselves not against the competition, but against perfection—we call it the speed-of-light test. We are not deterred by lengthy endeavors if they are worthy. We are playing a long game.



### ONE TEAM

**Do what's best for the company.**

We foster an environment of transparency, openness, and sharing information. One that motivates our employees, and empowers them to work as a single integrated team.

We disagree openly and directly because conflict is essential to resolving differences, improving ideas, and achieving alignment. Our focus is on substance, not on style. By putting the interests of the company before our own, we can more easily accomplish NVIDIA's vision.



### Employee Feedback

To track engagement and retention trends, we conduct a global employee survey every 18-24 months, and the participation level is at 95 percent. We ask for feedback across 13 dimensions, including strength of culture, engagement, satisfaction, vision and direction, and work-life flexibility. The survey repeatedly tells us that our employees feel great pride in the company — 90 percent recommend NVIDIA as a great place to work and 96 percent believe that

our products are making a positive impact in the world. Our last survey occurred in November 2017.

We are committed to a strong workplace culture that provides effective grievance mechanisms for our employees. To report practices or actions believed to be inappropriate or illegal, employees have several channels through which to report, including our human resources departments, a suggestion box, and a third-party anonymous service.

### MEASURING EMPLOYEE FEEDBACK

**89%**

say that we've created an environment where people of diverse backgrounds can succeed

**87%**

say that our teams value diverse perspectives

**90%**

say that NVIDIA is a great place to work

**96%**

believe that our products are making a positive impact in the world

## EMPLOYER OF CHOICE



**FAST COMPANY**

Most Innovative Company



**FORTUNE**

100 Best Companies to Work For



**CORPORATE EQUALITY INDEX**

Best Place for LGBTQ Employees





## DIVERSITY AND INCLUSION

### HOW WE DEFINE IT:

*Policies, practices, and initiatives related to employee, supplier, and board diversity and inclusion; gender equity in the technology industry*

We believe that diverse teams fuel innovation, and we are committed to creating an inclusive culture that supports all employees, regardless of gender, gender identity or expression, veteran status, race, ethnicity, or ability.

We integrate diversity and inclusion into the entire employee experience and drive programs in three core areas: recruiting and hiring, development and recognition, and employee support. Additionally, we are committed to pay transparency and making all employment decisions on the principles of equal employment opportunity.

Diversity and inclusion are integrated throughout our company and supported at the highest levels of our organization. Twenty-five percent of our executive team is female and nearly 42 percent is female or identifies with racial/ethnic minority populations.

### WE BELIEVE IN EQUAL OPPORTUNITY

We treat each individual fairly, and we don't tolerate discrimination or harassment against anyone on the basis of race, color, religion, sex (including pregnancy), marital or protected veteran status, age, national origin, ancestry, physical or mental disability, genetic information, medical condition, sexual orientation, gender, gender identity, gender expression, or any other characteristic protected by law.

### NVIDIA Code of Conduct

## Recruiting and Hiring

We prioritize the recruitment of women and underrepresented minorities, and we reached 47,000 diverse candidates in FY19. Our strategies include:

- > Crafting job descriptions to eliminate unintended bias using an AI-based third-party tool.
- > Ensuring that technical women interviewees meet with at least one technical woman during the interview process.
- > Providing guidance to hiring managers on unconscious bias mitigation practices.
- > Developing women and minority recruiting teams for academic and professional job fairs.
- > Partnering with historically black colleges and Hispanic-serving institutions.
- > Recruiting at campus fairs through partnerships with: Society of Women Engineers, National Society of Black Engineers, and Society of Hispanic Professional Engineers.
- > Recruiting at professional events such as: Grace Hopper, Society of Women Engineers, Vets in Tech, Tech Inclusion, Lesbians Who Tech, and the National Society of Black Engineers.
- > Posting job openings and doing skills translation on military.com.
- > Mentoring undergraduate women pursuing tech degrees through Rewriting the Code.
- > Providing scholarships for women through Advancing Science in America Foundation.
- > Offering free passes to technical women's organizations and universities for our developers conference.



## Development and Recognition

To maximize our employees' success and ensure continued diversity and inclusion, we recognize and celebrate our employees' contributions and encourage lifelong learning. Our strategies include:

- > Encouraging internal mobility through career expos and counseling.
- > Strengthening development programs for women through mentoring, technical offerings, collaborative learning, and on-the-job training.
- > Partnering mentors and mentees for coaching and support.
- > Sponsoring women to present and attend technical conferences.
- > Submitting top-performing employees for recognition and awards. The YWCA Silicon Valley has recognized 25 NVIDIA leaders in the past seven years through its Tribute to Women awards.
- > Featuring diverse employees on NVIDIA.com and our corporate intranet.

### HOW WE TRACK OUR PROGRESS

The metrics we use to track our diversity and inclusion progress include:

#### HIRING

- > We set internal goals to increase our hiring of women and minorities.
- > We evaluate our interview pipeline to ensure it reflects the industry's minority representation.

#### RETENTION

- > We review and analyze compensation and performance twice yearly.
- > We track employee-survey metrics, focusing on how women and minorities view our work environment.

#### PROMOTIONS AND TURNOVER

- > We monitor the number of promotions and turnover within minority groups against the total.

## Employee Support

Our ongoing efforts to support our employees personally and professionally help to create an environment where employees can do their best work. These efforts include:

- > Offering a generous parental leave program with flexible work hours upon return from leave.
- > Providing full coverage for benefits such as in vitro fertilization, egg freezing, and adoption.
- > Conducting training with 300+ leaders to build their awareness about unconscious bias in recruiting and hiring.
- > Supporting the establishment of and providing funding to employee resource groups that have executive-level sponsorship and dedicated budgets: Women in Technology, NV Pride (LGBTQ employees and allies), Black NVIDIA Network, Early Career Network, and Hispanic Latino Network. Our CEO meets with the co-chairs of these groups periodically to understand their experience and drive programs and benefits that support these communities.
- > Expanding Women in Technology programs beyond our headquarters to Austin and St. Louis and, in FY19, to India.

## Equitable Pay

We are committed to providing a fair and living wage to all employees. To ensure pay parity, each year since 2015 we have used a third-party firm, Economist, Inc., to analyze our pay practices for gender and ethnicity across 75+ dimensions, including rating, education, years of experience, job function, family, and level. The firm has not found any statistically significant disparities related to female or underrepresented minority compensation. If we were to identify an issue of pay disparity, our human resources organization would take corrective action. We've achieved pay parity for the past several years and plan to continue doing so in FY20.

In FY19, we increased payments to our vendors so that they, in turn, could increase hourly wages for their employees.

See the [Diversity Performance](#) section for several metrics we use to track our progress, and FY19 and FY20 Goals in the [Performance](#) section for progress updates.

## NVIDIA'S PARENTAL LEAVE PLAN

### BIRTH MOTHER BENEFITS POLICY

	PREGNANCY LEAVE										BABY BONDING LEAVE												FLEX TIME							
WEEKS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
NEW POLICY	100% OF PAY																													
OLD POLICY	6 WEEKS 100% PAY, 4 WEEKS REDUCED PAY										6 WEEKS REDUCED PAY						UNPAID													

### FATHERS, ADOPTIVE PARENTS, FOSTER PARENTS BENEFITS POLICY

	BABY BONDING LEAVE												FLEX TIME							
WEEKS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
NEW POLICY	100% OF PAY																			
OLD POLICY	6 WEEKS 100% PAY, 1 WEEK REDUCED PAY						UNPAID													



**MAKING OUR MARK** In 2018, 40 NVIDIANS joined the [Grace Hopper](#) Celebration of Women in Computing conference — the world’s largest gathering of women technologists. Seven employees gave talks or led workshops.

### EXPANDING THE AI ECOSYSTEM

NVIDIA promotes important women working in the AI ecosystem.

## Forbes

- > [How One Woman Followed Her Passion and Brought Diversity to AI](#)
- > [Meet 2 Women Transforming The AI Ecosystem In Africa](#)

## Building the Future STEM Pipeline

Improving the representation of women and minorities in tech requires a long-term perspective, so we implemented a number of programs to engage in STEM activities with girls and other unrepresented groups. We reach youth through technology donations, sponsorships, campus visits, guest speakers, and career roundtables.

From FY18-FY19, we engaged several hundred girls and underrepresented youth through organizations such as: Girls Engaged in Math and Science (GEMS), Santa Clara University’s Summer Engineering Seminar Program, Iridescent’s Technovation Program, 49er STEM Leadership Institute, Third Street Community Center’s Young Engineers Program, and Girls Who Code. We also engaged several hundred students from the Santa Clara Unified School District through our Techplorer program. In FY17-FY19, through the India Companies Act, we funded organizations in India that helped more than 3,000 young women from impoverished communities in India

gain greater access to computer training and develop skills to improve their career opportunities.

## Developer Inclusivity and Diversity

Each year, we hold our developers forum, the [GPU Technology Conference](#), in San Jose, California. GTC is an opportunity to extend our inclusion efforts to our ecosystem.

At our 2019 conference, we increased female attendance by more than 50 percent and almost doubled the number of talks that included a woman speaker. And for the sixth year in a row, GTC included [events](#) specifically for women. We hosted a Women in Deep Learning & AI breakfast and panel focused on the AI healthcare ecosystem, as well as a session on how organizations are lowering the barriers to entry into AI engineering.

New this year, we hosted a [Women’s Early Career Accelerator](#) to give 50 women starting out in AI access to our deep learning courses that provide hands-on training and opportunities to network. In 2019,

[Forbes](#) called out GTC as a top conference for women wanting to learn more about AI.

Other activities to increase the number of women and minority technologists attending GTC included:

- > Scholarships for members of Black in AI and Latinx in AI
- > Free conference passes to local universities and women-in-technology organizations
- > Reaching out to women in our university and developer network to encourage them to speak, which helped to increase female speakers in 2019 by 40 percent
- > Highlighting women speakers on the main GTC website and prominently featuring them in promotional materials

Beyond this, we’ve also recruited at the Grace Hopper Conference, sponsored [Black in AI](#) events at NeurIPS and hosted a mixer with [Latinx in AI](#) and [Black in AI](#) members at GTC.



Our volunteer emergency response teams involve more than 500 employees around the world.

## EMPLOYEE HEALTH AND SAFETY

**HOW WE DEFINE IT:**  
*Occupational health and safety performance and policies; safety standards (ISO 18001, OSHA); health and wellness programs; security practices*

Our employees' ability to perform their jobs well depends on their physical and mental health and their safety and security. Our integrated programs actively support these fundamental needs.

## Health and Wellness

We offer programs throughout the year to assist with employees' personal wellness, including health analysis, skin cancer screening, and hereditary cancer screening. Our record reflects the results of 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 and our total recordable incident rate are both zero. Few workers compensation claims are submitted, and the majority of those processed are repetitive motion injuries. In recognition of this fact, we've taken steps to work with affected employees through our ergonomics program and online courses.

## Safety

Our Environmental Health and Safety (EHS) team oversees workplace conditions for NVIDIA's globally. Team members provide guidance to ensure that facilities meet or exceed local safety requirements, promote safe work practices, and support compliance with applicable health and safety legislation and policies through trainings, communications, and audits. Our global EHS management framework includes:

- > A network of site safety officers who provide local EHS accountability;
- > Documented, globally applicable programs on key topics, including contractor management, ladder safety, ergonomics, and vehicle safety; and
- > External EHS audits and internal EHS inspections of our owned and leased offices.

Keeping our employees safe requires planning for emergencies. Our volunteer emergency response teams involve more than 500 employees around the world. These volunteers assist with evacuation drills and may receive training in basic first aid, CPR, AED, or fire extinguisher training in addition to emergency preparedness that will enable them to rapidly respond in an emergency or disaster.



