2020 NVIDIA
CORPORATE SOCIAL RESPONSIBILITY STAKEHOLDER SNAPSHOT

01 INTRODUCTION

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NVIDIA is driven to invent the computing technologies that enable scientists, researchers, and developers to improve lives everywhere and address global challenges. We strive every day to be a responsible corporate citizen by integrating sound social and environmental principles and practices throughout our growing organization.

In partnership with our **stakeholders**, we increase our relevance, responsiveness, and resilience each year.

We have a robust process for keeping in touch with different stakeholders. Because stakeholder priorities often overlap, we have developed this brief snapshot to highlight the areas that we have been asked about most in the last year. For in-depth coverage of all CSR issues and several hundred data points related to our performance, view our **full report**.

At this moment, the world is dealing with the global coronavirus pandemic. Our call to be a responsible citizen is important in good times, and critical during disasters. In this snapshot and in our full report, we discuss the steps we took to address medical and economic needs across the NVIDIA family and our larger community.

We are also compelled to respond to the heartbreaking events in America that burst into national focus in late May and into June, which demand that we confront painful racial inequities and prejudice that persist to this day. Corporations must also stand against racism and act. NVIDIA must act. It is not enough to just be an inclusive employer, and with good intentions, and provide equal opportunities to Black people. We must purposefully and systematically create opportunities.

02 ABOUT NVIDIA

More than a quarter century ago, we set out to transform computer graphics. Fueled by the massive growth of the gaming market and its insatiable demands for better 3D graphics, we have 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.

LEARN MORE
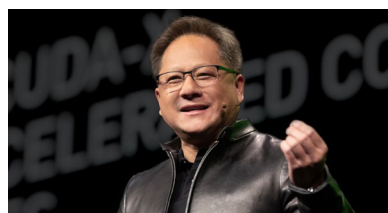
Overview

Financials

Blog

NO. 1

in Innovation, Agility, Performance
MIT Sloane Management Review
Culture 500

NO. 1

Best Performing CEOs in the World
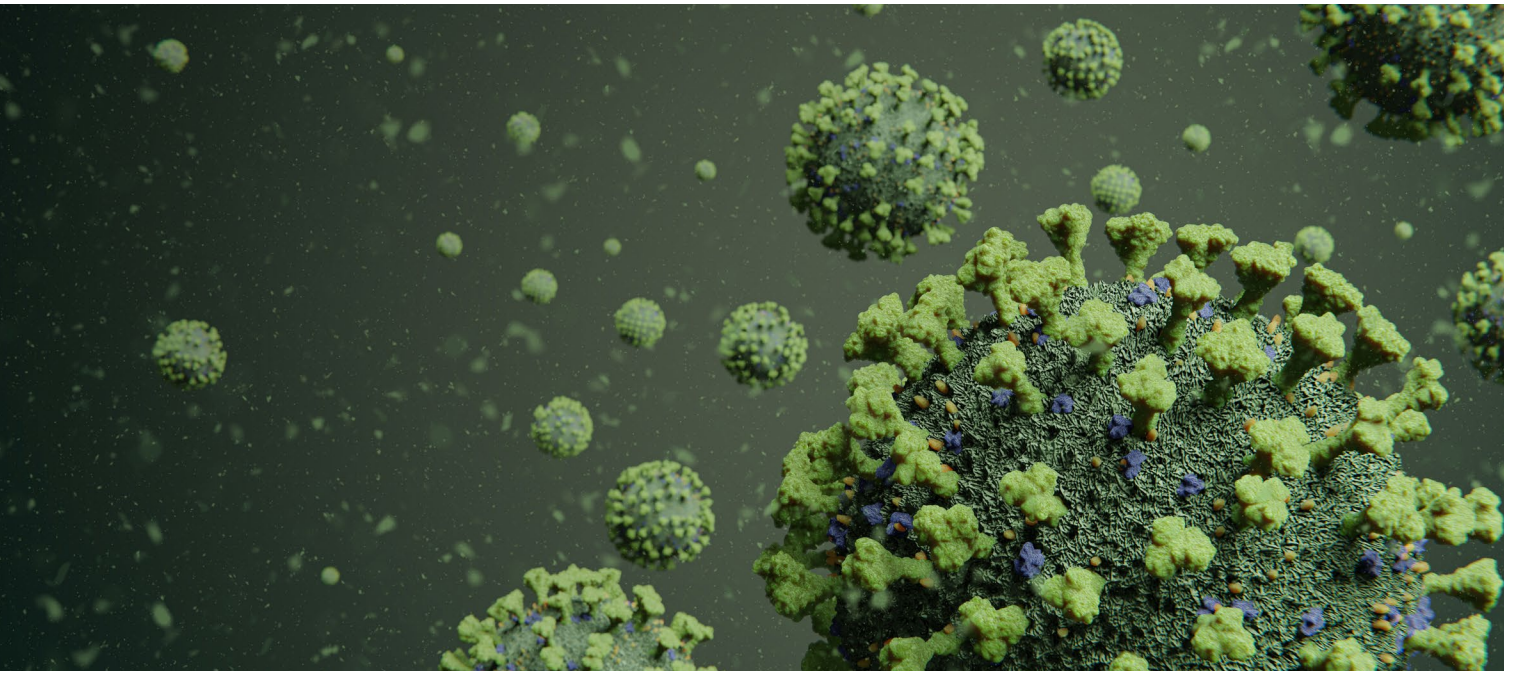**Harvard Business Review**

