

Assurance statement: AA1000



S&P Dow Jones Indices
ESG Analysis

Trucost was engaged by **NVIDIA** to provide assurance of the environmental data held within its 2018 CDP Climate Change Response

Intended users

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

Responsibilities of NVIDIA Technologies and assurance provider

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

Assurance standard

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

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

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

Scope and limitations

Trucost was engaged to assure the data and claims in NVIDIA's 2018 CDP response. This submission covered the period January 30, 2017 to January 28, 2018 for greenhouse gas emissions data. NVIDIA took an operational control approach. No potential emissions sources have been excluded, with the exception of one upstream distribution vendor for whom the contribution to the footprint was immaterial.

For the calculation of year on year changes, Trucost verified Scope 1 and Scope 2 emissions in line with the AA1000 (Moderate) Standard.

SCOPE	SOURCE	UNIT	QUANTITY
GHG Scope 1	Natural gas, Propane, Diesel, & Gasoline		2,356
	Location Based		51,230
GHG Scope 2	Market Based		58,081
	Fuel and energy related activities	Metric tons CO ₂ e	21,613
GHG Scope 3	Upstream transportation and distribution		28,590
	Waste generated in operations		405
	Business travel		31,361

Year on Year Change:

Scope 1 (tCO₂e): -215

Scope 2 (tCO₂e): + 389 (location) +10,760 (market)

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
- Assessment of the extent to which NVIDIA's sustainability activities adheres 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

Findings, conclusions and recommendation

Trucost did not find evidence to insinuate that the processes and systems in place to collect and collate environmental data are such that the company's environmental performance would be erroneously described. NVIDIA has implemented excellent processes and software systems to collect and collate environmental data. All data was taken from original invoices. Upon evaluating this system, Trucost found that the calculated data included was accurate.

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PRINCIPLE	COMMENTS
<p>Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>NVIDIA completes a comprehensive annual review to identify its key stakeholders. Key stakeholder groups are published annually in NVIDIA's annual CSR Report For 2017-2018, NVIDIA conducted a source re-evaluation and identified Communities, Consumers, Customers, Developers, Employees, Non-profit and Nongovernmental Organizations, Governmental Bodies, Shareholders, and Suppliers as its key stakeholder groups.</p> <p>NVIDIA has developed excellent processes that facilitate communications between the company and both its internal and external stakeholders to help promote environmental performance improvements and improve interaction with stakeholders. All stakeholder concerns are communicated to the relevant or impacted people across the organization as necessary.</p> <p>NVIDIA engages with stakeholders via the company website, social media and other online publications, which contains comprehensive information on the company's stakeholder response processes, initiatives and results. It also undertakes Quarterly Business Reviews with key customers and suppliers. NVIDIA requires its strategic manufacturers to complete an annual Responsible Business Alliance (RBA) Self-Assessment questionnaire, and encourages these manufacturers to report to the CDP Supply Chain Questionnaire. NVIDIA uses the RBA Online tool to collect carbon, water and waste data from manufacturers, which provides a dashboard that is used to monitor progress.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>NVIDIA completes an annual materiality analysis to identify priority sustainability issues and uses this information to create a Priority Matrix. The materiality analysis ranks issues based on their frequency in discussions, the significance assessed in internal executive conversations, and the extent and urgency of potential associated impacts. In addition to regulatory requirements, the Matrix also includes requirements relating to stakeholder expectations around environmental performance.</p> <p>The issues identified in the Priority Matrix are used to focus assessment, tracking, and communication of performance. NVIDIA publishes information on the identified Priority Issues, Priority Matrix, and its response to Priority Issues in the company's online Corporate Responsibility report. NVIDIA groups priority issues into three key areas that are reported to the executive level quarterly and communicated to NVIDIA's board of directors.</p> <p>NVIDIA also applies an Environmental Management System (ISO 14001) within its operations, helping the company identify and address material environmental issues. As part of its conformance with the updated ISO14001:2015 standard, 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 FY2014 by FY2020), waste diversion (80% or greater per year) and energy efficiency within its data centers. The company sets all environmental targets based on historical performance, feasibility, and industry standards. It also engages with critical manufacturing suppliers on qualitative targets for GHG, water and waste performance improvement.</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 FY2018 that could conflict with the independence of this work.

Trucost, part of S&P Dow Jones Indices

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Global Head of Corporate Business



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