## PRODUCT SAFETY

### HOW WE DEFINE IT:

*Safety of products, from production to use to end-of-life, including the safety of materials and components*

Safety is a principle that permeates our engineering culture and is incorporated into every step of our product development process, from design and production to the end-user experience. We must meet customer safety and compliance standards. If our products are not in compliance, then customers may not incorporate them into their design strategies. Our ability to secure appropriate safety certifications and meet industry safety standards could affect our results of operations in the future. We have established product safety technical committees to oversee safety throughout the product lifecycle.

### Self-Driving Car Safety

As a solutions provider to the vast majority of startups, vehicle makers, sensor makers, and mapping companies in the autonomous vehicle industry, we make safety our first priority. Experts architect safety into every aspect of our [NVIDIA DRIVE](#) computer system, which includes the foundational hardware and software for autonomous driving technologies. We develop tools and methods so technologies perform reliably. Stringent engineering processes ensure that no corners are cut. Our safety priorities and processes are outlined in a [Self-Driving Safety Report](#) we released in FY19.

To show our commitment to automotive safety, we are pursuing product compliance through ISO 26262, an automotive-specific international standard that focuses on safety-critical components. In FY19, a top automotive safety and reliability company, TÜV SÜD, performed a safety concept assessment of our new NVIDIA Xavier system-on-chip (SoC). TÜV SÜD deemed the processor's safety architecture [suitable for use in autonomous driving applications](#) and completed an assessment of the development process applied to Xavier. We are expecting to finish our first product assessment for the Xavier SoC around mid FY20.

## SOCIETAL IMPACTS OF AI

### HOW WE DEFINE IT:

*Development of technologies that contribute positively to society; supporting developers and startups during the development phases to consider broader societal implications, such as bias, workforce, and ethical concerns*

AI represents the biggest technological and economic shift in our era. It is profoundly impacting transportation, healthcare, cybersecurity, and many other industries. We create advanced computing tools that serve as open platforms for developers, researchers, and data scientists to innovate in these areas. We educate tens of thousands of developers each year; partner with thousands of startups globally that use AI to benefit society; and collaborate with dozens of universities and research organizations in performing groundbreaking AI research.

We play a leading role in developing technology and software that make safe autonomous vehicles possible. The goal: avoid human error, which is responsible for an estimated 94 percent of all accidents. Automotive safety in our product and software design is a crucial element in helping self-driving vehicles reach their full potential as a major benefit to society.

All parties involved in the autonomous vehicle industry, including auto manufacturers, technology providers, and coalition groups, are interested in developing shared ethical standards around how autonomous vehicles make decisions. As a founding member of the Partners for Automated Vehicle Education coalition, we work with



**AI BENEFITS TO SOCIETY** AI researchers globally are using NVIDIA technology for efforts that improve society.

the industry, research institutions, and regulators to educate consumers on safe self-driving technology.

In healthcare, we are driving the introduction of AI in such areas as disease detection, drug discovery, and patient workflows. Key to these efforts is our development of the **NVIDIA Clara** platform, which increases diagnostic accuracy, enabling the medical imaging community to improve patient outcomes and reduce the cost of care. Clara also addresses a fundamental problem: legacy medical imaging instruments, which typically have a lifespan of more than a decade but may not be able to run modern applications that benefit from the 1,000x acceleration of GPU computing. By connecting to NVIDIA's GPU-powered servers, these legacy instruments can leverage the latest and most advanced imaging applications.

We share the widespread concerns about bias and maintaining ethical practices in AI, and they help guide the work of our data scientists. We host seminars at our GTCs around the world to train other engineers in upholding best practices. In our engagements with governments, we emphasize the importance of supporting positive uses of AI while considering issues around its development.

Deployed properly, AI can remove bias in areas that people have struggled to address for decades. We hold ourselves to the highest standards in our research and support and encourage developers to work with the most accurate data sets to improve the algorithms in their work.



## GIVING SNAPSHOT

73%

office participation

13,000+

volunteer hours

\$1 MILLION

in employee matching

## PHILANTHROPY AND VOLUNTEERISM

### HOW WE DEFINE IT:

*Community engagement and interaction; outreach; support for local initiatives; corporate philanthropy, including monetary and in-kind donations and foundation grants*

Through a variety of initiatives, the [NVIDIA Foundation](#) helps our employees turn their passion for giving into action. Led by four staff members in partnership with employee champions around the world, we give NVIDIA employees opportunities to donate their time and talent through activities like mentoring and tutoring programs, and through large-scale volunteer efforts like our annual [Project Inspire](#) and department team-building events. We encourage them to contribute financially to fundraising efforts. Our matching gifts program helps amplify their personal contributions — both financial and time — to the

organizations most important to them.

In FY19, NVIDIA and its employees donated nearly \$3.3 million and more than 13,000 volunteer hours to support charitable organizations around the world. Nearly three quarters of our offices held at least one charitable-giving event. We matched more than \$1 million in employee contributions through our matching gifts program and supported some 1,500 nonprofits.

Through grants and employee fundraising efforts, NVIDIA donated more than \$680,000 to support the fight against cancer in FY19. We awarded four \$50,000 grants to nonprofits providing cancer patient care and support services, and we raised more than \$365,000 for various cancer organizations through a global cancer fundraiser involving nearly a dozen of our global offices. As part of this effort, Santa Clara NVIDIA employees earned recognition as the top fundraising team in the U.S. for the second straight year for the American Cancer Society's Making Strides Against Breast Cancer walk.

In FY19, the company and our employees donated more than \$1.3 million and 7,200 volunteer hours to education efforts, reaching nearly 80,000 youth. We revamped education facilities through Project Inspire events held by our offices in Berlin, Bristol, Cambridge, Durham, Hillsboro, Hsinchu, Hyderabad, Munich, Pune, Reading, Shenzhen, Taipei, Tel Aviv, Westford, and Würselen.

We partnered with education nonprofit Iridescent to expand its AI Family Challenge initiative to three new locations. This global program leverages our [Techsplorer](#) kits to introduce underserved students and families to AI through hands-on learning. Since its launch in FY18, Techsplorer has reached more than 10,000 students.

See Social Performance to track our progress. The [NVIDIA Foundation annual report](#) outlines key changes we made to our program for 2019 and beyond.



# 07 ENVIRONMENTAL



## GREENHOUSE GASES AND CLIMATE CHANGE

### HOW WE DEFINE IT:

*Greenhouse gas (GHG) reduction and mitigation, including those related to product manufacturing supply chain; climate risks and opportunities*

We calculate scopes 1 and 2 GHG emissions for our global data centers and offices, gather primary data for all data centers and offices larger than 50,000 square feet (88 percent of our total scope 1 and 2 GHG emissions), and estimate emissions for offices less than 50,000 square feet (the remaining 12 percent).

Our current GHG goal is to reduce scope 1 and 2 emissions by 15 percent per employee by FY20 compared to FY14. Since this goal was originally set, we have

substantially grown our business, as illustrated by a 184 percent increase in revenue, a 67 percent increase in headcount, and a 23 percent increase in square footage between FY14 and FY19. This rapid and significant business growth means that we must focus on siting expansions strategically, managing our operations efficiently, and sourcing low carbon and renewable forms of energy to avoid an equivalent growth in our GHG emissions footprint (see [Energy](#) section).

Although we have seen a 63 percent increase in our total energy demand over the past five years, our scope 1 and 2 emissions have increased by 34 percent in absolute terms. When normalized, this is equivalent to a 7 percent reduction in emissions per employee between FY18 and FY19 and a 20 percent reduction in emissions per employee since FY14, outperforming our FY20 goal of 15 percent reduction per employee.

### OUR GHG EMISSIONS REPORTING INCLUDES:

- > **Scope 1:** Stationary combustion sources (e.g., natural gas, diesel fuel) and HFC refrigerant emissions
- > **Scope 2:** Purchased electricity use (offices, labs, datacenters)
- > **Scope 3:** Emissions from operational waste, business travel, data center cooling load, product transportation, fuel and energy related activities



In FY19, we secured renewable power for several co-located data centers both in the U.S. and globally.

We will continue to track against our current goal through FY20, and we are evaluating options for an updated goal that is appropriate for our growing and diversifying business and specifically targets ways to address our data center footprint.

Our growing business causes GHG emissions beyond our direct footprint. This is because emissions are created at every stage of our product lifecycle, extending to our customers' use and disposal of our products. Since FY15, we have required our key manufacturing suppliers to report their energy usage, GHG emissions data, and their reduction goals and objectives.

In FY18, we added a requirement that these suppliers have their GHG emissions verified by a third party. We have used this supplier data to help us better understand the GHG emissions footprint of our product manufacturing and to calculate the allocation of carbon emissions from tier 1 suppliers that are attributable to our customers.

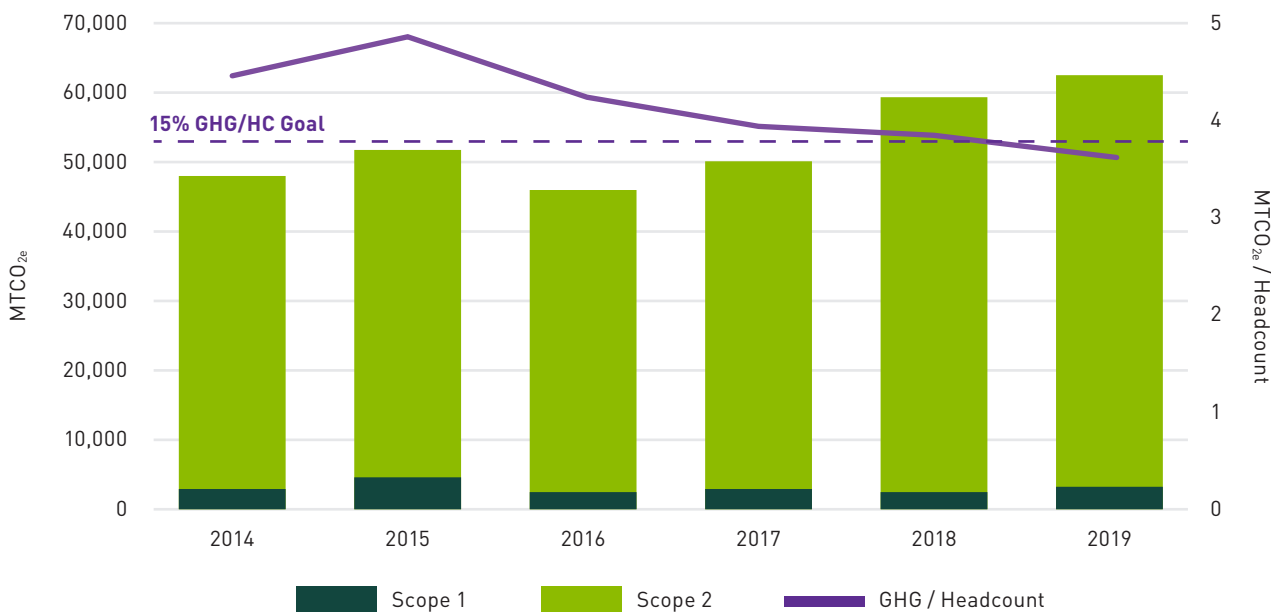
## Reporting and External Assurance

Each year, we participate in the CDP climate change and water surveys. Participants are scored based on their understanding and management of their business risks, opportunities, and impacts related to climate change and water resources. Between FY10 and FY16, we improved our climate change disclosure score from 34 to 98 (out of a possible 100 points). In FY18, we scored a B in the CDP's new scoring paradigm for climate change, and in FY19, we scored an A-. See our 2018 CDP [response](#).

We have engaged Trucost to provide limited assurance under the AA1000 assurance standards on our FY19 global scope 1 and 2 GHG emissions and scope 3 waste generated in operations. View the [assurance statement](#).

