# 2018
# NVIDIA SOCIAL RESPONSIBILITY REPORT

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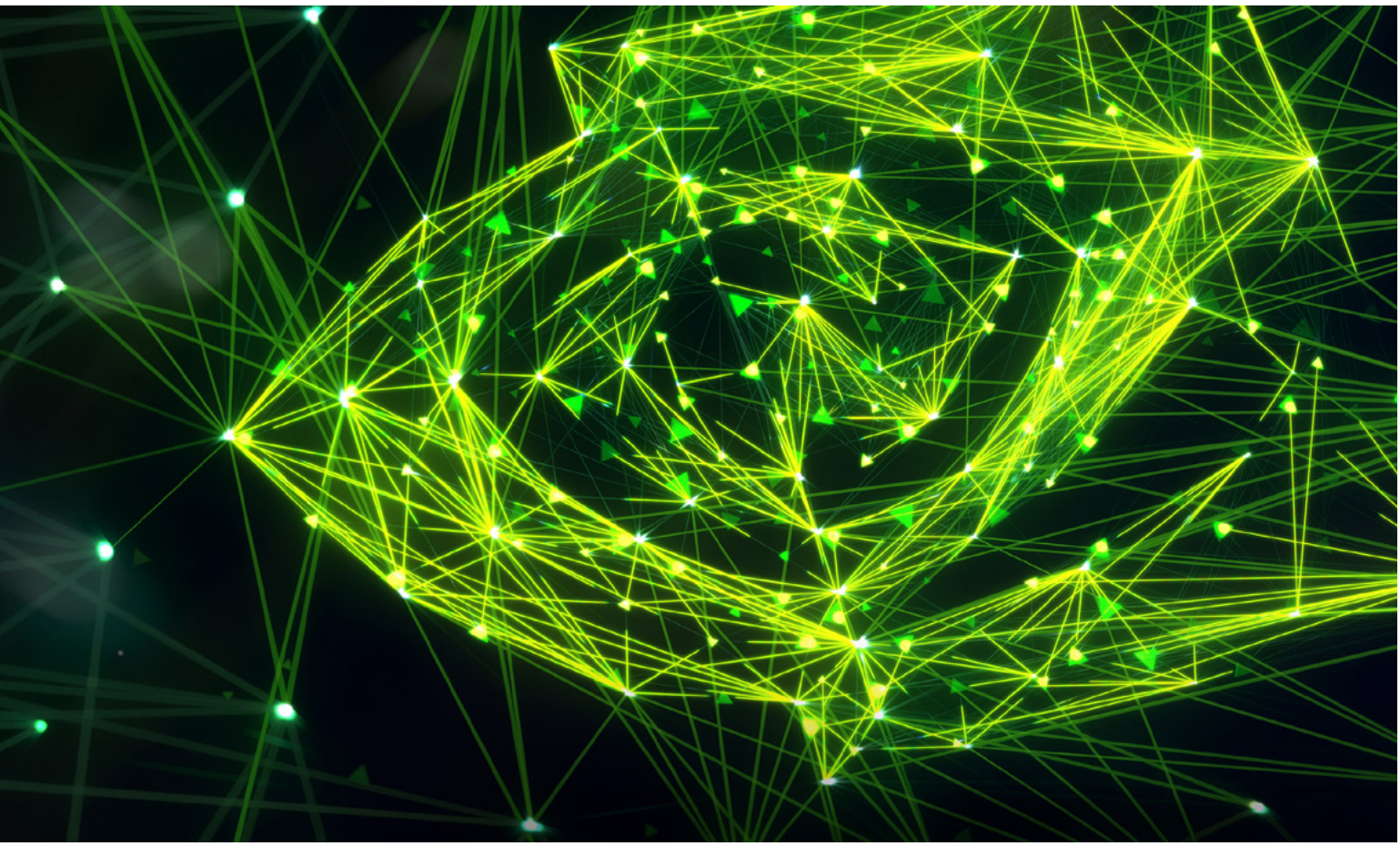
# 01
# EXECUTIVE LETTERS



# LETTER FROM OUR CEO

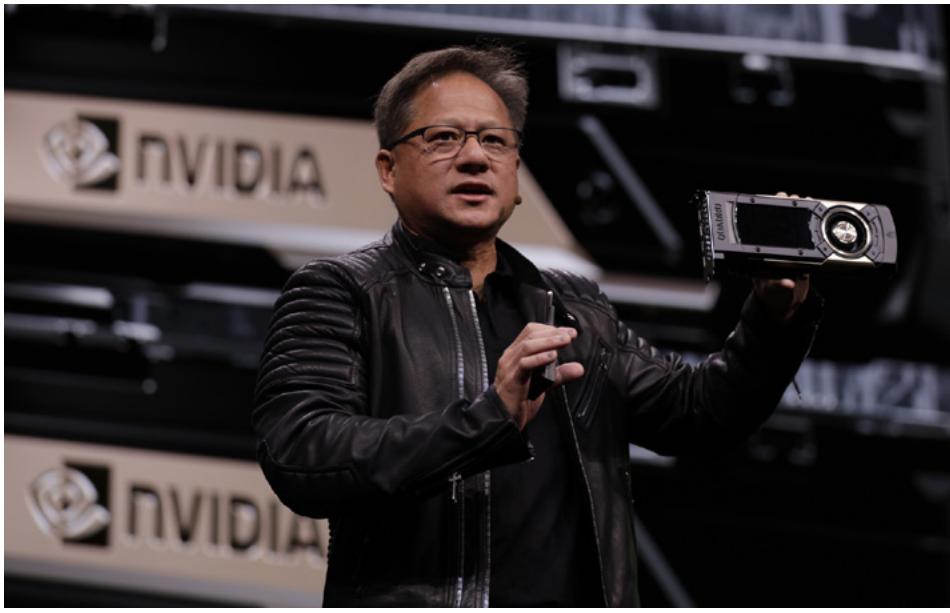
Twenty-five years ago, we set out to transform computer graphics. Fueled by the massive growth of the gaming market and its insatiable demand for better 3D graphics, we've evolved the GPU into a computer brain at the intersection of virtual reality, high performance computing, and artificial intelligence. NVIDIA GPU computing has become the essential tool of the da Vincis and Einsteins of our time. For them, we've built the equivalent of a time machine.

In fact, one of Einstein's own predictions was recently proven with the help of NVIDIA GPU computing. For the first time in human history, a team of scientists detected and measured gravity waves — a feat Einstein himself doubted possible — opening an important new chapter of scientific advance and earning the 2017 Nobel Prize in Physics in the process.

But the outer edges of scientific discovery are only part of the story of how GPU computing is contributing to human progress. AI, the use of computers to simulate and augment human intelligence, is well on its way to revolutionizing every industry.

In healthcare, early detection is the most powerful weapon against disease. We're contributing directly by bringing AI to medical imaging technologies like MRI, CT, and ultrasound. GE Healthcare has reinvented the CT, doubling image processing speeds by embedding GPU-powered AI in its state-of-the-art Revolution Frontier CT scanner. Going further, we recently introduced the Clara medical imaging supercomputer, which can modernize millions of the world's aging scanning devices. By connecting these devices to advanced AI capabilities in the cloud, Clara can turn standard 2D scans into fully segmented 3D imagery.

AI will also modernize the $10 trillion transportation industry. Autonomous vehicles promise to make our roads safer and our cities more efficient. They'll open personal transportation to people previously left behind: the disabled, the elderly, and others for whom driving simply isn't possible today. Automakers and suppliers are using the NVIDIA DRIVE platform to design and train these self-driving cars of tomorrow — to detect objects




and plan paths that keep cars and pedestrians out of harm's way. Our newest addition to the platform, DRIVE Constellation, lets the makers of self-driving cars add billions of training miles to their fleets in the completely safe world of virtual reality.

Across the board, our technology is designed for maximum energy efficiency. From the smallest elements of processor design to the largest cloud datacenters in the world, we work relentlessly on innovations that deliver maximum performance per watt of electricity. Our most recent datacenter product, the Volta-based DGX-2, can deliver the same performance of hyperscale CPU server clusters but at 1/18th the power consumption. This represents an enormous opportunity to make the world's computing resources dramatically more efficient.

These are just a few examples. It's truly amazing what we can all accomplish as this new, supercharged form of computing delivers a 1,000x leap in performance over the next decade.

As we celebrate our 25th anniversary, our ability to tackle the greatest challenges of our time has never been better. We will continue to approach our work the NVIDIA way — applying our amazing capabilities to the tough problems that we're uniquely suited to tackle and that bring us incredible joy. In short, to do our life's work.

**Jensen Huang**
CEO & Co-Founder

# LETTER FROM OUR EVP, OPERATIONS

For 25 years, NVIDIA has enabled pioneering transformations in gaming, computer graphics, and high-performance computing. In recent years, we've provided the underlying technologies that make innovations in artificial intelligence and autonomous driving possible.

As we continue to develop and enhance revolutionary products that improve lives through technology, we remain steadfast in our commitment to integrate social and environmental responsibility into all aspects of our company. We strive to respect and safeguard human rights in our operations and supply chain, and we conduct our business using sound environmental practices. We invest in our local communities and the wider global community.

Our stakeholders value these efforts and recognize NVIDIA for purposefully developing energy efficient products, improving resource efficiency, and advancing human rights through our business practices.

To inform our sustainability strategy, a committee of about 20 employees works closely with executive staff to identify our annual priority issues. It integrates feedback from key external stakeholders. And it prioritizes risks and opportunities in cooperation with our executives and board of directors.

To execute on our sustainability priorities, including Innovation, Supply Chain and Product Quality, Talent Management Strategy, and Cybersecurity, we have established three primary objectives:

1. Operational efficiency and excellence
2. Employee recruitment and retention
3. Risk and reputation management

Within these objective areas, we:

- Design products that maximize performance and minimize energy use
- Increase employee diversity and foster inclusion
- Minimize risk in our supply chain
- Evaluate emerging risks and opportunities related to growing our brand
- Respond to increasing calls from stakeholders to provide performance data and transparency around the sustainability issues most important to them
- Set goals and monitor our progress toward them

We adhere to the Global Reporting Initiative in our reporting processes and continue to align our social impact efforts with the United Nation's Sustainable Development Goals (SDG). In this year's report, we further aligned our activities with these goals to better highlight our contributions toward the U.N.'s targets.

In FY2018, NVIDIA continued to make progress on our priority issues. Highlights include:

- Expanding our inclusion efforts by rolling out nontraditional parenting benefits, such as increased adoption coverage, in vitro fertilization, and egg freezing
- Implementing a performance-based award system for suppliers that includes their active efforts to improve social and environmental performance
- Achieving recognition in significant rankings, such as Fast Company's Most Innovative Companies, Fortune's Businessperson of the Year, the Global100, Bloomberg's Gender Diversity Index, Fortune's Best Places to Work, the Dow Jones Sustainability Index, and the CDP
- Adding corporate social responsibility to the oversight responsibilities of the Nominating and Governance Committee of our Board of Directors

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

As we reflect on our progress this year, we also look ahead. We'll continue to push the limits of what's possible, because it's embedded in our company's DNA. In partnership with our customers, employees, suppliers, and investors, we will continue to do our part to create a better, more sustainable future.

Sincerely,
**Debora Shoquist**
EVP, Operations, NVIDIA

# 02
# INTRODUCTION

# ABOUT NVIDIA


NVIDIA invented the GPU, unleashing a world-changing technology that redefined modern computer graphics and revolutionized parallel computing. The computational power of the GPU enabled an era of deep learning, which ignited modern artificial intelligence (AI). Today, our technologies underpin the world's fastest supercomputers and make it possible for robots and autonomous vehicles to perceive and understand the world.

We continue to seek breakthroughs in technology that positively impact society, demand our specialized capabilities, and are so challenging that only NVIDIA can solve them. We are passionate about facilitating discoveries that open new universes and transform lives. To achieve this, our goal is to attract, develop, and retain a diverse workforce and create an environment where incredibly talented and creative people can do their life's work.

Founded in 1993, NVIDIA is headquartered in Silicon Valley, Calif., and has more than 40 offices around the world. As of January 28, 2018, we had 11,528 employees and continue to attract some of the best minds in the industry. Our employees' drive fuels our work.

## NVIDIA HAS RECENTLY BEEN RECOGNIZED IN SUCH LISTS AS:

### FAST COMPANY

Most Innovative Companies

### FORTUNE

100 Best Companies to Work For

World's Most Admired Companies

Named our CEO, Jensen Huang, as Fortune's Businessperson of the Year in 2017

## COMMUNITY ENGAGEMENT

### $4.4 MILLION

in charitable giving for FY2018

### 9,000+

volunteer hours

### 72,000+

youth reached

## HONORS

### DOW JONES SUSTAINABILITY INDEX

NVIDIA is a member

### FORBES MAGAZINE

JUST 100 List of America's Best Corporate Citizens

### MIT TECH REVIEW

50 Smartest Companies

### HUMAN RIGHTS WATCH

Corporate Equality Index

### HARVARD BUSINESS

Named our CEO, Jensen Huang, as one of the world's 10 best performing CEOs

## NVIDIA PRODUCTS

We focus on large growth markets where our specialty is greatly valued: gaming, professional visualization, datacenter, and automotive. For each market, we offer a tightly integrated platform of processors, software, algorithms, system architecture, and services, including:

### NVIDIA GeForce GTX

NVIDIA GeForce GTX, our GPU brand for PC gamers, is the world's largest gaming platform, with 200 million users.

### NVIDIA SHIELD Android TV

NVIDIA SHIELD Android TV changes the way people enjoy entertainment at home, delivering video, music, apps, and amazing games in 4K.

### NVIDIA GeForce NOW

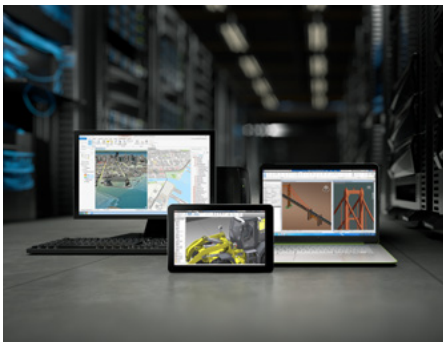
NVIDIA GeForce NOW is a game-streaming service that turns Macs into virtual GeForce gaming machines and allows gamers to connect their SHIELD devices to a GeForce-powered supercomputer in the cloud.


### NVIDIA DRIVE

NVIDIA DRIVE is a scalable AI car platform that spans the entire range of autonomous driving, from traffic-jam pilots to robotaxis. More than 370 companies have adopted NVIDIA DRIVE to develop AI systems that enable cars to see, learn, adapt, and improve, paving the way toward self-driving cars.

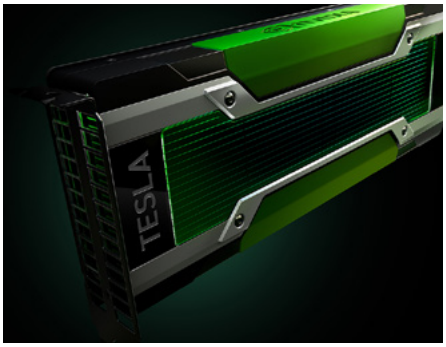

### NVIDIA Quadro

NVIDIA Quadro is the preeminent platform for professional artists involved in everything from industrial design to advanced special effects.



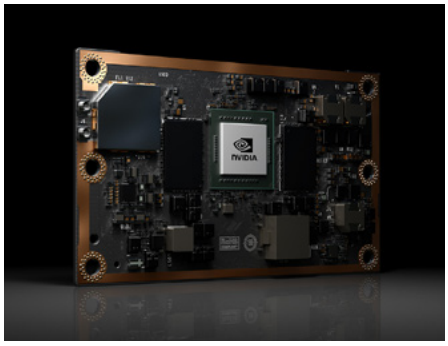
### NVIDIA GRID

NVIDIA GRID virtualized graphics technology provides enterprise workers who use design tools the flexibility, security, and efficiency of the cloud, and a user experience that's nearly indistinguishable from a native PC.




### NVIDIA Tesla

NVIDIA Tesla is a GPU-accelerated computing platform that provides parallel processing capabilities to scientists and researchers to do groundbreaking work in areas as diverse as earthquake research and cancer detection. Tesla GPUs have been broadly adopted in deep learning, a branch of AI in which machines are trained to recognize images, text, and speech across a variety of applications.




### NVIDIA Jetson

NVIDIA Jetson brings deep learning and AI to the world of robots, drones, and other edge devices, enabling autonomous machines to process complex data and learn on their own.

# GOVERNANCE AND ETHICS

NVIDIA and its board of directors are committed to operating under sound principles of corporate governance and upholding the highest ethical standards.

## GOVERNANCE

Our charters, codes of conduct, and policies define our corporate governance, promote the interests of our stockholders, and establish common expectations within our company.

We have 11 directors on our board and three board committees: Audit, Compensation, and Nominating and Corporate Governance. As of April 2018, 10 of our 11 directors (91 percent) are independent, as determined by Nasdaq rules on director independence, which exceeds the majority threshold required by Nasdaq. The sole exception is Jensen Huang, 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 FY18, all directors attended at least 75 percent of board and committee meetings on which they served, with the exception of William J. Miller, whose attendance fell below 75% due to illness and who passed away in December 2017.

Our corporate governance practices are rated by external organizations, such as Institutional Shareholder Services (ISS). According to ISS, as of April 2018, NVIDIA's overall Governance QualityScore was 4, based on the following components: Audit & Risk Oversight 1, Board Structure 6, Compensation 1, Shareholder Rights 7. These scores indicate decile rankings relative to a particular index or region determined by ISS. A decile score of 1 indicates lower governance risk and a score of 10 indicates higher governance risk. Our ISS Environmental & Social QualityScores are both 1.

### Executive Compensation

Our compensation program is designed to pay for performance and to attract, motivate, and retain a high-caliber executive team. A significant portion of executive compensation is based on our corporate performance. We administer our compensation program using a rigorous process that includes emphasizing at-risk, performance-based compensation, reevaluating and adjusting our program annually based on stockholder feedback, reviewing peer group practices, and seeking advice from an independent compensation consultant (reporting directly to the Compensation Committee, not to the company).

Watch five long-time NVIDIANs talk about the company's core values and why they are important to us.

