

An abstract background featuring a complex, repeating geometric pattern of green, translucent, rectangular shapes. The pattern is composed of many small, interconnected elements that create a sense of depth and movement, resembling a stylized, futuristic landscape or a digital grid. The colors range from light lime green to a slightly darker, more saturated green, with some areas appearing more vibrant due to lighting effects.

2021 NVIDIA
CORPORATE SOCIAL
RESPONSIBILITY
REPORT

TABLE OF CONTENTS

01 EXECUTIVE MESSAGES

Letter from our CEO	02
Q&A with our CFO	05

02 PRIORITIES AND STAKEHOLDERS

Setting Priorities	07
Stakeholder Engagement	10
Our Response to COVID-19	14

03 GOVERNANCE

Board Governance	16
Ethical Conduct	18

04 ECONOMIC

PRIORITY: Innovation	19
PRIORITY: Business Model and Competitiveness	20
PRIORITY: Cybersecurity and Data Privacy	22
PRIORITY: Trade Issues	23
Business Continuity Management	24
Public Policy Engagement	25
Customer Relations	27

05 SOCIAL

PRIORITY: Supply Chain Management and Product Quality	29
PRIORITY: Employee Health and Safety	36
PRIORITY: Talent Strategy, Diversity and Inclusion	37
Employee Engagement	44
Community Engagement	47
Trustworthy AI	49
Product Safety	50

06 ENVIRONMENTAL

Climate Change and Greenhouse Gas Emissions	52
Energy, Water, and Waste	54
Data Centers, Labs, and Office Management	57
Environmental Impact of Products	60

07 GOALS AND PERFORMANCE

FY21 Goals and Performance	65
FY22 Goals	66
Economic Performance	67
Workforce Performance	68
Diversity Performance	70
Employee Health and Safety Performance	72
Environmental Performance	72

08 ESG FRAMEWORKS

GRI Index	76
SASB Index	87
TCFD Index	90
UN Sustainable Development Goals	91

ABOUT THIS REPORT



01

EXECUTIVE MESSAGES

LETTER FROM OUR CEO

Each year we share in our corporate responsibility report the hard work the people of NVIDIA have done to create a more sustainable company and to make a positive impact in our communities, on society, and on the planet.

NVIDIA is guided by a set of principles that we've held close to heart since our first days. Build a company that attracts the world's best people in our field. Give them a place to do their life's work, where they can build a great life for their family. Do the really hard things that no one has done – whose solutions will have a great impact on society. Do things that we are uniquely able to do.

The Great Battle with COVID

These principles have guided us through our company's history, but the great battle with COVID—and ways we took it on—gives them deeper meaning.

At the onset of the pandemic, we moved quickly to ensure our employees were safe by closing our offices and retooling NVIDIA to be a global distributed workforce. We made sure our families were secure by pulling raises in by six months, and we committed to paying our hourly contract workers.

With the NVIDIA family taken care of, we then joined the great fight against COVID.

Our people came together to help those in need around the world. Together, employees and the company have contributed \$17 million to support COVID-related causes in more than 40 countries, most recently in India where a second wave is underway as I write this.



JENSEN HUANG
CEO and Co-Founder, NVIDIA

On the technology front, we have worked with scientists, researchers, doctors, and hospitals around the world—hundreds of initiatives in all—to simulate the virus, understand its mechanics, develop vaccines and treatments, automate hospitals, and arm medical professionals with new tools to help them save lives.

NVIDIA-powered computers, from small autonomous machines to the most powerful supercomputer in the U.S., were called into service. NVIDIA AI software was used to sequence the virus genome, design tests, predict patient oxygen needs in the ICU, and even optimize and turbo-charge clinical trials when every second counted.

We must be better prepared for future viruses. NVIDIA technology is essential for the scientific community to develop an end-to-end computational defense system, one that can detect early, accelerate the development of a vaccine, contain the spread of disease and continuously test and monitor. This will not be the last virus, but we can make it the last pandemic.

Saving our Planet

And even while this battle has waged on, we are reminded that climate change continues its march. The stakes are nothing short of existential. We all must act. Whether through the cloud or in their own data centers, companies are consuming ever more compute power as they embrace technologies like AI.

NVIDIA accelerated computing can meet these demands at lower energy consumption than traditional methods. The most energy efficient system on the TOP500 list of supercomputers is our own NVIDIA DGX SuperPOD. In all, 26 of the 30 world's greenest supercomputers are powered by NVIDIA.

Our end-to-end AI supercomputing platform powered by NVIDIA Ampere architecture A100 GPUs are up to 40x more energy efficient than traditional CPU servers when running AI and high-performance computing workloads. An A100-powered hyperscale data center takes up 1/50th, just 2 percent, the rack space of the CPU-based systems that it replaces.

If all CPU servers running AI and HPC transitioned to GPUs, the world would save 11 terawatt hours of electricity per year—equivalent to taking two coal-fired power plants offline or removing 1.7M cars from the road.

We're also committed to powering our own data center operations with more renewable energy. In FY21, 17 of our locations were fully powered by renewable energy. Our goal is to derive 65 percent of our global electricity use from sources like solar by 2025.

A Wake-up Call

As we published last year's report, millions around the world had taken to the streets in peaceful protest to demand justice for Black and African Americans. It was a call to action for all of us. NVIDIA committed to purposefully and systematically create opportunities for Black and African American employees and increase their representation at every level of our company.

I'm proud that we've tripled Black and African American employees in the past year. And we became a much more diverse company globally, welcoming over 2,000 Mellanox employees from Israel and the Palestinian Authority. We appointed leaders focused on inclusion, and on recruiting and retaining diverse talent, as well as on creating a more inclusive developer ecosystem. We still have a lot of work to do, but I'm excited about our progress and where we're headed.

Through the decades, we have stayed close to our principles because we believe in them. We know that they are the right things to do. But this year we were reminded that these principles aren't just about building a great company and leaving the world in better shape than we found it. We learned that the company we've built, all of us, have great power to improve lives, and that our work can and will be called into service at any time to save them.

It's a great responsibility but one that brings us incredible joy. It drives us every day to apply our talents, our inventions, and our generosity to the world's most exciting opportunities and toughest challenges.

A handwritten signature in black ink, appearing to read 'Jensen Huang', with a large, stylized flourish at the end.

JENSEN HUANG
CEO and Co-Founder, NVIDIA

Q&A WITH OUR CFO

What is NVIDIA's approach to Corporate Social Responsibility?

Our employees are what makes NVIDIA great, and when we put them and their families first, our company and stakeholders prosper. We create technology that benefits people all over the world, and we continually endeavor to make our products more energy efficient to curb climate change.

Corporate responsibility is critical to NVIDIA's mission and is a key priority for our board of directors and management as well as with every employee.

We believe in transparency and strong engagement with all stakeholders. We set our CSR goals and priorities every year based on feedback from stakeholders and with the intention to be better than we need to be. This report serves to provide a clear understanding of our priorities and our progress.



COLETTE KRESS
Executive Vice President and Chief
Financial Officer, NVIDIA

What was your most important learning around COVID-19?

When it became clear that COVID-19 was a global pandemic that threatened all of us, we made it a priority to take care of our people first. We closed our offices immediately, began working remotely, and focused on their safety and well being. Only the employees essential to keeping our data centers running so the rest of the company could work remotely were allowed on our campuses, and they were admitted under strict safety protocols to keep them safe.

We provided our employees with enhanced health coverage and mental health support and moved up our yearly performance review to give our employees raises sooner. We took steps to ensure our campus contractors and vendors were compensated, and we repurposed our sites with cafeterias to provide meals to local families in California and India.

And NVIDIAians came together to help charities. Together with contributions from the company, they donated more than \$16 million to COVID-related efforts all over the world. And when India was struck with a second wave of COVID this spring, employees and the company immediately donated another \$1 million to provide oxygen concentrators, ICU beds, and hygiene and food kits to communities across the country.

Our commitment to ensuring our people and their communities were taken care of and productive while working from home has paid off. Over the year, our product portfolio has grown as people adjusted to working, teaching, learning, and playing from home. From gaming for entertainment to accelerated computing inside data centers, our products and services have been in great demand.

Last year NVIDIA's CEO made a pretty definitive statement around needing to do more to further racial justice. What has NVIDIA done in this area?

When Jensen said it's not enough to just not be a racist company—we all took it to heart. We're making assertive steps to create a more diverse workplace and a company that will better serve humanity.

Representation and inclusion start at the top. Twenty-three percent of our board members are women and 38% are gender, racially, or ethnically diverse. Among our employees, we're increasing representation through a focused hiring effort, and last year we connected with 47,000 underrepresented candidates through virtual university and professional career events. We filled three leadership roles key to creating an equitable company: heads of inclusion and belonging, ethical AI, and diversity recruiting.

We use this report to be transparent in reporting pay and workplace equality data. We're proud that this is our sixth year in achieving pay parity, and in the last year we've tripled Black and African American employees in the U.S. We recognize we still have a lot to do to improve representation across NVIDIA, but we're pleased with our progress to date.

Our commitment to inclusion extends beyond our company to ensure our AI developer ecosystem is more representative of the global population. In partnership with several university and professional organizations, we increased by 4-5x the number of women and Black and Latino developers at our most recent developers conference. And to build a future pipeline of developer and employee talent, we're partnering with nonprofits to expand curriculum access to AI for students in underrepresented communities.

What's next?

As we look ahead, we see our commitments and choices coming to fruition. We'll continue our focus on employees and their families as a top priority, and harness their innovation to build products that make a lasting contribution to humanity.

We'll continue hiring and promoting diverse talent across the company, with a focus on increasing diverse representation in leadership. And we're undertaking efforts to create a more inclusive environment, through career acceleration initiatives and development of a manager playbook, while seeking guidance from our numerous employee resource groups on what we can do to create a place where all employees can do amazing work.

Finally, we recognize the need of companies to act on climate change. We are focusing on the carbon emissions footprint across our product lifecycle and developing initiatives such as net-zero and science-based targets. We look forward to sharing more in the coming months.



COLETTE KRESS

Executive Vice President and Chief Financial Officer, NVIDIA



02

PRIORITIES AND STAKEHOLDERS

SETTING PRIORITIES

We update our issue analysis each year to ensure that our priorities remain aligned with stakeholder expectations, market trends, and business risks and opportunities. For FY22, we have reconfirmed the eight priority issues we identified in FY21. These issues are essential to our continued business success and reflect the topics of highest concern to NVIDIA and our stakeholders:

- > [Business Model and Competitiveness](#)
- > [Cybersecurity and Data Privacy](#)
- > [Diversity and Inclusion](#)
- > [Employee Health and Safety](#)
- > [Innovation](#)
- > [Supply Chain Management and Quality](#)
- > [Talent Strategy](#)
- > [Trade Issues](#)

A strategic focus on these areas enables us to build a more agile, future-oriented company. We implement several initiatives related to our priorities annually, which provide varying levels of return according to the business goals assigned to the topic.

WE DETERMINE OUR PRIORITIES IN THREE STAGES:

- > Throughout the year, the CSR Committee collects input from internal and external stakeholders regarding their priorities. Each issue is assigned a quantitative score based on this input.
- > Members of the Nominating and Corporate Governance Committee of our Board of Directors and several executive staff members review these issues. A third party then individually ranks each issue according to stakeholder input. Each issue is evaluated in the context of our changing business, and internal enterprise risk discussions.
- > The CSR Committee positions the issues on a matrix according to stakeholder and executive feedback, highlighting the most important issues to external stakeholders and executives.

NVIDIA FY22 CSR Priorities



Findings from our FY22 priorities assessment resulted in the following adjustments compared to the prior year:

- > We increased the company’s priority ranking of the following issues: Climate Change, Environmental Impact of Products, Trustworthy AI, and Waste.
- > We changed the names of two issues to better reflect both our management of them and stakeholder expectations: Trustworthy AI (from Societal Impacts of AI); Data Centers, Labs, and Office Management (from Facilities Management);
- > We consolidated three issues into the definitions of other issues: Recycling/E-waste (into Waste), Supplier Environmental Management (into Supply Chain Management), and Transport and Logistics (into Climate Change).
- > We removed Compliance, Transparency, and Brand and Reputation as standalone issues, as they are elements within all issues.
- > We determined the following issues decreased in stakeholder priority: Community Engagement, Customer Relations, Energy, Waste, Water, Human Rights, Materials Sourcing, Public Policy Engagement, and Product Safety.

We address our priorities in subsequent sections of this report. We define each issue, discuss why it’s important to NVIDIA and how we manage it, and disclose any relevant performance data.

“ We dedicate ourselves to building a just, decent, and inclusive company. We believe it is not enough to be a company that does not oppress underrepresented communities. We must be empathetic to their experience and act to make NVIDIA a place of opportunities—a place they can do their life’s work. We do this because it is right and just, and because we believe it will help make NVIDIA better. ”

—Jensen Huang, CEO

STAKEHOLDER ENGAGEMENT

Engaging our diverse stakeholders on important issues is integral to how we do business. We define stakeholders as entities or individuals who can be affected by NVIDIA and whose actions can affect the company. We rely on our annual priority issue assessment to help us understand the issues that matter most to them, which allows us to focus our engagement and transparently respond to their concerns. Members of the CSR Committee are assigned based on subject-matter expertise to evaluate each stakeholder request to determine what type of response is appropriate.

The issue most commonly raised across multiple stakeholders last year was racial and social justice. In June 2020, our CEO Jensen Huang addressed the racial inequities present in the United States and committed to elevate the urgency of increasing the Black population at every level of our company. Throughout the latter half of FY21, we received stakeholder requests to disclose our [EEO data](#) and [commitments to diversity and inclusion](#) within our workforce. Learn more about our efforts to build a more inclusive company in the [Talent Strategy, Diversity and Inclusion](#) section.

FY21 Interactions:

STAKEHOLDER	FY21 INTERACTIONS
Board of Directors	<p>We engaged with the Nominating and Corporate Governance Committee, which oversees CSR, to:</p> <ul style="list-style-type: none">> Provide an update on our CSR strategy, programs, and risks;> Collect feedback related to CSR issues that impact the company as part of our annual priority issues analysis; and> Present a diversity and inclusion overview and progress against goals; <p>In early FY22, we briefed the committee on our climate change position and informed them of increased investor interest in net zero strategies.</p>
Communities	<p>We supported more than 5,000 nonprofits in 50 countries around the world. Our philanthropic giving exceeded \$25 million, with more than \$16 million directed to COVID-19 related causes.</p> <p>To support youth from underserved communities in developing STEM skills, we provided funding to and held virtual volunteer events for nine organizations working toward this goal.</p> <p>View the top 20 organizations we gave to in our Community Engagement section. See the NVIDIA Foundation annual report for FY21 activities in our communities.</p>

STAKEHOLDER	FY21 INTERACTIONS
<p>Customers/Developers</p>	<p>We provided customers with completed self-assessment questionnaires and participated in relevant working groups through our “Full” category membership in the Responsible Business Alliance (RBA).</p> <p>We received several requests per week from customers regarding product and social compliance, legal, and regulatory issues.</p> <p>Eight customers requested our participation in CDP.</p> <p>We analyzed customer contracts to confirm that our priorities align with their requirements.</p> <p>We worked directly with customers to report our supply chain status related to conflict minerals.</p> <p>We partnered with customers to collaborate and present on regulatory and conflict minerals topics.</p> <p>We supported customer quarterly business review scorecard requests.</p> <p>We hosted developer conferences in the United States and China, with 151,000 total registrations. We offered admission and training at these conferences for women and members of the Black/African American and Hispanic/Latino communities to increase participation by developers from underrepresented communities in technology.</p>
<p>Employees and Prospective Employees</p>	<p>We sent several communications related to COVID-19 around employee safety, working from home, and mental health, and built a website with information to help employees navigate work during the pandemic.</p> <p>We moved to a pulse survey format, delivering four focused surveys on topics such as COVID-19 support, team building, and CSR, with an average positive sentiment of 88 (out of 100 possible points) across all surveys.</p> <p>We updated our Inclusion site on nvidia.com.</p> <p>We partnered with our Black NVIDIA Network resource group to increase our hiring of Black/African American employees.</p> <p>We reached 47,000 candidates from underrepresented communities in technology at university and professional recruiting events.</p> <p>See Diversity and Inclusion in the Social section for more FY21 interactions with prospective employees.</p>

STAKEHOLDER	FY21 INTERACTIONS
<p>Government/Public Policy Engagement</p>	<p>We continued our engagements with the United States House and Senate AI Caucus, the Congressional Tech Staff Association, and key officials in the legislative and executive branches.</p> <p>We hosted a Public Sector Summit at our virtual GPU Technology Conference in October featuring representatives from several federal agencies and Congress. Among the 100 summit sessions, we featured a panel with the chairman of the U.S. Federal Communications Commission on the promise of 5G powered by AI, as well as one focused on standards, investments, and regulatory actions around a national strategy on AI.</p> <p>We partnered with the National Institutes of Health to develop AI models to help researchers study COVID-19 in chest CT scans in an effort to develop new tools to better understand, measure, and detect infections.</p> <p>We supported an employee who served as co-chair of Computing Technology Industry Association’s workforce subcommittee, where we supported policy development around skills-based training, apprenticeships, certifications, and workforce model development.</p> <p>We participated in the development and advocacy of the Semiconductor Industry Association’s policy plan, which recommended substantial investment in the U.S. workforce and federal R&D programs.</p> <p>We engaged with the Consumer Technology Association and Information Technology and Innovation Foundation on AI policy development.</p>
<p>Nongovernmental Organizations</p>	<p>We scored 100% on the Human Rights Campaign’s Corporate Equality Index for a sixth consecutive year.</p> <p>We engaged with As You Sow, Investor Alliance for Human Rights, Know the Chain, World Benchmarking Alliance, and the World Economic Forum 2030 Vision Government Framework.</p>
<p>Research/Ratings Organizations</p>	<p>We remain on the following rankings/indexes: 3BL Media’s 100 Best Corporate Citizens, Barron’s Top 100 Most Sustainable Companies, Bloomberg Gender Equality Index, Dow Jones Sustainability Index, Forbes’ Best Employers for Diversity, Forbes’ JUST 100 Companies, FTSE4Good, and Newsweek’s Most Responsible Companies.</p> <p>We were featured for the fifth year on Fortune’s 100 Best Companies to Work For at No. 12 and Glassdoor’s Best Places to Work at No. 2.</p> <p>We debuted on Fortune’s Companies Changing the World list and Fortune’s Most Admired Companies list.</p> <p>We were recognized in Corporate Knights’ 2021 Global 100 Most Sustainable Corporations and Wall Street Journal’s Most Sustainably Managed Companies in 2021.</p> <p>We engaged with the following research organizations: Bloomberg, FTSE Russell, IDC, ISS, MSCI, Refinitiv, Sustainalytics, and Vigeo Eiris.</p>

STAKEHOLDER	FY21 INTERACTIONS
Shareholders	<p>We participated in CDP for the 12th year and achieved an A- on our climate change and water security responses.</p> <p>We presented CSR issues to stockholders holding 32% in aggregate of our common stock during the company’s annual outreach meetings. Topics covered included: human capital management during COVID-19, climate change, diversity and inclusion at the company and board level, and board involvement in CSR.</p> <p>We scored No. 1 in several categories of Institutional Investor’s 2021 All-American Executive Team Leaders survey, including top executives, top IR and ESG teams, and best communications response to COVID-19. We were No. 1 on Investor’s Business Daily’s Best ESG Companies List.</p>
Suppliers	<p>We conducted an ongoing evaluation of our suppliers using RBA analysis tools.</p> <p>See Supply Chain Management to see the full range of activities we conducted, including 100% completion of risk assessment and self-assessment for all applicable suppliers, receipt of 10 Validated Assessment Program audits from high-spend suppliers, and reviewing audits of 55% of our strategic suppliers.</p>

OUR RESPONSE TO COVID-19

Our People

In response to the COVID-19 pandemic, we closed our nearly 60 offices around the world in March 2020 for all except essential workers. For essential labs and offices that remain open, we instituted frequent disinfection, temperature taking, and social distancing guidelines. We provided our employees with enhanced health coverage and reimbursement for certain work from home expenses, moved up our yearly performance review to put raises in the hands of employees sooner, and continue to support them in making their health, and their families' health, a top priority. Additionally, our HR and IT teams assembled several resources for employees:



A comprehensive website with information on work guidelines, IT help, benefits, and how to engage in the company's charitable mission to support local charities, neighbors, and small businesses;

A collection of resources and weekly webinars for employees and managers adjusting to working and leading remotely;

A mental health webinar series on dealing with life challenges during a pandemic; and

Educational resources for employees' children.

To give employees time to recharge after a demanding year, we had a company wide shut down for one week during the winter holidays.

Our Supply Chain

In our supply chain, we focus on protecting worker rights while promoting business continuity. NVIDIA is a member of the Responsible Business Alliance (RBA) and we follow their process to better understand the impact of COVID-19 on our supply chain. We partnered with a customer to survey several select suppliers to understand the impact on workers' hours and wages.

As a result of the workplace disruption, we have seen an increase in working hours this year and are supporting our suppliers through this process. The RBA and NVIDIA allow for certain exemptions to working hours requirements in the case of emergency or other unusual situations, and we have identified the virus outbreak, and subsequent government shutdown of activities across the globe, as such.