See the [Environmental Objectives](#) table to read about our greenhouse gas emissions (office and data centers) goal, and FY19 progress.

## SCOPE 1 AND 2 GHG EMISSIONS





## ENERGY, WATER, AND WASTE

### HOW WE DEFINE IT:

*Energy and water sourcing, waste management; efficient energy use and conservation; renewable energy strategy; water scarcity; solid waste minimization (both hazardous and non-hazardous); proper care and disposal of hazardous waste; recycling efforts, and e-waste*

We are committed to protecting the environment by driving operational excellence in ways that reduce our environmental impact. In support of this commitment, we identify and control environmental impacts and continuously improve our performance using a comprehensive environmental management system (EMS). Our dedicated EHS (Environmental, Health, and Safety) and CSR teams work closely with employees in all offices around the globe to execute our policies and practices, which are made tangible through solid goals and metrics.

See [Facilities Management](#) to read about our operational, product, and supply chain ISO 14001 certifications. See [Environmental Performance](#) for a broad list of metrics we track related to the environment.

### Energy

Energy use, and specifically electricity use, is the primary driver of our scope 1 and 2 GHG emissions footprint. Our total energy use increased by approximately 30 percent in FY19 compared to FY18, with three-quarters of this increase occurring in our data center operations. These operations have been growing rapidly along with our expanding business and our diversification into new online services.

As we experience this increase in our global data center footprint, we're working to incorporate environmental considerations — including energy efficiency — and renewable power options into our data center siting and sourcing evaluations. In FY19, we newly secured renewable power for

several colocation data centers both in the U.S. and globally.

With our data center growth NVIDIA has deployed state-of-the-art cooling technology designed for NVIDIA server products. Power distribution in the data center has increased voltage supply to more efficiently deliver power. Cooling solutions have been closely coupled with server racks to localize and optimize heat transfer for efficiency. NVIDIA used computation fluid dynamic models to optimize cooling for data center designs and server rack deployments. Data centers have also been deployed with white surfaces to optimize reflective lighting. Controllable, high efficiency LED lighting is installed where artificial lighting is needed. NVIDIA's data center best practices and optimizations are shared with customers and partners to educate and optimize deployments.

Our global offices were responsible for 56 percent of our total energy use in FY19. We implemented several energy-efficiency projects, including the redesign and replacement of building services systems, such as lighting and

We support our employees in their efforts to go green at home, providing financial incentives to install residential solar systems. For employees who wish to transition to electric vehicles, we've partnered with a major EV charger to offer exclusive discounts.

HVAC, with newer, high-efficiency systems. As our building systems necessarily become more sophisticated, we provide our facilities management teams with additional tools and training to ensure continued performance.

Additionally, during FY19 we secured new renewable energy supply contracts which are coming on line during FY20 for our Bangalore, Würselen, and Berlin locations. Following a successful solar panel implementation at our headquarters, we are evaluating opportunities for onsite solar photovoltaic generation elsewhere in our global portfolio.

To support our employees who wish to generate solar power at home, we partnered with a major solar power company to offer educational workshops, a \$1,000 rebate on the installation of solar panels, and \$100 for in-home consultation. In the short period during which we ran this promotion last year, we received more than 70 qualified requests and 18 employees completed new installations. Our rate of home solar adoption is twice the industry average. In addition, for employees who wish to transition to electric vehicles, we've partnered with a major EV charger to offer exclusive discounts.

## Water

We use water in our direct operations in cooling towers and for food service, landscaping, and sanitation. We take steps to use water efficiently, particularly in locations that are vulnerable to drought conditions, such as California, where we have large facilities. As we develop and grow at our headquarters, we're implementing measures to conserve water resources and reduce our potable water demand.

Our newest headquarters building, which opened in late FY18, incorporates a range of water conservation measures. Through the installation of low-flow bathroom fixtures and the use of recycled water for toilet flushing, the building is designed to achieve a 42 percent reduction in domestic water demand and a 91 percent reduction in potable water use for sewage conveyance. We are using reclaimed water in the building's cooling towers and landscape irrigation systems, and our landscaping consists of native, drought-resistant plants. During FY19 this building used 46 percent less potable water than our other campus buildings of a comparable size. We are incorporating similar water efficiency features and the use of recycled water for



cooling towers, toilet flushing, and irrigation into the design of another new building we have planned for our headquarters campus.

Our indirect uses of water include our product manufacturing supply chain. We require our key manufacturers to track and report their water use and share their reduction goals and initiatives with us.

In FY19, 90% of our headquarters waste was either recycled or composted, with only 10% going to a landfill.



## Waste

We have tracked total waste generated and diverted at our headquarters since FY08, and our annual goal for landfill diversion is 80 percent. In FY18, we achieved a 90 percent rate overall (80 percent of our operational waste and 92 percent of our construction project waste was diverted). In the last year, we implemented a range of measures to improve our diversion rate, such as an employee awareness campaign to encourage better separation, adding waste tracking and recycling requirements into our facilities project management process, providing training to our global facilities teams, including best practices in our Global Workplace Guidelines, and “dumpster diving” to analyze our waste streams and inform our waste segregation approach.

Our employee restaurants and catering activities are an important focus for our waste program. Specific initiatives include replacing disposables with durable, washable tableware in our employee restaurants, introducing a new food

waste tracking system, replacing single-use items such as sachets, and partnering with our food services vendor to make weekly donations of food to homeless shelters.

We generate various types of e-waste, including servers, storage equipment, and networking equipment used in our data centers; computers, monitors, and other electronic equipment used by our employees; and NVIDIA products we use at our sites for testing and other purposes. We partner with a global specialist e-waste vendor to ensure proper tracking, decommissioning, and recycling of our e-waste.

See [Performance](#) for data on our various waste streams.



**LEED GOLD CAMPUS** In FY19, NVIDIA's Silicon Valley newest headquarters building was awarded LEED Gold status. Its green design features include energy-efficient lighting, radiant heat, use of reclaimed water, and an advanced building control system.

## Green Building Practices

We use green building standards to target high levels of environmental sustainability performance when designing new buildings.

In September 2017, we opened our new 500,000-square-foot building at our Silicon Valley headquarters. It was designed with high levels of energy efficiency in mind, including a high-performing building envelope, efficient and smart lighting systems that incorporate the use of daylight, underfloor air distribution, radiant heating and cooling, air and waterside economizers, and high-efficiency boilers and chillers. An advanced building control system underpins the building's operation. The building was awarded LEED Gold **certification** for New Construction during FY19. The building was awarded a significant number of points in the Sustainable Sites, Water Efficiency, and Energy and Atmosphere categories.

Other green building certified buildings in our global portfolio include our offices in Pune, India (LEED Gold for interiors) and Shanghai, China (LEED Silver); our new Munich, Germany, office (BREEAM Gold) and a data center in Santa Clara, California (LEED Platinum certification for interiors).

## FACILITIES MANAGEMENT

### HOW WE DEFINE IT:

*Policies and practices regarding overall environmental management at NVIDIA; environmental management systems (ISO14001) and certifications; green building practices/LEED certification*

### Environmental Policies and Management Systems

We drive operational excellence to reduce our environmental impact. In support of this commitment, we identify and control environmental impacts and continuously improve our performance using a comprehensive EMS.

Our **Environmental, Health, Safety, and Energy Policy** provides the framework for our EMS. Our dedicated EHS and CSR teams work closely with employees around the globe to execute our environmental policies and practices, which are made tangible through goals and metrics that are annually reviewed with executives.

Our Silicon Valley headquarters and our product design, procurement, and supply chain functions have been ISO14001 certified with zero nonconformances identified since FY06. We upgraded to the ISO 14001:2015 standard in FY19 (view our **certification**). Building on the success of our ISO14001 EMS, we are implementing an energy management system in accordance with the ISO50001 standard.

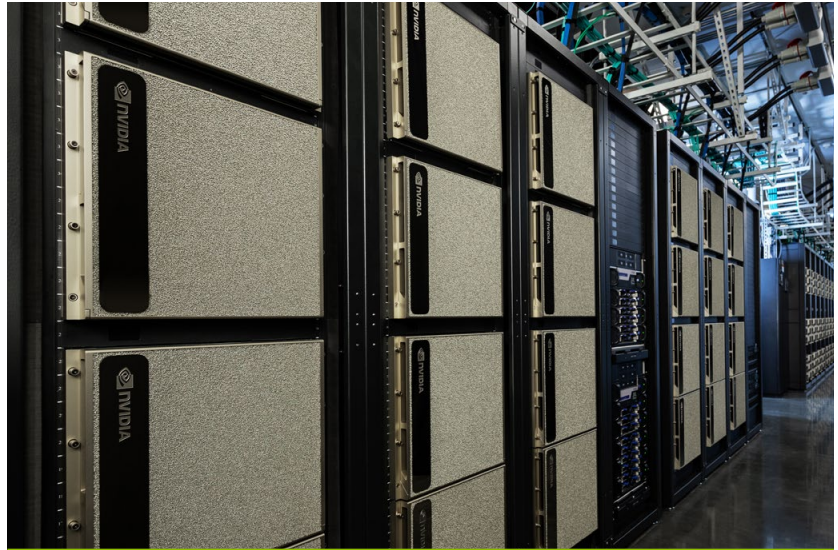
See **Environmental Performance** for a broad list of metrics we track related to the environment.



## Commute Initiatives

We established our Green2Work program at our Silicon Valley headquarters in FY15 to support our employees in using alternative commute options and reducing their commute impacts. More than 30 percent of our Silicon Valley employees and contractors currently take advantage of one or more of our commute offerings. The program includes electric vehicle charging, pre-tax dollars for transit and local transit shuttles, last-mile shuttle service for train riders, resources for cyclists, advantages for carpooling and vanpooling, shuttles from San Francisco and Fremont, and an online resource for commuters. We have 40 car and three motorcycle electric-vehicle charging stations at our headquarters and, to date, 700 employees have used this service with the help of vehicle charging valet parking attendants.

In FY18, we started offering the Scoop carpooling service in Silicon Valley. By December 2018, NVIDIANS using Scoop avoided driving more than 373,000 miles and saved more than 338,000 pounds of CO<sub>2</sub>. For cyclists, we provide lockers, showers, and secure bike parking. To assist our alternative commuters in the event of an emergency, we offer an emergency ride home through Lyft or Uber.



**HPC LEADERSHIP** The 2018 list of TOP500 fastest supercomputers showed a 48 percent jump within one year in the number of systems using NVIDIA GPU accelerators. Fifty-four percent of the new computing horsepower (flops) in the world's top 500 supercomputers came from one architecture: NVIDIA GPUs.

## ENVIRONMENTAL IMPACT OF PRODUCTS

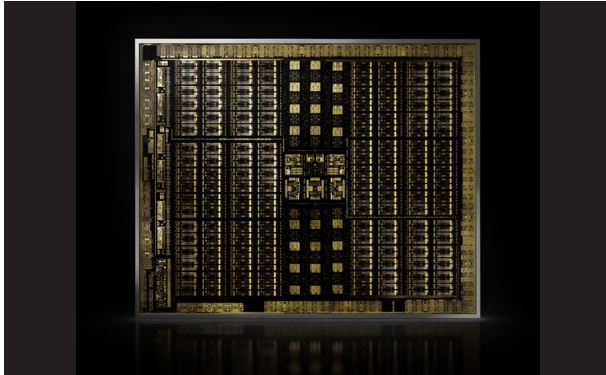
### HOW WE DEFINE IT:

*Impacts associated with the application of NVIDIA products for environmental benefit, such as designing products that maximize performance and minimize energy use; restricting hazardous substances*

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. Parallel processing consumes far less power than equivalent computational forms. GPUs are up to 10 times more energy efficient than CPUs for parallel compute workloads.