NVIDIA's compensation recovery policy states that if we are required to prepare an accounting restatement to correct an accounting error on an interim or annual financial statement included in a report on Form 10-Q or Form 10-K due to material noncompliance with any financial reporting requirement under the federal securities laws, and the board or a committee of independent directors concludes that our CEO or CFO received a variable compensation payment that would not have been payable if the original interim or annual financial statements had reflected the restatement, our CEO or CFO, as applicable, shall disgorge to NVIDIA the net after-tax amount of such overpayment.

To learn more about our executive compensation practices, please see our proxy materials.

### Internal Control

NVIDIA's Sarbanes-Oxley Compliance Group is responsible for evaluating the effectiveness of the company's disclosure controls and procedures, and internal control over financial reporting. Based on their evaluation as of January 28, 2018, our management has concluded that our disclosure controls and procedures were effective in providing reasonable assurance and that our internal control over financial reporting was effective. For more information, please visit our FY18 10-K, Item 9A.

### GOVERNANCE SNAPSHOT

10

of our 11 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

20%

of our independent board members are female

27%

of our board members are minorities

# ETHICS

We believe that the integrity with which we conduct ourselves as individuals and as an organization is key to our ability to running a successful, innovative business and maintaining our reputation. We expect our executive officers, directors, and employees to conduct themselves with the highest degree of integrity, ethics, and honesty.

Our Code of Conduct applies to all our executive officers, directors, and employees. 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. Both documents can be found in the Investor Relations section of our website under Governance. If we make any amendments to either code, or grant any waiver from a provision of either code to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website.

Our codes do not permit engaging in transactions or activities that are a conflict of interest. We have internally posted conflict of interest guidelines, and a process for working with employees who wish to engage in outside activities. And when entering purchase requisitions, employees must certify that they don't have a conflict of interest. To better protect the company and our stockholders, we regularly review our codes and related policies to ensure that they provide clear guidance to our directors, executives, and employees.

Our corporate hotline, which is hosted by an independent third party, allows any employee to confidentially and anonymously lodge a complaint about any accounting, internal control, auditing, code of conduct, or other matter of concern (unless prohibited by local privacy laws for employees located in the European Union). Using an external organization to host the hotline enhances our employees' comfort level 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.

If an employee is found to have violated either the Code of Conduct or the Financial Team Code of Conduct, we take appropriate actions up to and including termination of employment.

All NVIDIA employees receive ethics and sexual harassment training. Our goal is for all employees globally to receive our Code of Conduct training, which covers environmental and social responsibility issues, within 30 days of starting with the company. As of March 2018, nearly 92 percent of employees had completed this training. And ninety-six 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.

# CULTURE, CODE, AND VALUES

## 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 & 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 & 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.

For 25 years, 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. We are committed to technology leadership and strive to operate at the highest levels of achievement. We aspire to remain nimble and willing to reinvent ourselves so that we can continue to create exciting new capabilities for our customers.

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

## OUR CODE

We believe that high performance must be grounded in integrity, and so our professional relationships are guided by a set of standards we call Our Code of Conduct. These principles govern how we act toward customers, competitors, partners, vendors, government regulators, stockholders, fellow employees, and the larger community.

# CSR SNAPSHOT

**$9.7**
BILLION IN REVENUE
(up 41% from a year ago)

**11,528**
EMPLOYEES

## WORKFORCE AND EMPLOYEES

**96%**
believe that our products are making a positive impact in the world

**90%**
of employees recommend NVIDIA as a great place to work

**5.1%**
voluntary turnover rate (versus the industry average of 9.7%)

**87%**
believe that diverse perspectives are valued

**27,600**
intern applications, nearly 1,000 positions filled

**38.5**
average age of NVIDIA employees

## INCLUSION

**100%**
rating on the Human Rights Watch Corporate Equality Index

**45,000**
candidates from underrepresented groups reached

### GENDER STATISTICS

**18.6%**
females globally

**16.1%**
female managers

**13.3%**
females in technical roles

**8.5%**
female leaders

**20.0%**
female outside directors

## COMMUNITY

**$4.4 MILLION**
in charitable giving

**9,000+**
hours volunteered by employees

**65%**
of offices engaged in giving activities

**72,000+**
youth reached through our programs

## ENVIRONMENT

**74%**
of our HQ waste was diverted from landfills

**13**
years ISO14001 certified

**13%**
decrease in greenhouse gas emissions per headcount, compared to FY14 baseline (target: 15% reduction by FY20)

## SUPPLY CHAIN

**100%**
response rate of suppliers for Conflict Minerals Reporting Template

**93%**
RMAP-compliant smelters

# AWARDS AND RECOGNITIONS

**Most Innovative Companies in AI/Machine Learning**
Fast Company

**Businessperson of the Year**
Fortune

**100 Best Companies to Work For**
Fortune

**100 Best Corporate Citizens**
CRO Magazine

**Best Workplaces for Giving Back**
Fortune

**2018 Best Places to Work: Employee's Choice**
Glassdoor

**NVIDIA DRIVE PX 2 AI Car Computer**
PACE Award

**World's Best Performing CEOs**
Harvard Business Review

**Best Places to Work for LGBT Equality**
Human Rights Campaign

**100 Most Sustainable Corporations in the World**
Global 100

This is a partial list providing only highlights.

# 03
# OUR PRIORITIES

# PRIORITY OVERVIEW

To understand the issues that mean the most to NVIDIA and our internal and external stakeholders, each year we use a multi-level process to seek their input. To inform our reporting objectives, we evaluate the issues our stakeholders tell us are most important to them, separately assess our CSR priorities, and combine the results on a matrix. We annually execute several initiatives related to our priorities, each of which provides varying levels of return, according to the business goals assigned to it.

In determining our priorities and the content for this report, we apply the four core principles set forth in the Global Reporting Initiative (GRI) standards. We also participate in external stakeholder efforts — such as the Dow Jones Sustainability Index, various "best place to work" ratings, and employee surveys — to keep our stakeholders engaged, demonstrate progress, and receive constructive feedback.

The NVIDIA board of directors is informed about our corporate responsibility priorities on an annual basis, and the Nominating and Corporate Governance Committee has oversight of our CSR efforts.

## ASSESSING STAKEHOLDER PRIORITIES

In FY18, we updated the stakeholder analysis by reviewing external source documents, including:

- Competitors' reports
- Customer contracts/guidelines
- Disclosures such as the GRI standards
- Industry and trade association research and forecasts
- Investor queries and analyses
- Ratings and rankings questionnaires
- Regulatory requirements
- Trade organization codes of conduct

## ASSESSING COMPANY PRIORITIES

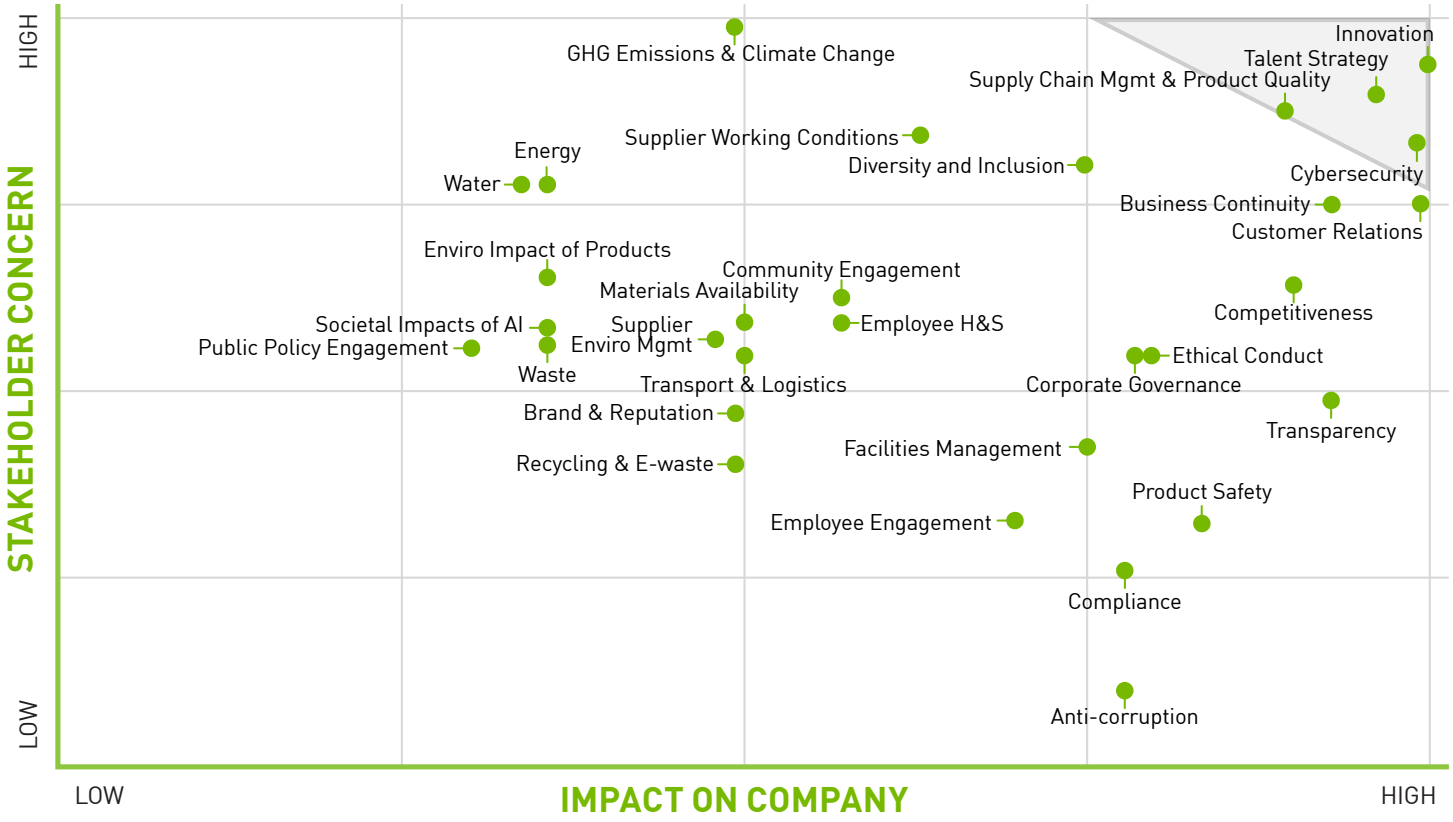
To arrive at our internal priorities and ensure that our leadership's views are reflected in the analysis, we conduct individual interviews with our executive staff. We also evaluate the risk factors identified in enterprise risk discussions with NVIDIA executives and reports filed with the U.S. Securities and Exchange Commission.

The chart below represents issues important to NVIDIA, ranked according to their prevalence in company documentation, the relevance accorded to them during structured executive interviews, and the extent and urgency of potential associated impacts.

## MAPPING COMBINED PRIORITIES

We mapped the results of these 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 quadrant (shaded triangle):




Based on the findings from our FY19 priorities assessment, the update resulted in the following changes from the prior year:

- We prioritized Cybersecurity in response to our need to increase protection of networks, computers, programs, and data from attack, damage, or unauthorized access and to implement product safeguards.
- We also added Brand & Reputation and Societal Impact of AI, in light of our increased focus in these areas.
- Customer Relations and Cybersecurity issues increased in stakeholder priority. Business Continuity, Competitiveness, Facilities Management, Materials Availability, Transparency, and Transport & Logistics issues increased among internal stakeholders.
- Supply Chain Management has been a priority issue for several years. This year, we combined Supply Chain Management and Product Quality to reflect the critical importance of Product Quality to the company's CSR.

## OUR APPROACH TO PRIORITY ISSUES

Our FY19 priorities assessment resulted in the following four priority issues:

| ISSUE | DESCRIPTION |
|---|---|
| Cybersecurity | Technologies, processes, and practices designed to protect networks, computers, programs, and data from attack, damage, or unauthorized access. |
| Innovation | Innovation of new products, technology, and operational practices; enabling innovation through our support of developers who use NVIDIA products; intellectual property protection; research and development. |
| Supply Chain Management and Product Quality | Policies and practices regarding 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. |
| Talent Strategy | 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. |

## Cybersecurity

*A priority issue for NVIDIA, employees, shareholders, and customers*

Cybersecurity at NVIDIA is defined as the technologies, processes, and practices designed to protect networks, computers, programs, and data from attack, damage, or unauthorized access. Included within the scope are NVIDIA's products and the privacy of our customers' and employees' data. As more high-profile breaches occur and new dangers continually come to the surface, NVIDIA remains 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 executives, reviews metrics and evaluates emerging threats. We also address cybersecurity scenarios in our resilience planning and document them through business continuity plans, and follow the processes outlined in frameworks such as the ISO27000 for Information Security Standards. In the backdrop of constant changes and learnings in this space, we are continually evaluating and adapting our security measures.

In the event of a cybersecurity issue, we have a defined set of actions for teams to initiate to determine the type and severity of response. 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. In FY19, the company will increase its focus on data privacy and protection, specifically the handling and use of personal data, and the ability of persons whose data is stored to correct or delete such data about themselves.

## Innovation

*A priority issue for NVIDIA, shareholders, customers, and employees*

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

About 19 percent of our revenue in fiscal 2018 ($1.8 billion) funded research and development activities. In total, we have invested more than $15 billion in these efforts since our inception, yielding inventions that are essential to modern computing.

NVIDIA has a platform strategy, bringing 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 multi-billion 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, Datacenter, 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 multi-core 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.

## Supply Chain Management and Product Quality

*A priority issue for NVIDIA, customers, and nongovernmental organizations*

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. We partner with world-class suppliers for all phases of the manufacturing process, including wafer fabrication, assembly, testing, and packaging. We also contract with manufacturers to build, test, and distribute our branded devices. We closely manage our supply chain to continue delivering innovative products in a socially and environmentally conscious manner.

Product quality is one of our top priorities. To ensure that we meet or exceed customer quality expectations, we assess our performance among our product families through indicators that measure customer DPPM levels (defective parts per million).

We are ISO9001 certified and have been issued a "letter of conformance" to the ISO/TS 16949 automotive quality standard.

Internally, we manage product quality issues through a cross-functional team approach. To verify a failure, our approach begins by directly engaging the customer via customer quality engineering and customer program management. Once a failure is verified, we address the issue using the Eight-Discipline (8D) problem solving methodology.

**MIT Technology Review**

In FY18, NVIDIA was recognized as

**No. 1**
**in MIT Tech Review's 50 Smartest Companies**

for our leading role in the AI revolution.

We drive several of our supply chain initiatives through participation in the Responsible Business Alliance (RBA) (formerly the Electronic Industry Citizenship Coalition, or EICC) since 2007 and as a Full member strive to go beyond compliance.

We have adopted the RBA Code of Conduct and integrated its elements into our program, including auditing critical suppliers and conducting internal assessments to ensure that we address all aspects of responsible supply chain management. We also comply with the RBA's guidance regarding stakeholder grievances related to our social or environmental performance.

In Supplier Responsibility, we cover in detail several areas material to NVIDIA and our performance. These include safe working practices, auditing, carbon footprint, and conflict minerals. 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.

## Talent Strategy Management

*A priority issue for NVIDIA, employees, and shareholders*

We believe that talented employees are our greatest assets, and they play a key role in creating long-term value for our stakeholders. Ultimately, NVIDIA's 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 individual drive, commitment, and achievement.

We attract some of the technology industry's most creative and gifted individuals, and they take pride in our dynamic environment. Our teams of world-class engineers and developers thrive in high-performance environments where passion is expected, talent is recognized, and collaboration is valued. To ensure their success, we continue to develop a workplace culture where our employees are engaged and inspired.

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 to ensure that 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 bi-annual compensation analysis
- Evaluate benefits annually
- Leverage global employee engagement survey data
- Engage in "best place to work" surveys that provide feedback on our strengths and weaknesses

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.

Information about how we recruit, acquire, and retain employees is found on the Workforce page of this report.

# UN SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs), introduced by the United Nations in 2015, set forth an ambitious plan to put the world on a more prosperous and sustainable path. As such these goals present an opportunity for businesses to apply their creativity and innovation in service for the common good. In the following tables, we indicated how our activities support the SDGs.

## PRIORITY: INNOVATION

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

| ISSUE | TARGETS | SUSTAINABLE DEVELOPMENT GOAL | NVIDIA ACTION / INITIATIVES |
|---|---|---|---|
|  | **3.3** | By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases. | AI-Powered Medical Research: AI is completely reshaping life sciences, medicine, and healthcare as an industry. To further that transformation, NVIDIA is democratizing deep learning by providing an end-to-end AI computing platform designed for the healthcare community. These GPU-accelerated solutions are helping to foster collaboration, while at the same time keeping each institution's information secure. |
| | **3.4** | By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being. | AI-Propelled Medical Imaging: NVIDIA's Project Clara, a medical imaging supercomputer, renews the capabilities of the current installed base of medical imaging machines. Clara can run many computational instruments simultaneously, leverages NVIDIA's virtual technology to enable multi-user access, and can perform the computation for any instrument, whether CT, MR, ultrasound, X-ray or mammography. NVIDIA is working with dozens of healthcare companies, startups and research hospitals to implement Clara. |

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

| ISSUE | TARGETS | SUSTAINABLE DEVELOPMENT GOAL | NVIDIA ACTION / INITIATIVES |
|---|---|---|---|
|  | **11.2** | By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons. | Revolutionizing the Future of Transportation: 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 artificial intelligence, which enables vehicles to learn to anticipate, and respond to, the huge range of fast-changing conditions on the road. |

# UN SUSTAINABLE DEVELOPMENT GOALS

## PRIORITY: TALENT STRATEGY MANAGEMENT

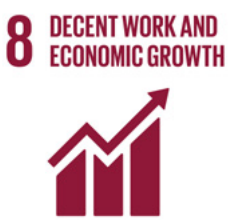
**GOAL #5** Achieve gender equality and empower all women and girls

| ISSUE | TARGETS | SUSTAINABLE DEVELOPMENT GOAL | NVIDIA ACTION / INITIATIVES |
|---|---|---|---|
|  | **5.1** | End all forms of discrimination against all women and girls everywhere. | Advancing Unconscious Bias Awareness: Our FY18-19 focus is on team dynamics. Trained leaders helped us identify areas where we could remove the potential for unconscious bias across the employee experience. We are examining learning and development courses that cover meeting execution and collaboration to determine how to integrate bias-mitigating tactics. |
| | **5.b** | Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women. | Accelerating Tech-Savvy Skills for Women in India: Since FY17, NVIDIA has partnered with local nonprofits to provide technology education and training to underserved girls and young women in communities near our three offices in India: Bangalore, Hyderabad and Pune. The supported programs offer hands-on training and real-world applications in areas like coding, robotics, and digital media, and in software programs like Word, Excel and PowerPoint. These investments aim to empower young women with new technology skills and encourage them to pursue further STEM-related education and careers. |

# UN SUSTAINABLE DEVELOPMENT GOALS

## PRIORITY: SUPPLY CHAIN MANAGEMENT

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

| ISSUE | TARGETS | SUSTAINABLE DEVELOPMENT GOAL | NVIDIA ACTION / INITIATIVES |
|---|---|---|---|
|  | 8.8 | Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment | Committed to Supplier Responsibility: NVIDIA has been a member of the Responsible Business Alliance (formerly the EICC) since 2007 and is currently a Full member. We have integrated RBA risk assessment tools, auditing protocols, and educational resources into our supplier management practices, and our employees are deeply engaged in workgroups most relevant to our supply chain operations. We engage our suppliers regularly, develop Corrective Action Plans when necessary, and continue to monitor their performance throughout the year. |

## PRIORITY: CYBERSECURITY

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

| ISSUE | TARGETS | SUSTAINABLE DEVELOPMENT GOAL | NVIDIA ACTION / INITIATIVES |
|---|---|---|---|
|  | 9.5 | Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending | Investing in Cybersecurity: In the latest of a series of investments in deep learning startups, NVIDIA is investing in Deep Instinct, an Israeli-based startup that uses deep learning to thwart cyberattacks. Deep Instinct uses a GPU-based neural network and CUDA to achieve 99 percent detection rates, compared with about 80 percent detection from conventional cybersecurity software. Its software can automatically detect and defeat the most advanced cyberattacks. |

To see other SDGs, please visit the Product Design section.