NO. 1

in Worker Treatment – (No. 2 overall)
Forbes JUST 100

3

03 ADDRESSING CORONAVIRUS

The COVID-19 pandemic is upending social, economic, political, and healthcare systems around the world. By March 2020, we closed our nearly 60 global offices, asked our employees to make their health and their families' health their top priority, and provided resources to staffers to work remotely as we joined global efforts to slow the spread of the virus. We continue to pay all regular and temporary employees and contractors, match employee contributions to charitable causes, and make substantial corporate donations to non-profit organizations providing support to those most impacted.

We are also on the front lines of enabling medical researchers to turbocharge their coronavirus treatment and research projects:

> We joined the **COVID-19 High-Performance Computing Consortium**, a collaboration with the White House Office of Science and Technology Policy, the U.S. Department of Energy, technology companies, and national labs. The effort will help researchers everywhere better understand COVID-19, its treatments, and potential cures.

> We donated $430,000 to Wuhan University for treatment and research. Zhongnan Hospital physicians are using GPU-accelerated AI software to quickly detect patients who may have COVID-19. The software has been deployed to 34 hospitals in China.

> We are providing any coronavirus researcher a free 90-day license to **Parabricks**, a version of the **Genome Analysis Toolkit** that uses GPUs to accelerate analysis by a factor of 50.

> We issued a global call to action for PC gamers to contribute their idle GPU and CPU processing power to "fold" against the coronavirus. **Folding@home** is a distributed computing project that uses volunteers' computer processing for disease research that simulates protein folding, computational drug design, and other types of molecular dynamics. The response has broken records as hundreds of thousands of new users join the effort.

Learn more about how we addressed the pandemic in our **Executive Letters**, **Supply Chain**, **Talent Strategy**, **Health and Safety**, and **Philanthropy** sections of the full report.