Strategic suppliers have communicated any reporting or auditing delays, including Validated Assessment Program (VAP) audits and International Organization for Standardization renewal audits. We continue to work with them and are applying guidance in accordance with the RBA, while remaining in conformance with its code of conduct. The RBA has also launched a Remote VAP audit option for qualifying facilities, and we will utilize that where possible to keep our suppliers on their normal audit cycle.

Our Technology

We have worked to fight COVID-19 with researchers, scientists, healthcare, and governments worldwide. Many AI startups in our NVIDIA Inception accelerator program have done innovative work in this area, including [DarwinAI](#), which developed an AI model to detect COVID-19 in CT scans with 96% accuracy; [Kineticica](#), which converted case location data into usable intelligence for faster decision-making; and [Ouva](#), which created a touch-free hospital intelligence platform for monitoring patient safety. NVIDIA technology is also being used for [contactless temperature screening applications](#) and [spotlighting potentially contaminated surfaces](#).

A team of 27 researchers led by Rommie Amaro at the University of California at San Diego won the [Gordon Bell Prize for COVID-19](#) by using NVIDIA GPUs to create the largest, longest, and most accurate simulation of a coronavirus to date. The [AI-assisted simulation](#) took a few months, compared to five years for developing the simulation for the flu virus.

Our Communities

Despite being physically distanced due to office closures, NVIDIAians around the world united in response to the pandemic. Together, employees and the company donated more than \$16 million to support COVID-19-related efforts to date, reaching nonprofits in more than 40 countries.

More than 3,500 NVIDIAians participated in a companywide challenge, Coming Together Against Coronavirus, which encouraged small actions to protect themselves and their communities, while containing the spread of the disease. Together, employees completed more than 23,000 simple activities, like purchasing gift cards from small businesses, thanking frontline healthcare workers, supporting local restaurants, and staying connected—and, as a result, unlocked a \$250,000 donation to the World Health Organization.

Our food service staff kept our kitchen facilities open to provide regular meals to 3,800 families through a Silicon Valley nonprofit during FY21, and, in early FY22, expanded this program to our India sites.

Our Continued Efforts

We are taking a cautious approach to reopening, putting the health and safety of our employees and their families first. Plans to reopen our offices are being made on a site-by-site basis. By early FY22, only a few of our offices have reopened, and those in other parts of the world are yet to be determined.

We continue to work closely with our supply chain, developer, and community partners to support them through this time. Information about our efforts can be found on our [webpage](#).

\$16M+

Raised by employees and the company for COVID-19 relief efforts



03 GOVERNANCE

BOARD GOVERNANCE

NVIDIA, including its Board of Directors, is committed to operating under sound principles of corporate governance. Our corporate governance structure ensures robust Board and management accountability and transparency to our stockholders and promotes good decision-making now and in the future.

To ensure that long-term interests are being served, our Board oversees management performance. Our overarching code of conduct, financial team code of conduct, corporate governance policies, Board committee charters, certificate of incorporation, and bylaws form the [framework for governance](#) at NVIDIA.

As of the end of FY21, we had 13 directors on our Board, 12 of whom (92%) were independent. The sole exception is Jensen Huang, who is also our founder, president, and chief executive officer. Our corporate governance policies permit the Board to designate either a chairperson of the Board or a lead independent director, which gives the Board flexibility in determining what is best for the company. Consistent with our non-hierarchical culture, NVIDIA's Board has a lead director, Mark Perry, rather than a chairperson. In FY21, all directors attended at least 75% of meetings of the Board and committees on which they served.

Non-employee director compensation is reviewed by the Board's Compensation Committee in consultation with a compensation consultant after an evaluation of peer group practices, and is ultimately approved by our Board. We design our named executive officer (NEO) compensation program to pay for performance and to attract and retain a high-caliber executive team. NEO pay is heavily weighted toward performance-based variable cash and long-term equity awards that are earned only if we achieve pre-established corporate financial metrics. Our compensation program requires executives to maintain meaningful stock ownership, and a clawback policy is in place for performance-based compensation.

WHAT IT COVERS:

- > *Board composition*
- > *Independence of committees and leadership*
- > *Board and named executive officer compensation*
- > *Board diversity*

GOVERNANCE SNAPSHOT

92%

of Directors are independent

38%

of our Board is gender, racially,
or ethnically diverse

23%

of our Board members are women

Declassified Board
Structure

and all Board members serve one-year terms

Annual Performance
Evaluation

of Board and Board committees

Public
Disclosure

of director nomination process, proxy access,
and approach to Board diversity

Majority Vote

practices have been adopted voluntarily

Annual Board Outreach
to Shareholders

on our business and ESG progress

CSR Governance

The Nominating and Corporate Governance Committee (NCGC) of our Board is responsible for reviewing and discussing with management our practices concerning environmental, social, and corporate governance. Our head of CSR reviews stakeholder inputs with and collects feedback on priorities from the NCGC each year. The priorities include issues that are of utmost importance to our stakeholders, such as climate change, human rights, and diversity and inclusion.

Starting in FY22, NVIDIA management will periodically report to the NCGC about the company's policies and practices regarding governmental relations, public policy, and related expenditures.

ETHICAL CONDUCT

We strive to achieve the highest standards of ethical conduct in all our business dealings. Our codes of conduct and policies guide how we conduct ourselves in our professional relationships toward our customers, partners, competitors, vendors, government regulators, shareholders, fellow employees, and the community at large. Our longstanding [code of conduct](#) outlines our core values and establishes our expectations about the way we conduct business. This code applies to all our executive officers, directors, and employees, and we expect all third parties we do business with, including consultants, contractors, and other service providers, to act in a manner consistent with it. In addition, we have established a [financial code of conduct](#) that applies to our executive staff, directors, and members of our finance, accounting, tax, and treasury departments.

Our commitment to promoting a culture of integrity means that we aim to foster an environment where everyone is expected to act ethically and feel empowered to voice concerns without fear of retaliation. Any employee can confidentially and anonymously lodge a complaint about any accounting, internal control, auditing, code of conduct, conflict of interest, or other matters of concern using a corporate [hotline](#), which is hosted by an independent third party. By using an external organization to host the hotline, we ensure that our employees feel secure their reports will be anonymous. We have a strict "no retaliation" policy regarding good faith reports of activities that run counter to our ethical expectations. In FY21, we expanded the availability of the hotline to supply chain workers and attendees of our annual developers conference.

All NVIDIA employees receive ethics and sexual harassment training. Upon hire and then every two years thereafter they also complete training in our code of conduct, which covers environmental and social responsibility issues. As of March 2021, nearly 100% of employees had completed this training.

Our longstanding commitment to doing business with integrity and ethics, and to preserving our ability to work with customers and governments, means avoiding all forms of corruption. Our anti-corruption practices specifically emphasize making ethical decisions, never engaging in bribery or insider trading, avoiding conflicts of interest, approaching competition ethically, complying with international trade regulations, promoting transparency, and maintaining accurate business records. To protect our company's reputation, we have several policies related to these issues, and we expect employees to comply with them. Nearly 100% 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.

WHAT IT COVERS:

- > *Policies, systems, processes, and performance relating to ethical operation*
- > *Anti-corruption and anti-bribery, including an ethics hotline and whistleblower protection*



04 ECONOMIC

PRIORITY: INNOVATION

Innovation is at our core. Our invention of the GPU defined modern computer graphics and established us as the leader in visual computing. With our subsequent introduction of the CUDA programming model, we opened the parallel processing capabilities of the GPU for general purpose computing. We have since extended our research and development emphasis to the revolutionary field of AI.

About 24% of our revenue in FY21 (\$3.92 billion) funded R&D activities. In total, we have invested more than \$24 billion in these efforts since our inception, yielding inventions that are essential to modern computing.

NVIDIA has a platform strategy, bringing together hardware, software, 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 software stacks. 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. The large and growing number of developers across our platforms strengthens our ecosystem and increases the value of our platform to our customers.

Our two reportable segments—Graphics and Compute & Networking—are based on a single underlying graphics architecture. We specialize in markets in which GPU-based visual computing and accelerated computing platforms can provide tremendous throughput for applications. Our platforms address four large markets where our expertise is critical: gaming, professional visualization, data center, and automotive.

WHAT IT COVERS:

- > *Research and development of new products, technology, and operational practices*
- > *Enabling distributed innovation through support of developers*
- > *Intellectual property protection*

NVIDIA NAMED FORBES' MOST DISRUPTIVE AI INNOVATOR

In 2020, NVIDIA had a series of breakthroughs that significantly reduced the amount of data needed in "generative adversarial networks," a deep-learning method of creating images, sounds and videos that did not exist before.

We continuously assess whether and where to seek formal protection for particular innovations and technologies, based on such factors as:

- > The location in which our products are manufactured;
- > Our strategic technology or product directions in different countries;
- > The degree to which intellectual property laws exist and are meaningfully enforced in different jurisdictions; and
- > The commercial significance of our operations and our competitors' operations in particular countries and regions.

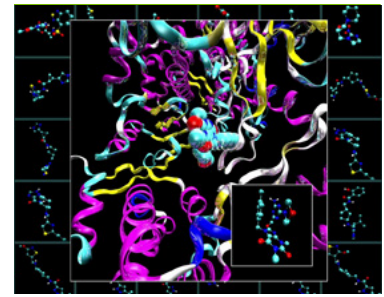
We have also licensed technology from third parties and expect to continue to enter into such license agreements.

Our approach to innovation is described in more detail in our [FY21 10-K, pp. 4-11](#).

PRIORITY: BUSINESS MODEL AND COMPETITIVENESS

NVIDIA has a platform strategy, bringing together hardware, software, 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 software stacks. 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. The large and growing number of developers across our platforms strengthens our ecosystem and increases the value of our platform to our customers.

The market for our products is intensely competitive and is characterized by rapid technological change and evolving industry standards. We believe that the principal competitive factors in this market are performance, breadth of product offerings, access to customers and partners and distribution channels, software support, conformity to industry standard APIs, manufacturing capabilities, processor pricing, and total system costs. We believe that our ability to remain competitive will depend on how well we are able to anticipate the features and functions that customers and partners will demand and whether we are able to deliver consistent volumes of our products at acceptable levels of quality and at competitive prices. We expect competition to increase from both existing competitors and new market entrants with products that may be lower priced than ours or may provide better performance or additional features not provided by our products. In addition, it is possible that new competitors or alliances among competitors could emerge and acquire significant market share.



CHANGING THE WORLD

NVIDIA was featured in Fortune's Change the World list, which recognizes companies leveraging their core business strategy to have a positive impact on humanity. NVIDIA GPUs [enable](#) scientists to use images like the one above to virtually screen more than a billion drug-candidate compounds and molecules in 24 hours—a process that would take five to 10 years of "wet lab" work.

WHAT IT COVERS:

- > *Market and global competitiveness, including business model, market leadership, and financial success*
- > *Issues impacting NVIDIA's fair access to the market*
- > *Compliance with laws and regulations*

Our key strategies that shape our overall business approach include:

- > Advancing the NVIDIA accelerated computing platform;
- > Extending our technology and platform leadership in AI;
- > Extending our technology and platform leadership in visual computing;
- > Advancing the leading autonomous vehicle platform; and
- > Leveraging our intellectual property.

Our success depends on our ability to identify emerging industry changes and to develop new (or enhance our existing) products, services, and technologies that meet the evolving needs of these markets. Such activities may require considerable technical, financial, compliance, sales and marketing investments.

We devote significant resources to the development of technologies and business offerings in markets where we have a limited operating history, such as the automotive and data center markets, which presents additional risks to our business. We also must continue to scale our networking business following the Mellanox acquisition by leveraging our joint product capabilities and continuing to effectively integrate company processes. We must also continue to develop the infrastructure needed to scale our business in these areas, including customer service and support, e-commerce and intellectual property licensing capabilities. If we do not continue to evolve our business, including by developing market specific technologies, managing the social and environmental impact of our products and technologies, expanding the ecosystem for our current and future products and technologies, and monetizing and expanding our business in various areas, our financial results could be negatively impacted.

We also must meet customer safety and compliance standards, which are subject to change. Additionally, we continue to make considerable investments in research and development, which may not produce significant revenue for several years, if at all. If our investments are unsuccessful and we fail to develop new products, services and technologies, or if we focus on technologies that do not become widely adopted, our business, revenue, financial condition and results of operations could be adversely affected.

We cannot assure that our strategic direction will result in innovative products and technologies that provide value to our customers, partners and, ultimately, our shareholders. If we fail to anticipate the changing needs of our target markets and emerging technology trends, or if we do not appropriately adapt that strategy as market conditions evolve, in a timely manner to exploit potential market opportunities, our business will be harmed.

We outline our response to market competitiveness in the Business Strategies section of our [FY21 10-K, pp. 8-14](#).

FORTUNE'S MOST ADMIRABLE COMPANIES

NVIDIA ranked first in the semiconductor category on Fortune magazine's list of the World's [Most Admired Companies](#).

PRIORITY: CYBERSECURITY AND DATA PRIVACY

Our information security practices include the measures we design to protect networks, computers, programs, and data, as well as NVIDIA's products and the privacy of our customers' and employees' data, from unauthorized access or attack. As we become aware of more frequent high-profile security breaches in business and government, and as new dangers arise, we remain committed to 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, operations, and legal experts. A cybersecurity committee, which meets monthly and is driven by executive-level leaders, reviews metrics, and evaluates emerging threats. To ensure a robust breadth of knowledge, the team consults with external parties, such as computer security firms and those with risk management and governance expertise.

We address cybersecurity scenarios in our resilience planning, document them through business continuity plans, and test the reliability of our products and our ability to respond to threats through attack simulations. We follow the processes outlined in frameworks such as the ISO 27001 for Information Security Standards. Against the backdrop of frequent changes and fresh knowledge, we continually evaluate and evolve our security measures. In the event of a cybersecurity issue, we've prescribed a set of actions for teams to initiate that will help us to determine the type and rigorosity of our response.

The cybersecurity committee presents an annual update and provides education to NVIDIA's Board of Directors throughout the year. The team updates the Audit Committee upon request.

Data Privacy

We continuously hone our cybersecurity and data privacy trainings and policies to respond to new requirements in global privacy laws. Our relationship with our colleagues, customers, and business partners is based upon mutual trust. We are committed to maintaining this trust by protecting the information we hold from inappropriate use, unauthorized access, loss, and accidental destruction.

Information security/cybersecurity awareness training is available on demand to all employees, and we hold regular live trainings. Our IT team has implemented extensive training internally on the risks of phishing scam emails. This includes sending simulated "attack" emails to all employees to test their awareness. The team provides further awareness training to departments that have the most inadequate response to the simulation exercise.

Product Security

NVIDIA takes security concerns seriously and works to evaluate and address them quickly. When a security concern is reported, NVIDIA commits the appropriate resources to analyze, validate, and provide corrective actions to address the issue. NVIDIA Security Bulletins and Notices are published on our [website](#).

WHAT IT COVERS:

- > *Technologies, processes, and practices designed to protect networks, computers, programs, and data from cyberattacks*
- > *Cybersecurity safeguards built into product design, implementation, and production*
- > *Customer, employee, and business data privacy*
- > *Compliance with cybersecurity and data protection laws*

ISO 27001 INFORMATION SECURITY STANDARD

Our processes are aligning with ISO 27001. We completed a gap assessment and expect to be certified in 2022.

Our networking business operations are ISO 27001 certified.

NVIDIA IS GOVERNED BY THE FOLLOWING PRIVACY POLICIES:

- > Our customer-facing [NVIDIA Privacy Policy](#), which incorporates both a [Cookie Policy](#) and a [Kids Privacy Policy](#);
- > a collection of internal, corporate data privacy policies, including an Employee Privacy Policy;
- > and a Job Candidate Privacy Policy.

NVIDIA privacy policies are consistent with GDPR principles and are applied globally.

The NVIDIA Product Security Incident Response Team (PSIRT) goal is to minimize customers' risk associated with security vulnerabilities by providing timely information, guidance, and remediation of vulnerabilities in our products and services. NVIDIA PSIRT is a global team that manages the receipt, investigation, internal coordination, remediation, and disclosure of security vulnerability information related to NVIDIA products and services. We [participate](#) in the global Forum of Incident Response and Security Teams (FIRST.org), actively contribute to FIRST.org Special Interest Groups (SIGs) to make improvements to PSIRT processes, and share process knowledge with others so they may implement this type of notification and security work within their own organizations.

FIRST.ORG ACTIVITIES

NVIDIA's Shawn Richardson sits on the Board of Directors for FIRST.org for the 2020-2022 term. Her oversight responsibilities include diversity and inclusion initiatives and Liaison for SIGs to collaborate, share ideas, and occasionally produce training, standards, frameworks, and documentation.

We also participate in MITRE's Cybersecurity and Vulnerability Exposure Number Authority Coordination Working Group. In FY21, we partnered with third-party research institutions and corporate peers to extend the MITRE ATT&CK framework for AI to advance the industry's security and its response to new and upcoming threats.

PRIORITY: TRADE ISSUES

Our semiconductor wafers are manufactured, assembled, tested and packaged by third parties located outside of the United States. Revenue from sales outside of the United States accounted for 81% of total revenue for FY21, 92% for FY20 and 87% for FY19. As of January 31, 2021, approximately 53% of our employees were located outside of the United States. Additionally, our worldwide business activities are subject to various laws, rules, and regulations of the United States as well as of foreign governments.

The global nature of our business subjects us to a number of risks and uncertainties, which could have a material adverse effect on our business, financial condition, and results of operations, including international economic and political conditions and other political tensions between countries in which we do business; unexpected changes in, or impositions of, legislative or regulatory requirements; and exporting or importing issues related to export or import restrictions, including deemed export restrictions, tariffs, quotas, and other trade barriers and restrictions.

NVIDIA's Global Trade Compliance Team helps ensure that applicable international trade laws are followed when NVIDIA's products are moved or sold internationally. With local presence in the U.S., APAC and EMEA, team members serve as subject matter experts on the range of global trade issues that impact our business. The team helps clear NVIDIA's international shipments, performs restricted party screening, advises on export license restrictions, sets policies and procedures, and obtains import or export licenses when required. They also stay current on new trade regulations in the jurisdictions where we operate and ensures NVIDIA has processes in place to comply with the new regulations.

For an overview of risks related to global trade issues, see our [FY21 10-K, pp. 20-22](#).

WHAT IT COVERS:

- > *Systems for managing export controls, import duties, quotas, trade barriers and restrictions*
- > *Impacts associated with changing trade decisions such as pricing, regulations, or supply chain*
- > *Compliance with laws, regulations, and agreements governing international trade*

BUSINESS CONTINUITY MANAGEMENT

Business continuity management (BCM) focuses on protecting our [core values](#). Our philosophy of BCM is to identify realistic threats and their potential impact to our core values and business operations and to design a formal framework for responding.

We believe that resilience can be achieved by embedding redundancy and diversity into our response framework. A BCM steering committee of four executives is supported by several business leaders across the following functions: Corporate Communications, Cybersecurity, Facilities, Finance, Global Security, Human Resources, Information Technology, and Operations. Each function has a plan to identify and address potential risks.

These efforts are supported by robust infrastructure, systems, policies, and procedures and are designed to mitigate risk and protect the safety and trust of our employees and customers when unexpected events such as a cyberattack, business disruption, or natural disaster occur.

In response to COVID-19, we closed our worldwide offices in March 2020 to protect our employees and prevent further spread. With access to our sites restricted to essential workers, we implemented numerous safety protocols and provided resources for employees to work remotely. We continue to prioritize the health and safety of our employees through a variety of efforts, detailed in [COVID-19 Response](#) and [Employee Health and Safety](#).

BCM is critical to minimizing financial and reputational impacts. By anticipating the likelihood of severe events, we can mitigate these risks and ensure that the company does not endure unnecessary damages.

Climate Risk

Recognizing the implications of climate change for our business and the increased relevance of climate risk to our investors, we conducted an initial climate risk scenario analysis in FY21 to consider how resilient our business strategy is in the face of increasing temperatures.

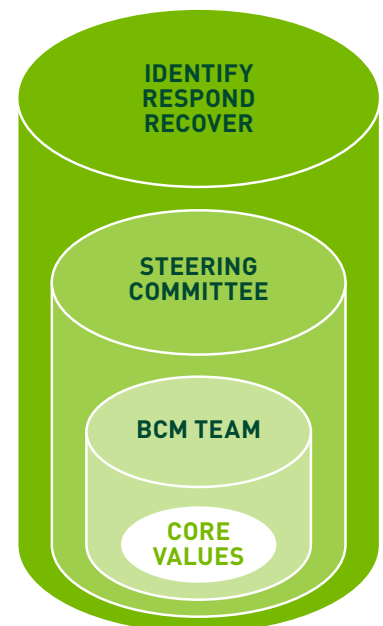
Working with a consulting partner, we assembled a cross-functional stakeholder group to oversee our scenario analysis. We identified our global data center and lab locations to be of significant strategic relevance for our business and modeled the potential outcomes under two warming scenarios, Representative Concentration Pathway (RCP) 4.5 and RCP 8.5. We found that under a lower 2°C warming scenario (RCP 4.5), the extent to which comfort cooling will be needed in our current data centers and labs is projected to be 60% higher by 2030 and 100% higher by 2050, relative to the 20-year baseline from 1986-2005. Increases in comfort cooling needs are substantially higher under the RCP 8.5 scenario.

