NVIDIA Corp. (NVIDIA)

TICKER
NVDA

MARKET CAPITALIZATION
US$816.9 billion

HEADQUARTERS
United States

DISCLOSURES

UK Modern Slavery Act: Yes

Australia Modern Slavery Act: Not applicable

California Transparency in Supply Chains Act: Not applicable

OVERALL RANKING

27 out of 60

(2020 Rank: 20 out of 49)

OVERALL SCORE

16 out of 100

THEME-LEVEL SCORES

Theme	Company score	Industry average
Commitment & Governance	29	44
Traceability & Risk Assessment	26	24
Purchasing Practices	0	2
Recruitment	8	17
Worker Voice	8	8
Monitoring	10	15
Remedy	10	15
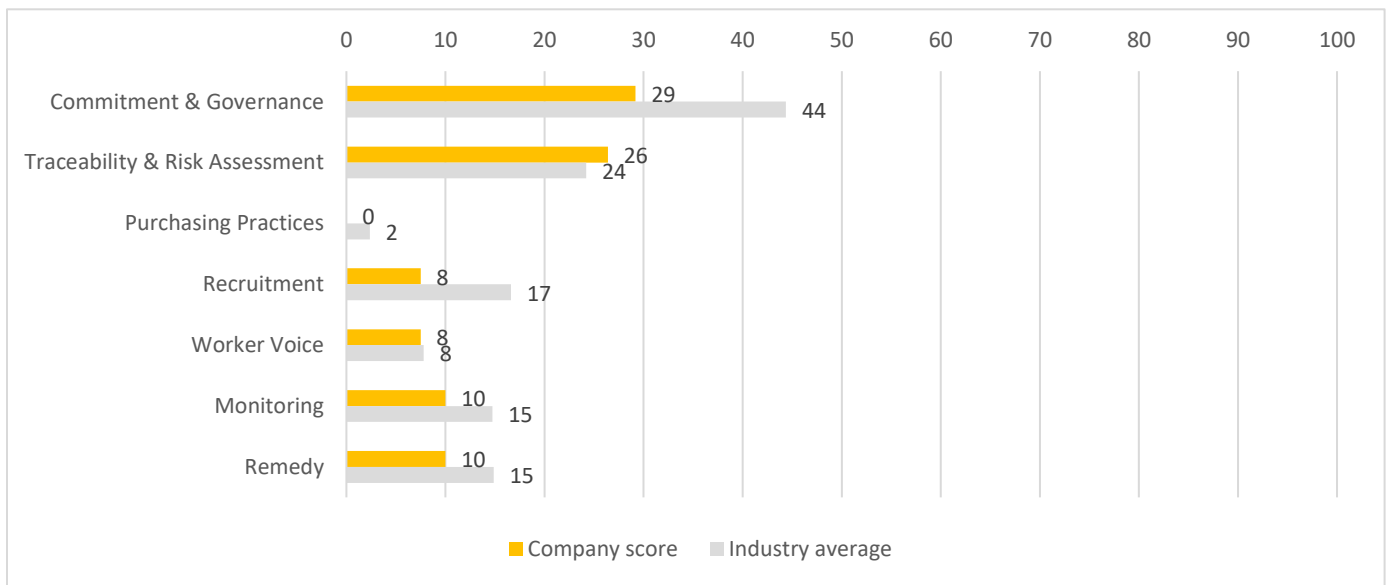
KEY DATA POINTS

SUPPLIER LIST
⚑ No

NO-FEE POLICY
Yes (Employer Pays Principle)

RISK ASSESSMENT
Yes

REMEDY FOR SUPPLY CHAIN WORKERS
⚑ No

ENGAGED WITH KNOWTHECHAIN[1]
Yes

HIGH-RISK SOURCING COUNTRIES
⚑ Likely China and/or Malaysia[2]

SUMMARY

NVIDIA Corp. (NVIDIA), supplier to companies such as Amazon and Cisco, ranks 27th out of 60 companies. Since 2020, the company improved on the themes of Traceability & Risk Assessment, and Remedy, disclosing information on its process for responding to reported violations of its policies, and carrying out an annual forced labour risk assessment on its supply chains. However, the company did not disclose improvements across other themes. The company performed particularly poorly on the themes of Purchasing Practices, Recruitment, and Worker Voice. As such the company's rank has dropped by 7 places.[3] The company is encouraged to improve its performance and disclosure on the themes of Purchasing Practices, Recruitment, and Worker Voice.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating responsible buying practices in its contracts with suppliers, to ensure that the responsibility for respecting human rights is shared.

Recruitment: The company uses the Responsible Business Alliance code of conduct as its supply chain standard, which prohibits worker-paid recruitment fees in its supply chains. The company is encouraged to disclose how it ensures the implementation of this policy through the prevention of fees in its supply chains: such as through mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. The company may also consider providing details of how it supports responsible recruitment in its supply chains (for example, by sharing due diligence findings on recruitment fees with peers or by creating demand for responsible recruitment agencies).

Worker Voice: The company discloses the availability of a grievance mechanism for suppliers' workers and external stakeholders. The company may consider disclosing data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved. To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements.

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[1] For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2022 ICT benchmark findings report. Research conducted through June 2022 or through September 2022, where companies provided additional disclosure or links. For more information, see the full dataset here. For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre website.

[2] Most electronic devices are produced at least in part in China and/or Malaysia, two countries where electronics may be produced using forced labour. KnowTheChain (June 2020), "2020 KTC ICT Benchmark Report."

[3] KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. See here for more information.