04 PRIORITIES

For FY20, we reconfirmed the six priority issues we identified in FY19. In FY21, we added as priority issues Employee Health and Safety, due to the COVID-19 pandemic, and Diversity and Inclusion, as a recognition of our need to increase hiring from Black and other underrepresented communities.
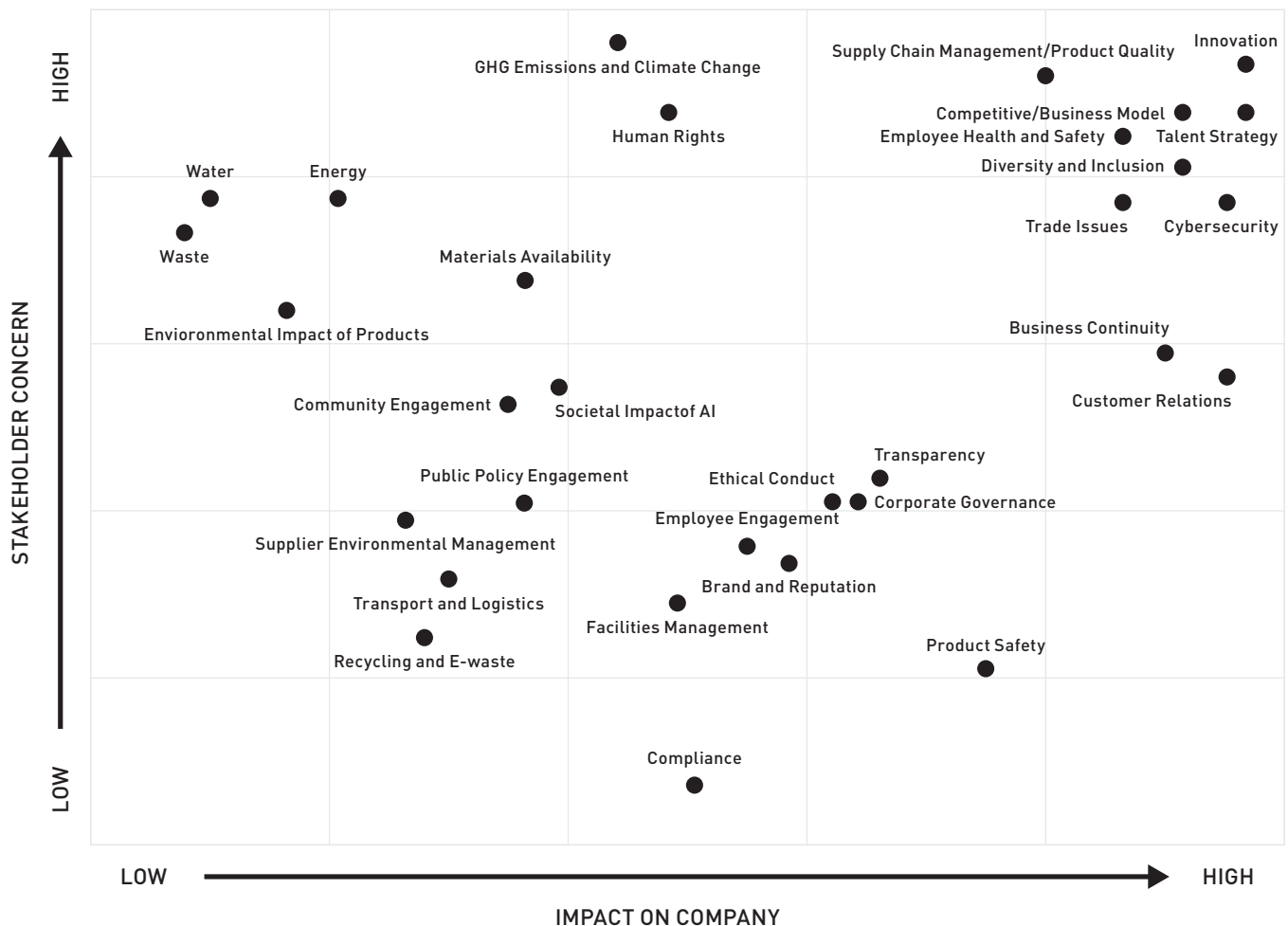
> Competitiveness/Business Model

> Cybersecurity

> Diversity and Inclusion

> Employee Health and Safety

> Innovation

> Supply Chain Management/Product Quality

> Talent Strategy

> Trade Issues

Changes to other issues for FY20 include:

> Renaming Supplier Working Conditions to Human Rights.

> Merging Anti-Corruption into Ethical Conduct.

> Increasing the company's ranking of Brand and Reputation, Climate Change, and Societal Impacts of AI.

> Increasing stakeholders' ranking of Materials Availability.

