International Business Machines (IBM)

2024 CDP Corporate Questionnaire

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☑ USD

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☑ Publicly traded organization

(1.3.3) Description of organization

IBM is a leading global technology and innovation company headquartered in Armonk, New York. It is one of the largest technology and consulting employers in the world and operates in more than 175 countries with more than 282,000 employees globally. IBM is addressing the hybrid cloud and artificial intelligence (AI) opportunity with a platform-centric approach, focused on providing client value through a combination of technology and business expertise. We provide integrated solutions and products that leverage: data, information technology, deep expertise in industries and business processes, with trust and security and a broad ecosystem of partners and alliances. Our hybrid cloud platform and AI technology and services capabilities support clients' digital transformations and help them engage with their customers and employees in new ways. These solutions draw from an industry-leading portfolio of capabilities in software and sustainability software, targeting areas such as climate change and ESG reporting, as well as technology and sustainability related consulting services, and a deep incumbency in mission-critical systems, all bolstered by one of the world's leading research organizations. Nearly 4,000 government and corporate entities in critical infrastructure areas such as financial services, telecommunications and healthcare rely on IBM's hybrid cloud platform and Red Hat OpenShift to affect their digital transformations quickly, efficiently and securely.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/31/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☑ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☑ 4 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☑ 4 years

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☑ 4 years

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

61860000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?	How does your reporting boundary differ to that used in your financial statement?
	Select from: ☑ No	*IBM's environmental reporting is based on operational control.*

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

IBM

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☑ Chad
☑ Fiji
☑ Guam
☑ Mali
☑ Oman
☑ China
☑ Congo
☑ Egypt
☑ Gabon
☑ Ghana
☑ Malta
☑ Nauru
☑ Nepal
☑ Niger
☑ Palau
☑ Angola
☑ Belize
☑ Bhutan
☑ Brazil
☑ Canada
☑ Peru
☑ Togo
☑ Aruba
☑ Benin
☑ Chile
☑ Haiti
☑ India
☑ Italy
☑ Japan
☑ Kenya
☑ Qatar
☑ Samoa
☑ Spain
☑ Tonga
☑ Yemen
☑ Cyprus
☑ France
☑ Gambia
☑ Greece
☑ Guinea

☑ Guyana
☑ Israel
☑ Jordan
☑ Kuwait
☑ Latvia
☑ Poland
☑ Rwanda
☑ Serbia
☑ Sweden
☑ Turkey
☑ Andorra
☑ Armenia
☑ Austria
☑ Bahamas
☑ Bahrain
☑ Denmark
☑ Ecuador
☑ Eritrea
☑ Estonia
☑ Finland
☑ Ireland
☑ Jamaica
☑ Lebanon
☑ Lesotho
☑ Liberia
☑ Romania
☑ Senegal
☑ Somalia
☑ Tunisia
☑ Ukraine
☑ Malawi
☑ Mexico
☑ Monaco
☑ Norway
☑ Panama
☑ Tuvalu
☑ Uganda
☑ Zambia
☑ Albania
☑ Algeria
☑ Belgium
☑ Bermuda
☑ Burundi
☑ Croatia
☑ Curaçao
☑ Georgia
☑ Germany
☑ Grenada
☑ Hungary
☑ Iceland
☑ Mayotte
☑ Morocco
☑ Namibia
☑ Nigeria
☑ Réunion
☑ Uruguay
☑ Vanuatu
☑ Anguilla
☑ Barbados
☑ Botswana

☑ Bulgaria
☑ Cambodia
☑ Cameroon
☑ Colombia
☑ Djibouti
☑ Maldives
☑ Mongolia
☑ Pakistan
☑ Paraguay
☑ Portugal
☑ Zimbabwe
☑ Argentina
☑ Australia
☑ Gibraltar
☑ Greenland
☑ Singapore
☑ Sri Lanka
☑ Azerbaijan
☑ Bangladesh
☑ Cabo Verde
☑ Madagascar
☑ Martinique
☑ Mauritania
☑ Montenegro
☑ Montserrat
☑ Afghanistan
☑ El Salvador
☑ Netherlands
☑ New Zealand
☑ Philippines
☑ Dominica
☑ Ethiopia
☑ Honduras
☑ Kiribati
☑ Malaysia
☑ Slovakia
☑ Slovenia
☑ Suriname
☑ Thailand
☑ Viet Nam
☑ Guatemala
☑ Indonesia
☑ Lithuania
☑ Mauritius
☑ Nicaragua
☑ Costa Rica
☑ Guadeloupe
☑ Kazakhstan
☑ Kyrgyzstan
☑ Luxembourg
☑ Mozambique
☑ San Marino
☑ Seychelles
☑ Tajikistan
☑ Uzbekistan
☑ Saint Lucia
☑ Switzerland
☑ Burkina Faso
☑ Cook Islands
☑ Saudi Arabia