While this could result in some increases in energy use to adequately cool our facilities, for data centers in particular, various factors mitigate the potential risk of system or server failure for NVIDIA. These factors include the efforts of our teams to consider projected future climatic conditions as they specify new data centers, the relatively broad temperature ranges our data center infrastructure can handle, and the redundancy built into modern data center cooling systems. This is informative for the design, planning, and operation of our workplaces for future employee comfort, and it signals potential increases in cooling-related energy consumption and cost.

WHAT IT COVERS:

- > *Systems, infrastructure, policies, and procedures to ensure business continuity and operational resilience*
- > *Processes to address operational interruptions due to external global circumstances*

NVIDIA BCM PROGRAM



We are considering the results of this scenario analysis in our strategic planning decisions to mitigate the operational and capital cost risks of a warmer climate. See [Environmental](#) section of this report for more actions we are taking against climate change.

PUBLIC POLICY ENGAGEMENT

Public policy engagement enables us to affect government action and provide thought leadership to global governments on issues that directly affect our business. It's also a platform for educating policymakers through demonstrations of our technology, amplifying our work in targeted areas, and collaborating with various organizations on issues of shared interest. We focus our public policy activities in AI specifically to support governmental efforts to increase investment in core AI research and support workforce development around AI by providing educational resources to officials and their advisors.

We don't make contributions of any kind, such as money, employee time, goods or services, or employee expense reimbursements to political parties or candidates. This includes contributions through intermediary organizations, such as political action committees or lobbyists, campaign funds, or trade or industry associations. We don't have a political action committee and don't engage in independent expenditures or electioneering communications as defined by law.

We engage in lobbying for issues of importance to our business, customers, stockholders, and employees through specifically authorized and legally compliant lobbying activities. All lobbying activities require the prior approval of NVIDIA Government Relations and Legal. Where required by law, we file lobbying disclosure reports. In FY21, we did not perform lobbying activities or expend resources that required registration under the Lobbying Disclosure Act. More information about our political contributions and expenditures can be found on our [website](#).

AI Research and Standards

In FY21, we participated in the development and advocacy of the Semiconductor Industry Association's [policy plan](#), which recommended substantial investment in the U.S. workforce and federal R&D programs.

As part of GTC, we brought together a leading group of policymakers and analysts to discuss the United States' national strategy regarding AI, with a specific focus on standards, investments, and potential regulatory actions.

STRATEGIES FOR FEDERAL AI EFFORTS AT GTC

Leaders from dozens of organizations, including the U.S. Department of Defense, the Federal Communication Commission, Booz Allen Hamilton, Lockheed Martin, NASA, RAND Corporation, Carnegie Mellon and Stanford Universities, [participated](#) in approximately 100 sessions that were part of GTC's Public Sector Summit, held virtually in October 2020.

WHAT IT COVERS:

- > *Participation through industry organizations*
- > *Engagement with policymakers*

Workforce Development

In FY21, we served as the co-chair of Computing Technology Industry Association's workforce subcommittee, where we support policy development around skills-based training, apprenticeships, and certifications. As part of these efforts, we promoted a workforce development model that can be applied broadly to benefit citizens of any state or community. To benefit the policy-making process, we share our experiences with our [Deep Learning Institute](#) and the partnerships we've formed with NGOs and universities nationwide.

AI Education

We provide subject-matter experts to educate government officials and their policy advisors on AI technology, and offer insights into AI research and development. We enhance our public policy reach through participation in groups such as the Consumer Technology Association, Entertainment Software Association, and the Semiconductor Industry Association, among others.

Over the past year, we demonstrated to policy experts how AI capabilities can contribute to better responses to the COVID-19 pandemic. In April 2020, 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, several technology companies, and national labs. The effort has driven progress in understanding COVID-19 and creating treatments and vaccines.

Researchers at NVIDIA also [partnered](#) with the National Institutes of Health to develop AI models to help researchers study COVID-19 in chest CT scans in an effort to develop new tools to better understand, measure, and detect infections.

LEADING THINKERS IN AI CONVERGE AT GTC

A bipartisan panel of key members of Congress on AI joined Axios reporter Erica Pandey for our [AI for America](#) panel to explore their strategies. Representatives Robin Kelly of Illinois, Will Hurd of Texas, and Jerry McNerney of California discussed the immense opportunities of AI, as well as challenges they see as policymakers.

CUSTOMER RELATIONS

Our customers include both businesses and individual consumers. We view our commitment to positive customer relations in terms of the role we play as a responsible supplier, our commitment to our reseller partners and their customers, and to our direct customers.

We support customers through a comprehensive [support site](#) and several NVIDIA-hosted product [forums](#) and [communities](#). Our customer service team tracks interactions with consumers as they occur and shares bi-weekly satisfaction reports internally. We measure customer satisfaction in several ways, including customer satisfaction rate, percentage of support incidents filed, closed incident survey response rate, and referral rate. We use these metrics to help promote experiences that satisfy and delight our customers.

Our support organization has taken steps to dramatically reduce the time it takes for our software team to incorporate customer feedback, enabling technicians to respond quickly and increase customer satisfaction. We also use data gathered from our customer forums to give our research and development organizations feedback about what's working and what improvements our customers want. NVIDIA protects customer data and honors their choices in compliance with GDPR. More information can be found [here](#) about our privacy policy.

Developer Education

We support developers who want to create innovative applications with our products. We give developers diverse resources, including [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. Our [GPU Technology Conference](#) advances global awareness of accelerated computing, computer graphics, high performance computing, AI, and deep learning.

Customer Requests

Our customers include some of the world's largest electronics, consumer brand, and automotive companies. Consequently, we've integrated the standards outlined in the Responsible Business Alliance (RBA) Code of Conduct covering labor, environment, health and safety, ethics, and management systems throughout our global operations. We use these standards as our management approach for our supply chain.

Our customer support organization is on the front line of communications with our national and international partners, working with their engineering teams as they test NVIDIA products in their systems and devices. Inquiries from our original equipment manufacturer partners have increased in line with our focus on supplier responsibility and environmental sustainability. Requests for information have predominantly related to conflict minerals, environmental compliance, quality, cybersecurity, consumer satisfaction, and ethics.

WHAT IT COVERS:

- > *Customer satisfaction*
- > *Customer relationship management*

GPU TECHNOLOGY CONFERENCE

GTC is a global conference series providing training, insights, and direct access to experts on the hottest topics in computing today. Thousands of researchers and professionals attend to learn the latest on the most dynamic topics related to high performance computing, AI, and deep learning.

To manage these inquiries and requests, we employ quarterly business reviews with key customers, and partner with them on various initiatives through the RBA. Some customers assign points on their scorecards to environmental, social, and governance performance. Customers who are RBA members monitor our performance through tools provided by that organization, such as self-assessment questionnaires, Validated Assessment Program, and tracking tools for carbon, water, and waste. We also participate in the RBA environmental sustainability workgroup and complete the online environmental survey on carbon, water, and waste.

In addition to the RBA Environmental Survey, we participate in the CDP climate change and water surveys each year. Participants are scored based on their understanding and management of their business risks, opportunities, and impacts related to climate change and water resources. In 2020 we scored an A- on both surveys. See our 2020 CDP [response](#).

Full Material Disclosure

We maintain Full Material Disclosures (FMD) for our chip designs but not all system products. NVIDIA is required to report on material information through various platforms, including Substances of Concern in Products and International Material Data System for automotive. We have done the preliminary work to expand our FMD program to all products and aim to implement it in FY22.

EPEAT

The EPEAT program independently verifies the environmental impact of electronic products and is used by thousands of private and public institutional purchasers around the world to make sustainable IT procurement decisions. All NVIDIA GPUs support EPEAT conformance, and we provide information to customers seeking to register their products with the program.

ISO 9001

For partners that embed our hardware in their products, quality is monitored through ISO 9001 [certification](#). Read more in [Product Quality](#).



05 SOCIAL

PRIORITY: SUPPLY CHAIN MANAGEMENT AND PRODUCT QUALITY

We hold ourselves and our suppliers to the highest standards of behavior. We engage suppliers that share our values and closely manage our supply chain to deliver innovative products that satisfy our customers' expectations in a socially and environmentally conscious manner. In our supply chain, we focus on protecting worker rights while promoting business continuity. Read more about the pandemic and our suppliers in [Our Response to COVID-19](#).

Supply Chain Management

We have been [Responsible Business Alliance](#) (RBA) members since 2007 and in 2018 were accepted as Full Member. From the beginning, we adopted the RBA Code of Conduct and integrated its elements into our processes, including auditing strategic suppliers and conducting internal assessments to confirm that we are addressing all aspects of responsible supply chain management.

We do not directly manufacture the semiconductor wafers or printed circuit boards used in our products, nor do we manufacture our branded devices. Instead, 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.

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 all RBA members.

WHAT IT COVERS:

- > Policies and practices governing overall supply chain management
- > Policies and practices governing management of environmental and social impacts in the supply chain
- > Supplier audits to ensure compliance with standards and requirements
- > Impacts to or disruption of production
- > Supply chain transparency and disclosure
- > Policies and practices governing product quality

All our suppliers are required to comply with NVIDIA's code of conduct, our CSR Directive, and our policies related to human rights. They're required to sign an "Agreement for Manufacturer Environmental Compliance," which includes all relevant product regulatory compliance standards, social compliance standards, chemical management, and the RBA Code. We also encourage them to use the RBA Code as a platform to go above and beyond compliance.

Our assessment process involves using the RBA online system to evaluate existing and potential new suppliers against product compliance industry standards, social and environmental criteria, conflict minerals, the RBA Code, and NVIDIA's code of conduct.

Strategic suppliers include those who produce or handle NVIDIA production material, those for whom we closely manage quality requirements (non-critical suppliers), those who design our branded products, and those we are required to work with based on customer agreements.

For strategic suppliers, agreements are deployed and tracked through a quarterly business review (QBR) process to make certain that they uphold our requirements. Business allocation decisions are influenced by QBR performance. Each quarter, overall supplier assessment is reviewed by product category and performance is ranked. Five of 100 QBR points are allocated to CSR issues, and requirements vary by quarter.

In FY20, we reviewed all strategic suppliers against NVIDIA cybersecurity requirements, and in FY21, we performed a more in-depth assessment of higher risk suppliers. We looked at our supplier's conformance to ISO 27001, ISO 28001, and C-TPAT standards, and evaluated them for additional information, product, and physical security requirements. Depending on the results of the assessment, we required suppliers to provide additional evidence of conformance or, if gaps were discovered, to implement an improvement plan. Moving forward, we plan to perform periodic assessments and continuous monitoring.

Supplier Environmental Management

Emissions are created at every stage of our product lifecycle, extending to our customers' use and disposal of our products. Since 2014, we have required our key manufacturing suppliers to report their energy usage, greenhouse gas (GHG) emissions data, and reduction goals and objectives.

We also require these suppliers to have their GHG emissions verified by a third party. We use this supplier data to better understand the GHG emissions footprint of our product manufacturing and to calculate the allocation of carbon emissions from tier 1 suppliers that are attributable to our customers. We track suppliers' annual GHG and carbon emissions through the CDP and RBA Environmental Survey. We calculate carbon, water, and waste data for all silicon manufacturers and systems contract manufacturers to determine carbon emissions and water consumption per product and per financial outlay.

In FY21, we surveyed our suppliers to better understand the renewable energy performance and capability of our manufacturing supply chain.

SUPPLIER COMPLIANCE

NVIDIA manufacturing suppliers must comply with the following:

- > RBA's Code of Conduct
- > NVIDIA's Code of Conduct
- > NVIDIA's Combatting Trafficking in Persons Policy
- > NVIDIA's Conflict Minerals Policy
- > EU RoHS
- > EU REACH
- > EU End of Life Vehicles
- > Halogen Free/Low Halogen
- > ISO 14001:2015
- > ISO 45001 (replacing OHSAS 18001 /GB/T 28001-2011 in China)

Supply Chain Performance

FY21 RBA MEMBER COMPLIANCE

COMPLIANCE ELEMENT	NVIDIA'S REQUIREMENT	NVIDIA PERFORMANCE
Risk assessment on all strategic suppliers	100%	100%
Self-assessment questionnaires (SAQs) completed by suppliers in the top 80% of NVIDIA spending	100%	100% NVIDIA's SAQ review determined that there were no suppliers rated as high risk in our top spending area.
Validated assessment program (VAP) audits among 25% of high-risk suppliers	0% (due to lack of high-risk suppliers from SAQ)	<p>We audit suppliers even if their SAQ score comes back as low risk.</p> <p>We require VAP audits to validate supplier SAQs. This process revealed one strategic supplier as high risk. We work with high- and moderate-risk suppliers to review their CAPs and complete a Closure Audit when necessary.</p> <p>We reviewed VAP audits in FY21 on 55% of our strategic suppliers, bringing total audits in the past two years to 95%.</p> <p>We reviewed an additional 10 VAP audits from suppliers we paid more than \$1 million in FY21.</p>
Corrective action plans (CAPs)	0% (due to lack of high-risk suppliers)	<p>We engaged 13 suppliers on their CAPs from the FY21 auditing season. Common findings include issues related to occupational safety, emergency preparedness, working hours, freely chosen employment, and wages and benefits.</p> <p>We continue monitoring to ensure that suppliers demonstrate effective processes to ensure compliance. Specific actions on non-compliance issues vary depending on the type of finding and supplier.</p>

FY21 RBA CODE OF CONDUCT PERFORMANCE

RBA CODE ELEMENT	NVIDIA AS SUPPLIER	NVIDIA AS CUSTOMER
Labor	<p>NVIDIA’s Code of Conduct contains strict requirements around human rights.</p> <p>We 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.</p> <p>Relevant NVIDIA employees took several RBA Learning Academy courses.</p> <p>We participated in the RBA’s Responsible Labor Initiative.</p>	<p>We evaluated all contract manufacturers and direct material suppliers on geographic location, manufacturing processes, past supplier environmental responsibility performance, and public reports.</p> <p>We tracked supplier working hours through VAP, CAPs, or RBA working hours templates.</p> <p>We worked with suppliers to ensure their compliance with the principles of zero hiring fees and freely chosen employment.</p> <p>We assigned Learning Academy courses to 11 suppliers: Hours of Work, Working Hours Recording System, Working Hours Management System, The Hiring Process, Recruitment and Selection, Hiring and Working with Migrant Workers, Wages and Benefits, Creating Motivating Wage Systems, and Improving Your Dormitories.</p>
Health and Safety	<p>We focused on keeping our campuses safe and supporting our employees through the COVID-19 pandemic.</p> <p>We updated environmental, health, safety, and energy policies.</p>	<p>We closed CAPs covering all health and safety issues.</p> <p>We assigned Learning Academy courses to 11 suppliers: Effective H&S Systems, Fire Safety, and Managing Air Emissions.</p>
Ethics	<p>We continued membership in the Responsible Minerals Initiative and participated in its work groups on due-diligence data collection, and smelter engagement.</p>	<p>We engaged 100% of suppliers to collect smelter data for our conflict minerals program.</p> <p>We engaged strategic suppliers to collect cobalt smelter data.</p> <p>We continued evaluation of smelter metrics for the annual SEC conflict minerals reporting requirement.</p>
Environmental	<p>We participated in the CDP Supply Chain program.</p> <p>We completed the RBA online environmental survey on carbon, water, and waste.</p> <p>We participated in the RBA environmental sustainability work group.</p>	<p>We calculated carbon, water, and waste data of all silicon manufacturers and systems contract manufacturers to determine carbon emissions and water consumption per product and per financial outlay.</p> <p>We required compliance with environmental standards.</p> <p>We reviewed suppliers’ environmental improvement plans for ISO 14001 alignment.</p> <p>We assigned Learning Academy courses to 11 suppliers: Environmental Protection, Managing Energy and GHG Emissions, Water and Wastewater Management, Resolving Wastewater Treatment Issues, and Managing Waste.</p>

RBA CODE ELEMENT	NVIDIA AS SUPPLIER	NVIDIA AS CUSTOMER
<p>Management Systems</p>	<p>We participated in a VAP work group.</p> <p>We continued to evaluate our performance for the RBA Full membership tier.</p>	<p>We conducted quarterly business reviews of suppliers.</p> <p>We assessed compliance with the updated RBA Code with respect to labor fees and freedom of association.</p> <p>We implemented a performance-based award system for strategic suppliers through the QBR process.</p> <p>We assigned Learning Academy courses to 11 suppliers: Understanding Supply Chain Responsibility, Industry Standards, Responsible Supply Chain Management (for Factory Management), Supply Chain CSR Monitoring, and Using KPIs.</p>

Human Rights

We are committed to upholding the rights of workers throughout our supply chain and to treating everyone with dignity and respect. In alignment with the RBA Code, we comply with the key principles for worker protection outlined in 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:

- > No forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery, or trafficking of persons.
- > No unreasonable restrictions on workers' freedom of movement in the facility or unreasonable restrictions on entering or exiting company-provided facilities.
- > Workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment.
- > All work must be voluntary, and workers may leave work at any time or terminate their employment.
- > Employers and agents may not hold or otherwise destroy, conceal, confiscate, or deny access by employees to their identity or immigration documents.
- > Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment; any such fees shall be repaid to the worker.
- > Child labor is not to be used in any stage of manufacturing.

Freely chosen employment is a significant issue that many supply chains face. When violations are discovered, we require suppliers to return hiring fees to workers.

We also comply with the RBA's guidance regarding stakeholder grievances related to our social and environmental performance. We use the RBA Self-Assessment Questionnaire and VAP Audit Program to validate that our suppliers have proper grievance mechanisms in place and that employees are trained to use these methods. We manage any corrective actions related to grievance mechanisms through the RBA-Online Corrective Action Plan process.

In addition to supporting and aligning with the RBA code regarding freely chosen labor, we follow the legal requirements of the Federal Acquisition Regulation and UK Modern Slavery Act 2015. We track issues through the RBA Validated Assessment Program and work directly with suppliers to implement any corrective actions. Anyone can confidentially and anonymously report a concern about supply chain or human rights issues using a corporate hotline, which is hosted by an independent third party. When violations are discovered, we require suppliers to return hiring fees to workers. Policies related to working conditions can be found on our [website](#).

Materials Sourcing

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 conflict-free gold, tantalum, tungsten, and tin in our products. We share an annual update in our [Conflict Minerals Report](#).

We're a member of the Public Private Alliance (PPA) for Responsible Minerals Trade, and the Responsible Minerals Initiative (RMI). The PPA provides funding and coordination support to organizations working within the Democratic Republic of Congo and adjacent countries to develop verifiable conflict-free supply chains; align due diligence programs and practices; encourage responsible sourcing from the region; promote transparency; and bolster in-region civil society and governmental capacity. We support 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 conforms in all material respects with the framework recommended by the Organization for Economic Cooperation and Development (OECD).

Our [Conflict Minerals Policy](#), sourcing goals, and the steps we take to monitor our supply chain for conflict minerals is framed around the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This guidance provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices.

Additionally, we participate in various RMI work groups and align our program with the organization's tracking of additional minerals and materials and with geographic areas of high concern. We monitor additional legal requirements, including the EU Conflict Minerals Regulations, to determine any future requirements for conflict materials and high-risk regions of the world.

In FY20, as the RMI program matured, we began to investigate cobalt in our supply chain. In FY21 we sent surveys to 100% of our suppliers with approximately a 90% response rate. We've reported the initial results to customers, as requested. The cobalt program through the RMI is still new and the majority of cobalt refiners in the world have yet to be identified and audited. As the program matures, our goal is to only source from conflict-free cobalt refiners.

Product Quality

For partners that embed our hardware in their products, quality is monitored through ISO 9001 certification. We engage with strategic suppliers through QBRs and use these reviews to influence business allocation decisions. We use a comprehensive quality management process with the goal of exceeding our customers' expectations. Cross-functional teams manage all aspects of product quality. Customer Quality Engineering provides direct customer support for all quality-related issues and facilitates the gathering of customer failure information, customer-observed failure rates, and RMA processing. Product Quality Engineering uses the Eight Discipline (8D) methodology to direct root cause failure analysis and corrective actions. As part of the continuous improvement process, recommended design enhancements are brought to the design engineering teams for incorporation into next-generation products.

ISO 9001

NVIDIA is [certified](#) to ISO 9001 and has been issued a "letter of conformance" to the IATF 16949 automotive quality standard.

PRIORITY: EMPLOYEE HEALTH AND SAFETY

Our employees' ability to perform their jobs well depends on their physical and mental health and their safety and security. Our integrated programs actively support these fundamental needs.

Health and Wellness

We support our employees in making their health and their families' health a top priority, offering programs throughout the year to assist with their personal wellness, including health analysis, skin cancer screening, and hereditary cancer screening.