Review the **Priorities** and **Stakeholders** sections in our main report to understand how we manage the priority process and how we map our priorities to the UN Sustainable Development Goals.

FY20/21 PRIORITY ISSUES

STAKEHOLDER CONCERN

HIGH

LOW

IMPACT ON COMPANY

LOW   HIGH

- GHG Emissions and Climate Change
- Supply Chain Management/Product Quality
- Innovation
- Human Rights
- Competitive/Business Model
- Employee Health and Safety
- Talent Strategy
- Diversity and Inclusion
- Water
- Energy
- Trade Issues
- Cybersecurity
- Waste
- Materials Availability
- Envioronmental Impact of Products
- Business Continuity
- Community Engagement
- Societal Impactof AI
- Customer Relations
- Transparency
- Public Policy Engagement
- Ethical Conduct
- Corporate Governance
- Employee Engagement
- Supplier Environmental Management
- Brand and Reputation
- Transport and Logistics
- Facilities Management
- Recycling and E-waste
- Product Safety
- Compliance

05 BOARD OVERSIGHT OF CSR

Our Board of Directors' Nominating and Corporate Governance Committee (NCGC) is responsible for reviewing and discussing with management the company's practices with respect to environmental, social, and corporate governance. The company's head of CSR reviews stakeholder inputs and our annual Priority Issues analysis with the NCGC each year. Our Priority Issues matrix includes issues that are of utmost importance to our stakeholders, such as climate change, human rights, and diversity and inclusion.

FY20 Board Interactions

> We presented our CSR strategy, programs, and risks to the NCGC.

> The NCGC provided feedback for our annual priority Issues assessment, and the full Board received a brief on the final priority issues.

> We presented a diversity and inclusion overview to the NCGC and the full Board received a brief on the societal impacts of AI.

> Attendance at each NCGC meeting where CSR was discussed was at 90%.

CSR RECOGNITIONS

FORTUNE

100 Best Companies to Work For

FAST COMPANY

Most Innovative Company

CORPORATE EQUALITY INDEX

Best Place for LGBTQ Employees

06 OUR PEOPLE

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

Recruiting

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

In FY20, we ranked No. 27 on Fortune's Best Places to Work list, and No. 6 on its list of Best Workplaces in Technology. See our new **Careers** site launched in FY20.

Development

Throughout FY20 we had several hundred internal moves, 70 percent of which involved early career and millennial employees. We believe this is one of the best ways employees can accelerate the breadth and depth of their experience. We deliver a range of vocational support through our career services, including career expos, lunch and learns featuring development-related topics, and individual career coaching on demand. We offer live classes, panels, and speaker-based forums, and, through our NVLearn portal, employees can access hundreds of technical and professional development courses.

Retention

NVIDIA's turnover remains low at 6.7 percent in FY20, compared with the semiconductor industry average of 14 percent. Our voluntary turnover rate is 6.5 percent, well below the semiconductor industry average of 10 percent.

Retention rates for women and employees from our Black and Latinx communities have held equal to their peers.

TURNOVER TYPE	FY20	FY19	FY18	FY17
Overall Turnover	6.7%	5.6%	5.6%	6.7%
Voluntary Turnover	6.5%	5.4%	5.1%	5.8%

07 DIVERSITY AND INCLUSION

NVIDIA seeks to attract the world's best talent, enabling individuals to do their life's work. We view hiring and developing those with diverse backgrounds and experiences as key to unlocking our ability to create groundbreaking products.

Our Inclusion program focuses on three pillars—Recruiting and Retention, Development and Recognition, and Employee Support—and is integrated into the overall employee experience. We cover extensively in our **full**

report the efforts we undertake to recruit for diversity and build an inclusive company. Our **Performance** section highlights several metrics we use to track improvements, including some of the data points below.

Recent events have underscored the importance of companies playing a role in creating a more just society. In response, we're redoubling our efforts to create opportunities within our company for Black people and other underrepresented groups.