# 04
# OUR STAKEHOLDERS

# STAKEHOLDER ENGAGEMENT

NVIDIA defines stakeholders as entities or individuals who can be affected by NVIDIA and whose actions can affect the company. We engage with our diverse stakeholders in numerous ways, including tracking their requests so that we can identify and respond to their key concerns. This helps us continually hone our approach to corporate responsibility.

Although NVIDIA does not have a formal stakeholder advisory panel for corporate responsibility issues, at least one member of the CSR Committee evaluates each stakeholder request to determine what type of response is appropriate.

## HOW WE ENGAGE

Below are examples of our key stakeholders and how we engage with them.

### Communities

When we enter new communities or begin facility construction, we interact with local governments to update community members on our progress and receive approval when needed. We are members of public policy organizations such as the Silicon Valley Leadership Group, Information Technology Industry Council, and Digital Europe. Through the NVIDIA Foundation, our philanthropic arm, we work closely with the communities where we have offices worldwide, as well as local governments.

### Consumers

Our customer service team tracks interactions with consumers as they occur and shares bi-weekly satisfaction reports internally. We use our widely followed blog and social media channels, which reach 22 million individuals, to share stories about our CSR efforts.

### Customers

Through the Responsible Business Alliance (formerly EICC), we make our self-assessment questionnaires available to customers, and we collaborate with them through various working groups. We also engage with customers directly during the year through quarterly business reviews and special initiatives, such as conflict minerals or CSR surveys.

### Developers

We have established robust mechanisms for communicating with, and facilitating interaction among, developers through targeted discussion forums and our own global developer conferences. Developer resources include 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.

### Employees and Prospective Employees

We conduct a global employee survey approximately every 18 months. The most recent survey was conducted in November FY18 and yielded a 95 percent response rate.

In addition to using an online suggestion box, employees can contact our CEO or any executive staff member with questions or suggestions.

We encourage employees to submit questions (anonymously, if they prefer) prior to our quarterly company meeting so that our CEO can respond onstage. Questions he doesn't address are answered in written posts, which all employees can access.

We have established a third-party corporate hotline to allow any employee to confidentially and anonymously lodge a complaint about any accounting, internal control, auditing, or other matter of concern (unless prohibited by local privacy laws for employees located in the European Union).

We engage with prospective employees through a number of channels, including the Careers section of NVIDIA's website and university, diversity, and professional recruiting events. We also have an employee referral program to encourage employees to recommend candidates to us

## Nonprofit and Nongovernmental Organizations

We engage directly with charitable organizations through the ongoing work of the NVIDIA Foundation. We partner with NGOs through initiatives like the RBA and Public-Private Alliance for Responsible Minerals Trade.

## Shareholders

Since 2007, we have participated in the CDP. We respond to individual shareholder requests as they arise, including through shareholder meetings, proxy statements, analyst days, and external shareholder events.

Individual shareholders who wish to communicate with the board of directors regarding nominations of directors or other matters may do so by sending written communications to our Corporate Secretary, Timothy S. Teter. If no specific director is named, letters are forwarded (depending on the subject matter) to the chair of the Audit Committee, Compensation Committee, or Nominating and Corporate Governance Committee.

## Suppliers

We engage with suppliers through quarterly business reviews and allocate points in their performance score for their efforts to participate in social and environmental initiatives. Through the RBA, we analyze their self-assessment documentation and request periodic audits. We actively reach out to suppliers for issues related to product compliance and conflict minerals.

# STAKEHOLDER INTERACTIONS

Stakeholder interactions in FY18 included, but were not limited to:

| STAKEHOLDER | ENGAGEMENT |
|---|---|
| Employees/ Prospective Employees | 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.<br>Reached 45,000 underrepresented candidates at university and professional recruiting events.<br>Increased outreach to underrepresented candidates through an expanded presence at the Grace Hopper Conference and through sponsorships at Hispanic-serving institutions as well as colleges and universities with historically high attendance among African-Americans. |
| Customers | Received regular compliance requests from customers.<br>Conducted an analysis of customer contracts to confirm that our priorities are aligned with their requirements.<br>Worked directly with customers to report our supplier status related to conflict minerals.<br>Responded to several customer surveys and maintained our Sony Green Partner certification for the 12th year. |
| Shareholders | Participated in the CDP for the eleventh year. Achieved a "B" for our investor, supply chain, and water scores.<br>Presented CSR issues for the first time to our top shareholders during the company's annual outreach meetings. |
| Board of Directors | Kept NVIDIA's board of directors abreast of our corporate responsibility objectives and key priorities. In FY19, began reporting to the Nominating and Corporate Governance committee on corporate social responsibility. |
| NGOs | Development International gave NVIDIA a score of 100 for compliance with the U.S. SEC's conflict minerals rule. We also provided information to the Business & Human Rights Resource Center for inclusion in its Know the Chain ICT benchmark around human rights practices. The report was released in FY19. |
| Government | Provided testimony to U.S. Senate Committee on Commerce, Science, and Transportation on self-driving cars. Also, provided testimony to House of Representatives Subcommittee on Information Technology on the need to increase funding and adopt AI to boost the nation's economy.<br>Added recycling programs in states where mandated.<br>Filed a Form SD to provide greater transparency around our efforts related to conflict minerals.<br>Created a statement in compliance with the U.K. Modern Slavery Act. |
| Research/Ratings Organizations | Featured for a fourth year as a member of the Dow Jones Sustainability Index and remained on the FTSE4Good index, Global Equality Index, the 100 Best Corporate Citizens list, and Forbes' JUST 100 ranking. Debuted on the Global 100 ranking. Also featured again in RobecoSAM's Sustainability Yearbook.<br>Featured for the second year on Fortune's 100 Best Companies to Work For list; our position is 30. Included with this recognition were several other Fortune awards: Best Workplaces for Giving Back, 50 Best Workplaces for Parents, and 25 Best Workplaces in the Bay Area. Also featured on Bloomberg's first Gender Diversity Index.<br>Interacted with 12 organizations interested in our corporate responsibility: CDP, Corporate Equality Index, Corporate Knights (for Global100, Newsweek), ECPI Indices, FTSE4Good, Harvard Business Review, IW Financial, MSCI, Oekom, RobecoSAM, and Vigeo. |


## DISTRIBUTING THIS REPORT

After publishing our CSR Report each year, we promote its availability through:

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

We also distribute the report to our executive staff and to sales and marketing employees who interact directly with customers and partners.

# 05
# OUR OPERATIONS

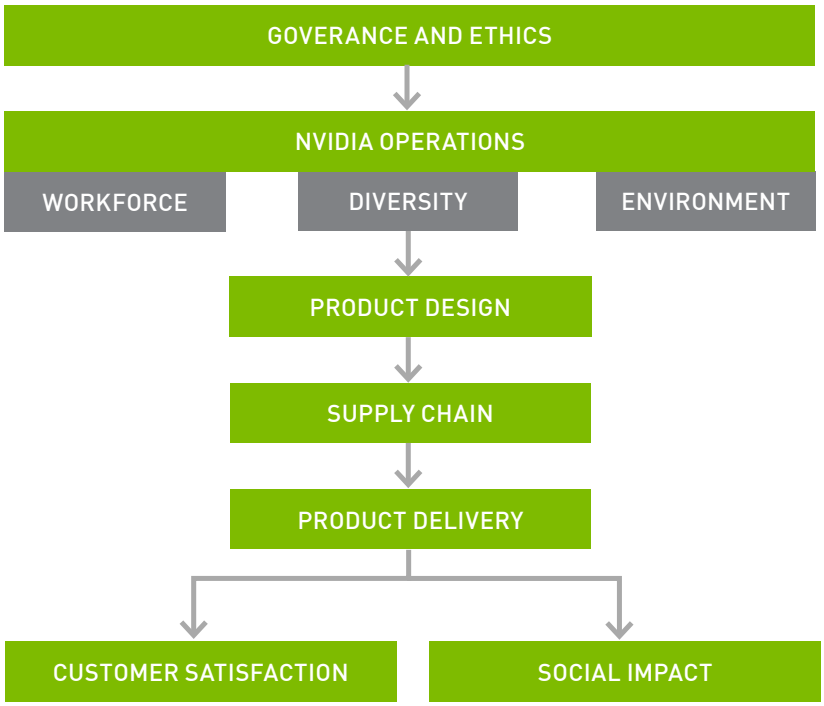
# OVERVIEW

Each year, we take a close look at how we are approaching our priority issues throughout the enterprise. This helps us understand the risks and opportunities associated with key activities and the related impact on our stakeholders.

We begin with a strong operational foundation and build value throughout the processes of product design, development, manufacturing, distribution, and delivery. Our value, as illustrated below, extends well beyond our operations to the social impact our products have in people's daily lives and the many ways we give back to our communities through our commitment to higher education and charitable giving.

In this section, we report on the relevant policies, activities, accomplishments, and recognition in each of these links in our value chain.

## BUILDING VALUE THROUGHOUT OUR ENTERPRISE




## WORKFORCE

Our day-to-day business is inventing the future. Our worldwide enterprise is large enough to tackle projects of enormous scale, but small enough so that each employee can make a difference. As a result, we contribute to solving some of the world's most stimulating technology problems in industries ranging from gaming to scientific exploration.

We've been able to accomplish this by cultivating a culture that celebrates individual drive, commitment, and achievement, and allows talented individuals to do their life's work. 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. And we were included in Glassdoor's Employee's Choice: Best Places to Work.

Our employees give us a competitive advantage, and we value them accordingly. We recruit and retain the best, actively promote diversity, offer competitive compensation, recognize performance, incubate potential through internships and university partnerships, and support our workforce with outstanding opportunities and benefits.

See Workforce and Diversity metrics for the detailed measures we use to track our success.

## DIVERSITY AND INCLUSION

We integrate diversity and inclusion into the entire employee experience. In our most recent global survey, 89 percent of NVIDIA employees believe we've created an environment where people of diverse backgrounds can succeed, and 87 percent affirmed that their teams value diverse perspectives.

We are committed to pay transparency and making all employment decisions on the principles of equal employment opportunity. We do not discriminate against any employee or applicant for employment 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 (genetic characteristics, cancer, or a record or history of cancer), sexual orientation, gender, gender identity, gender expression, or any other characteristic protected by law. See our Equal Employment Opportunity Policy.

To attract, develop, and retain a diverse workforce and create an inclusive culture, we focus on three areas: Recruiting and Hiring, Recognition and Development, and Employee Support. Some of the efforts we've advanced in these areas over the last few years include:

FORTUNE 100 BEST COMPANIES TO WORK FOR 2018

NVIDIA was recognized in FY18 on Fortune's 100 Best Companies to Work For list.

## OBJECTIVE: RECRUIT WOMEN AND UNDERREPRESENTED MINORITIES.

### Recruiting and Hiring

**Targeted recruitment of women and minorities through:**

- Partnering with historically black colleges and Hispanic-serving institutions.
- Attendance at campus recruiting fairs run by organizations such as the Society of Women Engineers, oSTEM, National Society of Black Engineers, and Society of Hispanic Professional Engineers.
- Offering free passes to women's groups at local universities for our annual developers conference.
- Our presence at diversity tech conferences 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 for several NVIDIA openings on military.com.
- Participation in career fairs and events, where we reached nearly 45,000 diverse technologists in FY18.
- Developing women and minority recruiting teams for academic and professional job fairs.
- Mentoring undergraduate women pursuing tech degrees through Rewriting the Code, and sponsoring a female scholar through Advancing Science in America.

**Tools to improve hiring practices:**

- Crafting job descriptions to eliminate unintended bias using a third-party artificial intelligence (AI)-based tool.
- Engaging diverse employees for recruiting events and interview panels, and ensuring that technical women interviewees meet with at least one technical woman during the interview process.
- Training our recruiting team on unconscious bias mitigation practices and empowering them to provide guidance to hiring managers.
- Providing online resources for hiring managers around unconscious bias awareness.

## OBJECTIVE: RECOGNIZE & CELEBRATE THE WORK OF DIVERSE EMPLOYEES, ENSURE LIFELONG LEARNING.

### Recognition and Development

To ensure pay parity, since FY16 we've used a third-party firm to analyze our pay practices annually for gender and diversity 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 male and female compensation. If an issue is identified, our human resources organization takes corrective action as needed.

Strengthened development programs for women through mentoring, technical offerings, and on-the-job training. In FY17, we piloted peer-to-peer mentoring with 100 technical female employees in Santa Clara, and plan to expand it to other employee resource groups in FY19. Our women in tech resource group offers regular tours of our demo room, and hosts quarterly events that cover advances in AI and special skills development such as networking and social media.

Feature diverse employees on NVIDIA.com and our corporate intranet.

Bring female executives to campus to speak about their careers, including NVIDIA Board members Dawn Hudson, most recently Chief Marketing Officer of the National Football League, and Persis Drell, Provost of Stanford University.

Submit top-performing employees for recognition and awards. Our CFO, Colette Kress, was recognized in FY18 by the National Diversity Council as one of the 50 Most Powerful Women in Technology. And the YWCA Silicon Valley has recognized 20 NVIDIA leaders in the past six years through its Tribute to Women awards.

## OBJECTIVE: CREATE AN ENVIRONMENT WHERE EMPLOYEES CAN DO THEIR BEST WORK.

| | |
|---|---|
| **Employee Support** | Launched a generous parental leave program (shaped by our women's employee resource group) with flexible work hours upon return from leave.<br><br>Expanded coverage for additional parental benefits, such as in vitro fertilization, egg freezing, and adoption.<br><br>Conducted training with 300+ leaders to build their awareness about unconscious bias in recruiting and hiring.<br><br>Supported the establishment of and provided funding to employee resource groups that have Estaff-level sponsorship and dedicated budgets: Women in Technology, NV Pride (LGBTQ employees and allies), Black NVIDIAN Network, Early Career Network, and Hispanic Latino Network. Our CEO meets with the co-chairs of these groups quarterly to understand their experience and drive programs and benefits that support these communities.<br><br>Expanded Women in Technology programs beyond our headquarters to Austin and St. Louis and, in FY19, to India. |

The metrics we use to track our progress include:

| | |
|---|---|
| Hiring | › Setting internal goals to increase our hiring of women and minorities<br>› Striving to ensure that our recruiting, screening, and interview pipeline reflects the industry's minority representation |
| Retention | › Reviewing and analyzing compensation and performance biannually<br>› Tracking employee-survey metrics, focusing on how women and minorities view NVIDIA's work environment |
| Promotions and Turnover | › Monitoring the number of promotions and turnover within minority groups against the total |

See the Performance section of this report for our FY19 inclusion goals.


## RECRUITING AND HIRING

We have increased the hiring of underrepresented minorities and will continue to focus on these efforts.

We track gender representation data across multiple areas:

- Our workforce is close to 19 percent female, up from 16.5 percent three years ago.
- Turnover for women has remained equal to that of men for the past four years.
- 40 percent of executive officers are female.
- 20 percent of executive staff is female, up from 8 percent three years ago.

Learn more about all of our recruiting activities in this NVIDIA blog post.

Metrics related to diversity can be found in Our Performance.

### SNAPSHOT OF UNDERREPRESENTED MINORITY EMPLOYEES

**Women (Global)**

| FY18 | FY17 | FY16 | FY15 |
|---|---|---|---|
| 18.61% | 18.42% | 17.5% | 16.53% |

**African American (US)**

| FY18 | FY17 | FY16 | FY15 |
|---|---|---|---|
| 1.04% | 1.06% | 0.98% | 0.87% |

**Hispanic (US)**

| FY18 | FY17 | FY16 | FY15 |
|---|---|---|---|
| 3.31% | 3.35% | 3.48% | 2.98% |

## STUDENT LOAN REPAYMENT PROGRAM

We offer a student loan repayment program that allows employees to apply for reimbursement of up to $6,000 each year, up to $30,000 total.

## 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 (see NVIDIA benefits for more information). All employees have the opportunity to be shareholders in the company through our employee stock purchase plan (ESPP). Over the past year, nearly 95 percent of eligible employees participated in our 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.

In late FY16, we significantly increased our parental leave benefits, as shown in the graphic above. Birth mothers now receive 22 weeks of fully paid leave. Fathers and adoptive and foster parents receive 12 weeks of fully paid leave. New mothers and fathers are entitled to 8 weeks of flex time in addition to their leave, so they can work from home or during alternative hours.