☑ Sierra Leone
☑ South Africa
☑ Turkmenistan
☑ Côte d'Ivoire
☑ Faroe Islands
☑ Cayman Islands
☑ Norfolk Island
☑ North Macedonia
☑ Solomon Islands
☑ French Polynesia
☑ Dominican Republic
☑ Antigua and Barbuda
☑ Republic of Moldova
☑ Trinidad and Tobago
☑ Bosnia & Herzegovina
☑ Central African Republic
☑ Northern Mariana Islands
☑ Turks and Caicos Islands
☑ United States of America
☑ Wallis and Futuna Islands
☑ Lao People's Democratic Republic
☑ Saint Vincent and the Grenadines
☑ Venezuela (Bolivarian Republic of)
☑ United Kingdom of Great Britain and Northern Ireland
☑ French Guiana
☑ Guinea-Bissau
☑ Liechtenstein
☑ New Caledonia
☑ Taiwan, China
☑ Marshall Islands
☑ Papua New Guinea
☑ Brunei Darussalam
☑ Equatorial Guinea
☑ Republic of Korea
☑ Hong Kong SAR, China
☑ United Arab Emirates
☑ Saint Kitts and Nevis
☑ Sao Tome and Principe
☑ British Virgin Islands
☑ Falkland Islands (Malvinas)
☑ United Republic of Tanzania
☑ United States Virgin Islands
☑ British Indian Ocean Territory
☑ Bolivia (Plurinational State of)

(1.8) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
	Select from: ☑ No, this is confidential data	*No, this is business confidential data.*

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

☑ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

IBM has identified tier 1 suppliers with whom we directly do business. IBM does not have a mapping of all lower tier suppliers as many of our tier 1 suppliers consider this to be confidential information.
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Value chain stages covered in mapping
	Select from: ☑ Yes, we have mapped or are currently in the process of mapping plastics in our value chain	*Select all that apply* ☑ Other, please specify **:**Direct Operations.

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

2

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Given the nature of IBM's business and the rapid transformation of the IT industry, we consider a 0-2 year (less than 3 years) period to be an appropriate short-term period for strategy planning.

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

9

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Given the nature of IBM's business and the rapid transformation of the IT industry, we consider a 3-9 year (greater than or equal to 3 years and less than 10 years) period to be an appropriate medium-term period for strategy planning.

Long-term

(2.1.1) From (years)

10

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Given the nature of IBM's business and the rapid transformation of the IT industry, we view everything equal to or beyond 10 years from the present to be a long-term period.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain
☑ Downstream value chain

(2.2.2.4) Coverage

Select from:
☑ Partial

(2.2.2.5) Supplier tiers covered

Select all that apply
☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:
☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:
☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply
☑ Short-term
☑ Medium-term
☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:
☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ COSO Enterprise Risk Management Framework

☑ Enterprise Risk Management

☑ Internal company methods

☑ Risk models

☑ Stress tests

International methodologies and standards

☑ IPCC Climate Change Projections

☑ ISO 14001 Environmental Management Standard

☑ Other international methodologies and standards, please specify :UN Water Global Analysis and Assessment of Sanitation and Drinking Water (GLAAS)

Other

☑ Desk-based research

☑ External consultants

☑ Internal company methods

☑ Materiality assessment

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Tornado

☑ Avalanche

☑ Landslide

☑ Heat waves

☑ Subsidence

☑ Cold wave/frost

☑ Cyclones, hurricanes, typhoons

☑ Wildfires
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Storm (including blizzards, dust, and sandstorms)
☑ Heavy precipitation (rain, hail, snow/ice)