In response to the COVID-19 pandemic, we closed our nearly 60 offices around the world in March 2020. With so many of our employees working remotely for an extended period, we enhanced the resources we provide to support health and wellness at home. We added a financial stipend toward ergonomically designed workstation furniture and IT peripherals for home working, offer regular well-being educational events, virtual fitness and meditation sessions, and even a weekly story time for our working families with young children at home. In the United States, we've worked with our healthcare insurance providers to cover any out-of-pocket costs related to COVID-19 through calendar year 2021 for our employees and all covered dependents.

For essential labs and offices that remain open, we have instituted frequent COVID-19 prevention measures, including regular disinfection, strict access control (limited to essential onsite workers only), temperature taking, and strong social distancing guidelines. See [COVID-19 Response](#) for more about our actions during the pandemic.

Safety

Our Environmental Health and Safety (EHS) team oversees workplace conditions for NVIDIANS 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 who provide local EHS accountability.
- > Documented, globally applicable programs on key topics, including contractor management, ladder safety, ergonomics, vehicle safety, and chemical management.
- > 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 include more than 500 employees around the world. These volunteers assist with evacuation drills and may receive training in basic first aid, CPR, AED, or fire extinguisher use in addition to emergency preparedness that will enable them to rapidly respond in an emergency or disaster.

WHAT IT COVERS:

- > *Occupational health and safety performance and policies*
- > *Adherence to safety laws, regulations, and standards (ISO 45001, OSHA)*
- > *Health and wellness programs*
- > *Employee security practices*
- > *Virus and disease outbreak protocols*

Our record reflects the results of our dedication to employee health and wellness. Less than 1% of leave-of-absence requests within NVIDIA relate to work and work-related injury losses are significantly below the averages for our industry. Our recordable incident rate for FY21 is 0.07 with zero lost workdays. Few workers' compensation claims are submitted, and the majority of those processed are repetitive motion injuries. To address this issue, we've taken steps to work with affected employees through our ergonomics program and online courses.

PRIORITY: TALENT STRATEGY, DIVERSITY AND INCLUSION

We believe that our employees are our greatest assets, and they play a key role in creating long-term value for our stakeholders. To be competitive and execute our business strategy successfully, we must recruit, develop, and retain talented employees, including qualified executives, scientists, engineers, technical staff, and research and development personnel.

Recruitment

The demand for talent in new markets, such as AI and deep learning, is increasingly competitive. Our intern and new college graduate recruiting programs are a sustainable source of talent, bringing in more than 1,500 hires in FY21. We partner with higher education institutions globally to develop our candidate pipelines, recruit at industry conferences, and encourage our employees to submit referrals, with over 36% of hires coming from internal recommendations.

IN FY21, WE COMPLETED THE ACQUISITION OF MELLANOX TECHNOLOGIES, LTD.

Building on the groundbreaking work led a decade ago by Mellanox co-founder Eyal Waldman, we also **hired** more than 100 engineers in the Palestinian cities of Hebron, Nablus, and Rawabi, who were previously working as contractors at Mellanox, making us the first international tech company to directly employ engineers in the Palestinian Authority.

Learning and Development

To support employee advancement, we provide on-the-job training through coaching, feedback, and role modeling. We have a rich library of live and on-demand learning experiences such as workshops, panel discussions, speaker-based forums, and internally-focused technical conferences. We curate learning libraries around our most common development needs, provide the latest technical platforms to support self-paced learning, and regularly improve and update those topics using learner feedback from internal messaging channels. We offer tuition reimbursement programs and subsidize advanced technical education programs and online technical certifications. We encourage internal mobility through career expos and coaching, as well as foster mentorship connections and provide trained coaches as additional developmental support. Our strong partnerships with internal community resource groups allow us to personalize programs to address specific career development needs.

WHAT IT COVERS:

- > *Talent attraction, recruitment, and retention, including immigration considerations in talent acquisition*
- > *Leadership development and succession planning*
- > *Professional development and training*
- > *Creating a culture of diversity and inclusion*
- > *Workforce diversity*
- > *Pay equity*
- > *Executive and management diversity*
- > *Supplier diversity*
- > *Support for and promotion of racial equity and justice*
- > *Compliance with antidiscrimination laws*

Compensation, Well-Being, and Benefits

Our compensation program rewards performance and is structured to encourage employees to invest in the company's future. To retain employees, while simultaneously aligning their interests with those of our stockholders, we give them equity with a realized value that is tied to our stock price performance and vests over time (except where unavailable due to local regulations).

We offer comprehensive benefits to support the well-being of our employees and their families, including 401(k) programs in the United States, statutory pension programs outside the United States, an employee stock purchase program, flexible work hours and time off, and programs to address mental health, stress, and time-management challenges. We evaluate our benefit offerings globally and are committed to providing tailored benefits based on community needs, including assistance for military members, additional mental health benefits, and support for new parents and those who wish to become parents.

Pay and Promotion Parity

We are committed to providing fair pay and equitable opportunities for advancement to all employees.

To ensure pay parity, each year since 2015 we have used a third-party firm, Economists, Inc., to analyze our pay practices for gender, race, and ethnicity across 75+ dimensions, including education, years of experience, job function, family, job level, and performance ratings. The firm has not found any statistically significant disparities in compensation related to gender, race, or ethnicity. We've achieved pay parity for the past several years and plan to continue doing so in FY22.

As part of our commitment to promotion parity, we engaged Economists, Inc. in FY21 to review promotion data from our last three annual performance cycles. The review analyzed the rate and number of promotions, as well as time to promotion, by gender, race, and ethnicity. This initial review did not yield any statistically significant variances in promotion rates.

If we were to identify an issue of pay or promotion disparity, our human resources organization would take corrective action.

A TOP PLACE FOR TALENT

For the fifth year, NVIDIA is on Fortune's 100 Best Companies to Work For. We also ranked No. 2 on Glassdoor's Best Places to Work.

“ We treat each individual fairly, and we don’t tolerate discrimination or harassment against anyone on the basis of race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, marital status, or any other characteristic protected by law. ”

Diversity and Inclusion

We believe that diverse teams fuel innovation, and we're committed to creating an inclusive culture that supports all employees, regardless of gender, gender identity or expression, veteran status, race, ethnicity, or ability. See [Workforce Performance](#) for detailed metrics about our employee diversity. In 2020, we [published](#) our EEO-1 survey for employees in the United States and will continue to do so.

We've increased our efforts to recruit, develop, and retain a more diverse workforce with a focus on those historically underrepresented in the technology field. Our recruitment efforts reached 47,000 underrepresented candidates in FY21 through virtual university and professional career events. Last year, we created the role of head of diversity, inclusion, and belonging and hired a global diversity recruiting leader. Other efforts we're undertaking include:

- > Recruitment and Hiring: We emphasize the recruitment of women and members of underrepresented communities in technology, specifically focusing on Black/African American and Hispanic/Latino populations in the United States. In FY21, we created a dedicated recruiting team that works to find opportunities for outstanding Black and Hispanic/Latino candidates.
 - > Crafting inclusive job descriptions and screening language to eliminate unintended bias using a third-party tool;
 - > Evaluating the recruiting pipeline to identify bottlenecks for diverse candidates during the recruiting process;
 - > Shepherding candidates from underrepresented communities through the interviewing process, engaging employees from underrepresented communities for recruiting events and interview panels, and increased investment in historically Black colleges and universities, Hispanic-serving institutions, and professional organizations;
 - > Developing diverse slate of internal talent for open management positions, beginning semi-annual talent review sessions with executives to identify internal, diverse talent, and forming sponsorship and career acceleration programs;
 - > Striving to provide hiring managers with a diverse slate of candidates to consider during the employee hiring process;
 - > Making available a guide for unbiased recruiting and hiring to hiring managers and interviewers;
 - > Partnering with our community resource groups to improve how we reach and attract candidates from underrepresented communities; and
 - > Connecting new employees from underrepresented communities with community resource groups for onboarding and engagement.

BETTER TOGETHER

We integrate diversity and inclusion throughout the entire company. [Read more](#) about how we're building a better NVIDIA.

REIMAGINING INCLUSION FOR SOCIAL EQUITY

In May 2021, we sponsored and participated in RISE 2021, Asia's biggest LGBTQI+ job fair. Our virtual recruitment booth reached over 300 diverse candidates for key roles in Engineering, IT, Human Resources and more.

- > **Development and Recognition:** To maximize our employees' success and ensure continued diversity and inclusion, we recognize and celebrate their contributions and encourage lifelong learning.
 - > Committing to pay and promotion equity among women and employees from underrepresented communities, and having our work audited by a third party;
 - > Encouraging our leaders to promote diverse talent into management and executive ranks through focused development and sponsorship of employees;
 - > Identifying specific needs for community resource groups and building appropriate learning experiences;
 - > Featuring diverse employees on NVIDIA.com and our corporate intranet; and
 - > Submitting top-performing employees for recognition and awards, such as the YWCA Silicon Valley Tribute to Women awards, which has recognized 33 NVIDIA women leaders in the past nine years.
- > **Employee Support:** We're committed to listening and responding to employees to deliver the right benefits for all.
 - > Increasing inclusion communications and pulse surveys to measure employee sentiment and capture opportunities to improve;
 - > Conducting training with 300+ leaders to build awareness about unconscious bias in recruiting and hiring; and
 - > Incorporating inclusive principles into manager development training.

We establish and provide funding to community resource groups, which have executive-level sponsorship and dedicated budgets: Black NVIDIA Network, Early Career Network, Hispanic Latino Network, NV Pride (LGBTQ employees and allies), NVIDIA Disabilities Network, NVIDIA Veterans, and Women in Technology.

We listened to comments from our Women in Technology resource group and reshaped our [parental leave program](#) into one of the most generous in the industry, enabling birth parents to take up to 22 weeks of fully paid leave, starting as early as four weeks before their due date. Nonbirth parents get up to 12 weeks of fully paid leave. To ease the transition back to work after their leave, all new parents also receive up to eight weeks of flex time.

We partnered with our LGBTQ colleagues to provide extensive family-forming benefits, such as adoption, surrogacy, and IVF. To support our veteran community, we provide paid military leave. And in response to feedback from the Black NVIDIA Network, our health plan partner Cigna has invited Black physicians and mental health providers used by NVIDIA employees to join the network. We've also provided ongoing customized mental health support, coaching, and education for the community.

In FY21, our LGBTQ colleagues shared a concern about the way transgender people were addressed in our workplace harassment training. We notified the vendor to revise the content, and the subsequent updates impacted every employer that uses that vendor. We plan to engage our community resource groups in future reviews of training content.

INCLUSIVE ENGINEERING DOCUMENTATION

In FY21, we reviewed our engineering and other documentation to eliminate outdated and insensitive language that is inconsistent with our code of conduct and principles of inclusivity. We recognize that communication patterns are learned habits and take practice and effort to modify, and we encourage our engineers to do their best to ingrain new positive habits.

PERSONAL PRONOUNS

In FY21, we added the capability for employees to voluntarily share and view personal pronouns in the company directory, based on requests for this functionality from various members of the LGBTQ community, including our own NV Pride community resource group and partners we work with across NVIDIA.

HOW WE TRACK OUR PROGRESS

We set internal goals to increase our hiring of women and underrepresented communities in technology, track our success, and make any needed adjustments to ensure a diverse, representative workforce.

- > We review our interview pipeline to ensure it includes a diverse slate of candidates.
- > We analyze compensation and performance annually to ensure parity among women and underrepresented communities.
- > We study employee survey metrics, focusing on how members from underrepresented communities view our work environment.
- > We measure how the promotion and turnover of members from underrepresented communities compare with company-wide trends.
- > We provide executives with employee composition, hiring, and retention metrics for their business units.



Bloomberg Gender Equality Index



Corporate Equality Index—Human Rights Campaign’s Best Place to Work for LGBTQ Equality

Supplier Diversity

Our perspectives on diversity extend beyond employees and recruits and into our indirect supply chain. We have taken steps to better understand the diversity of our vendors in the United States and are working to educate those who make purchasing decisions to include minority-owned businesses in the vendor selection process.



Adoption-Friendly Workplace

Ecosystem Inclusivity and Representation

Our commitment to diversity extends beyond our company to include partners, organizations, and institutions. In FY21, we hired a head of strategic initiatives to build our developer ecosystem and ensure it represents the global population.

We’re expanding the pipeline of AI developers, from those in high school to university to working professionals. Our partners in these efforts include: ARC Network, National Society for Black Engineers, Queer in AI, Rewriting the Code, Society of Hispanic Professional Engineers, and Stanford University’s Black and Latinx engineering societies. See [Building the STEM Pipeline](#) for our K-12 activities.

We’ve increased our outreach to historically Black colleges and universities (HBCUs) and Hispanic-serving institutions (HSIs), engaging with computer science departments around training, curriculum, and technology resources. FY21 investments include donating technology to support a school hackathon, consulting support through our solutions architect organization, and complimentary training passes to our annual developers conferences. In FY22 we’re launching an immersion program for first- and second-year students at HBCUs and HSIs to motivate and encourage the continuation of computer science and engineering studies.

We sponsor the ARCS Foundation, Queer in AI, and Women in Machine Learning. In addition to sponsorships, we participate in mentorship opportunities for Black in AI, LatinX in AI, and Rewriting the Code.

Each year, we hold our developers forum, the GPU Technology Conference, in a series of events worldwide. GTC is an opportunity to [extend](#) our inclusion efforts to our external ecosystem. Due to the COVID-19 pandemic, all 2020 GTC events [shifted](#) online, further enabling access by more developers.

We invited an all-women panel from the University of Florida, the Boys and Girls Club of Western Pennsylvania, and AI4All, a nonprofit working to increase diversity and inclusion in AI, to [discuss](#) the importance of AI exposure and education for children and young adults from underrepresented communities.

For our fall 2020 conference, we reached 4x the number of women, 2x the number of Black/African American developers, and 3x the number of Hispanic/Latino developers than we did the previous year. Other activities to increase the number of women and technologists from underrepresented communities attending GTC included:

- > Awarding scholarships for members of professional organizations supporting women, Black, and Hispanic/Latino developers.
- > Providing free conference and NVIDIA Deep Learning Institute training passes to HBCUs, HSIs, and professional organizations Black in AI and LatinX in AI;
- > Reaching out to women in our university and developer network, which helped to increase representation of women speakers; and
- > Highlighting diversity of speakers on the main GTC website and in our promotional materials.

We also created an inclusion taskforce to review all marketing materials to ensure broader global representation of customers, developers, and innovators.

Building the STEM Pipeline

Improving the representation of women and underrepresented communities in technology requires a long-term perspective, so we support opportunities that provide at-potential youth access to STEM and AI education. These efforts are designed to inspire students through our technology, engage them directly with NVIDIA engineers, and encourage innovation through hands-on activities.

In FY21, we continued our longtime partnership with global education nonprofit Technovation, which aims to empower girls and families to become leaders, creators, and problem-solvers through technology. NVIDIA employees served as mentors for an online entrepreneurship program, led by Technovation and UNESCO, which encouraged girls to use AI to solve a problem in their communities. Employees also volunteered as judges for the Technovation Families program, which introduces students and families in underserved communities to AI through hands-on learning.

We also helped organizations, including Breakthrough Silicon Valley, CodePath, MESA, and SuitUp, through virtual volunteer activities during which employees served as judges and mentors for STEM competitions and participated in mock interviews and resume workshops.

We funded organizations like Black Girls Code, Bridging Tech Charitable Fund, Education Empowers, and Girls Who Code through our matching gifts program and fundraisers organized by our Santa Clara office and our Women in Tech community resource group.

As we look ahead to FY22, we've [entered](#) into a three-year partnership with the Boys & Girls Clubs of Western Pennsylvania to create access to AI for students in underrepresented communities through the development of the AI Pathways Toolkit, an open-source curriculum supported by staff tools and training. The toolkit will be scaled to other Boys & Girls Clubs across the United States and made freely available to other groups interested in implementing AI education programs around the world.

EMPLOYEE ENGAGEMENT

For 26 years, we've pushed the boundaries of what's possible in the world of parallel computing. We've succeeded because we're focused and passionate about what we do. To ensure our continued success, we maintain a working environment where our employees are engaged and inspired.

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

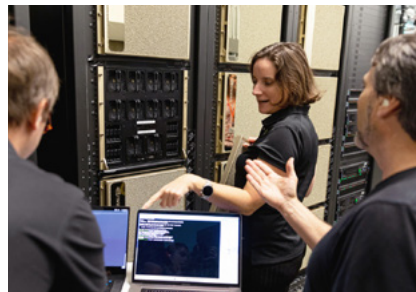
WHAT IT COVERS:

- > *Employee satisfaction and engagement*
- > *Competitive wages and benefits*
- > *Work environment, company culture, and work-life balance*

EMPLOYER OF CHOICE



100 Most Just Companies in America
Forbes, 2020



100 Best Companies to Work For
Fortune, 2021



Most Innovative Companies (Gaming)
Fast Company, 2021



Best Place to Work
Glassdoor, 2021

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 AND 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 AND 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.

Employee Feedback

We've shifted from an annual employee survey to frequent pulse surveys. The purpose of these is to measure employee engagement levels and culture against employees' experiences as our workforce shifts and we continue to grow. We're able to analyze data across multiple pulses, along with other data resources, to draw correlations over time and pivot as necessary. This new agile approach allows us to hear from employees more frequently and stay focused on specific areas, while reacting quickly to current events.

Our surveys ask for feedback across 13 dimensions, including strength of culture, engagement, vision and direction, connection, and meaningful work. The survey repeatedly tells us that our employees feel great pride in the company.

We're committed to a strong workplace culture that listens to employees. In addition to pulse surveys, we receive feedback through an internal portal where all employees can submit, view, and vote on suggestions. Over the last year, we've converted employee feedback into company-wide policies and programs, including the addition of reimbursements and support for employees working from home, and a one-week global holiday shutdown to allow employees to recharge. We've also made updates to our tools and resources based on employee suggestions. Recent examples include the addition of SSO payroll access in India, and an enhancement of our internal wiki page to [improve inclusivity](#) of commonly used terms.

To address the stress of COVID-19 on employees, we've increased awareness of our wellness programs and encouraged managers to keep employee connections strong with a variety of virtual team-building events like cooking challenges, game nights, and happy hours.

We provide 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 department, a suggestion box, and a [hotline](#) hosted by an independent third party.

We also participate in external "best place to work" surveys to identify our strengths and opportunities to improve to make our company a great place for all employees. We value the sentiment of our employees and use it to help guide our decisions. Our strengths include listening to employee feedback and taking action, which allow employees to have a voice and impact in the company.

MEASURING EMPLOYEE FEEDBACK

97%

are proud to tell others they work at NVIDIA.

97%

believe NVIDIA management is honest and ethical in its business practices.

96%

said that when they joined NVIDIA they were made to feel welcome.

96%

say that NVIDIA is a great place to work.

Survey results from Great Place to Work for Fortune's 100 Best Companies to Work For U.S. [2021 rating](#).

COMMUNITY ENGAGEMENT

Inspire 365

NVIDIANS share a passion for meaningfully supporting the communities in which we live and do business. Through our Inspire 365 initiative, the NVIDIA Foundation helps turn this passion for giving into action. Led by four staff members in partnership with employee champions around the world, the initiative aims to empower all NVIDIANS to get involved in their communities.

Inspire 365 makes it easy. Through matching gifts, flexible time-off, and a variety of activities and tools, employees can contribute where, when, and how they choose. Our collective, year-round efforts allow us to help those in need and strengthen communities around the globe.

In FY21, NVIDIA's philanthropic giving, through contributions and community partnerships, exceeded \$25 million.

Our giving efforts focused on fundraising, and featured two company-wide campaigns supported by special matching opportunities that netted nearly \$13.5 million to help those impacted by the pandemic. Including contributions from our year-round matching program, we contributed more than \$19 million through employee donations and company matching in FY21.

While our company-organized volunteer events were paused due to COVID-related office closures, NVIDIANS still logged more than 9,000 volunteer hours through individual and virtual efforts. And our new Missions program encourages employees to complete simple acts of good through monthly challenges. Through Missions such as supporting underrepresented groups in the workplace and encouraging environmental sustainability, employees took more than 60,000 small actions to support their communities and the well-being of themselves and their families while working from home.

Collectively, these efforts supported more than 5,000 nonprofits in 50 countries around the world.

TOP 3 SDGS SUPPORTED THROUGH INSPIRE 365 GIVING:



More about our support for the UN Sustainable Development Goals can be found [here](#).

WHAT IT COVERS:






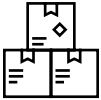
- > Community outreach and interaction
- > Monetary and in-kind donations and foundation grants
- > Employee giving, volunteering, matching, and acts of good

TOP 20 ORGANIZATIONS RECEIVING SUPPORT IN FY21:

- > Alameda County Community Food Bank
- > Asha for Education
- > Central Texas Food Bank
- > Child Welfare League Foundation
- > China Women's Development Fund
- > Doctors Without Borders
- > Entertainment Industry Foundation
- > Feeding America
- > Food Bank of Central & Eastern North Carolina
- > Meals on Wheels America
- > PM Cares Fund
- > Saahas
- > Second Harvest of Silicon Valley
- > SF-Marin Food Bank
- > Silicon Valley Community Foundation
- > Stanford University
- > Telluride Foundation
- > UN Foundation / World Health Organization
- > World Food Program USA
- > Wuhan University

Organizations are listed in alphabetical order. Funding amounts range from \$145,000 to more than \$2 million.