## PARENTAL LEAVE PROGRAM

### Birth Mother Policy

| | Old Policy | New Policy |
|---|---|---|
| Pregnancy Leave | 6 weeks 100% pay<br>4 weeks reduced pay | 22 WEEKS<br>100% PAY<br>+ 8 WEEKS FLEXTIME |
| Baby Bonding Leave | 6 weeks reduced pay<br>6 weeks unpaid | |
| Flextime | | |

### Father, Adoptive Parents, Foster Parents Policy

| | Old Policy | New Policy |
|---|---|---|
| Baby Bonding Leave | 6 weeks 100% pay<br>1 week reduced pay<br>5 weeks unpaid | 12 WEEKS<br>100% PAY<br>+ 8 WEEKS FLEXTIME |
| Flextime | | |

HUMAN RIGHTS CAMPAIGN FOUNDATION
BEST PLACES TO WORK
2018 for LGBTQ Equality
100% CORPORATE EQUALITY INDEX

Our efforts to improve benefits for our LGBT employees have brought us a 100 percent score three years in a row in the Corporate Equality Index.

## LEARNING & 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 the "NVLearn" portal. Harvard ManageMentor, 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 external Deep Learning Institute, an online platform where developers can take courses and workshops on the technical aspects of AI.

## MEASURING ENGAGEMENT AND RETENTION

Employee turnover continues to decrease at NVIDIA, even in this extremely competitive recruiting climate. Our total turnover rate fell to 5.6 percent in FY18, well below the semiconductor industry average of 14.2 percent. Our voluntary turnover rate declined to 5.1 percent, versus a 9.7 percent average for semiconductor companies.

To track engagement and retention trends, we conduct a global employee survey every 18 months, gathering feedback across 13 dimensions, including strength of culture, engagement, satisfaction, vision and direction, and work-life integration. Participation is 95 percent. Our last survey was in November 2017.

Our employees rank us highly for our culture of innovation, vision and direction, and engagement. Areas of concern to employees include infrastructure, work-life flexibility, and survey utilization. Steps we've taken to help address these issues, which we'll measure in future surveys, include:

- Expanding our parental leave program and coverage of other parenting benefits.
- Building a 500,000-square-foot headquarters building to increase office and meeting space.
- Upgrading employee technology, network access, and telephony.
- Doubling the investment we made over the past four years in learning and development, including an aggressive rollout of new technical and professional learning content.
- Supporting executives with communications they can provide to their teams on the steps we're taking to use survey feedback.

We encourage employees to volunteer in their local communities and contribute to global humanitarian causes. The NVIDIA Foundation surveys all employees annually to gather data about charitable and volunteer participation and to ensure that the Foundation is on the right track with its funding priorities. Sixty-five percent of our offices around the globe participated in at least one charitable activity in FY18, and employees raised three times more for charitable organizations than was raised in the prior year. See Charitable Giving for more information.

## AWARDS AND RECOGNITION

We're honored to be included for a second year as a Fortune 100 Best Companies to Work For (listed at No. 30, up from No. 39 the prior year). Other Fortune recognitions we've received include: 25 Best Workplaces in the Bay Area, 50 Best Workplaces for Parents, Best Workplaces for Giving Back, and Best Workplaces in Texas. Several locally based publications have included us in their best places to work recognitions, and People Magazine featured us in 2017 as a PEOPLE Companies That Care.

Our diversity and inclusion efforts have been recognized by leading organizations and media, among them: Forbes Best Employers for Diversity, Latino Leaders Magazine Best Employers for Hispanics, Comparably's Best Companies for Women, and Fatherly.com's 50 Best Places to Work for New Dads list. We've also received a Brilliance in Diversity Award from the National Diversity Council. For the third consecutive year, we earned a score of 100 on the Corporate Equality Index, which measures LGBTQ-friendly policies. And employees have recognized NVIDIA in Glassdoor's Employees Choice: Highest Rated CEOs and Best Places to Work.


# INCLUSION IN OUR ECOSYSTEM

## Building the Future STEM Pipeline

Improving the representation of women and minorities in tech requires a long-term perspective, so we've developed a plan 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. Since FY18, we've 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, Girls Who Code, and Baradene High School (New Zealand). We also engaged several hundred students from the Santa Clara Unified School District through our Techsplorer program.

Through the India Companies Act, we funded in FY17 and FY18 organizations in India that helped more than 2,000 young women from impoverished communities gain greater access to computer training and provide them with skills to improve their career opportunities. We plan to support another 1,300 women in 2018.


The Black NVIDIAN Network launched with an awareness event at our headquarters tied to Black History Month.

## Developer Inclusivity and Diversity

Our annual developers forum, the GPU Technology Conference (GTC), is held each year in San Jose, California, and several other locations around the world. We recognize our responsibility to ensure that attendees are free from harassment and to communicate that we wish to hold an inclusive event that recognizes all participants. These messages have prominent position on the GTC website and are communicated in attendee emails as well as onsite signage.

For the fifth year in a row, our flagship GTC in San Jose included an event specifically focused on diversity. We hosted a Women in Deep Learning networking breakfast and panel along with partner Silicon Valley Women in Big Data. The sold-out event featured women speakers from NVIDIA and women CEOs from AI startups.


More than 100 employees, including members of NVPride, NVIDIA's LGBT group, participated this year in the San Francisco Pride Parade.

Other activities to increase the number of women and minority technologists attending GTC San Jose include:

- Offering free conference passes to 15 local and national women in technology organizations, reaching more than 20,000 women and underrepresented technologists at groups such as Women in Machine Learning, Women in AI, Black in AI, and Women Who Code.
- Actively reaching out to women in our university and developer network to encourage them to speak, doubling the number of women originally submitted to speak at the conference.
- Highlighting women speakers on the main GTC website.
- Offering complimentary passes to women at local universities and hosting a mixer for this group.
- Providing passes to high school girls participating in the AI4All program and inviting them to attend one of our onsite Deep Learning Institute labs.

Outside of GTC, we hosted a dinner during the Women in Computer Vision workshop this past summer. An overview of the event, including a talk by one of our female research scientists, can be found here.

Members of our NVPride community partnered with Silicon Valley non-profit to pack comfort kits for high risk youth.

# ENVIRONMENT, HEALTH, AND SAFETY


## ENVIRONMENT, HEALTH, AND SAFETY

We identify and control environmental impacts and continuously improve our performance using a comprehensive environmental management system (EMS). Our dedicated Environmental, Health, and Safety (EHS) & CSR team works closely with employees in all offices around the globe to execute the system's policies and practices, which are made tangible through solid goals and metrics.

### Environment

Our Silicon Valley operations, product design, and supply chain functions have been certified to the ISO 14001 standard since 2006 and we successfully upgraded to the ISO 14001:2015 standard in FY19 (view our certification here). Our Environmental, Health, Safety and Energy Policy provides the framework for our EMS, which is summarized in this section and detailed throughout this report.

We aim to:

- Increase energy efficiency and reduce GHG emissions arising from our offices, labs, and datacenters.
- Reduce waste tonnage to landfills.
- Increase water efficiency at facilities in water-stressed regions.
- Promote alternative options for employee commuting.

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

## NVIDIA'S ENVIRONMENTAL POLICY

| POLICY ELEMENT | ACTION |
|---|---|
| Product Design | Learn about our approach to power efficiency in Product Design. |
| Energy, Water, Waste, and Greenhouse Gas Emissions | Our reduction commitments and initiatives are included in this section. |
| Product Supply Chain | See Supplier Responsibility for our detailed approach to managing environmental issues in our product supply chain. |
| Corporate Purchasing | Our corporate purchasing decisions are based on requirements such as quality, service levels, technology, financial viability, environmental impact, and cost. When selecting suppliers, we allocate 5 percent of the supplier selection score to environmental considerations. When evaluating suppliers to provide environmentally significant products or services, we take additional measures to ensure that our environmental performance expectations are met. |
| Stakeholder Engagement | See Our Stakeholders to learn about the ways we gather feedback from across our ecosystem. |
| Compliance | Our internal teams, EHS consultants, and external regulatory authorities carry out inspections to ensure that our facilities are legally compliant.<br>We evaluate customer compliance through audits and quarterly business reviews.<br>We have well-established processes for ensuring that our contract manufacturers comply with product-related legislation relevant to the markets in which we sell our products. We require our manufacturing suppliers to comply with the RBA Code of Conduct. |

# NVIDIA'S ENVIRONMENTAL GOALS

| CATEGORY | GOAL | TARGET DATE/STATUS | FY18 PROGRESS |
|---|---|---|---|
| Greenhouse gas emissions, offices, and datacenters | A 15% greenhouse gas reduction — normalized per employee — by FY2020 from baseline year FY2014 | FY20/Ongoing | Down 1.6% compared to FY17 and down 13% compared to FY14 baseline |
| Energy efficiency, datacenters | A blended average power usage effectiveness (PUE) value of 1.55 for our global datacenters by the end of FY2018 | FY18/Complete | 1.52 |
| Waste | A waste-to-landfill diversion rate of 80% or greater each year at our Silicon Valley headquarters | Annual/Ongoing | 74% (calendar year 2018) |
| New headquarters building | LEED Gold certification for our new Silicon Valley headquarters building | FY18 | Awaiting certification, see "Energy Initiatives" below. |
| Energy efficiency | Implement an energy management system, aligned with ISO 50001 | FY19/New Goal | Completed initial screening and analysis |
| Consumer product packaging | 15% reduction in total materials used compared to previous generation | FY19/New Goal | In progress |
| Product efficiency | 30% improved power efficiency in idle state (as defined by Energy Star) for next generation of GPUs for datacenters, desktops, and notebooks | FY19/New Goal | In progress |

### Climate Change and Greenhouse Gas Emissions

Our GHG emissions reporting includes:

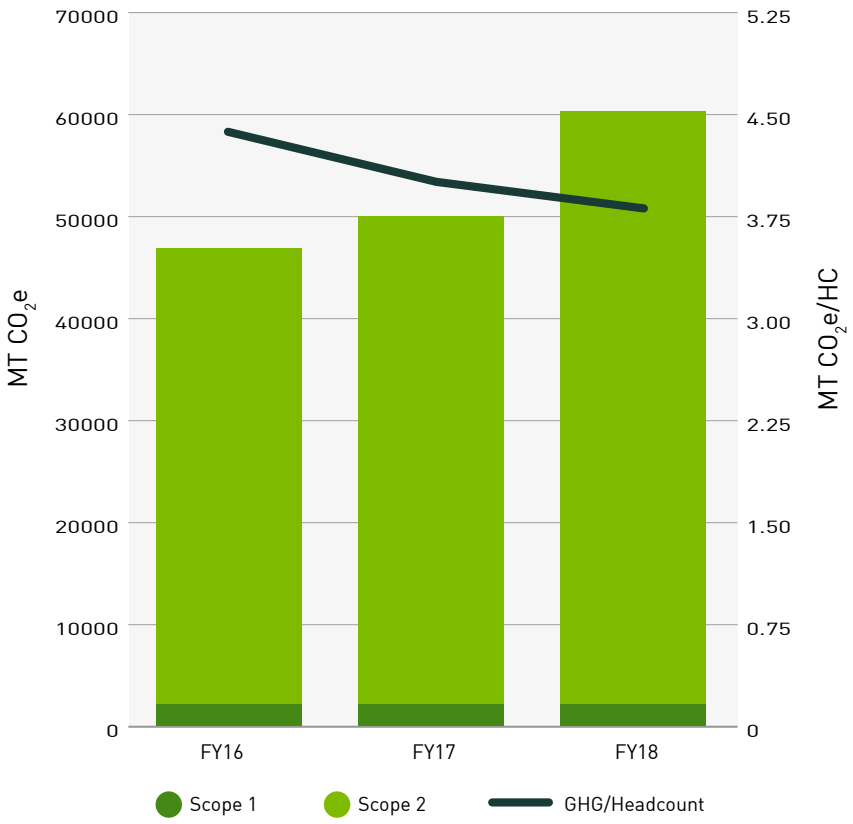
- Scope 1: Stationary combustion sources (e.g., natural gas, diesel fuel) and HFC refrigerant emissions
- Scope 2: Purchased electricity, healing and cooling (offices, labs, datacenters)
- Scope 3: Business travel, emissions from operational waste, upstream transportation and distribution, purchased goods and services, capital goods, and fuel- and energy-related emissions that are not included in Scope 1 or Scope 2. For FY18, we've reported upstream transportation emissions for the first time and have reallocated purchased electricity used to cool third-party datacenters from Scope 2 to Scope 3 (including for historic years), because we do not have operational control of this emissions category.

Our current GHG goal is to reduce Scope 1 and 2 emissions by 15 percent per employee by FY20, compared to FY14. Our overall energy use and emissions have increased as our business has grown over the past year, but this increase was outpaced by the increase in headcount. As a result, we reduced our GHG emissions per headcount by 1.6 percent compared to the previous fiscal year.

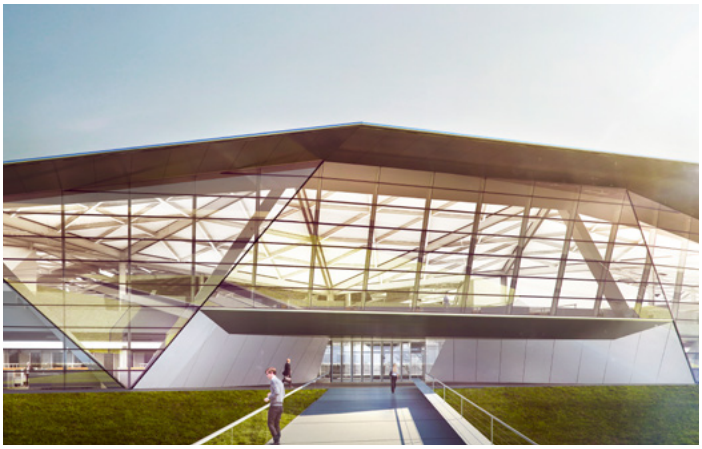
While we are continuing to track and make progress toward our current goal, during the coming year we will evaluate options to set a next-generation goal that is appropriate for our growing and diversifying business, bearing in mind emerging best practices for corporate GHG goal setting.

We recognize that our growing business causes GHG emissions beyond our direct footprint, 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 and GHG emissions data. In FY18, we added a requirement that they have their GHG emissions verified by a third party. We are using the data gathered from suppliers to calculate the weighted average of carbon emissions from tier 1 suppliers on a per-unit basis, which is helping us to better understand the GHG emissions footprint of our product manufacturing.

## SCOPE 1 AND 2 GHG EMISSIONS



# ENERGY INITIATIVES



## Campuses

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 — approximately 33 percent less usage than a traditional design. Energy-saving features such as a high-performing building envelope, efficient and smart lighting systems that incorporate the use of daylight, underfloor air distribution, radiant heating and cooling, both air and waterside economizers, and high-efficiency boilers and chillers make this possible. An advanced building controls system underpins the building's operation. The building was designed and constructed to achieve Gold certification under LEED New Construction, and at the time of report publication, we are awaiting final confirmation of certification. The building has already been recognized and awarded a significant number of points for Sustainable Sites, Water Efficiency, and Energy and Atmosphere categories. Notable achievements include recognition for its access to alternative transportation, and superior energy and water use performance. Other LEED buildings include: Pune, India (LEED Gold for interiors); Shanghai, China (LEED Silver); and a data center in Santa Clara, Calif. (LEED Platinum certification for interiors).

We piloted our first onsite solar panel installation during FY18. The solar panels on one of our headquarters buildings generate 700,000+ kWh annually. Following this successful pilot, we're evaluating options to generate clean, renewable power at additional facilities, including our offices in India, where the latent grid electricity is unreliable and carbon intensive. To support our employees who wish to generate solar power at home, we've partnered with a major solar power company to offer $1,000 rebates on the installation of solar panels.

Our computer and chip development labs represent our more energy-intensive operations. We're taking steps to consolidate lab activities at our headquarters campus to reap significant efficiency benefits due to better space utilization and flexibility.

During FY18, we completed an energy management system (EnMS) gap analysis and have set a goal to implement an EnMS that is aligned with the ISO 50001 standard and integrated with our ISO 14001 EMS. The EnMS will help us to bring greater visibility and a focus on continual improvement to our energy consumption, which will be important as our company grows.

## Datacenters

Datacenter operations are responsible for 29 percent of Scope 1 and 2 GHG emissions from our facilities. These operations are set to grow along with our expanding business and our diversification into new online services.

As we look ahead to an increase in our global datacenter footprint, we're working to incorporate environmental considerations — including energy and water efficiency — and renewable power options into our datacenter siting and sourcing evaluations.

Meanwhile, we're focused on improving facility efficiency in datacenters under our operational control (including datacenters we own and operate and third-party datacenters where we are the sole tenant). As reflected in our environmental goals (see chart above), one of the metrics we track is PUE. Our datacenter team also actively benchmarks energy performance and closely monitors the operations of our cooling systems to drive down energy use.



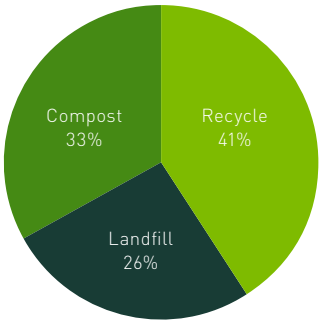
## Commute Initiatives

We established our Green2Work program at our Silicon Valley headquarters in FY15 to encourage our employees to reduce their commute footprint. The program includes electric vehicle charging, pre-tax dollars for transit and local transit shuttles, last-mile shuttle service for train riders, expanded bicyclist resources, advantages for carpooling and vanpooling, a shuttle from San Francisco, an online resource for commuters, and an emergency ride home program.

We have 40 car and three motorcycle electric-vehicle charging stations at our headquarters, and to date, 450 employees have used this service with the help of vehicle charging valet parking attendants. In FY18, we started offering the Scoop commuting service in Silicon Valley. In less than a year, NVIDIA Scoop commuters have avoided over 214,904 miles and saved almost 194,725 pounds of $CO_2$ (as of March 2018). For cyclists, we provide lockers, showers, and secure bike parking, and we began vanpooling last year. To assist our alternative commuters in the event of an emergency, we offer an emergency ride home through Lyft or Uber.

