

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>

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.

70%

Recycled fibers in consumer packaging

75%

Overall recyclability rate of consumer packages

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.

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