

Assurance statement: AA1000

Trucost was engaged by NVIDIA to provide assurance of the environmental data held within its 2019 CDP Climate Change Questionnaire Response and Corporate Responsibility Report

Intended users

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

Responsibilities of NVIDIA and assurance provider

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

Assurance standard

Trucost undertook the assurance in accordance with AA1000AS (2018 addendum) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000APS (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- ✓ The reliability of specified environmental performance information (greenhouse gas emissions and waste generated)

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

Methodology

Trucost's assurance activities included the following:

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

Scope and limitations

Trucost was engaged to assure the data and claims in NVIDIA's 2019 CDP response, encompassing the period of 1 February 2018 - 31 January 2019. Trucost was asked to assure reporting for GHG scope 1, 2 and 3, category 5. NVIDIA took an operational control approach. No potential emissions source have been excluded.

Trucost verified the environmental impacts, as calculated by NVIDIA, within the table below.

SCOPE	SOURCE	UNIT	QUANTITY	YEAR ON YEAR
GHG Scope 1	Natural gas			
	Distillate Fuel Oil		2,671	+301
	HFCs			
GHG Scope 2	Location based	Metric tons CO _{2e}	64,940	+14,077
	Market based		59,855	+2,952
GHG Scope 3	Category 5 - Waste generated in operations		991	+586

Findings, conclusions and recommendations

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

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

Assurance statement: AA1000

PRINCIPLE	COMMENTS
<p>Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>NVIDIA completes a comprehensive annual review to identify its key stakeholders. A list of key stakeholders is published annually in NVIDIA's annual Corporate Responsibility report. For 2018-2019, NVIDIA identified Communities, Consumers, Customers, Developers, Employees, Non-profit and Nongovernmental Organizations, Governmental Bodies, Research/rating organizations, Shareholders, and Suppliers as its key stakeholder groups.</p> <p>NVIDIA engages with stakeholders via the company website, social media and other online publications, which contain comprehensive information on the company's stakeholder response processes, initiatives and results. NVIDIA communicates directly with shareholders through calls and email. It also undertakes quarterly business reviews of supplier performance across GHG emissions and other environmental issues.</p> <p>NVIDIA requires its suppliers to complete an annual Responsible Business Alliance (RBA) Self-Assessment Questionnaire, and encourages its key Silicon Chip Operations suppliers to report to the CDP Supply Chain Questionnaire and RBA Environmental Report on carbon, water and waste use. NVIDIA utilizes the RBA scoring mechanism to rate and rank suppliers. Suppliers who score moderate or high risk are given corrective actions and opportunities for improvement.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>NVIDIA completes an annual materiality analysis to identify priority sustainability issues and uses this information to create a Priority Matrix. The materiality analysis ranks issues based on their frequency in discussions, the significance assessed in internal executive conversations and the extent and urgency of potential associated impacts. In addition to regulatory requirements, the Matrix also includes requirements relating to stakeholder expectations around environmental performance. NVIDIA also engage with a select group of subject matter experts to set priorities.</p> <p>NVIDIA has identified two new priority areas; <i>competitiveness and business model and trade issues</i> for 2018 reporting. The issues identified in the Priority Matrix are used to focus assessment, tracking, and communication of performance.</p> <p>NVIDIA also applies an environmental management system (ISO 14001) within its operations, helping the company identify and address material environmental issues. As part of its compliance with the updated EMS, it regularly evaluates environmental impacts throughout its value chain and product lifecycle.</p>
<p>Responsiveness: an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders</p>	<p>NVIDIA attempts to respond to all stakeholder feedback received and has implemented a formal tracking system to assist in prioritizing issues, identifying trends, and monitoring progress. The response activities undertaken following stakeholder communication depend on the complexity and potential impact of each sustainability concern.</p> <p>NVIDIA has targets for GHG emissions intensity reduction (15% reduction of Scope 1 and 2 relative to 2013 by 2019), waste diversion (80% or greater each year through 2019), and energy efficiency within its data centres. The company has successfully met all its targets at the time of review.</p>
<p>Impact: An organization's approach to monitor, measure and be accountable for how its actions impact broader ecosystems</p>	<p>NVIDIA publishes information on the identified Priority Issues, Priority Matrix, and its response to Priority Issues in the company's online Corporate Responsibility report. NVIDIA also partners with Anthesis to track or estimate energy usage across all sites. The ISO 14001 process is used to set all goals and targets and manage it throughout year. Quarterly cadence around data collection for energy usage across NVIDIA's larger sites is in place to track energy use.</p>

Assurance provider

Trucost has been researching, standardizing and validating corporate environmental performance data since 2000. Trucost's research team has the relevant professional and technical competencies and experience to conduct an assurance to the AA1000 standard. Trucost did not provide any services to NVIDIA during FY 2018-19 that could conflict with the independence of this work. This is the seventh year that Trucost has assured NVIDIA's environmental data held within its Corporate Responsibility Report and response to CDP.

Trucost, part of S&P Global

London, May 2019



Libby Bernick

Global Head of Corporate Business

Trucost
ESG Analysis
S&P Global



AA1000

Licensed Assurance Provider
000-120

NOTICE

Copyright © 2019 S&P Trucost Limited (“Trucost”), an affiliate of S&P Global Market Intelligence. All rights reserved. Redistribution or reproduction in whole or in part is prohibited without written permission. All information provided by Trucost is impersonal and not tailored to the needs of any person, entity or group of persons. This publication and related materials are not intended to provide and do not constitute financial or investment advice.

DISCLAIMER

Copyright © 2019 S&P Trucost Limited (“Trucost”), an affiliate of S&P Global Market Intelligence. All rights reserved.

This publication and related materials are not intended to provide and do not constitute financial or investment advice. The information in this publication should not be construed or relied upon in making, or refraining from making, any investment decisions with respect to a specific company or security or be used as legal advice. Trucost is not an investment advisor, and Trucost makes no representation regarding the advisability of investing in any investment fund or other investment vehicle. A decision to invest in any investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document.

This publication and related materials (“Information”) have been prepared solely for informational purposes only based upon information generally available to the public from sources believed to be reliable. The Information may not be reproduced or disseminated in whole or in part without the prior written permission of Trucost. The information may not be used to verify or correct other data, create indexes, risk models, or analytics or in connection with issuing, offering, sponsoring, managing, marketing any securities, portfolios, financial products, or other investment vehicles.

Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction.

Trucost, its affiliates, or its and their third-party data providers and licensors (collectively “Trucost Parties”) do not guarantee the accuracy or completeness of the Information. Trucost Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Information. THE TRUCOST PARTIES MAKE NO WARRANTIES OR REPRESENTATIONS, AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH TRUCOST PARTY HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE TRUCOST PARTIES HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR AN OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

‘Trucost’ is the trading name of S&P Trucost Limited a limited company registered in England company number 3929223 whose registered office is at 20 Canada Square, London E14 5HL, UK.

CONFIDENTIALITY & COPYRIGHT

The information contained in this report is confidential and is submitted by Trucost on the understanding that it will be used only by your staff and consultants. Where consultants are [self] employed, the use of this information is restricted to use in relation to your business. In particular, the contents of this report may not be disclosed in whole or in part to any other party without the prior written consent of Trucost.