## Waste Initiatives

We have tracked total waste generated and waste diversion rates at our headquarters since FY08, and our annual goal for landfill diversion is 80 percent. In CY17, we achieved a 74 percent rate. During this coming year, we are taking a range of measures to improve our diversion rate, such as employee awareness campaigns that include improving signage to support better separation, incorporating recycling requirements into our facilities project requirements, and optimizing waste services throughout the campus.




Waste Breakdown
for California headquarters.

Our single biggest waste stream comprises food and other organic wastes sent for composting. Since starting our composting program in FY10, we have reduced the amount of organic waste sent to landfills by 10 million pounds. We are also working to reduce the amount of other types of waste we generate, and in FY18 we generated 4 percent less office and catering waste per employee than in FY17. Our initiatives include replacing disposables with durable, washable tableware in our employee restaurants; replacing single-use items such as sachets; and partnering with our food services vendor to make weekly donations of food to homeless shelters.

### GREEN2WORK PROGRAM

- Carpooling
- Electrical Car Charging
- NVIDIA Shuttles
- Vanpooling
- Emergency Ride Home
- Biking
- Motorcycling
- Valet Services
- Subsidy Program
- UberPOOL

## Water Initiatives

We do not manufacture our products in-house, so our direct operations are not water intensive. We do, however, have a large presence in California, which is a water-stressed region. We use water primarily for cooling towers, food service, landscaping, and sanitation.

As we develop and grow our headquarters campus, we're implementing measures to conserve water resources and reduce our potable water demand. Our new headquarters building 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. Reclaimed water is also being used in the building's cooling towers and to irrigate landscaping, which consists of native, drought-resistant plants.

## 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 FY10-16, we improved our Climate Change disclosure score from 34 to 98 (out of a possible 100 points). In FY17, we scored an A- in the CDP's new scoring paradigm for Climate Change and a B for Water. In FY18, we scored a B for both Climate Change and Water. While these scores are above average for our industry sector and the CDP program average scores, we're evaluating how to improve our CDP results, because we recognize that they are an important indicator of how well we manage climate change and water security issues. See our most recent CDP response attached.

Since FY13, Trucost has assured that our GHG emissions data and contextual information in our CDP response meets the AA1000 standard (see the FY18 assurance report).

# HEALTH, SAFETY AND WELLNESS


NVIDIA is committed to providing a safe and healthy environment for our employees, contractors, visitors, and communities, and to implementing practices that enable NVIDIA employees to work illness and injury-free.

## 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 is zero percent and our total recordable incident rate is 0.17 percent. 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 team oversees workplace conditions for NVIDIA employees 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.

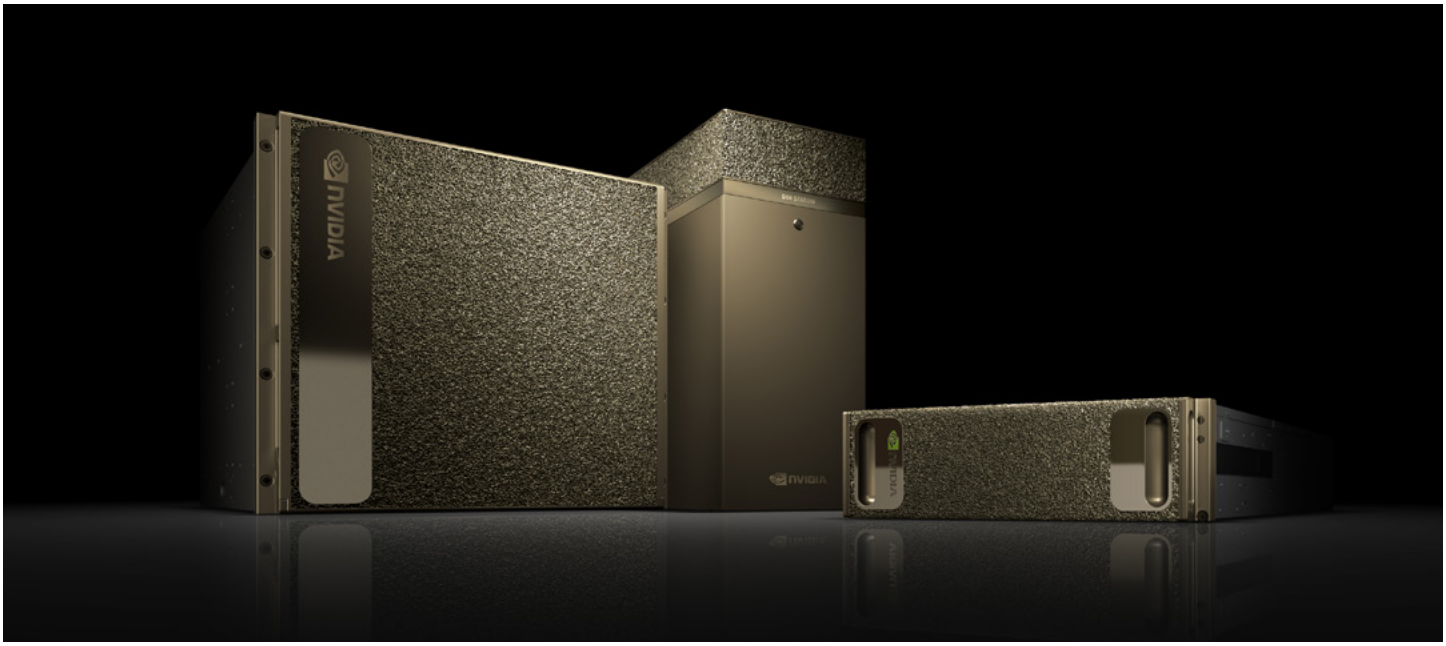
Our global EHS management framework includes:

- A network of Site Safety Officers that provide local EHS accountability.
- Documented, globally-applicable programs on key topics, including contractor management, ladder safety, ergonomics, and vehicle safety.
- 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 300 employees around the world. These volunteers assist with evacuation drills and may receive training in basic first aid, CPR, AED, and/or fire extinguisher training in addition to emergency preparedness that will enable them to rapidly respond in an emergency or disaster.

In FY18, the emergency response team for our Headquarters campus participated in a Stanford University training called Stop the Bleed, a program created at Stanford to maximize the number of survivors in the event of a major disaster.

# PRODUCT DESIGN




## PRODUCT DESIGN

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. On a per-instruction basis, GPUs are 10 times more efficient than CPUs, which have traditionally handled most instructional processing.

The GREEN 500

Fourteen of 20 of the most energy-efficient supercomputers use NVIDIA technology, according to the latest Green500 list, including our own NVIDIA DGX SATURNV, which is ranked No. 4.

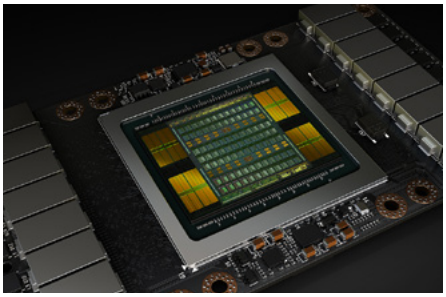
Automotive News PACE AWARD 20 Years

EY Building a better working world

TRC Transportation Research Center Inc.

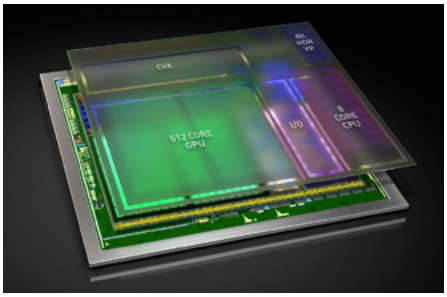
For the second time in three years, NVIDIA received in 2017 a coveted PACE Award, the automotive industry's equivalent to the Academy Award. This time, the award was presented for the NVIDIA DRIVE PX 2 AI car computer, a platform for building self-driving cars.

# OUR HIGHLY EFFICIENT PRODUCTS AND TECHNOLOGIES INCLUDE:



NVIDIA Volta

With more than 21 billion transistors, Volta is the most powerful GPU architecture the world has ever seen, delivering 120 teraflops of deep learning performance, a 5x increase compared to our previous architecture and equivalent to the performance of 100 CPUs. Every major cloud service provider uses Volta GPUs, as do many NVIDIA offerings. The NVIDIA DGX Station personal supercomputer, for example, uses Volta to offer the computing capacity of 400 CPUs while consuming nearly 40x less power and fitting neatly under a desk.

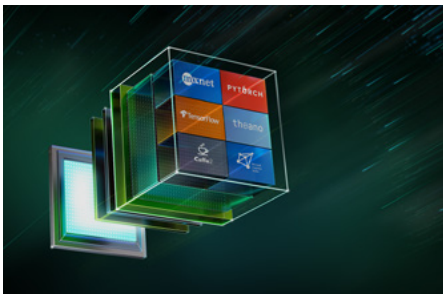


NVIDIA Xavier

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 delivers 30 trillions of operations per second of performance while consuming only 30 watts of power. As the brain of self-driving cars, Xavier is designed to be compliant with critical automotive standards, such as the ISO 26262 functional safety specification.

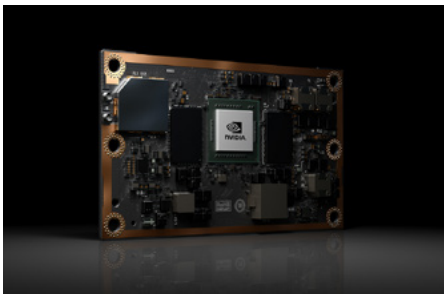
NVIDIA DGX SATURNV

The DGX SATURNV AI supercomputer provides the compute power to train deep neural networks significantly faster and create more intelligent AI. Efficient energy consumption and faster computing mean a smaller datacenter footprint. What once required a warehouse can now fit into the equivalent of a large conference room.



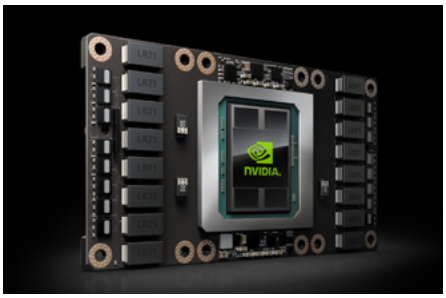
NVIDIA GPU Cloud

NVIDIA GPU Cloud 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 Jetson

NVIDIA Jetson is the world's leading AI computing platform for GPU-accelerated parallel processing in mobile embedded systems. Its high-performance, low-power computing for deep learning and computer vision makes it the ideal platform for compute-intensive embedded projects.

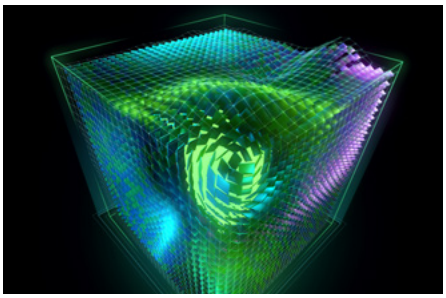


NVIDIA Tesla

The Tesla Accelerated Computing Platform is the leading platform for accelerating big data analytics and scientific computing. The latest Top500 list of the world's fastest supercomputers shows that 87 of these systems use NVIDIA Tesla GPU accelerators.


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.



NVIDIA CUDA

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 850,000 global developers who are programming with GPUs.

# UN SUSTAINABLE DEVELOPMENT GOALS

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

| ISSUE | TARGETS | SUSTAINABLE DEVELOPMENT GOALS | CONTRIBUTION OF NVIDIA TECHNOLOGY |
|---|---|---|---|
|  | 11.6 | By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management | Recycling Robots: Recycling is becoming more sophisticated, safer, and less costly thanks to machine learning. Barcelona-based Sadako has created a robot that uses machine learning to sort recycling and then extract specific types of valuable waste, like PET plastic bottles. A GPU-powered robot can differentiate types of trash and snatch selected items with a robotic arm. The method can target specific kinds of trash for recycling, separating valuable materials from garbage, and relieving some of the burden on workers. |

**GOAL #14** Conserve and sustainably use the oceans, seas, and marine resources for sustainable development

| ISSUE | TARGETS | SUSTAINABLE DEVELOPMENT GOAL | CONTRIBUTION OF NVIDIA TECHNOLOGY |
|---|---|---|---|
|  | 14.3 | Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels | Deep Water Learning: The world depends on the health of coral reefs. A deep learning process using NVIDIA's CUDA programming model running on powerful GPUs automatically analyzes reef photos of corals, sponges, algae, and other elements. It's 900x faster than the traditional method but just as accurate, allowing scientists to quickly assess the health of reefs so they can take steps to protect them. |

**GOAL #15** 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 | TARGETS | SUSTAINABLE DEVELOPMENT GOAL | CONTRIBUTION OF NVIDIA TECHNOLOGY |
|---|---|---|---|
|  | 15.1 | By 2020, ensure the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and drylands, in line with obligations under international agreements | An AI Airborne Conservatory: The Carnegie Institution for Science and Stanford University use NVIDIA AI accelerators and a powerful spectral imaging method to map Peru's 300,000 square miles (including the Amazon) of rainforest in unprecedented detail. By identifying each tree species by its chemical composition, the spectral imaging map takes the guesswork out of protecting one of the most biodiverse places on Earth and pinpointing new areas for conservation. In one area of the Amazon, deforestation has increased 500 percent since 2009, and AI-driven spectral mapping can advance our ability to save forests and curb climate change. |

To see other Sustainable Development Goals, see Our Priorities.

# SUPPLIER RESPONSIBILITY

Our commitment to producing products responsibly and sustainably requires us to pay close attention to our supply chain. We work with the subcontractors who manufacture our products to monitor and improve their social and environmental performance, and we require them to comply with international guidelines for responsible practices and materials safety.

## MANUFACTURING COMPLIANCE

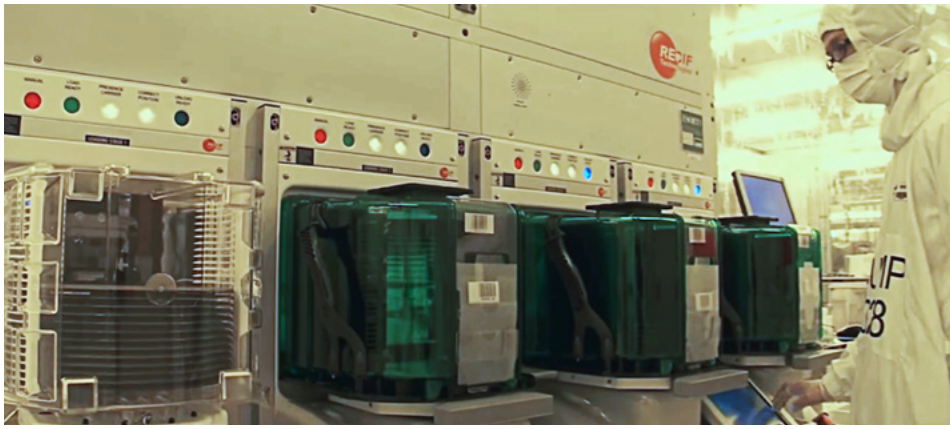
NVIDIA manufacturing suppliers must comply with the following:

- 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)

## RESPONSIBLE BUSINESS ALLIANCE

We became a member of the RBA (formerly EICC) in 2007. In 2017, the RBA established four membership categories, ranging in levels of involvement: Supporter, Affiliate, Regular Member, and Full Member. After our application was reviewed, NVIDIA was granted Full Member status in January 2018. We adopt the RBA Code of Conduct to drive our own practices as a supplier to the world's largest electronics companies and we use it for the suppliers who manufacture and assemble our products. We've integrated RBA risk assessment tools, auditing protocols, and educational resources into our supplier management practices, and our employees are deeply engaged on workgroups most relevant to our supply chain operations. The RBA enables us to leverage the collective weight of more than 100 electronics companies and provides a platform that lets us go above and beyond compliance.

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.



## RESPONSIBLE MINERALS/ MATERIALS

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 Democratic Republic of Congo (DRC) conflict-free gold, tantalum, tungsten, and tin in our products. We're a member of the Responsible Minerals Initiative (RMI) and Public-Private Alliance for Responsible Minerals Trade (PPA). NVIDIA supports 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 Co-operation 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 geographic areas of high concern.

## FY18 COMPLIANCE REPORT

We measure compliance against RBA member requirements and the RBA Code of Conduct for NVIDIA and its suppliers. The included tables track NVIDIA's supplier performance in these areas.