As AI becomes ubiquitous, the technologies that power it are frequently evaluated to determine which provide the best performance for training data and inference (how computers deduce new formation). The [MLPerf](#) consortium, which provides a machine-learning benchmark that measures system performance for training and inference from mobile devices to cloud services, published results indicating that NVIDIA finished first in single-node and at-scale results for all six test categories in which NVIDIA [participated](#).

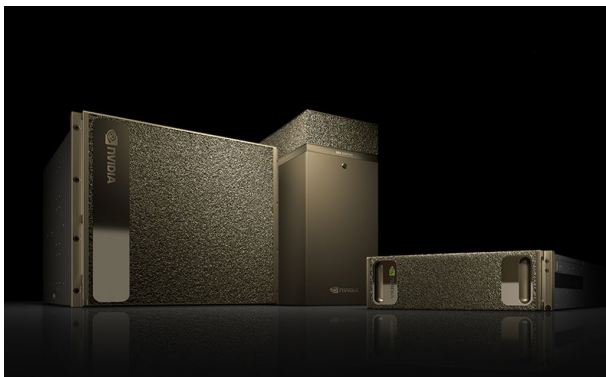
## NVIDIA'S ENERGY EFFICIENT PRODUCTS AND TECHNOLOGIES INCLUDE:



### NVIDIA TURING

Our eighth generation GPU architecture and the most powerful one the world has ever seen, Turing delivers 16 trillion floating point operations in parallel with 16 trillion integer operations per second. Enabling the world's first real-time ray-tracing GPUs for gaming and professional graphics, Turing can simulate the physical world at 6x the speed of its predecessor.

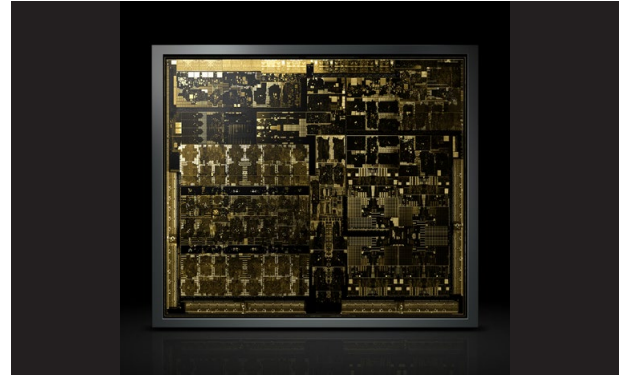
Four Quadro RTX Servers, equipped with eight Turing GPUs each, can do the rendering work of 240 dual-core CPU servers at 1/4th the cost, using 1/10 the space, and consuming 1/11th the power. NVIDIA T4 GPUs are packed in an energy-efficient, 75-watt form factor that offers 65 teraflops of peak performance for FP16, 130 TOPS for INT8 and 260 TOPS for INT4.



### NVIDIA DGX SYSTEMS

Built on the NVIDIA Volta GPU architecture, the NVIDIA DGX Station, DGX POD, DGX-1, and DGX-2 are AI supercomputers that provide the compute power to train deep neural networks significantly faster and create more intelligent AI.

Designed variously for the desktop, the data center, or the cloud, the DGX systems' efficient-energy consumption and fast computing mean a smaller IT infrastructure footprint and work that gets done more quickly.



### NVIDIA XAVIER

Our Xavier system-on-a-chip integrates the Volta GPU architecture, a custom eight-core CPU architecture, and a new computer vision accelerator. The processor performs at 30 trillion operations per second while consuming only 30 watts of power. As the brain of self-driving cars, Xavier is designed to comply with critical automotive standards, such as the ISO 26262 functional safety specification.

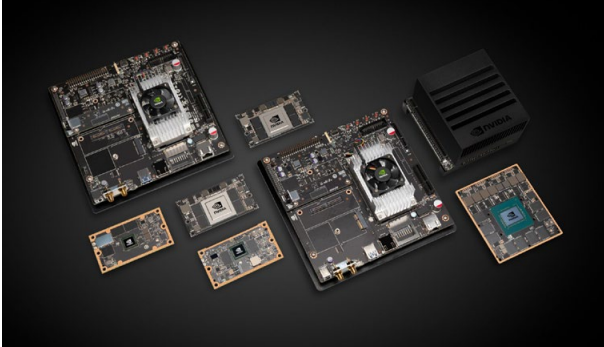


### NGC CONTAINER REGISTRY

NGC is a GPU-accelerated platform that enables data scientists and researchers to rapidly build, train, and deploy neural network models to address some of the most complicated AI challenges. It manages a catalog of fully integrated and optimized deep learning framework containers and is optimized to run on any accelerated computing environment.

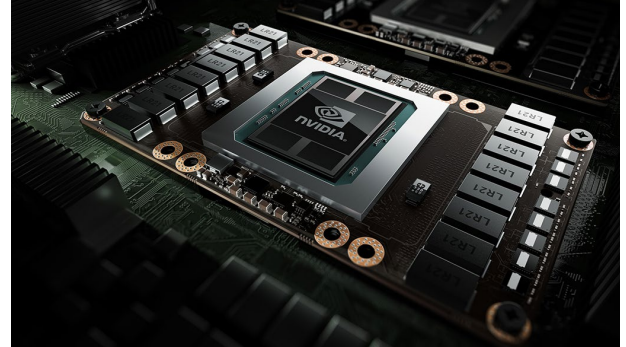


## NVIDIA 2019 CSR REPORT ENVIRONMENTAL



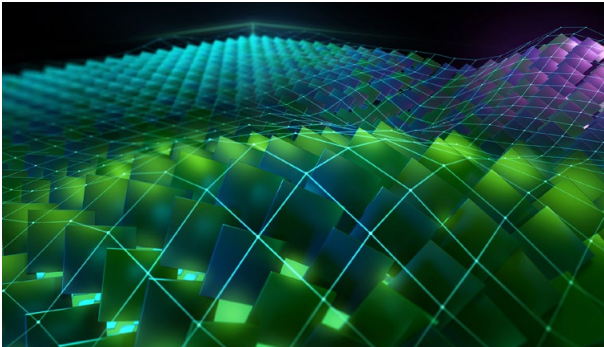
### NVIDIA JETSON

NVIDIA Jetson is the world's leading AI computing platform for GPU-accelerated parallel processing in mobile embedded systems. The compute density, energy efficiency, and AI inferencing capabilities of the NVIDIA Jetson AGX Xavier SoC offers high-performance, low-power computing for deep learning and computer vision that makes it the ideal platform for compute-intensive edge devices.



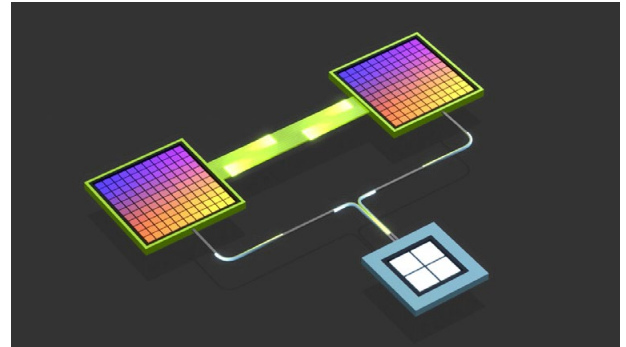
### NVIDIA TESLA

NVIDIA Tesla data center GPUs are the leading platform for accelerating HPC and hyperscale data center workloads, big data analytics, and scientific computing. The latest TOP500 list of the world's fastest supercomputers shows that 127 of these systems use NVIDIA GPU accelerators, up from 86 systems a year ago. The latest Green500 list, which measures the energy-efficiency of the world's fastest systems, shows that NVIDIA powers 22 of the top 25 "greenest" systems.



### NVIDIA CUDA-X AI

CUDA is a parallel-computing platform and model that enables compute-intensive calculations to be executed on lower cost, power-efficient GPUs. More than 1,000 courses that use GPUs are being taught in universities all over the world, and NVIDIA supports more than 830,000 global developers who are programming with GPUs. Learn more about [GPU computing](#).



### NVIDIA NVLINK

NVLink interconnect technology lets data move between GPUs and CPUs five to 12 times faster than they can with PCI-Express. It doubles the number of GPUs that can work together in deep learning computations and enables more flexible and energy-efficient server design compared to PCI-E.

## REDUCING HAZARDOUS SUBSTANCES

Our regulatory and certification guidelines for hazardous substances include:

- > California Prop 65
- > China RoHS
- > Conflict Minerals
- > Directive on Packaging and Packaging Waste
- > EU RoHS and Country Specific RoHS
- > EU REACH
- > EU ELV
- > Global Automotive Declarable Substance List (GADSL)
- > Halogen Free/Low Halogen
- > ISO 14001:2015
- > Korea RoHS
- > OHSAS 18001 (GB/T 28001-2011 in China)
- > Taiwan RoHS
- > EU WEEE and Country Specific WEEE



## MATERIALS AVAILABILITY

### HOW WE DEFINE IT:

*Availability of materials; materials content; security of natural resources; conflict minerals; management systems to track supplier progress related to conflict minerals; product availability (finished goods from major suppliers)*

We support, contribute to, and rely on industry-wide efforts to validate the source of minerals used in our products, ensuring that they come from socially responsible sources and do not contribute to human conflict. Our goal is to use only conflict-free gold, tantalum, tungsten, and tin from the Democratic Republic of Congo in our products.

We're a member of the Responsible Minerals Initiative (RMI) and Public-Private Alliance for Responsible Minerals Trade. We support these on-the-ground programs aimed at improving transparency for responsible sourcing and reducing

human rights risks, including forced labor. Our due diligence program regarding conflict materials is designed to conform in all material respects with the framework recommended by the Organization for Economic Cooperation and Development.

Review [our policy](#) to understand our goals and the steps we take to monitor our supply chain for conflict minerals.

Additionally, we participate in various RMI work groups and align our program with the organization's tracking of additional minerals and materials, and with geographic areas of high concern. We monitor additional legal requirements, including the EU Conflict Minerals Regulations, to determine any future requirements for conflict materials and high-risk regions of the world.

## PACKAGING, TRANSPORT, AND LOGISTICS

### HOW WE DEFINE IT:

*Issues related to the packaging and transport of products*

### 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.

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 implemented changes in the first 36 months of its availability, which resulted in reduced environmental

In FY19, NVIDIA achieved a 21 percent reduction in total packaging materials used for GeForce and SHIELD

impacts. These changes included development of smaller and lighter-weight packaging sizes and creating a “core box” system so that primary packaging and shipping carton boxes can be shared among product SKUs. With product protection in mind, wherever plastics are required, we use recyclable HDPE-2 in place of polystyrene PS-6 material.

Additionally, wherever possible, we have stopped using anti-static foam material and transitioned to recyclable foam material. In FY19, we achieved a 21 percent reduction in total packaging materials used for GeForce and SHIELD products through the consideration of three metrics: total packaging weight, number of packaging components, and dimensional volume of packaging. To further improve our packaging sustainability, a cross-functional team of stakeholders now meets weekly. Their top priorities include: removing film lamination, which in most communities renders packaging non-recyclable; switching the brand appearance from black ink to white, which facilitates removal of laminate; and switching tray components from plastics to paper-based materials.

For automotive systems and our biggest GPUs, such as the DGX-2, which requires shipping in a large cardboard box and protective foam, we aim to have all packaging material that is both recycled and recyclable.

We’re also reducing paper use by providing online instructions wherever possible, although some markets still require printed instructions in the box.

Other efforts to recycle and reduce packaging include using vegetable-oil-based printing inks, using suppliers that leverage distribution centers to minimize the shipping footprint of packing/packaging materials, and applying materials labels to 100 percent of our packages to simplify consumer recycling. Whenever possible, we use moisture-barrier bags, trays, and bulk cartons; ship products directly to the retail distributor; and use existing packaging for return merchandise authorization support.