Inspire 365 Performance

	FY21
 <p>Percentage of NVIDIANS engaged in the NVIDIA Foundation's Inspire 365 program</p>	<p>54% 67% since FY20 launch (goal 100%)</p>
 <p>Amount of employee donations matched</p>	<p>\$7,694,419</p>
 <p>Number of small acts of good completed through Missions</p>	<p>60,049</p>
 <p>Unique volunteer rate</p>	<p>3%</p>
 <p>Number/value of volunteer hours</p>	<p>9,367 / \$254,785</p>
 <p>In-kind giving</p>	<p>\$357,357</p>

TRUSTWORTHY AI

AI represents the most profound technological shift in our era, touching virtually every industry, including robotics, cybersecurity, finance, healthcare, transportation, retail, human resources, and customer service. NVIDIA is accelerating this revolution by creating advanced computing tools that serve as open platforms for developers, researchers, and data scientists to innovate in these areas. We [educate](#) tens of thousands of developers each year, [partner](#) with thousands of startups globally—many of which are using AI to benefit society—and collaborate with dozens of universities and research organizations in performing groundbreaking AI research.

We play a role around the world and across industries to enable software algorithms and AI solutions that benefit daily life. Our hardware, software, platforms, and full-stack solutions hold huge opportunities but come with risks. We have a responsibility to address ethical issues within our product ecosystem and are taking steps to manage the underlying risks.

In FY21, we hired a lead of AI and Legal Ethics to develop and implement companywide trustworthy AI principles. We closely monitor the activities of regulatory bodies and standards committees around the world as guidance is given on AI trustworthiness. We consider United States, European Union, and Organisation for Economic Cooperation and Development guidelines, and we plan to join the IEEE effort to develop more comprehensive standards around AI in FY22.

We understand and share the widespread concerns about maintaining unbiased, trustworthy practices in AI. That's why our global teams align to risk based, fit for purpose standards of accountability, transparency, and explainability in everything they do. We share our AI technology expertise with others to help them do the same. For example, we host seminars at GTC events around the world to train developers in upholding best practices, and when engaging with governments, we emphasize the importance of supporting positive uses of AI while considering issues inherent in its development.

We aim to promote a broader cross-company trustworthy AI framework by leveraging existing programs and frameworks to support a comprehensive position, while developing efficient, bespoke controls across products and services. While we're in the early stages, we envision an AI product life cycle overlay, enhancing our existing workflows by applying existing practices, linking ethical and legal principles with development flow, and enhancing the product release process.

WHAT IT COVERS:

- > *Responsible development and use of AI*
- > *Monitoring of and participation in efforts related to trustworthy AI across NVIDIA and externally*

DEMOCRATIZING AI

NVIDIA's Anima Anandkumar spoke on the [Radical AI podcast](#) about democratizing AI through inclusivity, accountability, and collaboration. She leads the research group at NVIDIA that develops next-generation AI algorithms and is also the youngest named chair professor at Caltech, where she co-leads the AI4science initiative.

Human-Centric AI

Through our work with leading scientists and engineers to create the world's most powerful AI supercomputers, we've learned a lot about what it takes to implement AI successfully—and where the pitfalls are. Our in-house research team applies best practices in its work and contributes to the development of engineering solutions that address some of AI's fundamental challenges, such as data privacy and bias. We [communicate](#) to developers that they should consider potential algorithmic bias when choosing or creating models and that they must ensure they're using models under the conditions and in the manner intended.

In FY21, we worked with the University of Helsinki on differential privacy, a method for guaranteeing that a computation based on personal data will keep that data private. Differential privacy made MIT Technology Review's [top 10 list of breakthroughs](#) with the promise of profound impact. Our project [demonstrated](#) a way to accelerate training for differential privacy by 100x by running it on GPUs, while showing how to make anonymous versions of highly valuable datasets that must remain private because they contain sensitive personal information.

AI-Assisted Video Conferencing

[NVIDIA Maxine](#) uses generative adversarial networks to boost bandwidth performance by using a neural network to compress and decompress video for transmission, enabling video calls with one-tenth the network bandwidth users typically need. This technology could reduce future bandwidth consumption by orders of magnitude as video conferencing gains popularity. Our research team paid close attention to racial, gender, age, and cultural diversity while [developing](#) the AI features in the NVIDIA Maxine platform. They curated about a thousand hours of video training data with representation across broad communities so that the technology will be usable by as many people as possible, from all backgrounds.

PRODUCT SAFETY

Safety is a principle that permeates our engineering culture and is incorporated into every step of our product development process, from design and production to the end-user experience. The safety of our customers—inclusive of our partners and consumers—is important to us as a company and as individuals. We must meet customer safety and compliance standards; if our products are not in compliance, our partners may not incorporate them into their design strategies. Our ability to secure appropriate safety certifications and meet industry safety standards could affect the results of our business. With this in mind, we've established product safety technical committees to oversee safety throughout the product lifecycle.

PRODUCT RECALLS

All NVIDIA consumer product safety recalls are reported to the U.S. Consumer Product Safety Commission. We have had no consumer product safety recalls since 2017.

WHAT IT COVERS:

- > *Safety of products throughout product lifecycle, including materials and components*
- > *Improper product usage*
- > *Efforts to ensure product safety*
- > *Compliance with product safety laws and regulations*

Functional and System Safety

We are transforming the autonomous vehicle industry with technology that improves road safety, increases transportation efficiency, and opens mobility services to all. Safety is more than just a benefit of an autonomous future. It's a principle that we incorporate into every step of our development process—from design and production to the operation of self-driving vehicles. As a solutions provider to startups, vehicle makers, suppliers, sensor makers, and mapping companies in the autonomous vehicle industry, we make safety our first priority. Experts build safety into every aspect of our [NVIDIA DRIVE](#) autonomous vehicle platform that [enables](#) automakers and tier-1 suppliers to accelerate their production of self-driving vehicles. It scales from a palm-sized, energy-efficient module for SAE Level 2 capabilities, to a powerful AI supercomputer capable of autonomous driving. We develop tools and methods so technologies will perform reliably. Stringent engineering processes ensure that no corners are cut. Our safety priorities and processes are outlined in our latest [Self-Driving Car Safety Report](#).

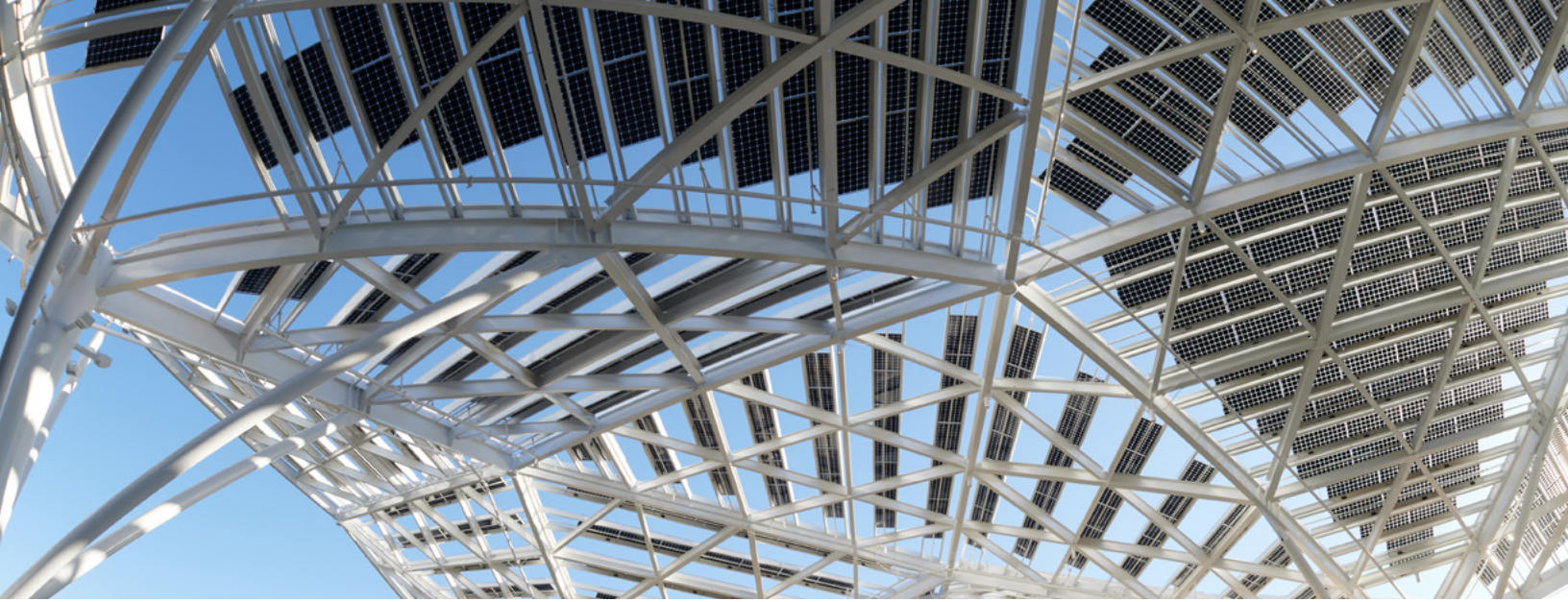
Our commitment to safety extends throughout our data collection, training, testing, and driving solutions for autonomous vehicles, as we deliver industry-leading technologies to our partners and customers. Safe autonomous driving is built on [four fundamental pillars](#). With high-performance compute at their core, these tenets illustrate NVIDIA's dedication to safety and ensure a robust self-driving technology development cycle.

1. An Artificial Intelligence Design and Implementation Platform
2. Development Infrastructure That Supports Deep Learning
3. Data Center Solution for Robust Simulation and Testing
4. Best-in-Class, Pervasive Safety Program

We are developing for compliance with ISO 26262, an automotive-specific international functional safety standard that focuses on safety-critical components. NVIDIA has been working with TÜV SÜD, a top safety assessment company, to assess and certify NVIDIA's processes, concept architectures, and products since FY18. In FY21, our NVIDIA Xavier SoC was [assessed](#) to meet ISO 26262 standard random hardware integrity of ASIL C and a systematic capability of ASIL D for process—the strictest for functional safety.

In FY21, advisory firm Navigant Research released its 2020 Automated Vehicle Compute Platforms report, in which NVIDIA [led](#) the list of companies developing AV platforms to power the AI that will replace the human driver. We [contributed](#) to research exploring “what happens when AI agents in driving environments are simply tasked with getting to destinations as quickly as possible without crashing into one another.” NVIDIA DRIVE was one of three autonomous vehicle initiatives [selected](#) by California's Contra Costa Transportation Authority to estimate just how much intelligent transportation can improve the efficiency of everyday commutes.

Building on our investment in automotive safety, we're expanding functional and system safety toward autonomous machines in general, such as robotics, smart manufacturing, and new frontiers of healthcare. Requirements of specific standards such as ISO 13849 and IEC 61508 are considered and applied in our product research, development, and engineering functions.



06 ENVIRONMENTAL

CLIMATE CHANGE AND GHG EMISSIONS

We calculate scope 1 and 2 GHG emissions for our global data centers and offices by gathering primary data for all data centers and offices larger than 50,000 square feet (86% of our total scope 1 and 2 GHG emissions) and estimating emissions for offices less than 50,000 square feet (the remaining 14%).

In FY20 we set a goal to source 65% of our global electricity use from renewable energy by the end of FY25. We estimated that by delivering on these commitments we would reduce our total scope 1 and 2 emissions by 25% between FY19 and FY25, which would be in line with science-based targets to achieve a 1.5-degree Celsius warming scenario. We are currently re-evaluating our forward-looking GHG trajectory, taking our business growth including recent acquisitions into consideration, to inform a science-based reduction target aligned with a 1.5-degree Celsius warming scenario.

In FY21, we sourced renewable energy for 17 locations and obtained 25% of our total electricity use from renewable energy resources. Read more about our environmental goals in [Energy, Water, and Waste](#).

WHAT IT COVERS:

- > *Greenhouse gas (GHG) emissions reduction and mitigation*
- > *Climate change risks and opportunities*

Scope 3 Emissions

Our business causes GHG emissions beyond our direct footprint. We currently report several scope 3 emissions categories, including business travel and fuel and energy-related activities. Since 2014, we have required our key manufacturing suppliers to report their energy usage, GHG emissions data, and reduction goals and objectives. Read more about GHG emissions in our supply chain in [Supplier Environmental Management](#).

In 2021, we will expand our scope 3 emissions inventory to include all relevant sources, such as our manufacturing supply chain and downstream product use and disposal. We expect to report our expanded inventory results in external reporting in 2022. We will also evaluate setting a science-based target.

Third-Party Assurance

Trucost provides limited assurance under the AA1000AS v3 assurance standards on our FY21 global scope 1 and 2 GHG emissions and scope 3 fuel- and energy-related activities (category 3) and business travel (category 6). View the [assurance statement](#).

See FY21 data in [Environmental Performance](#).

Transport and Logistics

How we plan, pack, and execute our raw material, work-in-progress, and finished-goods shipments impacts our scope 3 emissions. Fuel represents a significant portion of our overall freight costs, and our continuous focus on optimizing our transport and logistics has resulted in cost savings and lessened our impact on the environment. Improvements include:

- > Efficiently configuring packing to reduce the number of pickups and deliveries;
- > Ensuring that subcontractor cartons and pallets are fully packed and efficiently unitized;
- > Using lightweight paper or cardboard pallets, whenever feasible, to reduce shipment weights;
- > Using a multimodal (ocean/truck) replenishment program within the United States and for retail distribution outside the country;
- > Requiring suppliers to report their participation in environmental initiatives quarterly; and
- > Using reverse logistics solutions that use onsite or regional failure verification and repair to streamline product returns and eliminate international shipments.

We gather data from shipping partners related to the carbon emissions of our shipments from air, land, and sea.

OUR GHG EMISSIONS REPORTING INCLUDES:

- > **Scope 1:** Stationary combustion sources (e.g., natural gas, diesel fuel) and hydrofluorocarbon refrigerant emissions.
- > **Scope 2:** Purchased electricity use (data centers, labs, offices).
- > **Scope 3:** Emissions from purchased goods and services, capital goods, fuel and energy related activities, product transportation, operational waste, business travel, commuting, and upstream leased assets.

ENERGY, WATER, AND WASTE

We're committed to protecting the environment by driving operational excellence in ways that reduce our environmental impact. In support of this commitment, we identify and control environmental impacts and continuously improve our performance using a comprehensive environmental management system (EMS) [certified](#) to ISO 14001. See [Environmental Performance](#) for a broad list of metrics we track related to the environment.

Our [Environmental, Health, Safety, and Energy Policy](#) provides the framework for our EMS. Our dedicated Environmental, Health, and Safety (EHS) and CSR teams work closely with employees globally to execute our environmental policies and practices, which are made actionable through goals and metrics that are annually reviewed with executives. Building on this success, we've implemented an energy management system aligned with the [ISO 50001](#) standard to bring a more structured approach to managing energy efficiency at several of our key data center locations that contribute significantly to our global energy usage.

Our indirect environmental impact includes our product manufacturing supply chain. We require our key manufacturers to track and report energy, water, and waste metrics and to share their reduction goals and initiatives with us. See [Supplier Environmental Management](#) and [Scope 3 Emissions](#) for more information.

WHAT IT COVERS:

- > *Renewable and traditional energy use and sourcing*
- > *Energy efficiency and conservation*
- > *Water use, sourcing, conservation, and recycling*
- > *Product-related water needs*
- > *Water risk assessments*
- > *Hazardous and non-hazardous waste management*
- > *Responsible handling and disposal of hazardous waste*
- > *Efforts to reduce waste*
- > *E-waste reuse and recycling*

NVIDIA's Environmental Objectives

GOAL	TARGET DATE/ STATUS	FY21 PROGRESS
Source 65% of global electricity use from renewable energy by end of FY25	FY25/Ongoing	Sourced 25% of global electricity use from renewable energy
Maintain a waste-to-landfill diversion rate of 80% or greater each year at our Silicon Valley headquarters	Annual/Ongoing	Diverted 68% from landfill in calendar year 2020
Achieve LEED Gold certification for our new Silicon Valley headquarters building	FY23/Ongoing	Target date for certification delayed from FY22 due to COVID-19 impacts on construction schedule
Implement an energy management system, certified to ISO 50001	FY22/Ongoing	Third-party certification audit scheduled in FY22
Assess scope 3 emissions along the value chain, including emissions associated with product manufacturing, use, and disposal	FY22/New Goal	New goal

SUSTAINABILITY DIARY

Our global network of office managers collaborates to share sustainability best practices. In FY21, we tracked 56 actions implemented in our global offices and all regions in which we operate. Since 2019, more than 180 actions in the Sustainability Diary have been implemented.

Energy

Energy use, specifically electricity use, is the primary driver of our scope 1 and 2 GHG emissions. Our total energy use increased by 33% in FY21 compared to FY20, with approximately 60% of the increase arising from our FY21 acquisition of Mellanox Technologies, Ltd. and approximately 40% of the increase driven by growth in our data center operations. Global data center operations have been growing rapidly along with our expanding business and our diversification into new online services.

Data centers were responsible for almost half (46%) of our total energy use in FY21, with offices making up the remainder. As we expand our footprint, we are incorporating energy efficiency into the design of new buildings under our ownership, and we include energy efficiency and other sustainability attributes as selection criteria when evaluating new leased spaces.

In FY21 we saw new renewable energy supply contracts come online at our new [supercomputer](#) site in Cambridge, U.K., and for our data center in Dallas. We are actively exploring options to increase our sourcing of renewable energy for our growing footprint, in support of our 65% renewable energy goal.

Water

We use water in our direct operations in cooling towers and for food service, landscaping, and sanitation. We take steps to use water efficiently, particularly in locations that are vulnerable to drought conditions, such as California and Israel, where we have large facilities. As we develop and grow at our headquarters, we're implementing measures to conserve water resources and reduce our potable water demand. We first conducted a water risk assessment in 2018 and update it annually for all NVIDIA facilities, third-party data centers, and strategic supply chain partners. This helps us to target water conservation initiatives to locations where they are most needed.

Our headquarters building in Santa Clara, CA, 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% reduction in domestic water demand and a 91% reduction in potable water use for sewage conveyance. We use reclaimed water in the building's cooling towers and landscape irrigation systems, and our landscaping consists of native, drought-resistant plants. We are incorporating similar water efficiency features and the use of recycled water for cooling towers, toilet flushing, and irrigation into the design of a second building under construction at our headquarters campus.

In FY21, we installed water-efficient fixtures and automatic faucets at our Shenzhen, China, and Bangalore, India, locations, as well as water-efficient dishwashing equipment in Bangalore.

RENEWABLE ENERGY

17 NVIDIA sites sourced 100% renewable energy in FY21, including 12 data centers.

We are on track for our goal to source 65% renewable energy by FY25.



RECYCLED WATER IN INDIA

Our Hyderabad site has a water treatment plant which treats wastewater from the site. The treated wastewater is used for landscape irrigation.

Waste

In the last year, we implemented a range of measures such as simplifying and consolidating waste segregation at our Bangalore, Beijing, Warsaw, Munich, and Santa Clara offices with the goal of increasing our landfill diversion rates.

Our employee restaurants and catering activities are an important focus for our waste program. Specific initiatives include replacing disposables with durable, washable tableware in our employee restaurants, a food-waste tracking system, replacing single-use items such as straws, and partnering with our food services vendor to make routine donations of food to homeless shelters. Our offices in India have eliminated disposable cups and plastics and ensure all paper products are recycled.

We have tracked total waste generated and diverted at our headquarters since FY08. Our annual goal for landfill diversion is 80%. In FY21, we achieved a 68% rate overall (62% of our operational waste and 71% of our construction project waste was diverted). Our employee restaurants were closed or operated at limited capacity for most of the year due to the COVID-19 pandemic. Catering waste is the biggest component of our office related recycling and compost waste streams, and in FY21 we saw a more significant reduction in these diverted waste streams relative to primarily lab type wastes sent to landfill. This in turn negatively impacted our diversion rate.

We generate various types of e-waste, including servers, storage equipment, and networking equipment used in our data centers; computers, monitors, and other electronic equipment used by our employees; and NVIDIA products we use at our sites for testing and other purposes. We partner with a global specialist e-waste vendor to ensure proper tracking, decommissioning, and recycling of our e-waste. Our logistics team has also implemented a new inventory management process that will improve visibility to our furniture and lab assets and support redeployment of these for internal reuse.



NGO PARTNER: SAAHAS

In calendar year 2020, we [partnered](#) with NGO Saahas to implement a solid waste management project in Ejiapura slum for two years. The project includes implementing source segregation, establishing primary and secondary collection systems, composting of biodegradable waste, establishing systems for ongoing community ownership, and promoting awareness and sensitization. Through this effort, the living standards of up to 8,000 households will be transformed, by reducing greenhouse gases, creating visibly cleaner areas, eliminating the burning of waste, and reducing instances of sanitation-related diseases due to regular collection of segregated waste. The project will also provide employment and improved livelihoods for people hired to oversee collections and waste processing stations.