# 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% |
| Validated Audit Process (VAP) among 25% of high-risk suppliers | 0 (due to lack of high-risk suppliers) | In FY18, we reviewed six VAP audits of strategic suppliers. We define strategic suppliers as those that produce or handle NVIDIA production material; those with which we engage in the QBR process, which includes non-critical suppliers needing control based on what product/service they provide. |
| Corrective action plans (CAP) | 0 (due to lack of high-risk suppliers) | We engaged eight suppliers on their CAPs from the FY17-18 auditing season. Common findings include working hours, social insurance, and fire protection.<br><br>We'll continue monitoring to ensure that suppliers demonstrate effective processes to close these findings and ensure compliance. |

# 2017 PERFORMANCE WITH THE RBA CODE OF CONDUCT

| RBA CODE ELEMENT | NVIDIA AS SUPPLIER | NVIDIA AS CUSTOMER |
|---|---|---|
| Labor | › Updated NVIDIA's Code of Conduct to strengthen human rights language<br>› Relevant NVIDIA employees took several RBA Learning Academy courses | › Evaluated all contract manufacturers and direct material suppliers on geographic location, manufacturing processes, past SER performance and public reports<br>› Worked with suppliers to track working hours through VAP, CAPs, or RBA working-hours templates<br>› Worked with suppliers to address and comply with "zero hiring" fees<br>› Assigned Learning Academy courses to suppliers, including:<br>  › Hours of Work<br>  › Working Hours Recording System<br>  › Working Hours Management System<br>  › The Hiring Process<br>  › Recruitment and Selection<br>  › Hiring and Working with Migrant Workers<br>  › Wages and Benefits<br>  › Creating Motivating Wage Systems<br>  › Improving Your Dormitories |
| Health and Safety | › Conducted an annual tour of all NVIDIA offices to audit health and safety<br>› Updated environmental, health, safety and energy policy | › Closed CAPs covering all health and safety issues<br>› Reviewed improvement plans on health and safety as part of OHSAS 18001 for alignment with eight suppliers<br>› Assigned Learning Academy courses to suppliers<br>  › Effective H&S Systems<br>  › Fire Safety<br>  › Managing Air Emissions |

# 2017 PERFORMANCE WITH THE RBA CODE OF CONDUCT

| RBA CODE ELEMENT | NVIDIA AS SUPPLIER | NVIDIA AS CUSTOMER |
|---|---|---|
| Environmental | › Submitted water (score B) and supply chain (score B) to CDP<br>› Completed RBA online environmental survey on carbon, water, and waste<br>› Participated in environmental sustainability work group | › 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<br>› Required compliance with environmental standards (see Manufacturing Compliance sidebar)<br>› Reviewed suppliers' environmental improvement plans for ISO 14001 alignment<br>› Assigned Learning Academy courses to suppliers<br>› Environmental Protecti¬on<br>› Managing Energy and GHG Emissions<br>› Water and Wastewater Management<br>› Resolving Wastewater Treatment Issues<br>› Managing Waste |
| Ethics | › Continued membership in RMI<br>› Participated in RMI work groups on due-diligence data collection, and smelter engagement | › Engaged 100% of suppliers to collect smelter data for our conflict minerals program<br>› Continued evaluation of smelter metrics for the annual SEC conflict minerals reporting requirement<br>› Inactivated suppliers non-compliant with product and conflict mineral requirements<br>› Assigned Learning Academy courses to suppliers<br>› Supply Chain Ethics<br>› Recognizing Forced Labor<br>› Preventing Forced Labor |
| Management Systems | › Participated in VAP work group<br>› Evaluated RBA full membership tier to determine any gaps (accepted in January 2018 as full member) | › Conducted quarterly business reviews of suppliers<br>› Assessed compliance with updated RBA Code with respect to labor fees and freedom of association<br>› Implemented a performance-based award system for strategic suppliers<br>› Assigned Learning Academy courses to suppliers<br>› Understanding Supply Chain Responsibility<br>› Industry Standards<br>› Responsible Supply Chain Management (for Factory Management)<br>› Supply Chain CSR Monitoring<br>› Using KPIs |

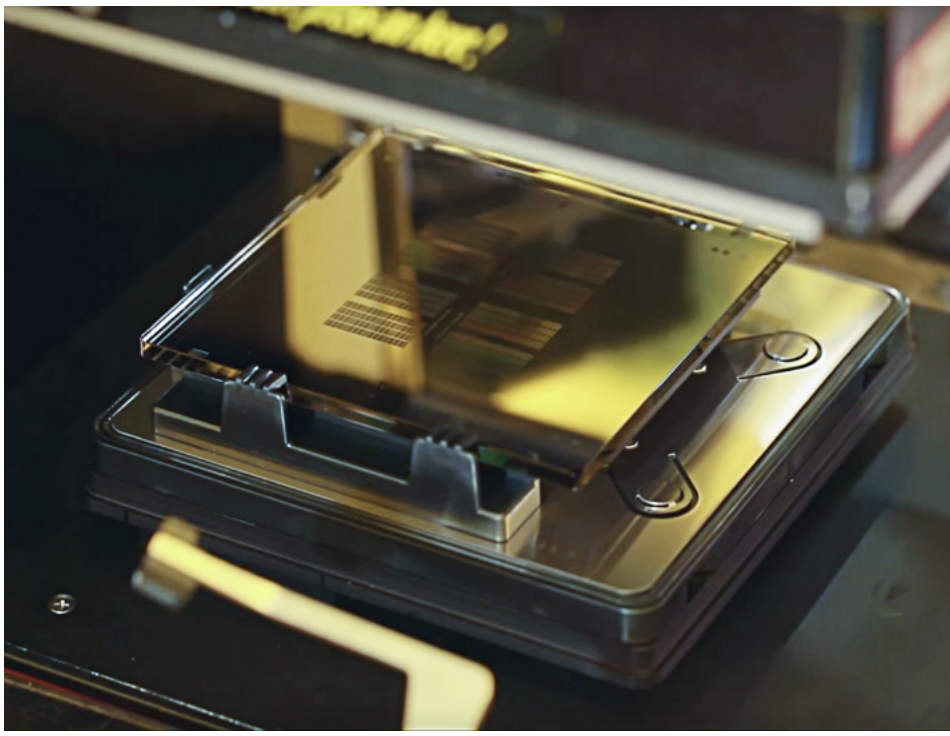
# SUPPLIER ASSESSMENT

We have streamlined our existing and new supplier assessment process over the past two years. Our new supplier assessment process includes a compliance analysis and CSR topics review, which includes being vetted against general product compliance industry standards, conflict minerals data, and RBA Code compliance through the RBA online system.

Existing strategic suppliers are evaluated through quarterly business reviews (QBRs). Five of 100 points are allocated to CSR issues, and supplier requirements vary by quarter. Each quarter, overall supplier assessment is reviewed by product category and performance is ranked. Business allocation decisions are influenced by QBR performance.

We unified our compliance requirements and specifications to cover all manufacturers in our supply chain. The specification agreements will be deployed and tracked through the QBRs to ensure that all strategic manufacturers transition to the new requirements.

Our progress against goals set in FY18 and our goals for FY19 are detailed in Our Performance.



# PRODUCT DELIVERY


We continually seek new ways to minimize our environmental footprint, and work steadily to improve our product packaging and delivery methods.

## COMPLIANCE

We comply with all applicable laws and regulations in the countries where we operate. Compliance areas include hazardous substances, conflict minerals, packaging, and logistics.

In compliance with the FY17 decision on the renewal of EU RoHS Directives Exemptions, we have voluntarily restricted the use of lead in our GPUs.

Where appropriate, we review and make changes to bills of material to ensure that our products meet customer and legislative requirements while delivering optimal performance. In addition, we have specific agreements for environmental compliance with specialized suppliers.

We routinely incorporate into our process third-party lab inspections to verify compliance with applicable standards. We engage an external consultant to benchmark and review our practices, and we participate in joint industry training activities so that we can align our practices with customer and industry expectations.

## REDUCED 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

## 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.

We use 100 percent recycled fibers in 100 percent of our bulk carton packages and in over 80 percent of our consumer packages. We re-use materials as much as possible. 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 impacts. These changes included development of smaller and lighter weight packaging sizes, creating a "core box" system so that primary packaging and shipping carton boxes can be shared among product SKUs as needed. 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've stopped using anti-static foam material, and transitioned to a 60 percent recycled and recyclable foam material. We provide online instructions wherever possible, although some markets still require printed instructions in the box.

For our SHIELD tablet consumer packaging, in FY18 we reduced packaging volume by 69 percent and decreased pallet usage by 43 percent compared to previous generation packaging.

Other efforts to recycle and reduce packaging include:

- Using vegetable-oil based printing inks;
- Reusing moisture-barrier bags, trays and bulk cartons whenever feasible;
- Using suppliers that leverage distribution centers to minimize the shipping footprint of packing/ packaging materials;
- Shipping product whenever possible directly to the retail distributor;
- Applying materials labels to 100 percent of our packages to simplify consumer recycling; and
- Leveraging existing packaging for return merchandise authorization support when feasible.

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

We're reviewing our GPU-related packaging, for both GeForce and Quadro, with a goal to reduce materials used by 15 percent in the next year. For automotive systems and our biggest GPUs, such as the DGX-2, with its large cardboard box and protective foam, we aim to have all packaging material that is both recycled and recyclable. And we're reducing paper use by providing online instructions wherever possible.

## LOGISTICS

The methods we use to plan, pack, and execute our raw material, work-in-progress, and finished-goods shipments have a significant 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.

We made efforts to optimize logistics as follows:

- Implemented consolidation programs to efficiently configure packing and reduce the number of pick-ups and deliveries.
- Oversaw subcontractor packing to ensure that cartons and pallets are fully packed and efficiently unitized.
- Used lightweight paper or cardboard pallets, where feasible, to reduce shipment weights.
- Implemented a multimodal (ocean/truck) replenishment program within the U.S. and retail distribution outside the U.S.
- Instituted a balanced supplier scorecard that includes awarding points for our suppliers' participation in environmental initiatives.
- Implemented reverse logistics solutions that use onsite or regional failure verification and repair to streamline product returns and eliminate international shipments.

We continue to 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.

# SOCIAL IMPACTS OF OUR TECHNOLOGY

Our technology and philanthropic efforts put NVIDIA at the forefront of solving the world's most complex social and scientific problems. We work with leading visionaries to help bring their work to fruition and use the NVIDIA blog and social media channels to help draw attention to their efforts. Included in this section are some of the stories we've highlighted over the past year about these efforts.

## SELF-DRIVING CARS AND SAFETY

Automotive safety isn't a box you check. It's not a feature. Safety is the whole point of autonomous vehicles, and it is designed into the NVIDIA DRIVE computer for autonomous vehicles from the ground up. Learn about our relentless focus on safety.

## AI IN EDUCATION

AI is touching a growing number of jobs and will be an enormous part of the future workforce. Recognizing the importance of education, NVIDIA supports youth and adult education programs that harness our research and technology platforms to help foster a deeper understanding of AI and enable people to take advantage of the opportunities it offers worldwide. Learn more here.

## FINDING A CURE FOR CANCER WITH AI

Your mother. Your best friend. Your colleague. Your child. Globally, nearly one in six deaths results from cancer. AI and deep learning are transforming cancer research. Read more about the role NVIDIA and its partners are playing in this search for the cure.

## RECOGNIZING REVOLUTIONARIES

### GLOBAL IMPACT AWARD

NVIDIA provides $200,000 to researchers using NVIDIA technology for groundbreaking work that addresses social, humanitarian, and environmental problems.

This year, we split the award between two institutions for their research addressing social, humanitarian, and environmental problems. Princeton University enlisted AI to help establish the feasibility of delivering fusion energy in the foreseeable future. The University of Malaga is using GPUs to transform tsunami early warning systems.

# CHARITABLE GIVING


Employees, family, and friends at our Silicon Valley headquarters participate in the American Cancer Society's Making Strides Against Breast Cancer 5K walk. Nearly 800 walkers raised more than $485,000, making Team NVIDIA the top fundraising team in the U.S. in 2017.

Through the NVIDIA Foundation, we accelerate solutions to the world's most challenging issues in health and education. Led by four staff members and guided by a nonexecutive employee board of directors, we engage our employees, work with our partners, apply our technology, and target our financial resources in efforts to advance the fight against cancer and help youth excel in learning.

In FY18, NVIDIA and our employees donated nearly $4.4 million and more than 9,000 volunteer hours to support nonprofit organizations around the world. More than 65 percent of our offices held at least one charitable-giving event.

## Our Fight Against Cancer

Compute the Cure, our strategic philanthropic program, awards grants and fosters employee engagement initiatives aimed at advancing the fight against cancer. We fund cancer researchers who use innovative computing methods to accelerate their work, and support nonprofit organizations that provide patient care and services. Offices around the world hold events to engage employees in raising funds for cancer-focused organizations.

Through grants and employee fundraising efforts, NVIDIA donated more than $1.3 million to this effort in FY18. For example, we:

- Provided $200,000 grants to research teams from the Ludwig Cancer Research Insti¬tute and University of Toronto. These institutions use GPUs and deep learning to explore new genetic pathways for clues to more effective cancer treatments.
- Awarded four $50,000 grants to nonprofits. These funds support: counseling services in rural areas of Central California that benefit children with cancer and their families, an art therapy program at two children's hospitals in the San Francisco Bay Area, a no-cost treatment program in India for people without the financial resources to treat their eye cancer, and cancer awareness and screening camps in remote areas across India and Nepal.
- Raised more than $485,000 for the American Cancer Society's Making Strides Against Breast Cancer walk, earning recognition as the top fundraising team in the U.S. This fundraising activity involved nearly 800 NVIDIANs and their families and friends.

## Our Efforts in Education

The NVIDIA Foundation's education initiatives provide K-12 students the tools and skills they need to succeed. We offer opportunities to underserved and underrepresented youth, strive to improve math and science education, and inspire youth to enter occupations requiring science, technology, engineering, and math (STEM) skills.

We launched the NVIDIA Techsplorer program in FY18. This initiative introduces underserved students to cutting-edge technologies, such as AI and deep learning, through hands-on learning activities. We partner with Iridescent, a global education nonprofit, to create open-ended engineering challenges that introduce core technical concepts and engage NVIDIA engineers to educate and inspire the students.

Employees get opportunities to use their time and talent to help students through mentoring and tutoring programs. Our annual Project Inspire volunteer effort physically transforms schools and other youth-focused organizations in low-income areas to create a welcoming and stimulating environment for learning. In FY18, the company and our employees donated more than $2 million and 6,200 volunteer hours to these education-related efforts and reached more than 72,000 children.

In FY18, we:

- Reached 2,400 students through our new Techsplorer program via NVIDIA-hosted student events and teacher trainings, and donations of Techsplorer activity kits.
- Revamped education facilities through Project Inspire events held by our offices in Austin, Bangalore, Beaverton, Berlin, Bristol, Cambridge, Courbevoie, Durham, Hsinchu, Pune, Reading, Taipei, Westford, and Würselen.
- Built and stocked school libraries in China with more than 10,000 books and donated more than 2,000 backpacks through our offices' back-to-school efforts.

## Measuring Success

We use several metrics to measure the success of our giving and volunteerism programs. The accompanying chart shows our progress and outlines our goals for the coming year.

| | FY17 | FY18 | FY19 Goals |
|---|---|---|---|
| **Percent of NVIDIA offices holding charitable-giving events** | 90% | 65% | 80% |
| **Offices participating in Project Inspire events** | 12 | 14 | 16 |
| **# of Project Inspire events** | 10 | 12 | 14 |
| **Volunteers** | 4,072 | 2,937 | 3,600 |
| **Volunteer rate, total** | 42% | 27% | 30% |
| **Volunteer rate, unique** | 30% | 21% | 25% |
| **Number/value of volunteer hours** | 17,400 / $417,600 | 9,394 / $226,771 | 11,000 /$265,540 |
| **Donations, company cash** | $2,392,044 | $3,043,878 | N/A |
| **Donations, in-kind** | $184,349 | $292,437 | N/A |
| **Donations, employee** | $389,812 | $1,062,493 | N/A |
| **Total donations** | $2,966,205 | $4,398,808 | N/A |
| **Administrative overhead** | 8% | 4% | 8% |

# 06
# OUR PERFORMANCE

# GOALS AND PERFORMANCE

As mentioned in Our Priorities, our CSR objectives are to drive operational efficiency and excellence, improve employee recruitment and retention, and manage CSR risks and reputation. Throughout this report, we detail specific accomplishments related to the initiatives we implemented, which reflect these objectives and the priority issues linked to them.

In this section, we provide an overview of our environmental, social, and economic performance in FY18 and our goals for FY19.

## FY18 GOALS AND PERFORMANCE

| OPERATIONAL EFFICIENCY AND EXCELLENCE | | |
|---|---|---|
| PRIORITY | PROGRESS | COMMENTS |
| Rank all active suppliers for their compliance to the RBA Code of Conduct, leveraging our RBA membership and using the RBA-Online platform. | 70% | Initial requests sent and assessments conducted for higher spend suppliers. We will outreach to all spend suppliers in FY2019. |
| Release a unified set of procedures for monitoring our suppliers' products and social compliance. Work with strategic contract manufacturers to execute a new agreement. | 50% | Unified procedures created to comply with updates to ISO 9001 and ISO 14001. Goal will continue in FY2019. |
| Investigate obtaining full material disclosures (FMD) for all products. | 100% | Contracted with a third-party service to support FMD data management and create FMD in several formats, including XML IPC1752. |
| Identify ISO 14001 gaps related to a product life-cycle perspective and EOL recycling. | 100% | Closed all gaps and completed specification to represent the life-cycle perspective. |
| Request greenhouse gas third-party certification from strategic contract manufacturers. | 90% | All requested suppliers will be asked to complete in FY2019. |

# FY18 GOALS AND PERFORMANCE

| RECRUITMENT AND RETENTION | | |
|---|---|---|
| PRIORITY | PROGRESS | COMMENTS |
| Roll out second phase of unconscious bias programming, which includes implementing bias mitigation techniques into recruiting and team dynamics activities, launching Textio resume platform globally, and providing bias awareness training to our human resources recruiting team. | 60% | We are still evaluating partners for unconscious bias program development; we had paused Textio roll out to make it easier for all employees to use and it is being rolled out internationally at this time; HR recruiting team has been trained in unconscious bias in hiring practices. |
| Continue tracking progress on measures across the diversity and inclusion metrics of hiring, retention, and turnover. | 100% | See diversity and inclusion section within our Workforce. |
| Create employee resource groups for Latino and veteran communities. Continue our support of existing African-American, early career, LBGTQ, and women's groups. | 70% | Hispanic-Latino Network formed in early FY19, veteran resource group still being evaluated by employees; held discussions between our CEO and resource communities (African-American, Hispanic, women, veterans, and early career employees), which resulted in significant expansion of our parenting benefits to fund adoptions, in vitro fertilization, and egg freezing. |
| Hold an NVIDIA Inclusion Day event to create awareness of and recruit for employee resource groups. | 100% | Held as part of Club Day in FY18; FY19 goal is for event focused exclusively on resource groups, with their executive staff sponsors in attendance. |
| Support a women-in-tech resource group to create tailored career development opportunities. | 100% | Held four events to bring development content to women: Stanford Women in Data Science webcast; deep learning panel with internal executives; conference paper preparation workshop; and panel on deep learning featuring women CEOs from NVIDIA's startup program. |

# FY18 GOALS AND PERFORMANCE

| RISK AND REPUTATION | | |
|---|---|---|
| PRIORITY | PROGRESS | COMMENTS |
| Apply for the new Full member category for the EICC (now RBA). | 100% | Achieved |
| Achieve 100 percent conflict-free on all products by the end of FY18. | 93% | 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). |
| Maintain a response rate of 100 percent on the Conflict Minerals Report Template for all active suppliers. | 100% | Achieved |
| Conduct a SWOT analysis to identify areas for improvement in performance and communications and/or positioning regarding CSR issues. | 100% | Achieved. Key trends discovered through the SWOT include talent pipeline, the role of technology in shaping society, and resource efficiency through the product lifecycle. |
| Connect UN Sustainable Development Goals with our efforts in innovation, health, gender equality, and environment. | 100% | Achieved. See Our Priorities |
| Maintain inclusion in the Dow Jones Sustainability Index North America. | 100% | Achieved |
| Maintain a 100 percent score in the Human Rights Watch Corporate Equality Index. | 100% | Achieved |