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

## Transport and Logistics

The methods we use to plan, pack, and execute our raw material, work-in-progress, and finished-goods shipments have an 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. The efforts we’ve made to optimize logistics include:

- > Efficiently configuring packing to reduce the number of pickups and deliveries;
- > Ensuring that subcontractor cartons and pallets are fully packed and efficiently unitized;
- > Using lightweight paper or cardboard pallets, whenever feasible, to reduce shipment weights;
- > Using a multimodal (ocean/truck) replenishment program within the U.S. and for retail distribution outside the U.S.
- > Requiring suppliers to report their participation in environmental initiatives on a quarterly basis; and
- > Using reverse logistics solutions that use onsite or regional failure verification and repair to streamline product returns and eliminate international shipments.

We 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.

# 08 GOALS AND PERFORMANCE

## FY19 GOALS AND PERFORMANCE

OPERATIONAL EFFICIENCY AND EXCELLENCE	PROGRESS	COMMENTS
Maintain "Full" member status in the RBA.	100%	Achieved
Expand quarterly business review process to include strategic mechanical, component, and packaging suppliers.	100%	Achieved
Work with suppliers deemed high risk to improve their RBA risk performance status.	20%	Work is ongoing to improve supplier VAP scores deemed high or moderate risk.
Achieve 100 percent RMAP-compliant tantalum, tin, tungsten, and gold processing facilities.	94%	This calculation is based on the percentage of the processing facilities in our supply chain that are compliant, as determined by the Responsible Minerals Assurance Process (RMAP).
Pass updated ISO 14001 specification, which includes a focus on integration of electronics manufacturing services into business processes and considerations of the life-cycle perspective.	100%	Achieved
Rank all active suppliers for their compliance with the RBA Code of Conduct, leveraging our RBA membership and using the RBA-Online platform.	90%	We continue to evaluate high-spend suppliers and "preferred" suppliers.
Monitor disclosure demand for additional conflict minerals and materials.	100%	We're aligned with RMI process.
Complete indirect supplier diversity analysis.	100%	Achieved.
Evaluate clean energy options in data centers and India offices.	50%	We secured clean power at several data centers and are finalizing contracts at our new Bangalore and Munich office locations. We are including clean energy considerations when siting new data centers. We are evaluating solar for our Hyderabad, India, office.
Implement ISO 50001 Energy Management System.	40%	We are making progress at integrating ISO 50001 requirements into our program.
Conduct climate and water risk assessment.	100%	We completed a qualitative assessment of climate and water risk. Quantitative analysis for certain risks is under consideration.

**FY19 GOALS AND PERFORMANCE (cont.)**

OPERATIONAL EFFICIENCY AND EXCELLENCE	PROGRESS	COMMENTS
Complete gap analysis against the ISO18001 Health and Safety Management System standard.	10%	This gap analysis began in FY19 and is planned for completion in FY20.
RECRUITMENT AND RETENTION	PROGRESS	COMMENTS
Roll out second phase of unconscious bias programming, which includes implementing bias mitigation techniques into team dynamics activities.	50%	Evaluated several vendors and approaches but decided to instead evaluate our internal resources of team effectiveness, development, and promotion tools to identify how to incorporate bias-mitigating tactics into these programs instead. Will begin to roll out in FY20.
Examine learning and development courses that cover meeting execution and collaboration to determine how to integrate bias-mitigating tactics.	50%	See directly above.
Hire a diversity recruiter to increase the number of women and underrepresented minorities in the recruiting pipeline.	80%	We've assigned recruiters to shepherd candidates met at key diversity recruiting events (such as Grace Hopper) and ensure those resumes are guided through the hiring process.
Track diverse hires through the recruiting funnel.	100%	We developed a tracking mechanism for women, African-American and Hispanic recruits. We pinpointed the phases in the funnel at which these candidates fall off or excel compared to candidates as a whole and are evaluating methods for improving the process where needed.
Conduct an annual learning and development needs analysis with our NVIDIA Communities (formerly called employee resource groups).	100%	We identified as top themes: professional development (influencing, presentation skills, career development), technical training (NVIDIA-specific trainings, programming languages and machine learning), and manager training.
Hold an event on our main campus to create awareness for NVIDIA Communities, and launch new websites for them.	100%	We hosted this event last fall and several hundred employees participated to learn more about our five Communities.

FY19 GOALS AND PERFORMANCE (cont.)

RISKS AND REPUTATION	PROGRESS	COMMENTS
Board of Directors to commence oversight of corporate social responsibility.	100%	We began briefing the Nominating and Corporate Governance Committee in May 2018 and also provided Diversity and Inclusion overview in February 2019.
Develop training materials for our new Code of Conduct.	95%	Training materials have been created and will be rolled out during FY20.
Update anti-bribery and create anti-trust policies.	60%	Anti-bribery policy update is in process and anti-trust policy is being finalized for roll out during FY20.
Prepare for General Data Protection Regulation compliance.	100%	We executed on our GDPR plan, including adoption of a worldwide privacy policy, implementation of online privacy center to allow users to exercise their data subject rights, and participation in the Privacy Shield. As part of the GDPR plan, we also created and rolled out training materials to all employees.
Broaden the scope of our public relations coverage to promote our AI leadership.	100%	We've been covered in <a href="#">several articles</a> and recognized as an AI leader in various publications.
Better understand our responsibility to address social issues related to AI, such as bias and workforce impact.	100%	We participated in Partnership for AI in FY19.
Raise our profile in Washington, D.C., with regard to autonomous driving and AI research.	100%	See <a href="#">Public Policy Engagement</a> for activities undertaken in FY19.
Launch a video series focusing on the people behind our CSR.	100%	The series highlighted societal issues in AI, self-driving cars, healthcare, and robotics.
Maintain inclusion on key workplace and CSR lists.	100%	See <a href="#">Transparency</a> section for a list of ratings and rankings in which we are included.

## FY20 GOALS

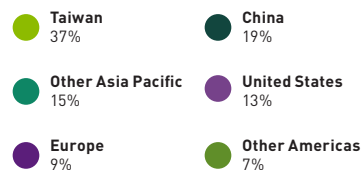
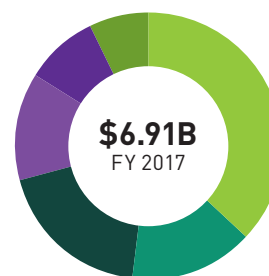
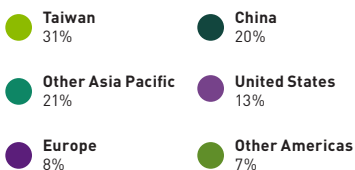
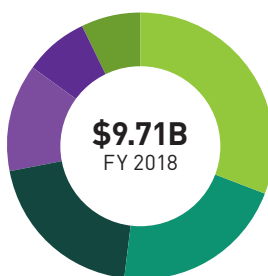
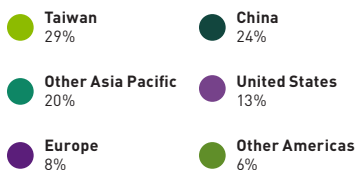
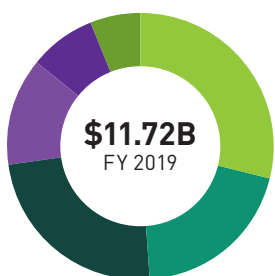
OPERATIONAL EFFICIENCY AND EXCELLENCE
Maintain Full member status in the RBA.
Implement method to track, allocate and report NVIDIA scope 3 manufacturing GHG emissions from global supply chain to customers.
Achieve 100 percent RMAP-compliant tantalum, tin, tungsten, and gold processing facilities.
Rank all active suppliers for their compliance with the RBA Code of Conduct, leveraging our RBA membership and using the RBA-Online platform.
Work with suppliers deemed high risk to improve their RBA risk performance status.
Develop a product packaging environmental specification.
Third party auditor to complete an ISO 50001 Energy Management System gap analysis.
Continue tracking for LEED Gold points for planned second new Silicon Valley campus building.
RECRUITMENT AND RETENTION
Leverage existing and evaluate potential new training and tools that focus on supporting managers to identify and mitigate bias in areas including career growth, cultural sensitivity, communications style, and management development.
Provide sponsorship of underrepresented groups in technology through partnerships with Black in AI and Latinx in AI. Offer conference fees and travel for attendance to our GPU Technology Conference, host networking event at the event for these groups. Sponsor Black in AI at NeurIPS conference.
RISKS AND REPUTATION
Provide overviews to NVIDIA Board of Directors on Diversity and Inclusion and Societal Impacts of AI.
Review all strategic suppliers for cybersecurity and intellectual property alignment to NVIDIA standards.

## ECONOMIC PERFORMANCE

	FY19	FY18	FY17
Revenue	\$11,716	\$9,714	\$6,910
Total operating expenses	\$3,367	\$2,612	\$2,129
Net income	\$4,141	\$3,047	\$1,666
Gross margin	61.20%	59.90%	58.80%
Income tax expense (benefit)	(\$245)	\$149	\$239
Total assets	\$13,292	\$11,241	\$9,841
Total shareholders' equity	\$9,342	\$7,471	\$5,762
Total liabilities and shareholders' equity	\$13,292	\$11,241	\$9,841
Revenue by country/region	See chart	See chart	See chart
R&D expenses	\$2,376	\$1,797	\$1,463

Dollars represented in millions

### Revenue by Region





## DIVERSITY AND WORKFORCE PERFORMANCE

Roughly 79 percent of our employees work 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 these fields.

In FY19 we saw growth in our female and underrepresented groups, compared to traditional technical populations.

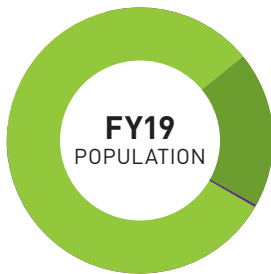
Learn more about our approach to [Diversity and Inclusion](#).

## Racial / Ethnic Diversity Snapshot\*

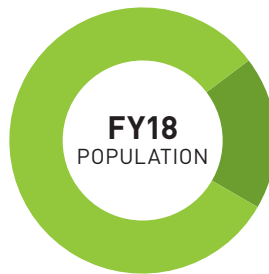
	FY19	FY18	FY17
Asian/Indian	50.20%	50.10%	51.00%
White	38.70%	41.10%	42.90%
Hispanic/Latino	3.30%	3.30%	3.40%
Black/African American	1.00%	1.00%	1.10%
Native Hawaiian/Pacific Islander	0.30%	0.30%	0.30%
American Indian/Alaska Native	0.10%	0.08%	0.13%
Two or more races	0.70%	0.54%	0.32%
Decline to state/not specified	5.70%	3.60%	0.89%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Minority data represents the United States only.

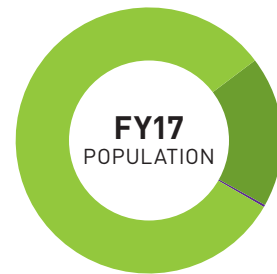
## Gender Data



- **Men**  
80.9%
- **Women**  
18.9%
- **Not Declared**  
0.21%



- **Men**  
81.4%
- **Women**  
18.6%
- **Not Declared**  
0%



- **Men**  
81.5%
- **Women**  
18.4%
- **Not Declared**  
0.10%

## Positions Held By Women

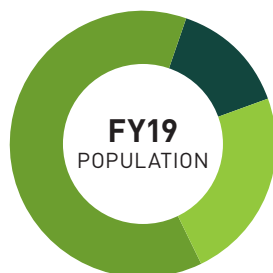
POSITIONS HELD BY WOMEN	FY19	FY18	FY17
Outside directors	18.0%	20.0%	18.2%
Executive officers	40.0%	40.0%	40.0%
Leaders	11.0%	8.5%	11.8%
Managers	16.5%	16.1%	15.9%
In technical roles	13.7%	13.3%	12.9%
In global workforce	18.9%	18.6%	18.4%
New hires, % globally	20.4%	19.2%	23.7%
New hires, number globally	501	353	410

## Gender Turnover

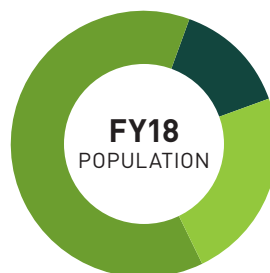
The turnover rate for women was slightly lower in FY19 compared to men, 5.6% to 5.7% respectively. These ranges have remained similar for the past several years.