DATA CENTERS, LABS, AND OFFICE MANAGEMENT

The environmental management system at our Silicon Valley headquarters, as well as our corporate processes for product design, procurement, and manufacturing supply chain management, has been [certified](#) to ISO 14001 with zero nonconformances identified since FY06. See [Energy, Water, and Waste](#) for information on our Environmental Management System.

Data Centers and Labs

Data center operations have been growing rapidly along with our expanding business and our diversification into new online services. As we experience this increase in our global data center footprint, we are incorporating environmental considerations, including energy efficiency and renewable power options, into our data center siting and sourcing evaluations. In the last two years we have newly secured renewable power for several colocation data centers both in the United States and globally.

As we have grown our data center operations, we've deployed state-of-the-art cooling technology designed for NVIDIA server products. Power distribution has increased voltage supply to deliver power more efficiently. Cooling solutions are closely coupled with server racks to localize and optimize heat transfer. We used computational fluid dynamics models to enhance cooling for data center designs and server rack deployments. Data centers have also been equipped with white surfaces to optimize reflective lighting. Controllable, high-efficiency LED lighting is installed where artificial lighting is needed.

We share our data center best practices and optimizations with customers and partners to educate them and optimize deployments. For example, in partnership with leading storage and networking technology providers, we offer a portfolio of reference architectures for optimal and efficient deployment of our DGX server products, and we make these publicly available on our [website](#).

IT lab environments are an important feature of several of our larger sites, where they support our product development and testing operations. Lab spaces are typically energy intensive due to the tools and equipment needed to complete important development and testing tasks. Our dedicated lab strategy team is rethinking the way labs are designed and managed at NVIDIA. This starts with a focus on data, using innovative technologies to provide a complete picture of how labs, and the tools and equipment contained within them, are used. This data informs our enhanced forecasting for future lab needs, more efficient deployment of existing tools and equipment, consolidation of energy-intensive lab operations, and planning for new lab spaces, which will dramatically increase the efficiency of our overall lab footprint.

In FY21, we conducted a climate risk scenario analysis of global data center and lab locations under two climate scenarios, Representative Concentration Pathway (RCP) 4.5 and RCP 8.5. See [Climate Risk](#) for more details.

WHAT IT COVERS:

- > *Environmental management policies and procedures*
- > *Environmental management systems and certifications (ISO 14001)*
- > *Green buildings*

IT REFRESH PROJECT

In FY21, NVIDIA Corporate IT completed an operating system refresh in our data centers. We decommissioned 105 physical servers and 959 virtual machines, reducing more than 40% of the workload on our servers.

Green Building Practices

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 manage our GHG emissions footprint. As our building systems become more sophisticated, we provide our facilities management teams with additional tools and training to ensure continued performance.

In FY21, we expanded our portfolio of certified green buildings with the addition of our new EMEA headquarters in Munich, Germany, which has also earned LEED Gold certification. To reduce its scope 1 emissions, the building relies on a local geothermal heating source and internal heat recovery technology to reduce by 85% its dependence on traditional heating and cooling energy sources. Furthermore, the site will use 50% less energy than a comparable new building, and when it does need to draw electricity from the grid, we have sourced 100% renewable electricity through a green tariff.

Our newest completed building at our Silicon Valley headquarters in Santa Clara, CA, is LEED Gold certified. It was designed with high levels of energy efficiency in mind, including a high-performing building envelope, efficient and smart lighting systems that incorporate the use of daylight, underfloor air distribution, radiant heating and cooling, air and waterside economizers, and high-efficiency boilers and chillers. An advanced building control system underpins the building's operation.

We are also aiming for LEED Gold certification for another new building under construction at our headquarters. In addition to similarly advanced levels of energy- and water-efficient design, this building will feature biophilic elements and a shade-providing external trellis that will house 2,000 bi-facial solar panels to harness the location's 260 days of sunshine per year.

Commute Initiatives

We established a Green2Work program at our Silicon Valley headquarters in FY15 to support our employees in using alternative commute options and reducing their commute impacts. The program includes 39 electric vehicle charging stations, pre-tax dollars for transit and local transit shuttles, last-mile shuttle service for train riders, resources for cyclists, advantages for carpooling and vanpooling, shuttles from San Francisco and Fremont, and an online resource for commuters. For cyclists, we provide lockers, showers, and secure bike parking. To assist our alternative commuters in the event of an emergency, we offer an emergency ride home program through ride-sharing services.

Most of our employees have been working remotely since the COVID-19 pandemic hit in March 2020. Working from home reduced the need for commuting programs. Ahead of employees returning to the office, we will evaluate what commute options will provide the most impact or may need adjustment. For more information about how we have supported employees working from home, see [Our Response to COVID-19](#).

BASE BUILDINGS CERTIFIED GREEN

LEED Platinum – Santa Clara, CA

LEED Gold – Pune, India; Bangalore, India; Munich, Germany

LEED Silver – Shanghai, China

BREEAM Outstanding – Warsaw, Poland

The NVIDIA DGX SuperPOD system captured the top spot on the Green500 list of most efficient supercomputers, achieving a new world record in power efficiency of 26.2 gigaflops per watt.

Overall, NVIDIA GPUs powered 26 of the top 30 machines on the list.

ENVIRONMENTAL IMPACT OF PRODUCTS

Whether we're designing technology to power next-generation laptops 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. GPUs are ideal for matrixed calculations for AI, high-performance computing, data analytics, and graphics while CPUs are more optimal for performing tasks sequentially.

GPU-accelerated computing moves compute-intensive sections of the applications to the GPU while remaining sections execute in the CPU. As a result, sequential calculations are performed in the CPU while the more complicated matrix calculations are computed in parallel in the GPU. Parallel processing performed by GPUs consumes far less power than equivalent, traditional computational forms such as CPUs.

NVIDIA's computing platform enables modern data centers to accelerate increasingly common deep learning, machine learning, and HPC workloads, and accelerated computing is, on average, 15x more efficient than traditional data centers across these diverse workloads.

AI Performance and Efficiency

NVIDIA GPUs are up to 42x more energy efficient than traditional CPU servers for AI workloads. Our HGX-A100 cloud-server platform links 16 NVIDIA A100 Tensor Core GPUs to work as a single, giant GPU, delivering 10 petaflops of AI performance, a record in AI training compute power for a single server.

In just two years, an NVIDIA AI system has reduced the time to train the image recognition model ResNet-50 from eight hours to 40 minutes on a single server. As adoption of AI accelerates, our focus is shifting from training to inference—putting trained models to work in live applications run by millions of hyperscale servers worldwide. Our TensorRT inference software helps even the largest neural networks across a broad range of data center, embedded, and automotive applications run in real time. A single A100 is 237x faster than a CPU. A hyperscale data center with NVIDIA GPUs and TensorRT takes up 1/47th of the rack space compared to CPU-based systems that it replaces and runs at 95% lower energy cost while providing utility to run all AI models.

The MLPerf consortium provides a machine-learning benchmark that measures system performance for training and inference from mobile devices to cloud services. In all eight MLPerf training categories, NVIDIA **demonstrated** world-class performance and versatility. Our AI platform set 16 records in training performance, including eight at scale and eight on a per-accelerator basis. And in MLPerf's latest inference benchmark, NVIDIA **topped** all benchmarks for offline and server data center scenarios. Our NVIDIA A100 GPUs provide the highest performance per processor among commercially available products. The NVIDIA Xavier AI computer ranked as the highest performer among commercially available edge and mobile SoCs under single- and multistream edge-focused scenarios.

WHAT IT COVERS:

- > *Environmental impact considerations built into product design and packaging*
- > *Energy-efficient products*
- > *Product end-of-life management*

Processor Energy Efficiency

Four years ago, we introduced **Max-Q**, a system design approach that enables thin and light gaming laptops to deliver high performance with optimal efficiency. Max-Q has been a paradigm shift in the way laptops are designed and built. Every component and element of the laptop—from GPU, CPU, and software to PCB design, power delivery, and thermals—is optimized for power efficiency and performance.

In FY21, we launched new desktop-class GeForce RTX 30 Series graphics cards. These GPUs offer up to 2x the performance and 1.9x the power efficiency over the previous generation. And in early 2021, we launched GeForce RTX 30 Series laptops, which are packed with third-generation Max-Q technologies and use AI and new system optimizations to deliver substantial improvements in efficiency, performance, battery life, and acoustics.

One of the biggest energy-efficiency improvement technologies we introduced is Dynamic Boost 2.0, which uses AI to balance power among the CPU, GPU, and GPU memory. It is available on all GeForce RTX 30 Series Max-Q laptops and is enabled out of the box, helping maximize performance in every app and game.

Traditionally, gaming laptops statically set the power for the GPU and CPU. Yet, games and creative apps are dynamic, and demands on the system change from frame to frame. The AI networks in Dynamic Boost 2.0 manage power on a per-frame basis, so the laptop is constantly determining where power is needed the most and optimizing for maximum performance. Whether the application is loading the CPU, the GPU, or the GPU memory, the result is a larger performance boost than ever.

CPU to GPU Power Shifting

In Dynamic Boost 2.0, AI technology monitors the workload to infer the performance benefit from steering up to 20W of surplus power from CPU to GPU and vice versa. This allows net performance to match the performance of a laptop that was designed with an additional 20W power budget, achieving 20% power savings relative to a laptop designed with 100W thermal-design power for GPU.

PERFORMANCE GAIN WITH DYNAMIC BOOST 2.0 (CPU)

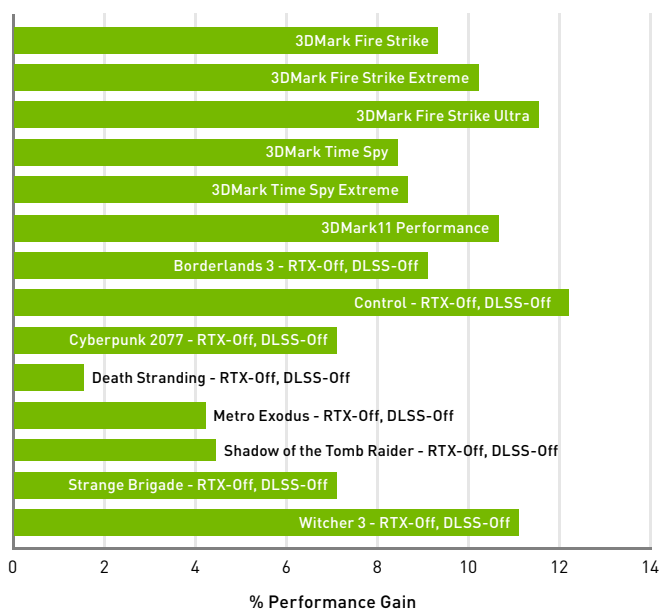


Figure 1: Dynamic Boost 2.0 shows significant performance gains at the same power budget when shifting power between the CPU and GPU across a variety of applications run at 1080p. Measurements performed at NVIDIA performance lab on RTX 3080 graphics cards for laptop gaming.

GPU Memory to GPU Core Power Shifting

AI technology in Dynamic Boost 2.0 also monitors the workload on GPU core and GPU memory to infer the optimal memory clock and power state and shift power from GPU memory to GPU and vice versa. This allows net performance to match the performance of a laptop that was designed with an additional power budget of about 3-5W statically assigned to GPU memory.

PERFORMANCE GAIN WITH DYNAMIC BOOST 2.0 (MEMORY)

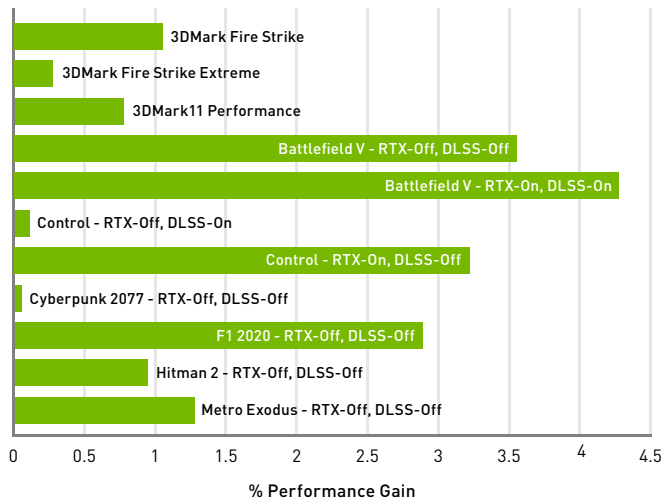


Figure 2: Dynamic Boost 2.0 shows significant performance gains at the same power budget when shifting power between the GPU memory and GPU core across a variety of applications run at 1080p. Measurements performed at NVIDIA performance lab on RTX 3080 graphics cards for laptop gaming.

Together, these optimizations reduce power consumption by about 20-25% when compared to a laptop system that was designed for the same performance level. Conversely, a laptop with Dynamic Boost 2.0 delivers 12-15% higher performance than a same power laptop without it.

Product Packaging

We strive to optimize a balance of protecting the environment and ensuring that our customers receive their products in excellent condition. Our bulk carton packaging uses corrugate material that is 100% recycled fibers and the cartons maintain an overall recyclability rate of 100%. Consumer packaging uses 70% recycled fibers and maintains a recyclability rate above 75%. We take every opportunity to reduce packing materials and increase the proportion of recyclable materials used. 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.

In FY21, we continued the environmental protection initiatives we initiated five years ago, which included development of smaller and lighter-weight packaging and creating a “core box” system so that primary packaging and shipping carton boxes can be shared among product SKUs. With product protection in mind, we use recyclable HDPE-2 in place of polystyrene PS-6 material wherever plastics are required. Our top priorities include removing film lamination, which in most communities renders packaging non-recyclable; switching the brand appearance from black ink to white, which facilitates removal of laminate; and switching tray components from plastics to paper-based materials.

100%

Recycled fibers in bulk carton packaging

100%

Overall recyclability rate of bulk carton packages

For automotive systems and our server products, such as the DGX-2 and RTX Server, which require shipping in a large cardboard box with protective foam, we aim to maximize recyclability in all packaging materials.

As a result, we maintain a recyclability rate above 93% for all packaging.

Other ongoing efforts to recycle and reduce packaging include using vegetable-oil-based or water-based printing inks, using suppliers that leverage distribution centers to minimize the shipping footprint of packing/packaging materials, and applying materials labels to 100% of our packages to simplify consumer recycling. Whenever possible, we reuse moisture-barrier bags, trays, and bulk cartons; ship products directly to the retail distributor; and use existing packaging for return merchandise authorization support, which further reduces the environmental impact and ecological footprint. We're also reducing paper use by providing online instructions wherever possible.

In FY21, we introduced multi-carton packaging systems with fewer and smaller paper components and replacement of foams with 100% recycled and/or recyclable HDPE-2 plastic "cushions". We also engaged packaging suppliers around NVIDIA's energy goals and supplier energy performance to lay the foundation for initiatives to reduce the energy used in the manufacture of our packaging.

Our key packaging suppliers are compliant with NVIDIA's environmental requirements for Forestry Stewardship Council, ROHS, Halogen Free, and REACH.

Product End-of-Life Management

More regional, national and sub-national governments are regulating the disposal of electrical and electronic equipment waste by placing the responsibility for end-of-life management on the producer of the equipment. NVIDIA-branded products, such as our SHIELD gaming devices, are subject to such requirements in our various global markets, and we take seriously our extended responsibility for these products. In key regions such as the United States and Europe, we have established recycling programs in partnership with reputable third parties and we provide information to consumers about how to recycle our branded products, including through our [product recycling](#) page.

We also provide [instructions](#) for our networking equipment to support proper product dismantling, segregation, and recycling.

70%

Recycled fibers in consumer packaging

75%

Overall recyclability rate of consumer packages



07

GOALS AND PERFORMANCE

FY21 CSR AWARDS

Dow Jones Sustainability
Index

S&P Global, 2020

Most Responsible
Companies

Newsweek, 2020

100 Most Sustainable
Companies

Barron's, 2020

100 Best Corporate
Citizens

3BL Media, 2020

Most Sustainably Managed
Companies

Wall Street Journal, 2020

Global
100

Corporate Knights, 2021

FY21 GOALS AND PERFORMANCE

ECONOMIC	STATUS
Disclose in line with the Task Force for Climate-Related Financial Disclosures (TCFD)	Achieved: TCFD Index
Maintain inclusion on key workplace and CSR lists	Achieved: NVIDIA Awards
SOCIAL	STATUS
Maintain Full member status in the Responsible Business Alliance (RBA)	Achieved: Supply Chain Management and Product Quality
Expand quarterly business review process to include more strategic mechanical, component, and ODM suppliers	Achieved: Supply Chain Management and Product Quality
Work with suppliers deemed high risk to improve their RBA risk performance status	Achieved: Supply Chain Management and Product Quality
Achieve 100% RMAP-compliant tantalum, tin, tungsten, and gold processing facilities	86% 2021 Form SD, Conflict Minerals Report
Rank all active suppliers for their compliance with the RBA Code of Conduct, leveraging our RBA membership and using the RBA-Online platform	Achieved: Supply Chain Management and Product Quality
Monitor disclosure demand for additional conflict minerals and materials, specifically the upcoming EU regulation; achieve 100% response rate from suppliers regarding cobalt	90% Supply Chain Management and Product Quality
Integrate Russia EAC RoHS into New Product Introduction process	Achieved: Supply Chain Management and Product Quality
Enhance supply chain compliance to NVIDIA's Intellectual Property and Information Security requirements	95% Supply Chain Management and Product Quality
Pursue a lost-time incident rate of zero in the United States	Achieved: Employee Health and Safety
Maintain work-related injury losses below the industry average (as measured by an experience modification rating of less than 1) in the United States	Achieved: Employee Health and Safety
Increase diversity of candidate pool by improving outreach to Black and other underrepresented communities in technology	Achieved: Talent Strategy, Diversity, and Inclusion
Improve retention of employees from underrepresented communities by creating internal opportunities	Achieved: Talent Strategy, Diversity, and Inclusion
Sponsor underrepresented groups in technology through partnerships with Black in AI, Latinx in AI, Rewriting the Code, Recruit Military, and ARCS Foundation	Achieved: Talent Strategy, Diversity, and Inclusion
Sponsor Queer in AI, WIML, and Disability in AI at NeurIPS and several other high-profile conferences	Achieved: Talent Strategy, Diversity, and Inclusion

SOCIAL	STATUS
Sponsor conference fees to our GPU Technology Conferences; host networking events for several new diversity partners	Achieved: Talent Strategy, Diversity, and Inclusion
ENVIRONMENTAL	STATUS
Achieve or exceed 80% landfill diversion rate for our Silicon Valley headquarters campus	68% Energy, Water, and Waste
Complete ISO 50001 Energy Management System stage 1 audit	Achieved: Energy, Water, and Waste
Continue to track in line with LEED Gold criteria for our new headquarters building	Ongoing: Data Centers, Labs, and Office Management
Make progress toward our new goal to source 65% of our global electricity use from renewable energy by the end of FY25	Ongoing: Climate Change and GHG Emissions

FY22 GOALS

ECONOMIC
Maintain inclusion on key workplace and CSR lists
Include social and environmental data in proxy filing
Present ESG programs to analysts and investors
Close ISO 27001 information security management system gap assessment findings and internal audit
SOCIAL
Maintain Full member status in the Responsible Business Alliance (RBA)
Work with suppliers deemed high risk to improve their RBA and cybersecurity risk performance status
Rank all active suppliers for their compliance with the RBA Code of Conduct, leveraging our RBA membership and using the RBA-Online platform
Achieve 100% RMAP-compliant tantalum, tin, tungsten, and gold processing facilities
Achieve 100% response rate from suppliers regarding cobalt
Expand our Full Material Disclosure program to all products
Pursue a lost-time incident rate of zero in the United States
Maintain work-related injury losses below the industry average (as measured by an experience modification rating of less than 1) in the United States
Recruit and retain members from underrepresented communities in technology, focusing on individuals who identify as Black/African American, Hispanic/Latino, or women
Achieve promotion parity across dimensions of gender, race, and ethnicity

ENVIRONMENTAL

Make progress toward our goal to source 65% of our global electricity use from renewable energy by the end of FY25

Achieve 80% landfill diversion rate for our Silicon Valley headquarters campus

Continue to track in line with LEED Gold criteria for our new Silicon Valley headquarters building

Complete ISO 50001 energy management system certification

Assess scope 3 emissions along the value chain, including emissions associated with product manufacturing, use, and disposal

Evaluate commitment to set a science-based target

Maintain recyclability of all packaging above 90%

Reduce number of master and multi-pack cartons by 35%

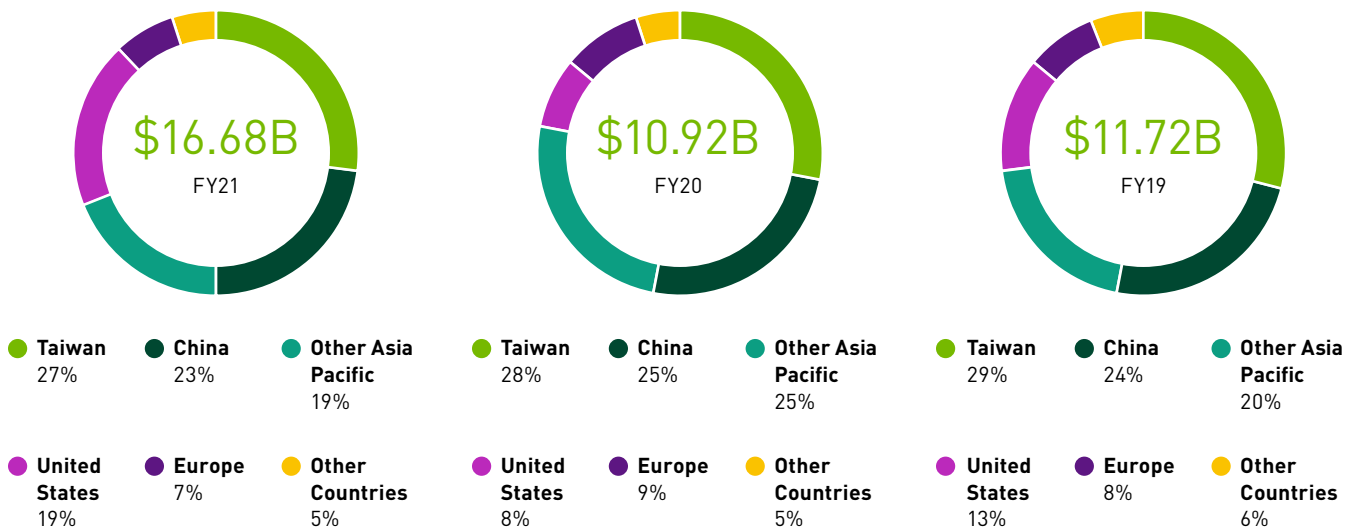
Apply material recycling labels to 100% of packaging materials to simplify consumer recycling

Engage 100% of our Preferred Supplier List packaging supply chain partners to establish energy baseline

ECONOMIC PERFORMANCE

INDICATOR (DOLLARS REPRESENTED IN MILLIONS)	FY21	FY20	FY19
Revenue	\$16,675	\$10,918	\$11,716
Gross margin	62.3%	62.0%	61.2%
Operating expenses	\$5,864	\$3,922	\$3,367
Net income	\$4,332	\$2,796	\$4,141
Income tax expense (benefit)	\$77	\$174	(\$245)
Total assets	\$28,791	\$17,315	\$13,292
Total liabilities and shareholders' equity	\$28,791	\$17,315	\$13,292
Total shareholders' equity	\$16,893	\$12,204	\$9,342
R&D expenses	\$3,924	\$2,829	\$2,376
Revenue by country/region	See chart	See chart	See chart

Revenue by Region



WORKFORCE PERFORMANCE

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 workforce at that time.