Gender Data

POSITIONS HELD BY WOMEN	FY20	FY19	FY18
Outside directors	18.2%	18.2%	20.0%
Executive officers	40.0%	40.0%	40.0%
Leaders	10.5%	11.0%	8.49%
Managers	16.2%	16.5%	16.1%
In technical roles	13.6%	13.7%	13.3%
In global workforce	18.9%	18.9%	18.6%
New hires, % globally	18.8%	20.4%	19.2%
New hires, number globally	265	501	353

Racial / Ethnic Diversity Snapshot*

RACE/ETHNICITY	FY20	FY19	FY18
Asian/Indian	49.2%	50.2%	50.1%
White	38.2%	38.7%	41.1%
Hispanic/Latino	3.4%	3.3%	3.3%
Black/African American	1.1%	1.0%	1.0%
Native Hawaiian/Pacific Islander	0.3%	0.3%	0.3%
American Indian/Alaska Native	0.2%	0.1%	0.108%
Two or more races	0.9%	0.7%	0.54%
Decline to state/not specified	6.7%	5.7%	3.60%
TOTAL	100%	100%	100%

* Minority data represents the United States only.

We are committed to providing a fair and living wage to all employees. To ensure pay parity, each year since 2015 we have used a third-party firm, Economist, Inc., to analyze our pay practices for gender and ethnicity across 75+ dimensions, including rating, education, years of experience, job function, family, and job level. The firm has not found any statistically significant disparities related to female or underrepresented minority compensation. If we

were to identify an issue of pay disparity, our human resources organization would take corrective action. We've achieved pay parity for the past several years and plan to continue doing so in FY21.

See the **Diversity Performance** section for several metrics we use to track our progress, and FY21 goals in the **Performance** section.

08 HUMAN RIGHTS

We are committed to upholding the rights of workers throughout our supply chain and to treating everyone with dignity and respect. As a "Full" level member of the Responsible Business Alliance, we comply with the RBA code of conduct around its key worker **principles** of freely chosen employment, young workers, working hours, wages and benefits, humane treatment, non-discrimination, and freedom of association.

RBA code adopters are in alignment with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights.

Highlights from our **full CSR report** include:

> Auditing 75 percent of strategic suppliers in the last two years.

> Sourcing from 85 percent conflict-free smelters according to RMAP compliance.

> Engaging with 11 suppliers on their CAPs from the FY19-20 auditing season. Common findings include occupational safety, emergency preparedness, working hours, and freely chosen employment.

> Working with suppliers to close 100 percent of priority findings and most major findings (excluding issues conflicting with local laws in China).

09 CLIMATE CHANGE

65%
global electricity use from renewable energy by FY25

34%
current global electricity use from renewable energy

FY20 was the target year for our goal to reduce scope 1 and 2 GHG emissions by 15 percent per employee compared to FY14. Since this goal was originally set, we have substantially grown our business, as illustrated by a 164 percent increase in revenue, a 72 percent increase in headcount, and a 32 percent increase in square footage between FY14 and FY20.
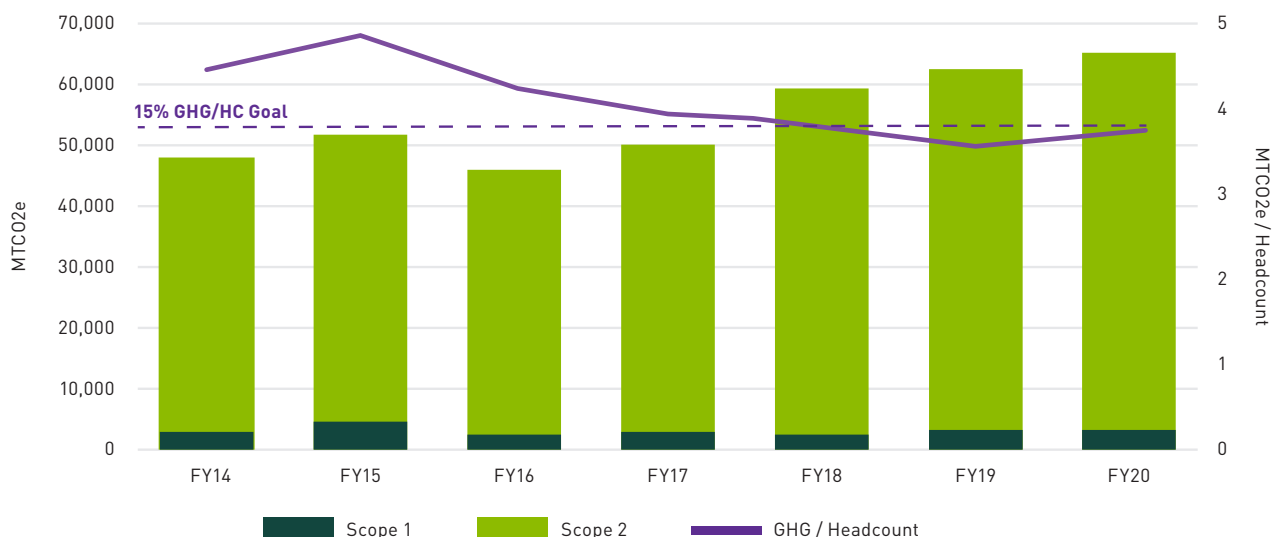
In just the past year, our total energy use grew by 25 percent while our scope 1 and 2 emissions increased by 10 percent. When normalized, this is equivalent to a 15.1 percent reduction in emissions per employee since FY14, thereby meeting our stated goal.

