

Assurance statement: AA1000

Trucost was engaged by NVIDIA to provide assurance of the environmental data held within its 2020 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)

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 2020 CDP response, encompassing the period of 1 February 2019 - 31 January 2020. Trucost was asked to assure reporting for GHG scope 1, 2 and 3, category 3 and 6. NVIDIA took an operational control approach. No potential emissions source have been excluded.

SCOPE	SOURCE	UNIT	QUANTITY FY 2020	QUANTITY FY 2019**	YEAR ON YEAR
GHG Scope 1	Natural gas	Metric tons CO ₂ e	2,817	2,675	+142
	Distillate Fuel Oil				
	HFCs				
GHG Scope 2	Location based		74,692	65,107	+9,585
	Market based		65,936	60,093	+5,843
GHG Scope 3	Category 3 - Fuel and energy related activities		27,885	Not Verified	*
GHG Scope 3	Category 6 - Business Travel		31,285	Not Verified	*

* Year on Year change not reported

** When compared to FY2019 assurance statement the emission values reported for FY2019 in the table varies negligibly due to refinement made by NVIDIA based on better data availability

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. Trucost recommends that emissions factors continue to be updated annually or as available.

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PRINCIPLE	COMMENTS
Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability	<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 2019-2020, 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. In FY2019-20, Board of Directors were engaged for the first time and were interviewed for identification of priority ESG issues. Feedback from stakeholders are incorporated in company strategies such as renewable energy strategy.</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.</p>
Materiality: determining the relevance and significance of an issue to an organization and its stakeholders	<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>In FY2019-20, NVIDIA reconfirmed the six priority issues in FY2018-19 and added <i>Employee Health and Safety</i> to be a priority issue in light of the COVID-19 pandemic. The issues identified in the Priority Matrix are used to focus assessment, tracking, and communication of performance.</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>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 per headcount relative to FY2014 by FY2020), waste diversion (80% or greater each year through 2020), and energy efficiency within its data centres. The company has successfully met most of its targets at the time of review.</p>
Impact: An organization's approach to monitor, measure and be accountable for how its actions impact broader ecosystems	<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. In addition, NVIDIA adheres to regional environmental guidelines while setting up new facilities.</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. 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 2019-2020 that could conflict with the independence of this work. This is the eighth 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

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Steven Bullock
Global Head of Research



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