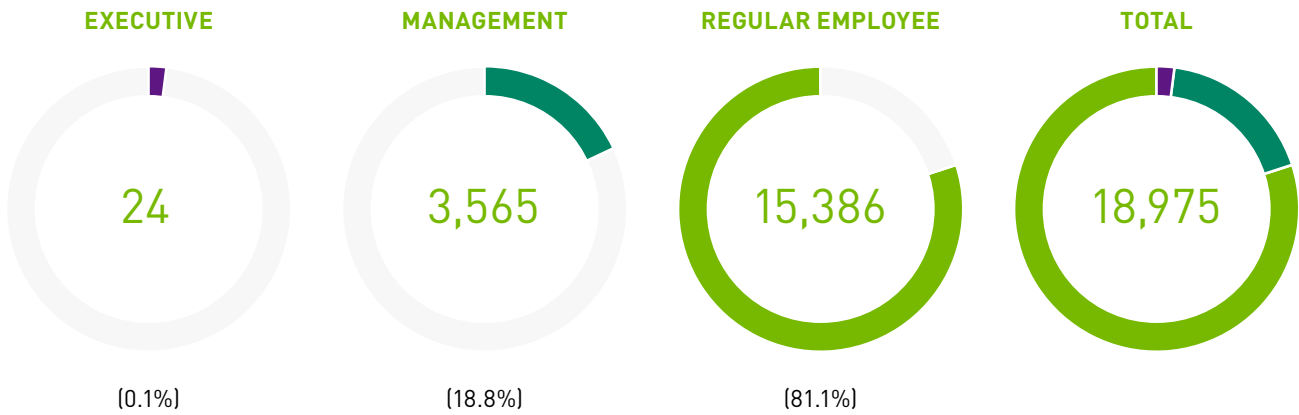
Employee Profile

METRIC	FY21	FY20	FY19
Employees	18,975	13,775	13,277
Offices	87	62	57
Countries	29	22	22

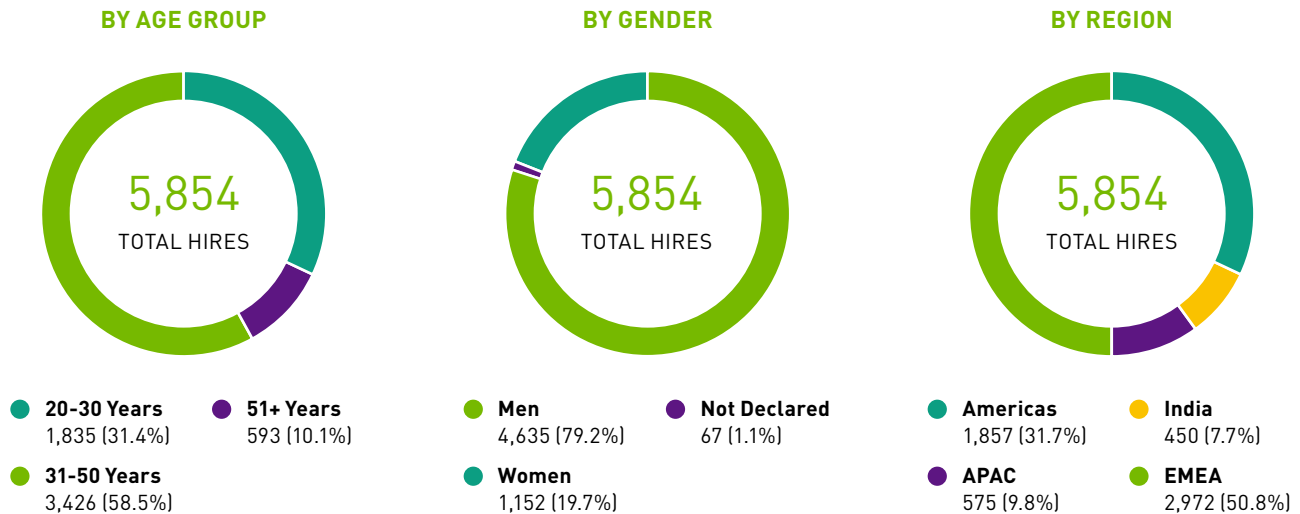
Headcount by Type

REGION	FULL TIME	PART TIME	CONTRACTORS	INTERNS
Americas	9,129	11	1,517	127
APAC	3,062	1	561	55
India	2,871	1	1,887	125
EMEA	3,688	212	703	58
TOTAL COUNT	18,750	225	4,668	365

Employee Type by Level



New Hire Data



Promotion and Retention

We are committed to providing equitable opportunities for advancement to all employees. See [Talent Strategy, Diversity, and Inclusion](#) for our approach to promotion and retention of our workforce.

In FY21, we promoted 11.4% of our workforce. Of the 2,156 promotions, women comprised 420 (19.5%, which is roughly the total percentage in the company). Women continue to be promoted at similar rates to men, 11.6% compared to 11.5%. Promotion rates are evaluated across underrepresented communities in technology to ensure they achieve parity, which was the case for women and Hispanic/Latino employees. In the last year, we doubled representation of Black/African American employees in our workforce, and thus the resulting promotion rate within that community dropped significantly due to the number of new hires. We expect promotion percentages to balance out over the next two years as new hires become eligible for promotion.

We historically maintain a low turnover rate. In FY21, our overall turnover rate of 3.8% remains in the single digits, compared to AON's hardware industry average of 15.3%. The turnover rate for women and men has remained similar for the past several years. In the United States, retention rates for members of underrepresented communities have held equal to their peers.

TURNOVER RATE	FY21	FY20	FY19
Overall Turnover	3.8%	6.7%	5.6%
Men	3.9%	6.7%	5.6%
Women	4.3%	6.9%	5.7%
Black/African American (U.S.)	4.8%	6.6%	2.9%
Hispanic/Latino (U.S.)	3.3%	5.4%	5.5%

Pay Parity

Pay parity is a priority at the company. Since 2015, we have analyzed our pay practices annually across 75+ dimensions, which has allowed us to reach full parity. After welcoming thousands of new employees through acquisitions in FY21, our latest assessment found that women earned, on average, 98.2 cents for every dollar men earned performing similar jobs. In response, we will evaluate all factors that explain it and implement corrective actions.

PAY RATIO	FY21	FY20	FY19
Women Men	98.2 100	99.7 100	100 100
Black/African American White (U.S.)	101.9 100	102.4 100	103.9 100
Hispanic/Latino White (U.S.)	98.3 100	100.3 100	101.3 100

DIVERSITY PERFORMANCE

We gather information for this report at the end of the fiscal year, and the data points in the accompanying tables reflect a snapshot of our workforce at that time.

Learn more about our approach in [Talent Strategy, Diversity, and Inclusion](#).

U.S. Racial/Ethnic Diversity Snapshot

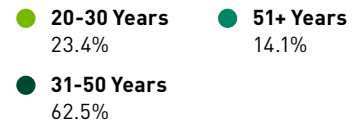
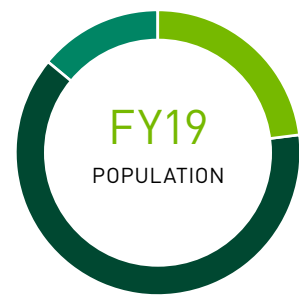
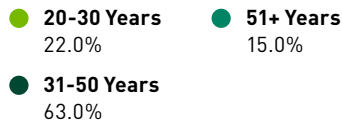
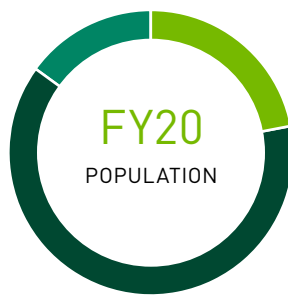
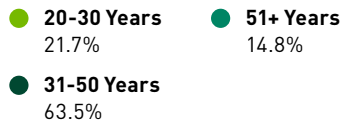
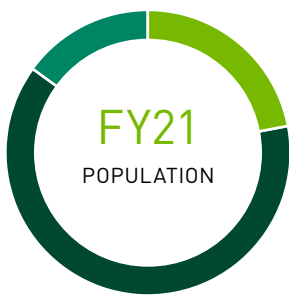
RACE/ETHNICITY	FY21	FY20	FY19
Asian/Indian	47.2%	49.2%	50.2%
White	38.3%	38.2%	38.7%
Hispanic/Latino	3.3%	3.4%	3.3%
Black/African American	2.5%	1.1%	1.0%
Native Hawaiian/Pacific Islander	0.3%	0.3%	0.3%
American Indian/Alaska Native	0.1%	0.2%	0.1%
Two or more races	1.1%	0.9%	0.7%
Decline to state	7.2%	6.7%	5.7%
TOTAL	100%	100%	100%

Disabilities Snapshot

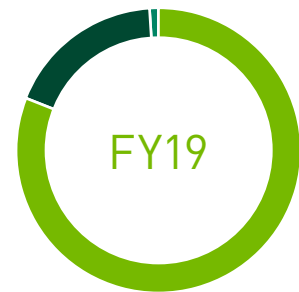
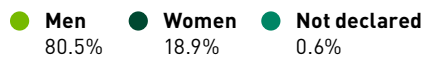
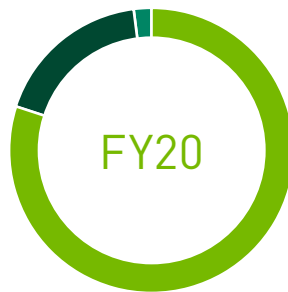
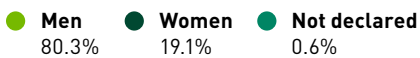
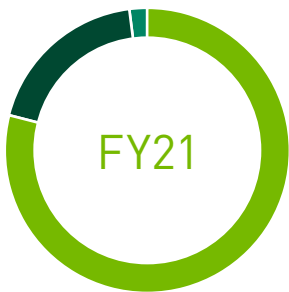
Employees can self-identify during the interview process, while onboarding, and any time during their tenure at NVIDIA to their manager or on our internal HR platform. Individuals can [request](#) an accommodation by contacting a dedicated email alias.

REGION	FY21	FY20	FY19
U.S.	1.23%	0.81%	0.84%
Global	0.58%	0.51%	0.45%

Age Snapshot



Gender Snapshot



Detailed Gender Data

POSITIONS HELD BY WOMEN	FY21	FY20	FY19
Outside Directors	25.0%	18.2%	18.2%
Executive Officers	40.0%	40.0%	40.0%
Leaders	11.3%	10.5%	11.0%
Managers	15.9%	16.2%	16.5%
In Technical Roles	14.1%	13.6%	13.7%
In Global Workforce	19.1%	18.9%	18.9%
New Hires	19.7%	18.8%	20.4%

For a breakdown of positions held by gender, racial, and ethnic groups in the United States, see our [2020 EEO report](#).

EMPLOYEE HEALTH AND SAFETY PERFORMANCE

METRIC	FY21	FY20	FY19
Lost-time incident rate (U.S.)	0.00	0.01	0.00
Total recordable incident rate (U.S.)	0.07	0.25	0.00
Fatalities (Global)	0	0	0

ENVIRONMENTAL PERFORMANCE

Due to rounding, numbers presented in the tables below may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures for the same reason. For FY21, we report our inventory with acquisitions completed by NVIDIA.

Learn more about our approach in the [Environmental](#) section.

Greenhouse Gas Data

METRIC	FY21	FY20	FY19
Scope 1 emissions (tCO₂e)	2,692	2,817	2,675
Stationary natural gas	2,187	2,577	2,384
Stationary distillate fuel oil	64	46	54
Gasoline	77	80	119
Refrigerants	363	114	118
Perfluorocarbons (Santa Clara headquarters lab operations)	<0.01	<0.01	<0.01
Scope 2 emissions, market-based (tCO₂e)	89,048	65,936	60,093
Purchased and used electricity	88,466	65,882	59,282
Purchased heating/cooling	582	54	811

METRIC	FY21	FY20	FY19
Scope 1 and 2 emissions (tCO2e)	91,740	68,753	62,767
Scope 2, location-based (tCO2e)	105,621	74,692	65,107
Scope 3 (tCO2e)	2,074,450	1,296,150	1,862,357
Purchased goods and services	1,857,415	1,105,644	1,688,698
Capital goods	102,026	72,946	49,964
Fuel- and energy-related activities not included in Scope 1 and 2	34,494	27,885	24,146
Upstream transportation and distribution	49,749	30,380	38,352
Waste generated in operations ^a	577	752	991
Business travel	3,068	31,285	51,525
Employee commuting ^b	14,764	17,929	Not reported
Upstream leased assets	12,357	9,329	8,681

^a As of FY21, emissions from waste generated in operation are calculated only for our headquarter locations in Santa Clara, CA, and not inclusive of global operations. Emission factors are based on U.S. EPA Waste Reduction Model (WARM), version 16, updated January 2020.

^b As of FY21, we included remote working emissions in Scope 3 employee commute to account for our workforce working remotely for a significant part of the year as a result of the COVID-19 pandemic. We followed the methodology published in "Whitepaper: Estimating Energy Consumption & GHG Emissions for Remote Workers" in February 2021, [source](#).

Air Emissions Data

SOURCE	FY21	FY20	FY19
Carbon dioxide (metric tons)	2,324	2,698	2,551
Methane (metric tons)	3	4	4
Nitrous oxide (metric tons)	2	2	2
Hydrofluorocarbon	0.44	0.24	0.58
Carbon monoxide (metric tons) ^a	0.37	0.26	0.31
Volatile Organic Compounds (metric tons) ^b	0.18	0.15	0.24
Particulates (metric tons) ^a	0.12	0.09	0.10
Sulfur dioxide (metric tons) ^a	0.11	0.08	0
Ozone-depleting substances (metric tons R-11e) ^c	0.005	0.002	0.006

^a Carbon monoxide, particulate, and sulfur dioxide emissions are from diesel generators.

^b Volatile Organic Compounds (VOCs) are from diesel generators and Santa Clara campus lab solvent usage (e.g., wipe cleaning).

^c Ozone-depleting substances (ODS) emissions are from hydrofluorocarbons.

Energy, Water, and Waste Data

ENERGY	FY21	FY20	FY19
Energy used (MWh)	325,899	244,760	197,074
Non-renewable fuels purchased	12,643	14,635	13,611
Non-renewable electricity purchased	232,512	150,732	94,216
Non-renewable steam/heating/cooling and other energy purchased	1,679	210	227
Renewable energy purchased or generated for own consumption ^a	79,065	75,052	89,020
Renewable electricity as percentage of total electricity ^a	25%	33%	49%
Renewable energy generated, onsite solar	660	749	772
WATER	FY21	FY20	FY19
Water withdrawal (cubic meters)	359,901	315,599	319,713
Surface water	0	0	0
Groundwater	40,041	4,136	32,208
Rainwater collected directly and stored	0	0	0
Wastewater from another organization	50,078	31,644	47,737
Municipal water supplies or other public/private water utilities	269,782	279,819	239,768
Percent of water recycled internally	0	0	0
Water consumption (cubic meters)^b	97,263	72,378	96,196
Water discharge (cubic meters)	262,638	243,221	223,517
WASTE	FY21	FY20 ^c	FY19 ^c
Waste, corporate headquarters (metric tons)	2,778	5,290	18,344 ^d
Waste recycled/composted (metric tons)	1,887	4,100	16,554
Landfill diversion rate	68%	78%	90%
General waste recycled	314	1,682	1,288
General waste composted	173	1,116	1,008
Clean paper recycled	18	19	29
Batteries recycled	2	2	46
Hazardous waste recycled	<1	2	4
Electronic waste recycled	43	75	128
Lamps recycled	0.1	0.3	0.2
Construction/demolition waste recycled	1,337	1,205	14,051 ^d
Waste landfilled (metric tons)	891	1,189	1,790
General waste landfilled	346	945	617
Hazardous waste landfilled	0	0	0
Construction/demolition waste landfilled	545	245	1,174

^a As of FY20, NVIDIA aligns with regulatory definitions of renewable energy at our key locations and, thus, excludes large-scale hydropower, as appropriate, from our renewables percentage. This has particular relevance for our Santa Clara, CA headquarters.

^b Water consumption includes water consumed by landscaping and evaporated in a cooling tower for our new headquarters building.

^c Waste data for corporate headquarters was estimated on a calendar year basis for FY19 and FY20.

^d We accumulated a large amount of demolition debris as part of our project to construct a new Silicon Valley headquarters building. 92% was recycled in FY19.

NVIDIA swept the annual Institutional Investor survey for the best executive teams, ranking first among over 40 semiconductor categories including:

- > Best CEO
- > Best CFO
- > Best Investor Relations Team



08 ESG FRAMEWORKS

GRI INDEX

We applied the internationally recognized Global Reporting Initiative (GRI) [Sustainability Reporting Standards](#) to produce this FY21 CSR Report. This report has been prepared in accordance with the GRI Standards: Core option.

Per the GRI Standards, we indicate the location of the required “General Disclosures” and each of the “Topic-Standard Disclosures” related to our priority issues (“Management Approach for Material Topics” and selected disclosures). In some cases, we provide a direct response to disclosures or additional information related to content located on the main pages of the report within the index itself.

