

December 31, 2023

Name: NVIDIA Corporation

Ticker: NVDA-US

Market Cap (\$mm): \$1,187,774

Country: United States

Sector: Information Technology

Industry: Semiconductors & Semiconductor Equipment

Sector Outlook

The Information Technology sector makes up a disproportionately large share of the stocks that were hit hard during the most recent bear market in 2022, which has led to a strong recovery this year as markets rebound. A tight labor market and strong wage growth should benefit the sector, as technology investments are replacements for labor in the most basic sense. Additionally, the sector should benefit from trends related to artificial intelligence, mobile, cloud computing and the "Internet of Things".

Company Description

NVIDIA Corp. engages in the design and manufacture of computer graphics processors, chipsets, and related multimedia software. It operates through the following segments: Graphics Processing Unit (GPU), Tegra Processor, and All Other. The GPU segment consists of product brands, including GeForce for gamers, Quadro for designers, Tesla and DGX for AI data scientists and big data researchers, and GRID for cloud-based visual computing users. The Tegra Processor segment integrates an entire computer onto a single chip and incorporates GPUs and multi-core CPUs to drive supercomputing for autonomous robots, drones, and cars, as well as for consoles and mobile gaming and entertainment devices. The All Other segment refers to the stock-based compensation expense, corporate infrastructure and support costs, acquisition-related costs, legal settlement costs, and other non-recurring charges. The company was founded by Jen Hsun Huang, Chris A. Malachowsky, and Curtis R. Priem in April 1993 and is headquartered in Santa Clara, CA.

Financial Snapshot

Revenue by Product Segment	%	Revenue by Geographic Segment	%
Compute & Networking	56%	United States	31%
Graphics	44%	Taiwan	26%
		China	21%
		Other Countries	22%

Company & Sustainability Analysis

We added to Nvidia, the world's leading graphics processing unit (GPU) maker, to better position portfolios for a market rebound by increasing exposure to names that fell more than the market during the largely sentiment driven bear market. The company should be a key beneficiary of robust gaming and data-center demand, given its dominant position in the GPU market. Nvidia is in fact unparalleled in its ability to produce high-end GPUs with artificial intelligence applications, a clear competitive advantage against its peers. The company's products serve gamers, designers, artists, artificial intelligence data scientists and big-data researchers. Furthermore, the company should continue to benefit from its exposure to long-term trends, including machine learning and artificial intelligence.

Sustainability Analysis

Nvidia received "AAA" rating from MSCI ESG Research. The company ranks in the top 10 percentile in ESG risk management across its industry peers, with MSCI ESG Research particularly highlighting robust employee engagement/training practices, detailed corporate behavior policies and better than peer initiatives to ensure responsible raw material sourcing.

The company has one of the strongest programs to keep employees engaged and attract new talent, which include annual engagement surveys, formal talent development strategies and partnerships with educational institutions to offer

trainings. Additionally, the company has high percentage of employees eligible for stock ownership plan and has procedures developed for formal grievances that are handled confidentially.

Nvidia invests heavily in R&D and produces some of the world's most energy efficient GPUs. The company is a member of the Responsible Minerals Initiative and has robust policies in place to responsibly source mineral materials. Board of Directors has an independent majority and the company also has fully independent audit and pay committees. Additionally, Nvidia has robust business ethics policies with C-suite management responsible for overseeing ethics issues. Which are all initiatives that reflected in it's rating of 'AAA'.

Nvidia's development of energy efficient GPUs puts in in direct alignment with SDG 7 (Affordable and Clean Energy) meant to *"Ensure access to affordable, reliable, sustainable and modern energy for all"*.

Nvidia is categorized as a Sustainable Investment aligned with the Environmental objectives of the EU's Sustainable Finance Disclosure Regulation (SFDR) as defined by Fisher Investments. In order for a company to be considered a sustainable investment, it must be assessed by Fisher Investments as meeting the following criteria: (i) it must contribute to an environmental or social objective; (ii) it must do no significant harm (DNSH) to any other environmental or social objective; and (iii) it must follow good governance practices.

**This write-up is provided to fulfil the requirements of the Austrian Ecolabel and should be considered an 'example point in time analysis'. There is no guarantee that the security remains in the relevant strategy or the analysis remains current beyond the date of analysis.*

****Sources: Fisher Investments Research, FactSet Research Systems, Company Investor Relations**

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