Chronic physical

☑ Heat stress
☑ Soil erosion
☑ Solifluction
☑ Sea level rise
☑ Coastal erosion
☑ Changing precipitation patterns and types (rain, hail, snow/ice)
☑ Soil degradation
☑ Temperature variability
☑ Precipitation or hydrological variability
☑ Increased severity of extreme weather events
☑ Changing temperature (air, freshwater, marine water)

Policy

☑ Carbon pricing mechanisms
☑ Changes to national legislation

Market

☑ Availability and/or increased cost of raw materials
☑ Changing customer behavior

Reputation

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
☑ Other reputation, please specify

Technology

☑ Transition to lower emissions technology and products

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers
☑ Employees
☑ Investors
☑ Suppliers
☑ Regulators
☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ No

(2.2.2.16) Further details of process

Risk Management: We maintain a consistent, systemic, and integrated approach to enterprise risk management (ERM) that is designed to identify, mitigate, and manage significant risks and align with recognized standards such as the COSO ERM framework and the ISO 31000 standard. We assess risks across the organization to maintain a holistic, enterprise-level view of risks arising from evolving regulatory, financial, and geopolitical environments as well as from our operations, strategic planning and execution. This assessment includes evaluation of ESG-related risks. The IBM Board of Directors is responsible for overseeing management's execution of risk oversight, for assessing IBM's approach to risk management, and the full Board regularly reviews IBM's enterprise risk management framework and processes. IBM's senior management is responsible for assessing and managing IBM's various exposures to risk on a day-to-day basis, including the creation of appropriate risk management programs and policies. Management regularly reports to the Board and its committees on a variety of risks. The ERM program, which drives senior management decision-making, is led by our Chief Risk Officer who reports up through our Chief Financial Officer. We have developed tools that employ analytics and AI technologies to assist our ERM processes and utilize a Country Risk Scorecard to identify and assess emerging risk areas. By leveraging a series of key risk indicators, we can timely and proactively respond together with country and regional leadership. We promote a company culture of risk awareness through online education and mandatory training in areas such as business integrity and cybersecurity— including a Risk Academy, where all employees can take courses and earn badges on risk management awareness and skills. Additionally, all employees are encouraged to report potential risks through numerous channels (anonymously if preferred) or to local management. Environmental and Climate-Related Risks: Climate change is a serious concern that warrants meaningful action on a global basis. In addition to other risks identified by our ERM process, we consider risks identified by the TCFD in our risk management profile. IBM, like other companies, is subject to potential climate-related risks and costs, such as those resulting from increased severe weather events, prolonged changes in temperature, new regulations affecting hardware products and data centers, carbon taxes, and increased environmental disclosures requested or required by clients, regulators and others. Our senior management assesses the significance of environmental and climate-related risks and opportunities and manages them accordingly. Reports on IBM's environmental programs, challenges, and emerging issues are regularly provided to the Board and its Directors and Corporate Governance Committee. We do not expect compliance with environmental laws and climate change regulations to have a disproportionate effect on the company or its financial position, results of operations and competitive position. Conversely, we believe there is opportunity to use IBM's AI, hybrid cloud, sustainability software suite and deep sustainability consulting services and other technologies to assist clients with managing their climate-related risks.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

We conduct regular assessments that identify topics important to our stakeholders and inform our ESG strategy. We are currently performing a double materiality assessment as required in accordance with the Corporate Sustainability Reporting Directive. Our assessments are solely intended to reflect priority ESG issues and should not be construed as a characterization regarding the materiality of such information to IBM's business or operating results. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial reporting. We regularly refresh these analyses to capture changing circumstances and to adopt a more dynamic approach to identifying key ESG topics. Our ESG strategy is informed through collaboration and engagement with communities, clients, stockholders, and employees, and considers standards and initiatives such as the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD), the Stakeholder Capitalism Metrics, and the United Nations Sustainable Development Goals (SDGs).
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☑ Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations

☑ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

(2.3.4) Description of process to identify priority locations

IBM has prioritized water conservation efforts in water-stressed regions of the world to produce the greatest desired outcome from our efforts. We use the World Resources Institute's Aqueduct Water Risk Atlas, which highlights regions around the world where water resources are stressed to meet human and ecological demand. We identify IBM locations in areas of "high" or "extremely high" baseline water-stress and incorporate this with site specific criteria to determine the locations subject to our water conservation goal. In addition, IBM internally tracks, reports and manages total water discharges from IBM locations worldwide that have site regulatory wastewater discharge permits. IBM measures and manages wastewater discharges at applicable IBM locations worldwide for maintaining operational conditions and compliance with discharge permits. IBM's corporate program establishes treatment requirements applicable to IBM locations where they discharge directly to receiving waters, regardless of where in the world they locate. This has been a longstanding requirement of IBM's global environmental management system.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

Risk Management: We maintain a consistent, systemic, and integrated approach to enterprise risk management (ERM) that is designed to identify, mitigate, and manage significant risks and align with recognized standards such as the COSO ERM framework and the ISO 31000 standard. We assess risks across the organization to maintain a holistic, enterprise-level view of risks arising from evolving regulatory, financial, and geopolitical environments as well as from our operations, strategic planning and execution. This assessment includes evaluation of ESG-related risks. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial or regulatory sustainability reporting. We regularly refresh these assessments to capture changing circumstances and to adopt a more dynamic approach to identifying key ESG topics. The IBM Board of Directors is responsible for overseeing management's execution of risk oversight, for assessing IBM's approach to risk management, and the full Board regularly reviews IBM's enterprise risk management framework and processes. Our senior management assesses the significance of environmental and climate-related risks and opportunities and manages them accordingly. Reports on IBM's environmental programs, challenges, and emerging issues are regularly provided to the Board and its Directors and Corporate Governance Committee.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

Companies across sectors are looking to transform their business models by leveraging sustainability to meet the growing demands of the planet, regulation, customers and other key stakeholders. The pursuit of net zero GHG emissions can only truly begin when an organization is able to monitor, track, and report on their energy use, GHG emissions, and associated goals, so that they can take respective action. IBM's sustainability technology, consulting and research capabilities can help make data more visible and actionable. By leveraging AI and automation we can help accelerate clients' business objectives and sustainability goals; increase

productivity; reduce costs, waste, and emissions—and help them meet their reporting requirements. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial or regulatory sustainability reporting. We regularly refresh these analyses to capture changing circumstances and to adopt a more dynamic approach to identifying key ESG topics. Our assessments are solely intended to reflect priority ESG issues and should not be construed as a characterization regarding the materiality of such information to IBM's business or operating results. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial reporting.
[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:
☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

IBM complies with the requirements in effluent discharge permits issued by applicable regulatory agencies, including treatment, monitoring and reporting to the agencies. These permits are issued at location level. IBM establishes its own additional requirements for tracking, reporting and managing discharges at applicable locations including IBM locations in water-stressed regions that are included in our water conservation goal.
[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:
☑ Other nutrients and oxygen demanding pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Inorganic and organic compounds from industrial wastewater are treated on-site at the locations that directly discharge effluent to receiving water or public sewerage treatment systems. Sites complete a wastewater characterization and implement suitable controls to manage these contaminants. The locations hold and comply with state and local discharge permit requirements.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Water recycling

☑ Resource recovery

☑ Upgrading of process equipment/methods

☑ Beyond compliance with regulatory requirements

☑ Reduction or phase out of hazardous substances

☑ Implementation of integrated solid waste management systems

☑ Requirement for suppliers to comply with regulatory requirements

☑ Industrial and chemical accidents prevention, preparedness, and response

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

☑ Other, please specify **:**Site characterization of process chemical inputs and outputs, applied controls and managed accordingly where relevant for on-site treatment of direct water discharges to receiving waters.

(2.5.1.5) Please explain

IBM's global EMS includes a process for identifying and assessing significant environmental aspects of our business. Potential environmental risks include extreme weather events, interruptions in the availability of energy, water and other critical materials, which could affect IBM's operations or supply chain; inability to comply with environmental laws and regulations, which could impact manufacturing operations or product deliveries; liabilities associated with inadequate or improper disposal of wastes and other materials generated from operations, including end-of-life products; and impacts to our reputation associated with perceived failure to responsibly manage the environmental impacts of our operations. IBM manages its operations to meet business objectives while minimizing these potential risks.