2021 GRI Content Index

GRI 102: GENERAL DISCLOSURES 2016**		
Disclosure	Description	Cross-Reference or Answer
Organizational Profile		
102-1	Name of the organization	2021 10-K
102-2	Activities, brands, products, and services	2021 10-K About NVIDIA
102-3	Location of headquarters	Santa Clara, California, USA
102-4	Location of operations	Our Locations
102-5	Ownership and legal form	2021 Proxy Statement
102-6	Markets served	Our Locations 2021 10-K
102-7*	Scale of the organization	Goals and Performance, Economic Goals and Performance, Diversity Goals and Performance, Workforce
102-8*	Information on employees and other workers	Goals and Performance, Diversity Goals and Performance, Workforce NVIDIA employs several contract employees globally who provide a variety of roles across our operations and administrative functions. Current temporary worker percentage is 19.4% of total headcount (employees + contractors).
102-9	Supply chain	Social, Supply Chain Management and Product Quality
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 2021 Proxy Statement. 2021 Proxy Statement
102-12	External initiatives	Social, Supply Chain Management and Product Quality About This Report
102-13	Membership of associations	Social, Supply Chain Management and Product Quality Corporate Governance

GRI 102: GENERAL DISCLOSURES 2016**

Disclosure	Description	Cross-Reference or Answer
Strategy		
102-14	Statement from senior decision-maker	Executive Messages, Letter from our CEO Executive Messages, Q&A with our CFO
Ethics and Integrity		
102-16*	Values, principles, standards, and norms of behavior	Governance, Ethical Conduct
102-17*	Mechanisms for advice and concerns about ethics	Governance, Ethical Conduct
Governance		
102-18	Governance structure	Governance, Board Governance Corporate Governance NVIDIA has two committees responsible for decision-making on economic, environmental, and social topics: an executive-level committee and a staff-level committee. NVIDIA's board-level Nominating and Governance Committee oversees CSR.
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement
102-41	Collective bargaining agreements	Employees in the U.S., Canada, India, and APAC regions are not unionized. Employees in Brazil are unionized and make up 0.1% of our total population. Employees in Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Poland, and Sweden (which make up 3.9% of our total employee population) could participate in unions but NVIDIA is legally not allowed to inquire with them about their involvement. 4.0% represents the highest possible unionized presence that could exist in NVIDIA's workforce. NVIDIA participates in collective bargaining agreements in Finland, France, and Italy. Employees in Germany have formal representation on work councils, and our France offices have employee representatives.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43*	Approach to stakeholder engagement	Stakeholder Engagement No engagement undertaken specifically as part of the report.
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	2021 10-K
102-46	Defining report content and topic Boundaries	Priorities, Setting Priorities
102-47*	List of material topics	Priorities, Setting Priorities
102-48	Restatements of information	There were no restatements of information.
102-49	Changes in reporting	There were no significant changes in reporting.
102-50	Reporting period	About this Report
102-51	Date of most recent report	June 2020
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, Climate Change and Greenhouse Gas Emissions We did not seek external assurance for the report. NVIDIA's internal audit function reviews elements of our CSR program, focusing on workforce and supply chain data points. Trucost provides limited assurance under the AA1000AS v3 assurance standards on our FY21 global scope 1 and 2 GHG emissions and scope 3 fuel- and energy-related activities (category 3) and business travel (category 6). Our pay data and equal pay metrics are evaluated by Economist, Inc. annually. FrameworkESG assesses stakeholder information annually to inform our Priority Issues matrix.

* Indicator aligns with the [Stakeholder Capitalism Metrics](#) as defined by the International Business Council of the World Economic Forum.

** With the exception of GRI 303 and 403 that apply the 2018 version of the GRI Standards, NVIDIA's FY2021 CSR 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	Goals and Performance, Economic 2021 10-K 2020 CDP Response	Customers Consumers Shareholders Developers Suppliers Government Communities
GRI 206: Anti-competitive Behavior 2016	Economic, Business Model and Competitiveness	Customers Government Shareholders
Environmental		
GRI 302: Energy 2016	Environment, Energy, Water, and Waste Environment, Environmental Impact of Products	Customers Consumers Developers Suppliers
GRI 308: Supplier Environmental Assessment 2016	Social, Supply Chain Management and Product Quality	Suppliers
Social		
GRI 401: Employment 2016	Social, Talent Strategy, Diversity, and Inclusion Priorities and Stakeholders, Stakeholder Engagement	Prospective employees Shareholders
GRI 403: Occupational Health and Safety 2018	Social, Employee Health and Safety	Prospective employees Shareholders
GRI 404: Training and Education 2016	Social, Talent Strategy, Diversity, and Inclusion	Prospective employees
GRI 414: Supplier Social Assessment 2016	Social, Supply Chain Management and Product Quality	Customers Shareholders Suppliers
GRI 418: Customer Privacy 2016	Economic, Cybersecurity and Data Privacy NVIDIA Privacy Policy	Customers Consumers Shareholders Governments

** With the exception of GRI 303 and 403 that apply the 2018 version of the GRI Standards, NVIDIA's FY2021 CSR 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 200-400: TOPIC-SPECIFIC DISCLOSURES 2016**

Topic	Disclosure	Description	Cross-Reference, Omissions, and Explanations
Economic			
GRI 201: Economic Performance 2016	201-1*	Direct economic value generated and distributed	Goals and Performance, Economic NVIDIA Foundation Report 2021 10-K
	201-2	Financial implications and other risks and opportunities due to climate change	2020 CDP Response
	201-4*	Government financial assistance	Priorities and Stakeholders, Stakeholder Engagement 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.
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In FY21 there were no legal actions for anti-competitive behavior, anti-trust, or monopoly practices.
Environmental			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Goals and Performance, Environmental
	302-3	Energy intensity	Our energy intensity per millions dollars revenue is 19.5. The metric is our energy use (325,899 MWh) divided by revenue (\$16,675M).
	302-4	Reductions in energy consumption	Environment, Data Centers, Labs, and Office Management
	302-5	Reductions in energy requirements of products and services	Environment, Environmental Impact of Products Goals and Performance, Environmental
GRI 303: Water and Effluents 2018***	303-3	Water withdrawal	Goals and Performance, Environmental

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

Topic	Disclosure	Description	Cross-Reference, Omissions, and Explanations
Environmental			
GRI 305: Emissions 2016***	305-1*	Scope 1 GHG emissions	Goals and Performance, Environmental
	305-2*	Scope 2 GHG emissions	Goals and Performance, Environmental
	305-3*	Scope 3 GHG emissions	Goals and Performance, Environmental
	305-4	GHG emissions intensity	Our GHG emissions intensity per millions dollars revenue is 5.50. The metric is our scopes 1 and 2 emissions (91,740 tCO2e) divided by revenue (\$16,675M).
	305-5	Reduction of GHG emissions	Environment, Climate Change and Greenhouse Gas Emissions Goals and Performance, Environmental
	305-6	Emissions of ODS	Goals and Performance, Environmental
	305-7*	NO _x , SO _x , and other significant air emissions	Goals and Performance, Environmental
GRI 306: Effluents and Waste 2016***	306-2	Waste by type and disposal method	Goals and Performance, Environmental
GRI 307: Environmental Compliance 2016***	307-1	Non-compliance with environmental laws and regulations	To date, we have not incurred significant expenses related to environmental regulatory compliance matters.
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers screened using environmental criteria	Social, Supply Chain Management and Product Quality 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 FY21.

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

Topic	Disclosure	Description	Cross-Reference, Omissions, and Explanations
Social			
GRI 401: Employment 2016	401-1*	New employee hires and employee turnover	Goals and Performance, Diversity Goals and Performance, Workforce
	401-2	Full-time benefits not provided to temporary/part-time employees	Social, Talent Strategy, Diversity, and Inclusion All regular NVIDIA employees are eligible for benefits, which vary by region. U.S. 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. NVIDIA Benefits
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Social, Employee Health and Safety
	403-2*	Hazard identification, risk assessment, and incident investigation	We identify and assess hazards and risks in several ways, including through routine inspections, audits and incident reporting and investigation. We maintain a set of standard EHS risk assessment templates for use by our European sites. Our processes for hazard assessment and incident investigation are documented in our Illness and Injury Prevention Program. Incidents and the results of incident investigations are recorded in our Global Security database.
	403-3	Occupational health services	Social, Employee Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	We engage our employees in our H&S programs in multiple ways, including through a suggestion box, office level H&S committees, a network of Site Safety Officers, regional EHS team members, dedicated EHS intranet pages, inspections and audits.
	403-5	Worker training on occupational health and safety	Social, Employee Health and Safety We provide role-specific Health and Safety online training courses for our global employees. These are accessed and managed through our global learning and development program. Training courses are offered individually or as a part of our most common groups (curriculums). Our role-based EHS curricula include Chemicals Management and Hazardous Waste, Data Center Safety, Lab Safety and Site Safety Officer training.

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

Topic	Disclosure	Description	Cross-Reference, Omissions, and Explanations
Social			
	403-6	Promotion of worker health	Social, Employee Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>We maintain a documented, global Contractor Safety Program which describes our procedures for ensuring and monitoring safe working conditions for contractors working at our sites.</p> <p>We are a member of the Responsible Business Alliance (RBA) through which we cascade our expectations for responsible business practices to our manufacturing suppliers. The RBA Code of Conduct includes specific requirements for occupational health and safety in the supply chain. We monitor the H&S performance of these suppliers in several ways including audits conducted through the RBA and quarterly business reviews.</p>
	403-9*	Work-related injuries	Social, Employee Health and Safety Goals and Performance, Employee Health and Safety
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	Social, Talent Strategy, Diversity, and Inclusion 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.
	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	Goals and Performance, Diversity Goals and Performance, Workforce 23% of our Board members are women, and 38% of our Board is gender, racially, or ethnically diverse. 40% of our NEO are women, and 80% of our NEO are gender, racially, or ethnically diverse.

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

Topic	Disclosure	Description	Cross-Reference, Omissions, and 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	<p>Social, Supply Chain Management and Product Quality</p> <p>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.</p> <p>NVIDIA's Code of Conduct</p> <p>Corporate Responsibility Directive</p> <p>RBA Code of Conduct</p>
GRI 408: Child Labor 2016**	408-1*	Operations and suppliers at significant risk for incidents of child labor	<p>Social, Supply Chain Management and Product Quality</p> <p>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.</p> <p>NVIDIA's Code of Conduct</p> <p>RBA Code of Conduct</p>
GRI 409: Forced or Compulsory Labor 2016***	409-1*	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>Social, Supply Chain Management and Product Quality</p> <p>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.</p> <p>Combatting Trafficking in Persons Policy</p> <p>RBA Code of Conduct</p>
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	<p>Social, Supply Chain Management and Product Quality</p> <p>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 FY21.</p>
GRI 417: Marketing and Labeling 2016***	417-2	Incidents of non-compliance concerning product and service information and labeling	<p>We consider significant incidents of non-compliance those that are disclosed in the company's SEC filings. There were no such incidents in FY21 that fell into this category.</p>

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

Topic	Disclosure	Description	Cross-Reference, Omissions, and Explanations
Social			
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 FY21 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 FY21 for non-compliance with laws and regulations.

* Indicator aligns with the [Stakeholder Capitalism Metrics](#) as defined by the International Business Council of the World Economic Forum.

** With the exception of GRI 303 and 403 that apply the 2018 version of the GRI Standards, NVIDIA's FY2021 CRS 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.

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

SASB INDEX

We disclose in accordance with the Sustainability Accounting Standards Board (SASB) for the Technology and Communications sector, Semiconductor industry.

As we are a fabless semiconductor company, we have been asked by SASB to not provide metrics for direct energy, water, and waste metrics for our suppliers as it hinders comparison against suppliers with manufacturing facilities. We monitor the environmental footprint of our suppliers and work with them through the supplier management process on goal setting and activities they can undertake to reduce their environmental impact. We calculate carbon, water, and waste data of all silicon manufacturers and systems contract manufacturers to determine carbon emissions and water consumption per product and per financial outlay.

SASB 2018*			
Topic	SASB Code	Accounting Metric	Cross-Reference, Omissions, and Explanation
Semiconductors			
Greenhouse Gas Emissions	TC-SC-110a.1	Gross global Scope 1 emissions	Goals and Performance, Environmental
		Amount of total emissions from perfluorinated carbons	Goals and Performance, Environmental
	TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Environment, Climate Change and GHG Emissions 2020 CDP Response
Energy Management in Manufacturing	TC-SC-130a.1	Total energy consumed	NVIDIA is a fabless semiconductor company and does not have its own manufacturing facilities. See Supplier Environmental Management for how we work with suppliers to track energy, water, and waste.
		Percentage of total energy consumed that is grid electricity	
		Percentage of total energy consumed that is renewable	
Water Management	TC-SC-140a.1	Total water withdrawn	NVIDIA is a fabless semiconductor company and does not have its own manufacturing facilities. See Supplier Environmental Management for how we work with suppliers to track energy, water, and waste.
		Total water consumed	
		Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress	
		Percentage of water consumed in regions with High or Extremely High Baseline Water Stress	

SASB SUSTAINABILITY ACCOUNTING STANDARDS 2018*

Topic	SASB Code	Accounting Metric	Cross-Reference, Omissions, and Explanation
Semiconductors			
Waste Management	TC-SC-150a.1	Amount of hazardous waste from manufacturing	NVIDIA is a fabless semiconductor company and does not have its own manufacturing facilities. See Supplier Environmental Management for how we work with suppliers to track energy, water, and waste.
		Percentage of hazardous waste from manufacturing that is recycled	
		The entity shall disclose the legal or regulatory framework(s) used to define hazardous waste and recycled hazardous waste, and the amounts of waste defined in accordance with each applicable framework	
Employee Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	NVIDIA is a fabless semiconductor company. We manage the health and safety of workers in our supply chain through membership in the Responsible Business Alliance. We comply with the RBA code of conduct, and require suppliers to complete self-assessments and participate in audits every two years. See Supply Chain Management and Product Quality for more information, and the Employee Health and Safety section for how we manage EHS across our corporate campuses.
		TC-SC-320a.2	
			The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Percentage of employees that are foreign nationals	Percentage of foreign nationals not disclosed.
		Percentage of employees that are located offshore	Goals and Performance, Workforce
		Disclosure shall include a description of potential risks of recruiting foreign nationals and/or offshore employees, and management approach to addressing these risks	2021 10-K

SASB SUSTAINABILITY ACCOUNTING STANDARDS 2018*

Topic	SASB Code	Accounting Metric	Cross-Reference, Omissions, and Explanation
Semiconductors (Continue)			
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Approximately 38% of products contain IEC 62474 declarable substances. NVIDIA is working with Digital Europe and European Commission to research and develop viable alternatives.
		Disclosure shall include a discussion of efforts to minimize usage of these substances	NVIDIA is working with Digital Europe and European Commission to research and develop viable alternatives.
	TC-SC-410a.2	Processor energy efficiency at a system-level for servers	Environment, Environmental Impact of Products
		Processor energy efficiency at a system-level for desktops	Environment, Environmental Impact of Products
		Processor energy efficiency at a system-level for laptops	Environment, Environmental Impact of Products
Disclosure shall include a discussion of efforts to design for new and emerging usage patterns with respect to energy efficiency in all product categories (i.e., applications for servers, desktops, laptops, workstations, netbooks, tablets, mobile phones, and storage).	2020 CDP Response		
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with use of critical materials	Social, Supply Chain Management and Product Quality NVIDIA is primarily focused on the risks associated with the recognized “conflict minerals” which includes gold, tantalum, tungsten, and tin. 2021 Conflict Minerals Report
Intellectual Property Protection & Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	In FY21 there were no legal actions for anti-competitive behavior, anti-trust, or monopoly practices.
		The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses	N/A

* NVIDIA’s FY2021 CSR Report applies the 2018 version of the Semiconductors Sustainability Accounting Standards; “2018” refers to the Standards issue date, not the date of information presented in this report.



TCFD INDEX

Last year, we started disclosing climate-related information based on the recommendations prescribed by the Task Force for Climate-Related Financial Disclosures (TCFD).

TCFD INDEX		
Disclosure Item	Recommended Disclosure - Description	NVIDIA Reference
Governance	a. Board Oversight—Describe the Board’s oversight of climate-related risks and opportunities.	2020 CDP Climate Change Response : C1. Governance - C1.1; pp. 4-5
	b. Management’s Role—Describe management’s role in assessing and managing climate-related risks and opportunities.	2020 CDP Climate Change Response : C1. Governance - C1.2; pp. 5-6
Strategy	a. Risks and Opportunities—Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2020 CDP Climate Change Response : C2. Risks & opportunities - C2.2a; pp. 11-12
	b. Impact on Organization—Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	2020 CDP Climate Change Response : C2. Risks & opportunities - C2.3 and C2.4; pp. 12-25
	c. Resilience of Strategy—Describe the potential impact of different scenarios, including a 2°C scenario, on the organization’s businesses, strategy, and financial planning.	We completed a scenario analysis in FY21, see Climate Risk .
Risk Management	a. Risk Assessment Processes—Describe the organization’s processes for identifying and assessing climate-related risks.	2020 CDP Climate Change Response : C2. Risks & opportunities - C2.1; pp. 8-9
	b. Risk Management Processes—Describe the organization’s processes for managing climate-related risks.	2020 CDP Climate Change Response : C2. Risk & Opportunities - C2.2; pp. 9-10
	c. Integration into Overall Risk Management—Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	2020 CDP Climate Change Response : C3. Business Strategy – C3.1d and C3.1e; pp. 27-30
Metrics and Targets	a. Climate-Related Metrics—Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2020 CDP Climate Change Response : C5. Emissions methodology - C5.1; pp. 37-38
	b. Scope 1,2,3 GHG Emissions—Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2020 CDP Climate Change Response : C6.1-6.7; pp. 38-47
	c. Climate Related Targets—Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2020 CDP Climate Change Response : C4. Targets and performance - C4.1-4.3; pp. 30-36

UN SUSTAINABLE DEVELOPMENT GOALS

We continue to align our business activities and charitable contributions to the 17 United Nations' Sustainable Development Goals (SDGs). We are best positioned to contribute to the following SDGs:

SDG	NVIDIA ACTION/INITIATIVE
	<p>COVID-19 Spurs Scientific Revolution in Drug Discovery with AI—Rommie Amaro, Ph.D., who leads a team of biochemists and computer experts at the University of California at San Diego, combined high performance computing and AI to provide the clearest view to date of the coronavirus. The resulting simulation was downloaded more than 4,000 times by global researchers worldwide and was called “critical for vaccine design” for COVID and future pathogens. The Amaro Lab’s work won a special Gordon Bell Prize for COVID-19, the equivalent of a Nobel Prize in the supercomputing community. It’s one example of work around the world using AI and data analytics, accelerated by NVIDIA Clara Discovery, to slash the \$2 billion in costs and 10-year time span it typically takes to bring a new drug to market.</p> <p>AI Software Keeps Drivers Safe and Focused on the Road Ahead—Even with advanced driver assistance systems automating more driving functions, human drivers must maintain their attention at the wheel and build trust in the AI system. Traditional driver monitoring systems typically don’t understand subtle cues such as a driver’s cognitive state, behavior, or other activity that indicates whether they’re ready to take over the driving controls.</p> <p>NVIDIA DRIVE IX is an open, scalable cockpit software platform that provides AI functions to enable a full range of in-cabin experiences, including intelligent visualization with augmented reality and virtual reality, conversational AI, and interior sensing.</p>
	<p>At GTC, Educators and Leaders Focus on Equity in AI, Developer Diversity—This year, we strengthened our support for women and underrepresented developers and scientists at GTC by providing conference passes to members of professional organizations supporting women, Black, and Hispanic/Latino developers. Professors at historically Black colleges and universities—including Prairie View A&M University, Hampton University, and Jackson State University—as well as groups like Black in AI and LatinX in AI received complimentary access to training from the NVIDIA Deep Learning Institute. And in a collaboration with the National Society of Black Engineers that will extend beyond GTC, we created opportunities for the society’s collegiate and professional developers to engage with NVIDIA’s recruiting team, which provided guidance on navigating the new world of virtual interviewing and networking.</p> <p>Duckietown Foundation Offering Free Robotics Courses—The Duckietown project, which started as an MIT class in 2016, has evolved into an open-source platform for robotics and AI education, research, and outreach. The project is coordinated by the Duckietown Foundation, whose mission is to reach and teach a wide audience of students about robotics and AI. The Duckietown Foundation announced that it’s offering a free edX course on AI and robotics using the Duckiebot hardware platform powered by the new NVIDIA Jetson Nano 2GB Developer Kit.</p>



[Why 20,000+ Developers from Emerging Markets Signed Up for GTC](#)—Our recent GPU Technology Conference—virtual, free to register, and featuring 24/7 content—for the first time featured a dedicated track on AI in emerging markets. The sessions attracted a record 20,000+ developers, industry leaders, policymakers, and researchers in emerging markets across 95 countries. Dozens of startup founders from emerging markets shared their innovations. Community leaders, major tech companies and nonprofits discussed their work to build resources for developers in the Caribbean, Latin America, and Africa. And hands-on labs, training and networking sessions offered opportunities for attendees to boost their skills and ask questions of AI experts.



[Three Startups Using Deep Learning for Environmental Monitoring](#)—NVIDIA Inception is an accelerator program for startups in AI, data science, and HPC that equips them with fundamental tools to support product development, prototyping, and deployment. Companies in the NVIDIA Inception program are using aerial imagery and AI to track global deforestation, monitor thawing permafrost in the Arctic, and prevent natural gas leaks.

ABOUT THIS REPORT

The NVIDIA FY21 Corporate Social Responsibility Report covers our economic, environmental, social, and governance performance for the fiscal year ended January 31, 2021.

This report adheres to the [GRI Standards: Core](#) option. We've reported through GRI publicly since 2010. We also disclose in accordance with the [Sustainability Accounting Standards Board](#) and [Task Force on Climate-Related Financial Disclosures](#). We continue to align our social impact activities with the [United Nations' Sustainable Development Goals](#).

Previous CSR reports can be found in the [NVIDIA CSR Report Archive](#).

We determined the content for this report based on conversations among management and engagement with several stakeholders. No significant changes have occurred during the reporting period with regard to the scope, boundary, or measurement methods applied in this report.

Distributing This Report

We promote the availability of our report through:

- > Targeted communications to employees and executives.
- > Outreach to stakeholders and reporting organizations.
- > Individual outreach to shareholder groups that make inquiries throughout the year.
- > Our social media channels, which are followed by approximately 33 million individuals.

We welcome feedback on this report and our performance. Send comments and suggestions to esg@nvidia.com or to:

NVIDIA
Corporate Responsibility
2530 Zanker Rd
San Jose, CA 95131

The information contained in this report is accurate as of approximately June 25, 2021, 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 and 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.