# FY19 GOALS

| OPERATIONAL EFFICIENCY AND EXCELLENCE |
| --- |
| Maintain Full member status in the RBA. |
| Expand quarterly business review process to include strategic mechanical, component, and packaging suppliers. |
| Work with suppliers deemed high risk to improve their RBA risk performance status. |
| Achieve 100 percent RMAP-compliant tantalum, tin, tungsten, and gold processing facilities. |
| Pass audit against updated ISO 14001:2015 standard, which includes a focus on integration of electronics manufacturing services into business processes and considerations of the life-cycle perspective. |
| Rank all active suppliers for their compliance to the RBA Code of Conduct, leveraging our RBA membership and using the RBA-Online platform. |
| Monitor disclosure demand for additional conflict minerals and materials. |
| Complete indirect supplier diversity analysis. |
| Evaluate clean energy options in datacenters and India offices. |
| Implement ISO 50001 Energy Management System. |
| Conduct climate and water risk assessment. |
| Complete gap analysis against the ISO180001 Health and Safety Management System standard. |

| RECRUITMENT AND RETENTION |
| --- |
| Roll out second phase of unconscious bias programming, which includes implementing bias mitigation techniques into team dynamics activities. |
| Examine learning and development courses that cover meeting execution and collaboration to determine how to integrate bias-mitigating tactics. |
| Hire a diversity recruiter to increase the number of women and underrepresented minorities in the recruiting pipeline. |
| Track diverse hires through the recruiting funnel. |
| Implement Reboot, a program that helps women return to the workforce. |
| Conduct an annual learning and development needs analysis with our employee resource groups (ERGs). |
| Hold an event on our main campus to create awareness for our ERGs, and launch new websites for active groups. |

# FY19 GOALS

| RISKS AND REPUTATION |
| --- |
| Board of Directors to commence oversight of corporate social responsibility (began May 2018). |
| Develop training materials for our new Code of Conduct. |
| Update anti-bribery and create anti-trust policies. |
| Prepare for General Data Protection Regulation compliance. |
| Broaden the scope of our public relations coverage to promote our AI leadership. |
| Better understand our responsibility to address social issues related to AI, such as bias and workforce impact. |
| Raise our profile in Washington, D.C., with regard to autonomous driving and AI research. |
| Launch an internal CSR series focusing on the people behind NVIDIA's CSR. |
| Maintain inclusion on key workplace and CSR lists. |

# ECONOMIC

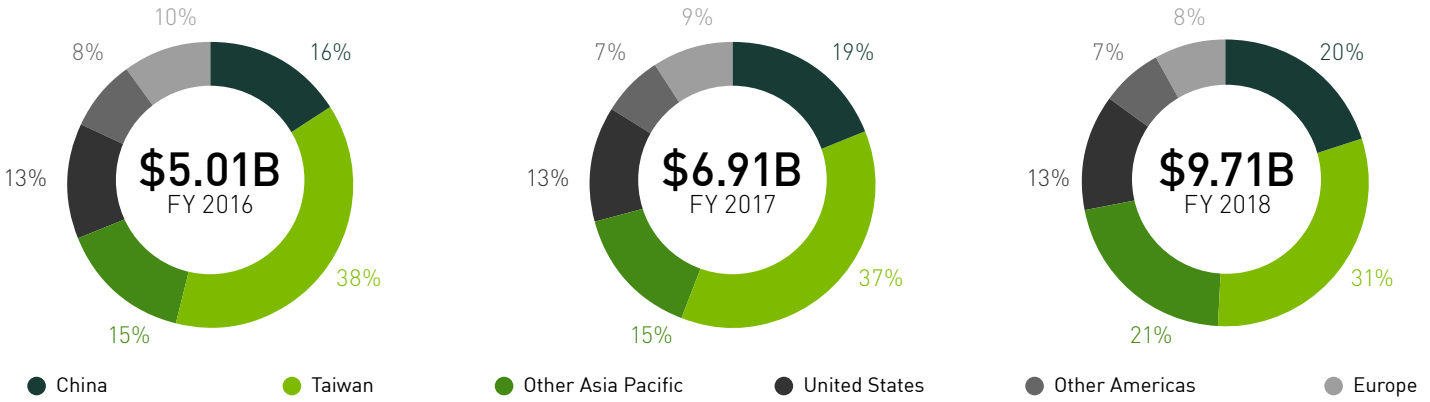
Included here is an overview of the company's economic activity over the past three fiscal years, and a reporting of our revenue by region.

## ECONOMIC INDICATORS

Dollars represented in millions

| | FY16 | FY17 | FY18 |
|---|---|---|---|
| **Revenue** | $5,010 | $6,910 | $9,714 |
| **Total operating expenses** | $2,064 | $2,129 | $2,612 |
| **Net income** | $614 | $1,666 | $3,047 |
| **Gross margin** | 56.1% | 58.8% | 59.9% |
| **Income tax expense (benefit)** | $129 | $239 | $149 |
| **Total assets** | $7,370 | $9,841 | $11,241 |
| **Total stockholders' equity** | $4,469 | $5,762 | $7,471 |
| **Total liabilities and stockholders' equity** | $7,370 | $9,841 | $11,241 |
| **Revenue by country/region** | See chart | See chart | See chart |
| **Intended capital return (dividends and stock repurchases)** | $800 | $1,000 | $1,250 |
| **Compensation of named executive officers** | See Proxy Statement | See Proxy Statement | See Proxy Statement |

## REVENUE BY REGION



# WORKFORCE AND DIVERSITY

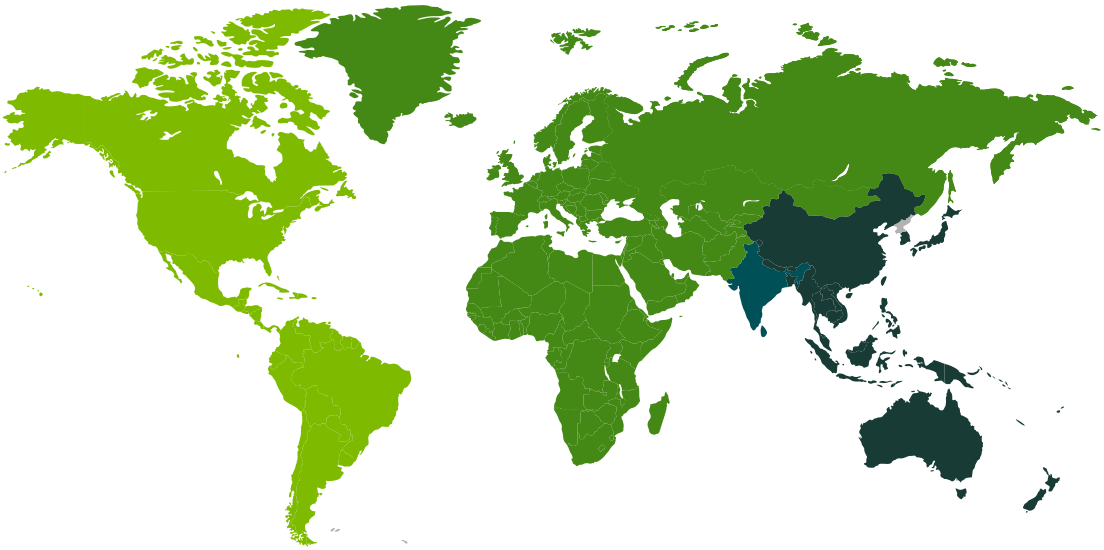
Each year, we report workforce data to our external stakeholders. These metrics, combined with employee survey data, help us determine how we can improve in specific areas throughout our enterprise. The data show a diverse and engaged employee base, with a turnover rate well below the industry average.

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.

## EMPLOYEE PROFILE

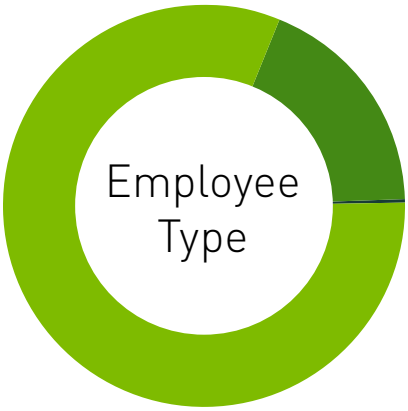
| | Employees | Offices | Countries |
|---|---|---|---|
| **FY2018** | 11,528 | 48 | 21 |
| **FY2017** | 10,299 | 42 | 20 |
| **FY2016** | 9,227 | 42 | 18 |
| **FY2015** | 9,228 | 48 | 18 |

## HEADCOUNT BY TYPE



| | Americas | EMEA | India | APAC | Total |
|---|---|---|---|---|---|
| **Exempt** | 5,970 | 811 | 1,960 | 2,154 | **10,895** |
| **Non-Exempt** | 246 | 20 | 308 | 59 | **633** |
| **Contractors** | 1,396 | 97 | 1579 | 338 | **3,410** |
| **Interns** | 108 | 19 | 105 | 97 | **329** |

## EMPLOYEE TYPE BY LEVEL



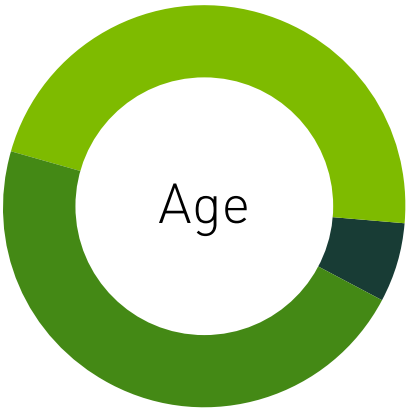

**Executive**
26 (0.2%)

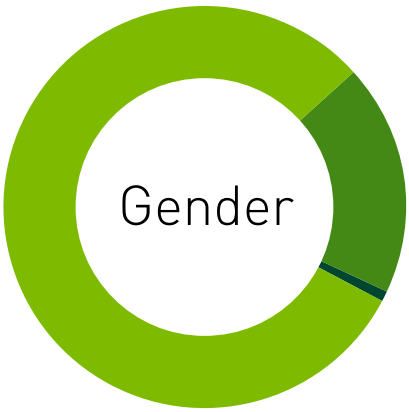
**Management**
2,074 (18.0%)

**Individual Contributors**
9,428 (81.8%)

**TOTAL**
11,528

## NEW HIRES BY AGE GROUP AND GENDER

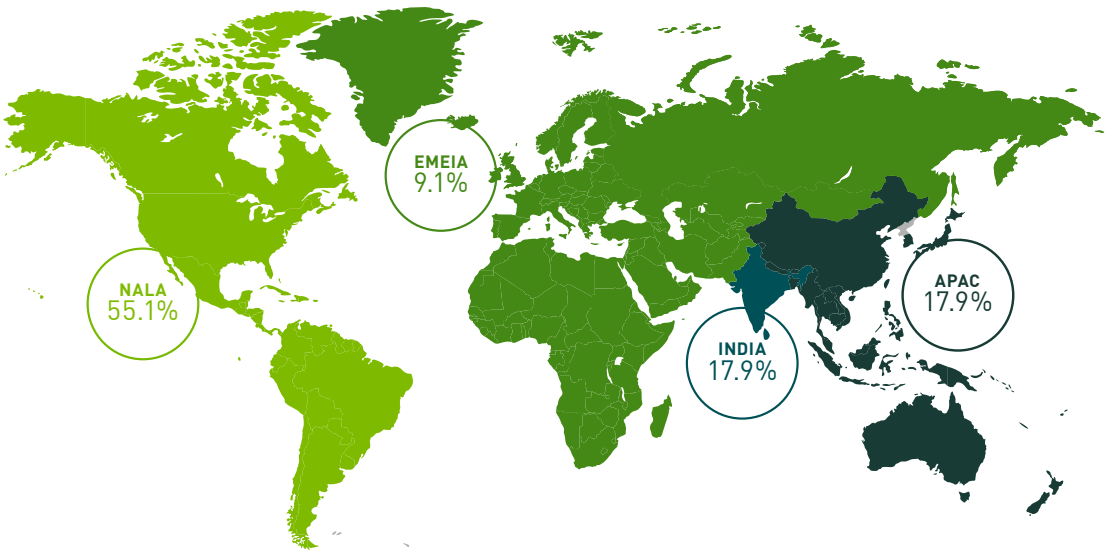



**20–30**, 43.5%
**31–50**, 48.5%
**51+**, 8%

**Male**, 78.8%
**Female**, 19.1%
**Not Declared**, 2.1%

## NEW HIRES BY REGION



## PROMOTIONS

In FY18, we promoted 12.7 percent of our workforce. Of the 1,466 promotions, 93 (6 percent) were at the level of director or above, 255 (17 percent) were women, and 436 of U.S. promotions were from minority groups.

## TURNOVER DATA

Even though the high-tech industry is extremely competitive, NVIDIA's turnover continues to decrease, dropping to 5.6 percent in FY18, compared with the semiconductor industry average of 14.2 percent. Our voluntary turnover rate is 5.1 percent, well below the semiconductor industry average of 9.7 percent.

| | OVERALL TURNOVER | VOLUNTARY TURNOVER |
|---|---|---|
| **FY2018** | 5.6% | 5.1% |
| **FY2017** | 6.7% | 5.8% |
| **FY2016** | 13% | 7.2% |
| **FY2015** | 8.7% | 7.9% |
| **FY2014** | 8.4% | 7.6% |

Our turnover rate increased in FY16 to 13.0 percent due to a business closure.

## DIVERSITY

As stated in our Equal Employment Opportunity Policy and Code of Conduct, we are committed to providing equal opportunity to all employees and applicants.

The level of diversity at NVIDIA reflects the current state of the technology and engineering industries as a whole. Roughly 71 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 engineering. Learn more about our approach to diversity and inclusion in Our Operations.

## EMPLOYEE RACIAL/ETHNIC DIVERSITY SNAPSHOT*

| | FY18 | FY17 | FY16 |
|---|---|---|---|
| **Asian/Indian** | 50.1% | 51.0% | 51.1% |
| **White** | 41.1% | 42.9% | 43.2% |
| **Hispanic** | 3.3% | 3.4% | 3.5% |
| **Black** | 1.0% | 1.1% | 0.9% |
| **Native Hawaiian/Pacific Islander** | 0.3% | 0.3% | 0.3% |
| **American Indian/Alaska Native** | 0.08% | 0.13% | 0.15% |
| **Two or more races** | 0.54% | 0.32% | 0.27% |
| **Decline to state** | 3.60% | 0.89% | 0.56% |
| **TOTAL** | **100%** | **100%** | **100%** |

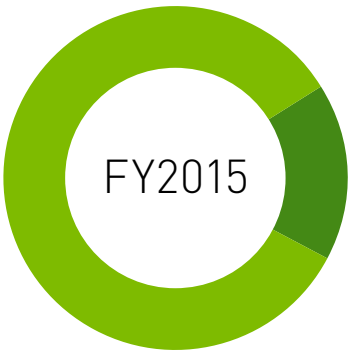
* Minority data represents the United States only.

## GENDER DATA


**Male** 81.4%
**Female** 18.6%
**Not Declared** 0%


**Male** 81.5%
**Female** 18.4%
**Not Declared** 0.10%


**Male** 82.5%
**Female** 17.5%
**Not Declared** Not known




**Male** 83.5%
**Female** 16.5%
**Not Declared** Not known

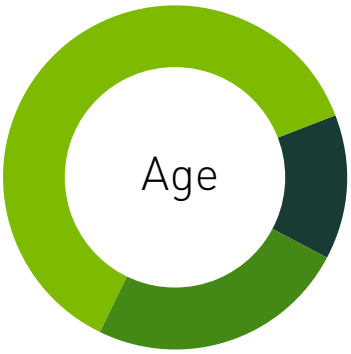
## POSITIONS HELD BY WOMEN (FY18)

| | | |
|---|---|---|
| **16.1%** managers | **20.0%** outside directors | **8.49%** leaders |
| **18.6%** in global workforce | **13.3%** in technical roles | **40.0%** executive officers |

## POSITIONS HELD BY WOMEN (FY17)

| | | |
|---|---|---|
| **15.9%** managers | **18.2%** outside directors | **11.8%** leaders |
| **18.4%** in global workforce | **12.9%** in technical roles | **40.0%** executive officers |

## AGE DATA




**20–30** 23.5%
**31–50** 62.7%
**51+** 13.8%

## GENDER TURNOVER

| | FEMALE | MALE |
|---|---|---|
| **FY18** | 5.4% | 5.3% |
| **FY17** | 6.7% | 6.3% |
| **FY16** | 9.4% | 13.9% |
| **FY15** | 7.9% | 8.2% |

# ENVIRONMENT

## POLICIES, CERTIFICATIONS

| Name | Response |
|---|---|
| Assurance of Scope 1 and Scope 2 global GHG emissions | Yes |
| Environmental policy | Yes |
| Corporate responsibility directive | Yes |
| Environmental supply chain management directive | RBA members |
| ISO 14001 certified sites | 1 (Silicon Valley, CA - scope includes the operational footprint of 40% of our global workforce as well as global supply chain management, logistics and product design and development) |
| Emissions reduction initiatives | Yes |
| Waste reduction initiatives | Yes |
| Water reduction initiatives | Yes |
| Climate change policy | See our Environmental, Health, Safety and Energy Policy |
| Climate change opportunities discussed | Yes; see CDP |
| Climate change risks discussed | Yes; see CDP |
| Number of environmental fines | 0 |
| Amount of environmental fines | $0 |