IBM's Chief Sustainability Officer and Chief Impact Officer provide annual updates on matters related to sustainability and environmental, social, and governance to the Directors and Corporate Governance Committee of the Board annually. Our EMS establishes responsibilities for identifying and complying with environmental laws and regulations — responsibilities that are also specified in our environmental requirements for suppliers, as well as the IBM Business Conduct Guidelines certification that all IBMers must complete annually.
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

IBM, like other companies, is subject to potential climate-related risks and costs, such as those resulting from increased severe weather events, prolonged changes in temperature, new regulations affecting hardware products and data centers and carbon taxes. IBM's existing risk management processes, our strategic sourcing decisions, business continuity and insurance agreements, as well as our client services teams and our proactive processes to reduce our energy use and GHG emissions, and our decades long efforts to ensure that our products use energy efficiently, all prepare IBM to respond to these risks. Moreover, none of these risks represent unique challenges for IBM. As such, IBM does not expect climate change nor compliance with environmental laws and regulations focused on climate change, to have a disproportionate or unique effect on the company or its financial position, results or operations, and competitive position. Therefore, these risks are not deemed to have substantive financial or strategic impact on IBM. Regional context: IBM operates facilities in 100 countries and as such, any particular acute weather event is expected to affect a limited number of our facilities and operations. Further, we ensure supply of critical components from geographically diverse suppliers to mitigate supply chain disruption. It is not expected that potentially increasing, chronic physical impacts of climate change on our operations will result in substantive impacts, as we will have adequate time to adapt affected operations. Operational context: Our most critical operations sensitive to consequences of climate change are data center operations, which are located in facilities specially designed to withstand emergency situations, such as severe weather events, to ensure continuity of operations. An example is the presence of on-site emergency power generation infrastructure and redundancy of emergency systems that would allow data centers to continue to operate during a power outage. We also maintain the ability to move data center workload to unaffected locations to achieve business continuity. The potential exacerbation of weather impacts from climate change is expected to be marginal on IBM.

Water

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Based on our assessment, IBM does not perceive unusual or substantive water-related impacts on our operations outside of those we plan for as part of our ongoing business and risk management processes. These processes look at business risk comprehensively including, but not limited to, those related to water use and wastewater discharges. We anticipate our management systems and business continuity process will enable our operations to anticipate and adapt to potential risks and mitigate impacts without significant disruptions to our business.

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

The nature of IBM's business does not place a high demand for or have a dependency on plastic. Most of the packaging material (by weight) used for IBM logo products is cellulose-based (e.g., timber, corrugated cardboard) and procured from suppliers that certify it is sourced from sustainably managed forests. Nonetheless, IBM has maintained a program focused on the environmental attributes of our product packaging since the late 1980s. A key priority is to design products which can be shipped with minimal packaging. Whenever possible, we choose packaging materials that have less adverse impact on the environment and collaborate with suppliers to use recycled and recyclable materials and to promote reuse. We have established goals to eliminate nonessential plastic from packaging of IBM logo hardware, and eliminate nonessential, single-use plastic items from IBM-managed cafeteria operations globally. To reduce the environmental impacts of our product packaging, IBM set a goal in 2021 to eliminate nonessential plastic packaging from IBM logo hardware products by year-end 2024, and have made great progress towards that goal, including elimination of several tens of millions metric tonnes of virgin packaging and packaging waste. For essential plastic packaging, our goal is to ensure such packaging is designed to be 100% reusable, recyclable, or compostable, or incorporates 30% or more recycled content where technically feasible. As of year-end 2023, we eliminated all nonessential, single-use plastic items at 58 of the 60 IBM-managed cafeteria operations worldwide. We believe our overall focus is appropriate and commensurate with our impact and opportunities.
[Fixed row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
	Select from: ☑ No	*IBM was not subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations in 2023.*

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☑ No, and we do not anticipate being regulated in the next three years

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.8) Organization specific description