Our rapid and significant business growth and the urgent climate action imperative mean that we must focus on siting expansions strategically, managing our

operations efficiently, and sourcing low-carbon and renewable forms of energy to avoid growth in our GHG emissions footprint. In FY20 we developed a new goal to source 65 percent of our global electricity use from renewable energy by the end of FY25. We estimate that by delivering on these commitments we will reduce our total scope 1 and 2 emissions by 25 percent between FY19 and FY25, which is in line with a 1.5-degree Celsius warming scenario.

In our full report, you can learn more about the efforts we have undertaken to address our **energy** footprint, as well as **water** and **waste** reduction initiatives. The **Performance** section has detailed charts of our scope 1, 2, and 3 emissions.

SCOPE 1 AND 2 GHG EMISSIONS

Chart legend: Scope 1, Scope 2, GHG / Headcount. X-axis: FY14, FY15, FY16, FY17, FY18, FY19, FY20. Left Y-axis: MTCO2e (0–70,000). Right Y-axis: MTCO2e / Headcount (0–5). Dashed line labeled "15% GHG/HC Goal".

10 SOCIETAL IMPACTS OF AI

Through our work with scientists and engineers to create the world's most powerful AI supercomputers, we have learned a lot about what it takes to implement AI successfully, and the pitfalls along the way. We share the widespread concerns about bias and maintaining ethical practices in AI, and our global teams hold themselves to the highest standards of accountability, transparency, and explainability in everything they do.

We also share our AI technology expertise to help others do the same. We host seminars at our GPU Technology Conferences around the world to train engineers in upholding best practices. In our engagements with governments, we emphasize the importance of supporting positive uses of AI while considering issues around its development. We contribute to **research** through the Partnership on AI, such as on the topic of algorithmic risk in assessment tools in the criminal justice system. We also support and encourage developers to work with the most accurate datasets to improve the algorithms in their work.

Learn about our impacts in **self-driving cars and healthcare** in the full report.