	FY19	FY18	FY17
Female	5.6%	5.4%	6.7%
Male	5.7%	5.3%	6.3%

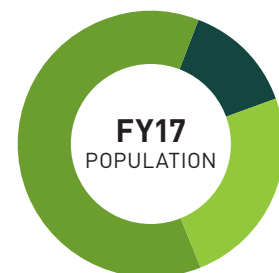
## Age Data



- 20-30 Years  
23.4%
- 31-50 Years  
62.5%
- 50+ Years  
14.1%



- 20-30 Years  
23.5%
- 31-50 Years  
62.7%
- 50+ Years  
13.8%



- 20-30 Years  
24.6%
- 31-50 Years  
62.0%
- 50+ Years  
13.4%

## Promotions

In FY19, we promoted 11.6 percent of our workforce. Of the 1,546 promotions, women comprised 286 (18.5 percent, which is roughly the total percentage in the company). In the U.S., 507 of U.S. promotions were given to members of minority groups. Women continue to be promoted at an equal rate to men, 11.3 percent v 11.7 percent in FY19.

## Turnover

Even though the high-tech industry is extremely competitive, NVIDIA's turnover remained at 5.6 percent in FY19, compared with the semiconductor industry average of 16.9 percent. Our voluntary turnover rate is 5.4 percent, well below the semiconductor industry average of 11 percent.

	FY19	FY18	FY17
Overall Turnover	5.6%	5.6%	6.7%
Voluntary Turnover	5.4%	5.1%	5.8%

## WORKFORCE PERFORMANCE

Our workforce metrics, combined with employee survey data, help us determine how we can improve in specific areas throughout our enterprise.

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

### Headcount by Type

Region	COUNT OF ALL EMPLOYEE TYPES			
	FULL TIME	PART TIME	CONTRACTORS	INTERNS
Americas	7,267	3	1,341	160
APAC	2,484	-	380	89
India	2,517	-	1,879	108
EMEA	978	28	89	23
Total Count	13,246	31	3,689	380

### Employee Profile

	FY19	FY18	FY17
Employees	13,277	11,528	10,299
Offices	57	48	42
Countries	22	21	20

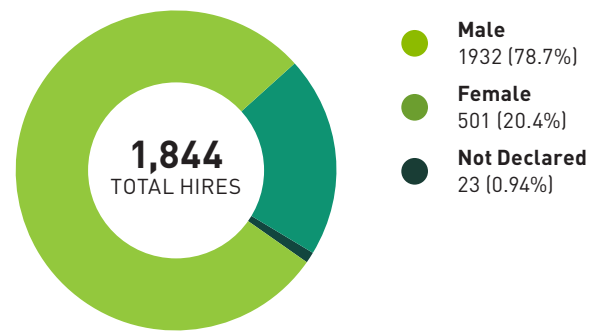
### Employee Type by Level



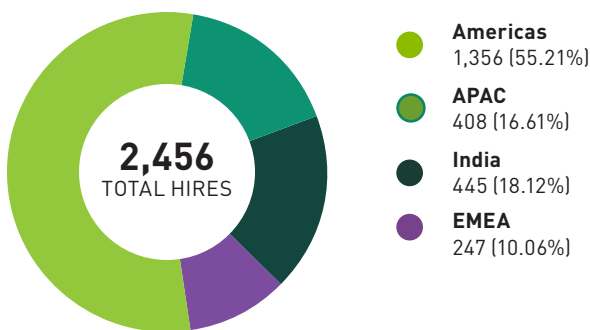
### New Hires by Age Group



### New Hires by Gender



### New Hires by Region



## SUPPLY CHAIN PERFORMANCE

### FY19 RBA Member Compliance

COMPLIANCE ELEMENT	NVIDIA'S REQUIREMENT	NVIDIA PERFORMANCE
Risk assessment on all strategic suppliers	100%	100%
Self-assessment questionnaires (SAQ) completed by suppliers in the top 80% of NVIDIA spending	100%	100% Based on RBA requirements, NVIDIA's SAQ review determined there were no suppliers rated as high risk in our top spend.
Validated audit process (VAP) among 25% of high-risk suppliers	0 (due to lack of high-risk suppliers from SAQ)	<p>We audit suppliers even if their SAQ score comes back as low risk.</p> <p>We require VAP audits to validate supplier SAQs. Through this process one strategic* supplier came back as high risk.</p> <p>In FY19, we reviewed VAP audits of 50% of strategic suppliers. The total percentage of strategic suppliers audited in the last two years is 60%.</p> <p>In FY19, we reviewed an additional 19 VAP audits from high-spend suppliers (spend &gt; \$1 million).</p> <p><i>*Strategic suppliers include those who produce or handle NVIDIA production material, non-critical suppliers for whom we closely manage quality requirements, suppliers who design our branded products, and those we are required to work with based on customer agreements.</i></p>
Corrective action plans (CAP)	0 (due to lack of high-risk suppliers)	<p>We engaged six suppliers on their CAPs from the FY18-19 auditing season. Common findings include working hours, social insurance, and fire protection.</p> <p>We'll continue monitoring to ensure that suppliers demonstrate effective processes to close these findings and ensure compliance.</p>

## FY19 RBA Member Compliance

RBA CODE ELEMENT	NVIDIA AS SUPPLIER	NVIDIA AS CUSTOMER
Labor	<p>Updated NVIDIA's Code of Conduct to strengthen human rights language.</p> <p>Relevant NVIDIA employees took several RBA Learning Academy courses.</p> <p>Participate in the RBA's Responsible Labor Initiative.</p>	<p>We evaluated all contract manufacturers and direct material suppliers on geographic location, manufacturing processes, past SER performance and public reports.</p> <p>We tracked supplier working hours through VAP, CAPs, or RBA working-hours templates.</p> <p>We worked with suppliers to address and comply with zero hiring fees and freely chosen employment.</p> <p>We assigned Learning Academy courses to eight suppliers, including: Hours of Work; Working Hours Recording System; Working Hours Management System; The Hiring Process; Recruitment and Selection; Hiring and Working with Migrant Workers; Wages and Benefits; Creating Motivating Wage Systems; Improving Your Dormitories.</p>
Health and Safety	<p>Conducted an annual tour of all NVIDIA offices to audit health and safety</p> <p>Updated environmental, health, safety and energy policy</p>	<p>We closed CAPs covering all health and safety issues.</p> <p>We reviewed improvement plans on health and safety as part of OHSAS 18001 for alignment with eight suppliers.</p> <p>We assigned Learning Academy courses to eight suppliers: Effective H&amp;S Systems, Fire Safety, Managing Air Emissions.</p>
Ethics	<p>Continued membership in RMI</p> <p>Participated in RMI work groups on due-diligence data collection and smelter engagement</p>	<p>We engaged 100% of suppliers to collect smelter data for our conflict minerals program.</p> <p>We continued evaluation of smelter metrics for the annual SEC conflict minerals reporting requirement.</p> <p>We deactivated suppliers non-compliant with product and conflict mineral requirements.</p> <p>We assigned Learning Academy courses to eight suppliers: Supply Chain Ethics; Recognizing Forced Labor; Preventing Forced Labor.</p>

## NVIDIA 2019 CSR REPORT GOALS AND PERFORMANCE

RBA CODE ELEMENT	NVIDIA AS SUPPLIER	NVIDIA AS CUSTOMER
Environmental	<p>Received a B- score via CDP Supplier Engagement survey.</p> <p>Completed RBA online environmental survey on carbon, water, and waste</p> <p>Participated in environmental sustainability work group</p>	<p>We calculated carbon, water, waste data of all silicon manufacturers and systems contract manufacturers to determine carbon emissions and water consumption per product and per financial outlay.</p> <p>We required compliance with environmental standards (see Manufacturing Compliance <a href="#">sidebar</a>).</p> <p>We reviewed suppliers' environmental improvement plans for ISO 14001 alignment.</p> <p>We assigned Learning Academy courses to eight suppliers: Environmental Protection; Managing Energy and GHG Emissions; Water and Wastewater Management; Resolving Wastewater Treatment Issues; and Managing Waste.</p>
Management Systems	<p>Participated in VAP work group</p> <p>Evaluated RBA full membership tier to determine any gaps (accepted in January 2018 as full member)</p>	<p>We conducted quarterly business reviews of suppliers.</p> <p>We assessed compliance with updated RBA Code with respect to labor fees and freedom of association.</p> <p>We implemented a performance-based award system for strategic suppliers.</p> <p>We assigned Learning Academy courses to eight suppliers: Understanding Supply Chain Responsibility; Industry Standards; Responsible Supply Chain Management (for Factory Management); Supply Chain CSR Monitoring; and Using KPIs.</p>

## ENVIRONMENTAL PERFORMANCE

### Environmental Policy Mapping

POLICY TYPE	RESPONSE
Assurance of Scope 1, 2, and 3 global GHG emissions	<a href="#">Yes</a>
Environmental policy	<a href="#">Yes</a>
Corporate responsibility directive	<a href="#">Yes</a>
Environmental supply chain management directive	RBA members
ISO 14001 certified sites	<a href="#">1 (Silicon Valley, Calif.)</a>
Emissions reduction initiatives	<a href="#">Yes</a>
Waste reduction initiatives	<a href="#">Yes</a>
Water reduction initiatives	<a href="#">Yes</a>

## NVIDIA 2019 CSR REPORT GOALS AND PERFORMANCE

Climate change policy	See our <a href="#">Environmental, Health, Safety and Energy Policy</a>
Climate change opportunities discussed	Yes; see <a href="#">CDP</a>
Climate change risks discussed	Yes; see <a href="#">CDP</a>
Number of significant environmental fines	0
Amount of significant environmental fines	\$0

## Environmental Objectives

CATEGORY	GOAL	TARGET DATE/STATUS	FY19 PROGRESS
Greenhouse Gas Emissions, Offices, and Datacenters	A 15% greenhouse gas reduction — normalized per employee — by FY2020 from baseline year FY2014	FY20/Ongoing	Down 7.2% compared to FY19 and down 20.3% compared to FY14 baseline
Waste	A waste-to-landfill diversion rate of 80% or greater each year at our Silicon Valley headquarters	Annual/Ongoing	90% (calendar year 2018)
New Headquarters Buildings	LEED Gold certification for our Silicon Valley headquarters buildings	FY20/Ongoing	LEED Gold certification <b>achieved</b> for first building. Currently on track for Gold status with second building.
Consumer Product Packaging	15% reduction in total materials used compared to previous generation	FY19/Complete	21% reduction in packaging for GeForce and SHIELD products
Product Efficiency	30% improved power efficiency in idle state (as defined by Energy Star) for next generation of GPUs for data centers, desktops, and notebooks	FY19/Complete	Achieved

## Greenhouse Gas Data

METRIC	FY19	FY18	FY17	FY16	FY15 <sup>a</sup>
GHG Scope 1, total global (tCO2e)	2,671	2,370	2,571	2,419	3,339
Stationary natural gas	2,379	2,267	2,313	2,316	2,483
Stationary distillate fuel oil	54	43	78	71	205
Gasoline	119	44	42	16	14
Refrigerants	118	16	139	16	637



Greenhouse Gas Data (cont.)