## GREENHOUSE GAS DATA

| Metric | FY18 | FY17 | FY16 | FY15* |
|---|---|---|---|---|
| GHG Scope 1 total global ($tCO_2e$) | 2,356 | 2,571 | 2,419 | 3,339 |
| Stationary natural gas | 2,253 | 2,313 | 2,316 | 2,483 |
| Stationary distillate fuel oil | 43 | 78 | 71 | 205 |
| Gasoline | 44 | 42 | 16 | 14 |
| Refrigerants | 16 | 139 | 16 | 637 |
| Perfluorocarbons (PFCs) (Santa Clara headquarters lab operations) | Less than 0.001 | Less than 0.001 | Less than 0.001 | Less than 0.001 |
| GHG Scope 2 total global ($tCO_2e$) - market based[a] | 58,081 | 47,321 | 44,162 | 48,355 |
| Purchased electricity | 57,637 | 46,902 | 43,767 | 47960 |
| Purchased heating/cooling | 444 | 419 | 395 | 395 |
| Total GHG emissions (Scope 1 and 2 total – $tCO_2e$)[a] | 60,437 | 49,892 | 46,581 | 51,694 |
| Normalized GHG emissions per employee (Scope 1 and 2 total/headcount) | 3.96 | 4.02 | 4.28 | 4.79 |
| % change in normalized GHG emissions per employee, compared to FY14 | -13% | -11% | -5% | 6% |
| GHG Scope 2 total global ($tCO_2e$)[a] - location based | 51,230 | 50,841 | 48,528 | 49,343 |
| GHG Scope 3 (US) ($tCO_2e$) | 323,165 | 274,367 | 234,887 | 114,510 |
| Purchased goods and services (indirect procurement) | 190,734 | 150,741 | 159,976 | 42,791 |
| Capital goods | 50,463 | 78,076 | 31,748 | 30,829 |
| Fuel- and energy-related activities not included in Scope 1 and 2 | 21,613 | 20,246 | 19,039 | 20,623 |
| Upstream transportation and distribution[d] | 28,590 | Not tracked | Not tracked | Not tracked |
| Waste generated in operations[b] | 405 | 240 | 839 | 184 |
| Business travel | 31,360 | 25,064 | 23,285 | 20,083 |
| Scope 1 carbon dioxide emissions (metric tons) | 2,335 | 2,427 | 2,398 | 2,695 |
| Scope 1 nitrous oxide emissions (metric tons) | 2 | 2 | 2 | 2 |
| Scope 1 methane emissions (metric tons) | 3 | 4 | 3 | 4 |
| Sulfur dioxide emissions (metric tons)[h] | 0.08 | 0.14 | 0.12 | 0.36 |
| VOC emissions (metric tons)[h] | 0.17 | 0.16 | 0.15 | 0.43 |
| Carbon monoxide emissions (metric tons)[h] | 0.25 | 0.44 | 0.41 | 1.17 |
| ODS emissions from HCFC s (metric tons R-11e)[h] | 0.003 | 0.010 | 0.004 | 0.009 |
| Particulate emissions (metric tons)[h] | 0.08 | 0.14 | 0.13 | 0.38 |

## ENERGY, WASTE, WATER

| Metric | FY18 | FY17 | FY16 | FY15* |
|---|---|---|---|---|
| Energy used (global) (MWh) | 153,907 | 138,873 | 130,620 | 131,038 |
| Energy per headcount (global) (MWh/employee) | 10.08 | 11.19 | 12.01 | 12.15 |
| Non-renewable fuels purchased and consumed (MWh) | 12,796 | 13,262 | 13,217 | 14,652 |
| Non-renewable electricity purchased (MWh) | 88,905 | 90,016 | 84,419 | 76,180 |
| Steam / heating / cooling and other energy (non-renewable) purchased (MWh) | 176 | 177 | 141 | 131 |
| Total renewable energy purchased or generated for own consumption (MWh)[e] | 52,029 | 35,418 | 32,844 | 40,075 |
| Renewable electricity as percentage of total electricity[e] | 37% | 29% | 36% | 24% |
| Total power generated, onsite solar (MWh) | 719 | 0 | 0 | 0 |
| Blended average Power Usage Effectiveness (PUE) for global data centers | 1.52 | 1.56 | 1.58 | 1.57 |
| Water withdrawal, global (cubic meters) | 262,269 | 213,359 | 194,879 | 258,634 |
| Surface water | 0 | 0 | 0 | 0 |
| Groundwater | 14,481 | 13,535 | 24,364 | 5,199 |
| Rainwater collected directly & stored | 0 | 0 | 0 | 0 |
| Wastewater from another organization | 13,796 | 0 | 0 | 0 |
| Municipal water supplies or other public/private water utilities | 233,992 | 199,824 | 170,515 | 253,435 |
| Percent of water (internally) recycled | 0 | 0 | 0 | 0 |
| Water consumption, global (cubic meters)[f] | 55,681 | 39,506 | 29,127 | 57,193 |
| Water discharge, global (cubic meters) | 206,587 | 173,853 | 165,752 | 201,441 |
| Total waste, corporate headquarters (metric tons)[g] | 2,670 | 2,987 | 15,628[c] | 1,256 |

## ENERGY, WASTE, WATER

| Metric | FY18 | FY17 | FY16 | FY15* |
|---|---|---|---|---|
| Total waste recycled /composted | 1,974 | 2,261 | 14,792 | 990 |
| General waste recycled | 334 | 138 | 105 | 232 |
| General waste composted | 874 | 799 | 651 | 594 |
| Clean paper recycled | 102 | 145 | 70 | 86 |
| Batteries recycled | 2 | 2 | 1 | 1 |
| Hazardous waste recycled | 0.4 | 1 | 1 | 1 |
| Electronic waste recycled | 59 | 64 | 98 | 76 |
| Lamps recycled | 0.5 | 1 | 1 | 0.5 |
| Construction/demolition waste recycled | 602 | 1,111 | 13,866[c] | 0 |
| Total waste landfilled | 696 | 726 | 836 | 266 |
| General Waste landfilled | 474 | 480 | 349 | 266 |
| Hazardous waste landfilled | 0 | 0 | 0 | 0 |
| Construction/demolition waste landfilled | 223 | 246 | 487 | 0 |

[a] 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.

[b] In FY16, we began reporting on Scope 3 GHG emissions for waste generated at corporate headquarters.

[c] In FY16, we accumulated a large amount of demolition debris as part of our project to construct a new Silicon Valley headquarters building. 88% of this debris was recycled.

[d] In FY18, we started reporting Scope 3 upstream transportation emissions.

[e] 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.

[f] Water consumption includes water consumed by landscaping and evaporated in cooling tower for our new headquarters building.

[g] Waste data for corporate headquarters is estimated on a calendar year basis.

[h] As of FY18, these metrics have been calculated and reported with historical year values updated. ODS emissions are from HCFCs; 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

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

- Accidents
- Lost time from accidents
- Fatalities
- Leave of absence requests

# GRI INDEX

## GRI INDEX

We applied the internationally recognized Global Reporting Initiative (GRI) Sustainability Reporting Standards to produce this FY18 CSR Report. This report has been prepared in accordance with the GRI Standards: Core option.

Per GRI guidelines, we indicate the location of the required "general disclosures" and each of the "topic-specific standard disclosures" related to our priority issues ("Disclosures on Management Approach for material topics" and selected indicators). In some cases, we provide a direct response to indicators or additional information related to content located in the main pages of the report within the index itself.

## 2018 GRI CONTENT INDEX

### GRI 102: GENERAL DISCLOSURES 2016*

| Disclosure | Description | Cross-Reference or Answer |
|---|---|---|
| **ORGANIZATIONAL PROFILE** | | |
| 102-1 | Name of the organization | 2018 10-K |
| 102-2 | Activities, brands, products, and services | › 2018 10-K<br>› About NVIDIA<br>› NVIDIA Products<br>› Product Delivery |
| 102-3 | Location of headquarters | Santa Clara, California, USA |
| 102-4 | Location of operations | › Our Locations<br>› Significant operations in US (California), India and China. Offices in 21 countries. |
| 102-5 | Ownership and legal form | 2018 Proxy Statement |
| 102-6 | Markets served | › Our Locations<br>› 2018 10-K |
| 102-7 | Scale of the organization. | › Performance, Economic<br>› Performance, Workforce<br>› NVIDIA Products |
| 102-8 | Information on employees and other workers | › Performance, Workforce<br>› NVIDIA employs several contract employees globally who provide a variety of roles across our operations and administrative functions. Current temporary worker percentage is 22% of total headcount (employees + contractors). |
| 102-9 | Supply chain | Supplier Responsibility |
| 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 2018 Proxy Statement. 2018 Proxy Statement |
| 102-12 | External initiatives | Supplier Responsibility |
| 102-13 | Membership of associations | Supplier Responsibility |

## GRI 102: GENERAL DISCLOSURES 2016*

| Disclosure | Description | Cross-Reference or Answer |
|---|---|---|
| **STRATEGY** | | |
| 102-14 | Statement from senior decision-maker | › CEO Letter<br>› EVP Operations Letter |
| **ETHICS AND INTEGRITY** | | |
| 102-16 | Values, principles, standards, and norms of behavior | › Governance and Ethics<br>› Culture, Code and Values |
| 102-17 | Mechanisms for advice and concerns about ethics | Governance and Ethics |
| **GOVERNANCE** | | |
| 102-18 | Governance structure | › Corporate Governance<br>› NVIDIA has two committees responsible for decision-making on economic, environmental, and social topics: a staff-level committee and an executive-level committee. Beginning in 2018, the Nominating & Governance Committee of NVIDIA's board will take up corporate social responsibility. |
| **STAKEHOLDER ENGAGEMENT** | | |
| 102-40 | List of stakeholder groups | Stakeholder Engagement |
| 102-41 | Collective bargaining agreements | Employees in the US, Canada, India and APAC regions are not unionized. Employees in Brazil are unionized. Employees in our EMEA region (which make up 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 | Stakeholder Engagement |
| 102-43 | Approach to stakeholder engagement | › No engagement undertaken specifically as part of the report.<br>› Stakeholder Engagement |
| 102-44 | Key topics and concerns raised | Stakeholder Engagement |

## GRI 102: GENERAL DISCLOSURES 2016*

| Disclosure | Description | Cross-Reference or Answer |
|---|---|---|
| REPORTING PRACTICE | | |
| 102-45 | Entities included in the consolidated financial statements | 2018 10-K |
| 102-46 | Defining report content and topic Boundaries | Priorities |
| 102-47 | List of material topics | Priorities |
| 102-48 | Restatements of information | There were no restatements of information. |
| 102-49 | Changes in reporting | There were no significant changes in scope and topic boundaries. |
| 102-50 | Reporting period | About this Report |
| 102-51 | Date of most recent report | June 2017 |
| 102-52 | Reporting cycle | About this Report |
| 102-53 | Contact point for questions regarding the report | About this Report |
| 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 | GRI Index |
| 102-56 | External assurance | › Environment<br>› We did not seek external assurance for the report. NVIDIA's internal audit group reviews key metrics in our sustainability report for accuracy. We provide limited assurance for scope 1 and 2 greenhouse gas emissions, and scope 3 waste, travel, upstream transportation and distribution, and FERA emissions. |

* NVIDIA's 2018 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.

## GRI 103: TOPICS AND TOPIC BOUNDARIES 2016*

| Material Topic | Management Approach Cross-Reference | Relevant External Entities |
|---|---|---|
| **ECONOMIC** | | |
| GRI 201: Economic Performance 2016 | › 2018 10-K<br>› 2017 CDP | › Customers<br>› Consumers<br>› Shareholders<br>› Developers<br>› Suppliers<br>› Government<br>› Communities |
| **ENVIRONMENTAL** | | |
| GRI 302: Energy 2016 | Environment | › Customers<br>› Consumers<br>› Developers<br>› Suppliers |
| GRI 308: Supplier Environmental Assessment 2016 | Supplier Responsibility | Suppliers |
| **SOCIAL** | | |
| GRI 401: Employment 2016 | › Workforce<br>› Stakeholder Engagement | › Prospective employees<br>› Shareholders |
| GRI 404: Training and Education 2016 | Workforce | Prospective employees |
| GRI 414: Supplier Social Assessment 2016 | Supplier Responsibility | › Customers<br>› Shareholders<br>› Suppliers |
| GRI 418: Customer Privacy 2016 | › Priorities<br>› NVIDIA Privacy Policy | › Customers<br>› Consumers<br>› Shareholders<br>› Governments |

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## GRI 200-400 TOPIC-SPECIFIC DISCLOSURES 2016*

| Topic | Disclosure | Description | Cross-Reference, Omissions & Explanations |
|---|---|---|---|
| **ECONOMIC** | | | |
| GRI 201: Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | › Performance, Economic<br>› 2018 10-K<br>› NVIDIA Foundation Report |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | 2017 CDP |
| | 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.<br>› Priorities<br>› NVIDIA Among Six Companies to Receive $258 Million from U.S. Department of Energy for HPC Research |
| **ENVIRONMENTAL** | | | |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organization | Performance, Environment |
| | 302-3 | Energy intensity | Performance, Environment |
| | 302-4 | Reductions in energy consumption | Energy consumption initiatives implemented during FY18 are projected to deliver total annual electricity savings of 16,308 GJ over their lifetime. The projections are derived from engineering estimates. Initiatives include lab renovation projects incorporating efficient 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 | › Product Delivery<br>› Performance, Environment |
| GRI 303: Water 2016** | 303-1 | Water withdrawal by source | Performance, Environment |
| GRI 305: Emissions 2016** | 305-1 | Scope 1 GHG emissions | Performance, Environment |
| | 305-2 | Scope 2 GHG emissions | Performance, Environment |
| | 305-3 | Scope 3 GHG emissions | Performance, Environment |
| | 305-4 | GHG emissions intensity | Our GHG emissions intensity, ratio is 3.96, compared to 4.79 in our baseline fiscal 2015. The metric chosen to calculate the ratio is our global headcount of employees and contractors =15,276 in FY18. Scope 1 and scope 2 (60,437 CO2e) are included in the intensity ratio. |
| | 305-5 | Reduction of GHG emissions | › Operations, Environment<br>› Performance, Environment |
| | 305-6 | Emissions of ODS | Performance, Environment |
| | 305-7 | $NO_x$, $SO_x$, and other significant air emissions | Performance, Environment |

## GRI 200-400 TOPIC-SPECIFIC DISCLOSURES 2016*

| Topic | Disclosure | Description | Cross-Reference, Omissions & Explanations |
|---|---|---|---|
| **ENVIRONMENTAL** | | | |
| GRI 306: Effluents and Waste 2016** | 306-2 | Waste by type and disposal method | Performance, Environment |
| GRI 307: Environmental Compliance 2016** | 307-1 | Non-compliance with environmental laws and regulations | › We consider significant fines those that are required to be disclosed in the company's SEC filings. There were no fines in FY18 that fell into this category. We also were not subject to any non-monetary sanctions for non-compliance with environmental laws and regulations. There were no cases brought through dispute resolution mechanisms.<br>› Performance, Environment |
| 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 FY18.<br>› Supplier Responsibility |
| **SOCIAL** | | | |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | Performance, Workforce |
| | 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.<br>› Workforce<br>› NVIDIA benefits |
| 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.<br>› Workforce |
| | 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 | › Performance, Workforce<br>› Our board gender/racial diversity is 27%. NEO gender diversity is 40% and racial/ethnic diversity is 40%. |

## GRI 200-400 TOPIC-SPECIFIC DISCLOSURES 2016*

| Topic | Disclosure | Description | Cross-Reference, Omissions & Explanations |
|---|---|---|---|
| **SOCIAL** | | | |
| 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.<br>› NVIDIA's Code of Conduct<br>› Corporate Responsibility Directive<br>› RBA Code of Conduct |
| GRI 408: Child Labor 2016** | 408-1 | Operations and suppliers at significant risk for incidents of child labor | › 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.<br>› Supplier Responsibility<br>› NVIDIA's Code of Conduct<br>› RBA Code of Conduct |
| GRI 409: Forced or Compulsory Labor 2016** | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | › 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.<br>› Supplier Responsibility<br>› Combatting Trafficking in Persons Policy<br>› RBA Code of Conduct |
| GRI 414: Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social 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 FY18.<br>› Supplier Responsibility |
| GRI 417: Marketing and Labeling 2016** | 417-2 | Incidents of non-compliance concerning product and service information and labeling | We consider significant substantiated complaints those that are disclosed in the company's SEC filings. There were no substantiated complaints in FY18 that fell into this category. |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | We consider significant substantiated complaints those that are disclosed in the company's SEC filings. There were no substantiated complaints in FY18 that fell into this category. |
| GRI 419: Socioeconomic Compliance 2016** | 419-1 | Non-compliance with laws and regulations in the social and economic area | 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 FY18 for non-compliance with laws and regulations. |

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

# ABOUT THIS REPORT


The NVIDIA FY18 Corporate Social Responsibility Report covers our economic, social, and environmental performance for fiscal year 2018, which ended January 28, 2018. We report our performance annually via our website.

Previous CSR reports:

- FY17
- FY16
- FY15
- FY14
- FY13
- FY12
- FY11
- FY10

The report includes consolidated economic, environmental, and social information for our global operations. No significant changes have occurred during the reporting period with regard to the scope, boundary, or measurement methods applied in this report.

The environmental information contained in this report covers energy and greenhouse gas usage for our global operations, and water and waste usage for our Silicon Valley, Calif., headquarters. We report on those entities over which we exercise operational control, including subsidiaries and leased facilities (except for shared space). We calculate greenhouse gas emissions for global offices with greater than 50,000 square feet of office space (which equal 90 percent of our total greenhouse gas footprint) and estimate emissions for offices that comprise the remaining 10 percent of our footprint.

We determined the content for this report based on conversations among management and engagement with customers, suppliers, and employees. This report has been prepared in accordance with the GRI Standards: Core option. We've been reporting through GRI since FY11.

NVIDIA's GRI index, which contains general and topic-specific disclosures, is found here. We have engaged Trucost to provide limited assurance on our FY18 global Scope 1 and 2 Greenhouse Gas emissions, and for Scope 3 (fuel and energy related activities, waste, upstream transportation and distribution, and business travel), all under the AA1000 assurance standards. The assurance report is available in the Environment section.

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

**NVIDIA**
**Corporate Responsibility**
**2788 San Tomas Expressway**
**Santa Clara, CA 95051**

Related sustainability links:

- NVIDIA Corporate Responsibility Directive
- NVIDIA Environmental Policy
- NVIDIA Code of Conduct
- NVIDIA Corporate Governance

## ABOUT THIS REPORT

The information contained in this report is accurate as of approximately June 12, 2018 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. These forward-looking statements 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.