11 ENVIRONMENTAL IMPACTS OF PRODUCTS
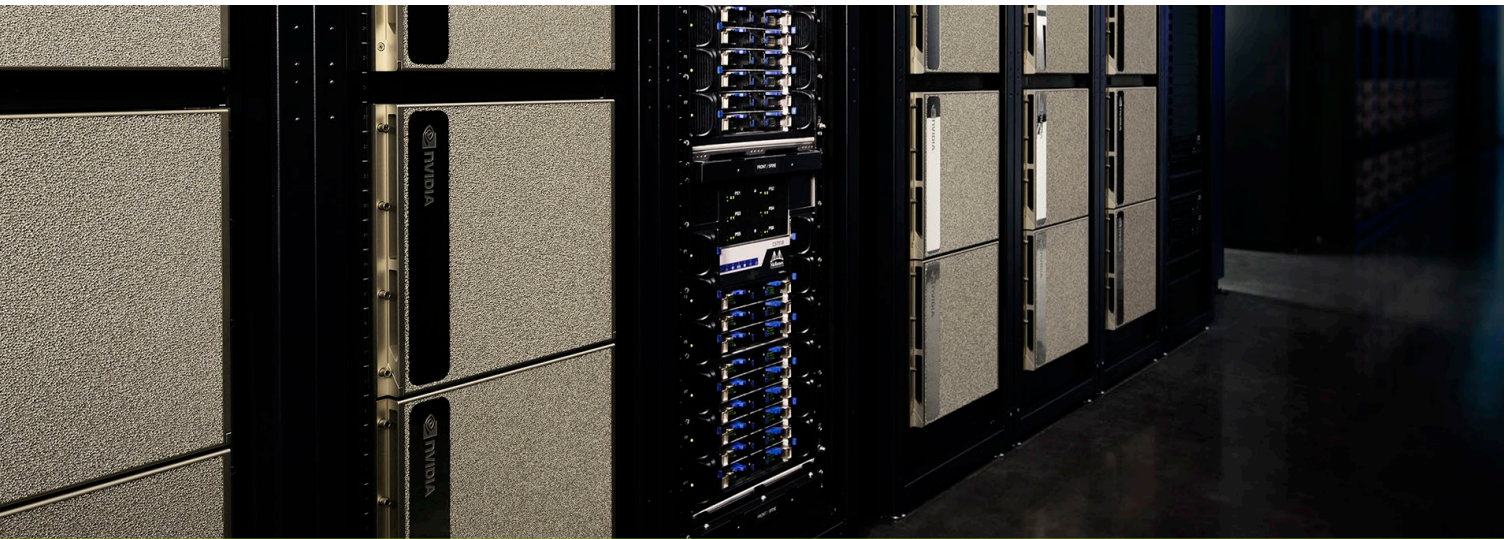
*NVIDIA GPUS POWER 90 PERCENT OF THE TOP 30 SUPERCOMPUTERS ON THE **GREEN500** LIST*

Whether we are designing technology to power thin and light laptops or to support high-performance supercomputers, improving energy efficiency is a principal goal in each step of our research, development, and design processes. Parallel processing consumes far less power than equivalent computational forms. GPUs are up to 10 times more energy efficient than CPUs for parallel computing workloads.

In line with reporting for the Sustainability Accounting Standards Board, our **full report** details a comparison of NVIDIA energy-efficient features for desktops and laptops, and covers the energy efficiency of AI training and inference.

12 CSR PERFORMANCE

Performance data underpins our entire CSR report. We report using standards such as the Global Reporting Initiative and to meet the obligations of our membership in the Responsible Business Alliance. New this year, we have begun reporting through the Sustainability Accounting Standards Board. While we have not officially signed on to the Task Force for Climate Disclosures, we have provided reporting in the Performance section that aligns with its framework.

We **report** several hundred data points across human capital and the environment, and offer multi-year comparisons for many of our metrics to make transparent our improvements and any challenges in these areas.

glassdoor
2020 BEST PLACES TO WORK

Best Places to Work: Employee's Choice

GLASSDOOR

FORTUNE 100 BEST COMPANIES TO WORK FOR 2020

100 Best Companies to Work For

FORTUNE

Dow Jones Sustainability Indexes

Member

DOW JONES SUSTAINABILITY INDEX

FAST COMPANY

Most Innovative Companies in AI/Machine Learning

FAST COMPANY

BEST PLACES TO WORK for LGBTQ Equality
2020 | 100% CORPORATE EQUALITY INDEX

Best Places to Work for LGBT equality

HUMAN RIGHTS CAMPAIGN

CRO
CORPORATE RESPONSIBILITY OFFICER

100 Best Corporate Citizens

CRO MAGAZINE