METRIC	FY19	FY18	FY17	FY16	FY15 <sup>a</sup>
Perfluorocarbons (PFCs) (Santa Clara headquarters lab operations)	<1 kg	<1 kg	Not tracked	Not tracked	Not tracked
GHG Scope 2, total global (tCO <sub>2</sub> e), market-based <sup>a</sup>	59,855	56,903	47,142	43,889	48,519
Purchased and used electricity	59,035	56,460	46,721	43,487	48,117
Purchased heating/cooling	820	443	421	402	402
Total GHG emissions (Scope 1 and 2 total – tCO <sub>2</sub> e) <sup>a</sup>	62,525	59,273	49,713	46,308	51,858
Normalized GHG emissions per employee (Scope 1 and 2 total/headcount)	3.60	3.88	4.01	4.26	4.81
% change in normalized GHG emissions per employee, compared to FY14	-20%	-14%	-11%	-6%	6%
GHG Scope 2, total global (tCO <sub>2</sub> e) <sup>a</sup> , location-based	64,940	50,863	51,224	48,774	49,662
GHG Scope 3 (tCO <sub>2</sub> e)	427,730	326,648	277,014	237,579	117,762
Purchased goods and services (indirect procurement)	254,071	190,734	150,741	159,976	42,791
Capital goods	49,964	50,463	78,076	31,748	30,829
Fuel- and energy-related activities not included in Scope 1 and 2	24,146	21,613	20,246	19,055	20,623
Upstream transportation and distribution <sup>d</sup>	38,352	28,590	Not tracked	Not tracked	Not tracked
Waste generated in operations <sup>b</sup>	991	405	240	839	184
Business travel	51,525	31,360	25,064	23,285	20,083
Upstream Leased Assets	8,681	3,483	2,647	2,676	3,252
Scope 1 carbon dioxide emissions (metric tons)	2,547	2,349	2,427	2,398	2,695
Scope 1 nitrous oxide emissions (metric tons)	2	2	2	2	2

### Greenhouse Gas Data (cont.)

METRIC	FY19	FY18	FY17	FY16	FY15 <sup>a</sup>
Scope 1 methane emissions (metric tons)	4	3	4	3	4
Sulfur dioxide emissions (metric tons) <sup>h</sup>	0	0.08	0.14	0.12	0.36
VOC emissions (metric tons) <sup>h</sup>	0.24	0.17	0.16	0.15	0.43
Carbon monoxide emissions (metric tons) <sup>h</sup>	0.31	0.25	0.44	0.41	1.17
ODS emissions from HCFCs (metric tons R-11e) <sup>h</sup>	0.006	0.003	0.01	0.004	0.009
Particulate emissions (metric tons) <sup>h</sup>	0.10	0.08	0.14	0.13	0.38

### Energy, Waste, and Water<sup>a</sup>

METRIC	FY19	FY18	FY17	FY16	FY15
Energy used (global) (MWh)	197,923	154,024	138,888	130,620	131,038
Energy per headcount (global) (MWh/employee)	11.41	10.09	11.20	12.01	12.15
Non-renewable fuels purchased and consumed (MWh)	13,614	12,894	13,270	13,217	14,652
Non-renewable electricity purchased (MWh)	95,036	88,905	89,964	84,419	76,180
Steam/heating/cooling and other energy (non-renewable) purchased (MWh)	253	196	185	141	131
Total renewable energy purchased or generated for own consumption (MWh) <sup>e</sup>	89,020	52,029	35,470	32,844	40,075
Renewable electricity as percentage of total electricity <sup>e</sup>	48%	37%	29%	36%	24%
Total power generated, onsite solar (MWh)	772	719	0	0	0
Water withdrawal, global (cubic meters)	320,013	265,030	213,625	196,309	260,054
Surface water	0	0	0	0	0
Groundwater	32,208	20,264	13,535	24,364	5,199
Rainwater collected directly & stored	0	0	0	0	0

## Energy, Waste, and Water<sup>a</sup> (cont.)

METRIC	FY19	FY18	FY17	FY16	FY15
Wastewater from another organization	47,737	13,796	0	0	0
Municipal water supplies or other public/private water utilities	240,068	230,970	200,090	171,945	254,855
Percent of water (internally) recycled	0	0	0	0	0
Water consumption, global (cubic meters) <sup>f</sup>	95,969	61,169	39,506	29,127	57,193
Water discharge, global (cubic meters)	224,044	203,860	174,119	167,182	202,861
Total waste, corporate headquarters (metric tons) <sup>g</sup>	18,344 <sup>c</sup>	2,670	2,987	15,626 <sup>c</sup>	1,242
Total waste recycled/composted (metric tons)	16,554 <sup>c</sup>	1,973	2,260	14,790	976
Landfill diversion rate	90%	74%	76%	95%	79%
General waste recycled	1,288	334	138	105	232
General waste composted	1,008	874	799	651	594
Clean paper recycled	29	102	145	70	86
Batteries recycled	46	2	2	1	1
Hazardous waste recycled	4	0.4	1	1	1
Electronic waste recycled	128	59	63	96	62
Lamps recycled	0.2	0.5	1	1	0.5
Construction/demolition waste recycled	14,051 <sup>c</sup>	602	1,111	13,866 <sup>c</sup>	0
Total waste landfilled (metric tons)	1,790	696	726	836	266
General Waste landfilled	617	474	480	349	266
Hazardous waste landfilled	0	0	0	0	0
Construction/demolition waste landfilled	1,174	223	246	487	0

<sup>a</sup> 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.

<sup>b</sup> In FY16, we began reporting on Scope 3 GHG emissions for waste generated at corporate headquarters.

<sup>c</sup> We accumulated a large amount of demolition debris as part of our project to construct new Silicon Valley headquarters buildings. 88% of this debris was recycled in FY16 and 92% in FY19.

<sup>d</sup> In FY18, we started reporting Scope 3 upstream transportation emissions.

<sup>e</sup> In FY18, we started calculating our global renewable energy use, excluding grid and including renewables from generation, utilities and residual mix. Previous years only reflect renewables from local utility in Silicon Valley.

<sup>f</sup> Water consumption includes water consumed by landscaping and evaporated in cooling tower for our new headquarters building.

<sup>g</sup> Waste data for corporate headquarters is estimated on a calendar year basis.

<sup>h</sup> As of FY18, these metrics have been calculated and reported with historical year values updated. ODS emissions are from HCFs; sulfur dioxide, carbon monoxide and particulate emissions are from diesel generators. VOCs are from diesel generators and Santa Clara campus lab solvent usage (e.g. wipe cleaning).

## Environmental Health and Safety

Lost-time incident rate	0%
Total recordable incident rate	0%

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

- > Accidents
- > Fatalities
- > Leave of absence requests

## PHILANTHROPY AND VOLUNTEER PERFORMANCE

	FY19	FY18	FY17
Percent of NVIDIA offices holding charitable-giving events	73%	65%	90%
Offices participating in Project Inspire events	15	14	12
# of Project Inspire events	12	12	10
Volunteers	4,343	2,937	4,072
Volunteer rate, total	34%	27%	42%
Volunteer rate, unique	18%	21%	30%
Number/value of volunteer hours	13,077/\$322,871	9,394/\$226,771	17,400/\$417,600
Donations, company cash	\$2,452,229	\$3,043,878	\$2,392,044
Donations, in-kind	\$242,868	\$292,437	\$184,349
Donations, employee	\$602,481	\$1,062,493	\$389,812
Total donations	\$3,297,578	\$4,398,808	\$2,966,205
Administrative overhead	9%	4%	8%

## GRI INDEX

We applied the internationally recognized Global Reporting Initiative [\(GRI\) Sustainability Reporting Standards](#) to produce this FY19 CSR Report. This report has been prepared in accordance with the GRI Standards: Core Option.

Per the GRI Standards, we indicate the location of the required “General Disclosures” and each of the “Topic-Standard Disclosures” related to our priority issues (“Management Approach for Material Topics” and selected disclosures). In some cases, we provide a direct response to disclosures or additional information related to content located in the main pages of the report within the index itself.

## 2019 GRI Content Index

GRI 102: GENERAL DISCLOSURES 2016*		
DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER
<b>Organizational Profile</b>		
102-1	Name of the organization	<a href="#">2019 10-K</a>
102-2	Activities, brands, products, and services	<a href="#">2019 10-K</a> <a href="#">About NVIDIA</a> <a href="#">NVIDIA Products</a>
102-3	Location of headquarters	Santa Clara, California, USA
102-4	Location of operations	<a href="#">Our Locations</a>  Significant operations in US (California), India and China. Offices in 21 countries.
102-5	Ownership and legal form	<a href="#">2019 Proxy Statement</a>
102-6	Markets served	<a href="#">Our Locations</a> <a href="#">2019 10-K</a>
102-7	Scale of the organization.	<a href="#">Goals and Performance, Economic</a> <a href="#">Goals and Performance, Diversity and Workforce</a> <a href="#">NVIDIA Products</a>
102-8	Information on employees and other workers	<a href="#">Goals and Performance, Diversity and Workforce</a>  NVIDIA employs several contract employees globally who provide a variety of roles across our operations and administrative functions. Current temporary worker percentage is 21% of total headcount (employees + contractors).
102-9	Supply chain	<a href="#">Social, Supply Chain Management and Product Quality</a>
102-10	Significant changes to the organization and its supply chain	None.
102-11	Precautionary Principle or approach	We do not specifically apply the precautionary principle. A description of the role of the Board in risk oversight is located in the 2019 Proxy Statement.  <a href="#">2019 Proxy Statement</a>
102-12	External initiatives	<a href="#">Social, Supply Chain Management and Product Quality</a>
102-13	Membership of associations	<a href="#">Social, Supply Chain Management and Product Quality</a>

## NVIDIA 2019 CSR REPORT GOALS AND PERFORMANCE

GRI 102: GENERAL DISCLOSURES 2016* (cont.)		
DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER
<b>Strategy</b>		
102-14	Statement from senior decision-maker	<a href="#">Executive Letters, Message from our CEO</a> <a href="#">Executive Letters, Message from our EVP of Operations</a>
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Governance, Ethical Conduct</a>
102-17	Mechanisms for advice and concerns about ethics	<a href="#">Governance, Ethical Conduct</a>
<b>Governance</b>		
102-18	Governance structure	<a href="#">Corporate Governance</a>  NVIDIA has two committees responsible for decision-making on economic, environmental, and social topics: an executive-level committee, and a staff-level committee. NVIDIA's board-level Nominating and Governance Committee oversees CSR.
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	<a href="#">Stakeholders, Stakeholder Engagement</a>
102-41	Collective bargaining agreements	Employees in the US, Canada, India and APAC regions are not unionized. Employees in Brazil are unionized and make up less than .2% of our total population. Employees in France, Finland, Germany, Italy, and Poland (which make up 3.7% 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.
102-42	Identifying and selecting stakeholders	<a href="#">Stakeholders, Stakeholder Engagement</a>
102-43	Approach to stakeholder engagement	No engagement undertaken specifically as part of the report. <a href="#">Stakeholders, Stakeholder Engagement</a>
102-44	Key topics and concerns raised	<a href="#">Stakeholders, Stakeholder Engagement</a>

## NVIDIA 2019 CSR REPORT GOALS AND PERFORMANCE

GRI 102: GENERAL DISCLOSURES 2016* (cont.)		
DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	<a href="#">2019 10-K</a>
102-46	Defining report content and topic Boundaries	<a href="#">Priorities</a>
102-47	List of material topics	<a href="#">Priorities</a>
102-48	Restatements of information	There were no restatements of information.
102-49	Changes in reporting	There were no significant changes in reporting.
102-50	Reporting period	<a href="#">About this Report</a>
102-51	Date of most recent report	June 2018
102-52	Reporting cycle	<a href="#">About this Report</a>
102-53	Contact point for questions regarding the report	<a href="#">About this Report</a>
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	<a href="#">GRI Index</a>
102-56	External assurance	<p><a href="#">Environment, Greenhouse Gas and Climate Change</a></p> <p>We did not seek external assurance for the report. NVIDIA's internal audit group reviews elements of our CSR program to ensure it had adequate governance structure. They benchmarked the CSR report against comparable companies, and assessed program ownership, monitoring, and communications. They also evaluated key metrics in the CSR report for accuracy, included those related to community giving, economic, diversity, environmental, packaging, supply chain, and workforce. We provide <b>limited assurance</b> for scope 1 and 2 greenhouse gas emissions, and scope 3 waste.</p>

\* NVIDIA's 2019 Sustainability Report applies the 2016 version of the GRI Standards; "2016" refers to the Standards issue date, not the date of information presented in this report.

## 2019 GRI Content Index

GRI 103: TOPICS AND TOPIC BOUNDARIES 2016*		
MATERIAL TOPIC	MANAGEMENT APPROACH CROSS-REFERENCE	RELEVANT EXTERNAL ENTITIES
<b>Economic</b>		
GRI 201: Economic Performance 2016	<a href="#">2019 10-K</a> <a href="#">2018 CDP</a>	Customers Consumers Shareholders Developers Suppliers Government Communities
GRI 206: Anti-competitive Behavior	<a href="#">Economic, Business Model and Competitiveness</a>	Customers Government Shareholders
<b>Environmental</b>		
GRI 302: Energy 2016	<a href="#">Environment, Energy</a> <a href="#">Environment, Environmental Impacts of Products</a>	Customers Consumers Developers Suppliers
GRI 308: Supplier Environmental Assessment 2016	<a href="#">Environment, Materials Availability</a> <a href="#">Social, Supply Chain Management and Product Quality</a> <a href="#">Goals and Performance, Supply Chain</a>	Suppliers
<b>Social</b>		
GRI 401: Employment 2016	<a href="#">Social, Talent Strategy</a> <a href="#">Stakeholders, Stakeholder Engagement</a>	Prospective employees Shareholders
GRI 404: Training and Education 2016	<a href="#">Social, Employee Engagement</a>	Prospective employees
GRI 414: Supplier Social Assessment 2016	<a href="#">Social, Supply Chain Management and Product Quality</a>	Customers Shareholders Suppliers
GRI 418: Customer Privacy 2016	<a href="#">Economic, Cybersecurity</a> <a href="#">NVIDIA Privacy Policy</a>	Customers Consumers Shareholders Governments

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2019 GRI Content Index

GRI 200-400 TOPIC-SPECIFIC DISCLOSURES 2016*			
TOPIC	DISCLOSURE	DESCRIPTION	CROSS-REFERENCE, OMISSIONS, AND EXPLANATIONS
<b>Economic</b>			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	<a href="#">Goals and Performance, Economic 2019 10-K</a> <a href="#">NVIDIA Foundation Report</a>
	201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">2018 CDP submission</a>
	201-4	Government financial assistance	We have funding from the Department of Energy, DARPA and the Department of Defense for GPU-related research. No governments are present in NVIDIA's shareholder structure.  <a href="#">Stakeholders, Stakeholder Engagement</a>  <a href="#">Jensen Huang's Speech at Unveiling of Energy Department's Summit Supercomputer</a>  <a href="#">NVIDIA To Collaborate with DARPA to Develop Systems for Post-Moore's Law Era</a>
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In FY19 there were no legal actions for anti-competitive behavior, anti-trust, or monopoly practices.
<b>Environmental</b>			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	<a href="#">Goals and Performance, Environment</a>
	302-3	Energy intensity	<a href="#">Goals and Performance, Environment</a>
	302-4	Reductions in energy consumption	Energy consumption initiatives implemented during FY19 are projected to deliver total annual electricity savings of 3,492 gigajoules. The projections are derived from engineering estimates. Initiatives include upgrades to high efficiency lighting, HVAC and controls; installation of a high efficiency hybrid chiller and data center equipment tuning to increase efficiency.
	302-5	Reductions in energy requirements of products and services	<a href="#">Environment, Environmental Impact of Products</a> <a href="#">Goals and Performance, Environment</a>

**NVIDIA 2019 CSR REPORT GOALS AND PERFORMANCE**

<b>GRI 200-400 TOPIC-SPECIFIC DISCLOSURES 2016* (cont.)</b>			
TOPIC	DISCLOSURE	DESCRIPTION	CROSS-REFERENCE, OMISSIONS, AND EXPLANATIONS
GRI 303: Water 2016**	303-1	Water withdrawal by source	<a href="#">Goals and Performance, Environment</a>
GRI 305: Emissions 2016**	305-1	Scope 1 GHG emissions	<a href="#">Goals and Performance, Environment</a>
	305-2	Scope 2 GHG emissions	<a href="#">Goals and Performance, Environment</a>
	305-3	Scope 3 GHG emissions	<a href="#">Goals and Performance, Environment</a>
	305-4	GHG emissions intensity	Our GHG emissions intensity, ratio is 3.60, compared to 4.52 in our baseline fiscal 2014. The metric chosen to calculate the ratio is our global headcount of employees and contractors = 17,346 in FY19. Scope 1 and scope 2 (62,525 CO2e) are included in the intensity ratio.
	305-5	Reduction of GHG emissions	<a href="#">Environment, Greenhouse Gas and Climate Change</a> <a href="#">Goals and Performance, Environment</a>
	305-6	Emissions of ODS	<a href="#">Goals and Performance, Environment</a>
	305-7	NOX, SOX, and other significant air emissions	<a href="#">Goals and Performance, Environment</a>
GRI 306: Effluents and Waste 2016**	306-2	Waste by type and disposal method	<a href="#">Goals and Performance, Environment</a>
GRI 307: Environmental Compliance 2016**	307-1	Non-compliance with environmental laws and regulations	To date, we have not incurred significant expenses related to environmental regulatory compliance matters.  <a href="#">Goals and Performance, Environment</a>
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers screened using environmental criteria	In 2016 we implemented a process for new suppliers, which includes screening them for environmental and social criteria. 100% of new suppliers were screened in FY19.  <a href="#">Goals and Performance, Supply Chain</a>

**NVIDIA 2019 CSR REPORT GOALS AND PERFORMANCE**

<b>GRI 200-400 TOPIC-SPECIFIC DISCLOSURES 2016* (cont.)</b>			
TOPIC	DISCLOSURE	DESCRIPTION	CROSS-REFERENCE, OMISSIONS, AND EXPLANATIONS
<b>Social</b>			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	<a href="#">Goals and Performance, Diversity and Workforce</a>
	401-2	Full-time benefits not provided to temporary/part-time employees	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 and more than 5 months/year. Part-time employees working fewer than 20 hours/week are not eligible.  <a href="#">Social, Employee Engagement NVIDIA benefits</a>
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	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.  <a href="#">Social, Employee Engagement</a>
	404-3	Percentage of employees receiving regular performance and career development reviews	100% of employees receive regular performance and career development reviews.
GRI 405: Diversity and Equal Opportunity 2016**	405-1	Diversity of governance bodies and employees	<a href="#">Goals and Performance, Diversity and Workforce</a>  Our board gender/racial diversity is 25%. NEO gender diversity is 40% and NEO gender, racial, and ethnic diversity is 80%.
GRI 407: Freedom of Association and Collective Bargaining 2016**	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining might be at risk	We ask our suppliers to submit RBA Self-Assessment Questionnaires on an annual basis, in which they self-report information on freedom of association and collective bargaining. We validate this with critical Tier 1 suppliers through the RBA Validated Audit Process protocol.  <a href="#">NVIDIA's Code of Conduct</a> <a href="#">Corporate Responsibility Directive</a> <a href="#">RBA Code of Conduct</a>

## NVIDIA 2019 CSR REPORT GOALS AND PERFORMANCE

GRI 200-400 TOPIC-SPECIFIC DISCLOSURES 2016* (cont.)			
TOPIC	DISCLOSURE	DESCRIPTION	CROSS-REFERENCE, OMISSIONS, AND EXPLANATIONS
GRI 408: Child Labor 2016**	408-1	Operations and suppliers at significant risk for incidents of child labor	<p>We ask our suppliers to submit RBA Self-Assessment Questionnaires on an annual basis, in which they self-report information on child labor. We validate this with critical tier 1 suppliers through the RBA Validated Audit Process protocol.</p> <p><a href="#">Goals and Performance, Supply Chain</a>  <a href="#">NVIDIA's Code of Conduct</a>  <a href="#">RBA Code of Conduct</a></p>
GRI 409: Forced or Compulsory Labor 2016**	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>We ask our suppliers to submit RBA Self-Assessment Questionnaires on an annual basis, in which they self-report information on forced or bonded labor. We validate this with critical tier 1 suppliers through the RBA Validated Audit Process protocol.</p> <p><a href="#">Goals and Performance, Supply Chain</a>  <a href="#">Combatting Trafficking in Persons Policy</a>  <a href="#">RBA Code of Conduct</a></p>
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	<p>In 2016 we implemented a process for new suppliers, which includes screening them for environmental and social criteria. 100% of new suppliers were screened in FY19.</p> <p><a href="#">Goals and Performance, Supply Chain</a></p>
GRI 417: Marketing and Labeling 2016**	417-2	Incidents of non-compliance concerning product and service information and labeling	<p>We consider significant incidents of non-compliance those that are disclosed in the company's SEC filings. There were no such incidents in FY19 that fell into this category.</p>
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>We consider significant substantiated complaints those that are disclosed in the company's SEC filings. There were no substantiated complaints in FY19 that fell into this category.</p>
GRI 419: Socioeconomic Compliance 2016**	419-1	Non-compliance with laws and regulations in the social and economic area	<p>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 FY19 for non-compliance with laws and regulations.</p>

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\*\* We have reported additional disclosures not related to material topics.

# ABOUT THIS REPORT

The NVIDIA FY19 Corporate Social Responsibility Report covers our economic, social, and environmental performance for the fiscal year, which ended January 27, 2019. This report has been prepared in accordance with the [GRI Standards: Core](#) option. We've been reporting through GRI publicly since 2010.

Previous sustainability reports:

[FY18](#)

[FY17](#)

[FY16](#)

We determined the content for this report based on conversations among management and engagement with several stakeholders. No significant changes have occurred during the reporting period with regard to the scope, boundary, or measurement methods applied in this report.

## Distributing this Report

We promote the availability of our report through:

- > Targeted employee communications, including executives
- > Outreach to stakeholders and reporting organizations with which we have built relationships
- > Individual outreach to shareholder groups that make inquiries throughout the year
- > Our social media channels, which reach more than 22 million individuals

We welcome feedback on this report and our performance. Please send comments and suggestions to [globalcitizenship@nvidia.com](mailto:globalcitizenship@nvidia.com) or to:

### NVIDIA

Corporate Responsibility  
2788 San Tomas Expressway  
Santa Clara, CA 95051

The information contained in this report is accurate as of approximately June 7, 2019 unless a different date is used in this report. The information is subject to change, and NVIDIA will not necessarily disclose such changes. The information may be updated, amended, supplemented, or otherwise altered by subsequent reports or filings by NVIDIA.

Certain statements included or incorporated by reference in this report, other than statements or characterizations of historical fact, including, but not limited to, statements as to: our growth; our market opportunities; the performance, impact and benefits of our products and technologies; our strategies; our priorities, goals, and objectives; market trends; future forecasts; and other predictions and estimates are forward-looking statements and are based on our current expectations, estimates, and projections about our industry, and our management's beliefs and assumptions. We caution readers 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.