Sustainability Strategy, Data and Reporting: With deep industry expertise, an ecosystem of partnerships and proven co-creation methods, IBM Consulting guides clients' sustainable transformation journeys using a comprehensive approach that integrates sustainability and business objectives. Strategic advisory services and the IBM Garage method help clients transition swiftly from vision and goals to successful execution of impactful, ethical innovations at scale in order to achieve their business and sustainability objectives and meet regulatory requirements. IBM offers industry-leading, AI-enabled solutions including the IBM Envizi ESG Suite, OpenPages and Planning Analytics, which all help clients reduce the cost, time, and burden of ESG reporting and data management. Our assessments are solely intended to reflect priority ESG issues and should not be construed as a characterization regarding the materiality of such information to IBM's business or operating results. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial reporting.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

IBM does not disclose this information. Please refer to our 10-K for further descriptions of our business and additional financial information including profit margins.

(3.6.1.26) Strategy to realize opportunity

A case study demonstrating the value that IBM Consulting's sustainability services provided to our client Hera SpA can be found here: https://www.ibm.com/case-studies/hera-spa A case study demonstrating the value that IBM Sustainability Software solutions provide to our client BanFast Förvaltning AB can be found here: https://www.ibm.com/case-studies/banfast-forvaltning

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp11

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Reduced water usage and consumption

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.8) Organization specific description

Water Conservation: Our first water conservation goal was established in 2000 and has evolved over time as IBM has transformed from a vertically integrated manufacturing company to a hybrid cloud and AI company. IBM's operations are not generally water intensive. Our water conservation goal to achieve YtY reductions in water withdrawals at larger IBM locations in water-stressed regions prioritizes efforts to reduce water use where it will have the greatest potential environmental impact. The locations subject to IBM's water goal are located in water-stressed regions as identified by the World Resources Institute's Aqueduct Water Risk Atlas tool which highlights, among other parameters, places around the globe located in regions of "high" to "extremely high" baseline water stress. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial reporting.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.25) Explanation of cost calculation

The costs to execute our water conservation programs and strategy are embedded in IBM's current operational structure.

(3.6.1.26) Strategy to realize opportunity

In 2023, our conservation efforts consisted of replacing irrigated turf areas with native drought resistant plants, expanding water system leak detection and repair programs at our locations, upgrading humidifier equipment, and installing waterless urinals and faucet aerators in washrooms. To help us identify additional opportunities for conservation and to enable more accurate measures of water use, we continued to install water meters in campuses and multi-tenant buildings.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp5

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.8) Organization specific description

Sustainable Supply Chains and Circularity: IBM helps clients design, build and run more sustainable, resilient, and equitable supply chains by leveraging responsible sourcing and transparent operations. Our technology and expertise optimize workflows to hyper-automate decision making, cut cost and accelerate profit by introducing AI, blockchain and integration capabilities into your supply chain ecosystem. Our Engineering Lifecycle Management, IBM Sterling Order and Fulfillment Suite and IBM Sterling Supply Chain Intelligence provide supply chain resiliency and transparency with an accelerated time to value through actionable insights. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial reporting.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

IBM does not disclose this information. Please refer to our 10-K for further descriptions of our business and additional financial information including profit margins.

(3.6.1.26) Strategy to realize opportunity

A case study demonstrating the value that IBM Sustainability Software solutions provide to our client Antonello Produce can be found here: https://www.ibm.com/case-studies/antonello-produce A case study demonstrating the value that IBM Sustainability Software solutions provide to our client Pietro Coricelli can be found here: https://www.ibm.com/case-studies/coricelli-italian-partners

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp6

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Increased efficiency of production and/or distribution processes

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.8) Organization specific description

Energy Conservation: During 2023, we implemented 675 energy conservation projects across more than 130 locations globally, avoiding an estimated 95,000 MWh of energy consumption and 33,000 mtCO2e emissions, thereby saving approximately 11 million. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial reporting.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

During 2023, we implemented 675 energy conservation projects across more than 130 locations globally, avoiding an estimated 95,000 MWh of energy consumption and 33,000 mtCO2e emissions, thereby saving approximately 11 million. Since 1990, we have conserved an estimated 10.1 million MWh of energy consumption — equivalent to more than four times our current annual energy consumption— saving an estimated 691 million and avoiding an estimated 4.66 million mtCO2e emissions.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

11000000

(3.6.1.23) Explanation of financial effect figures

In measuring performance against IBM's energy conservation goal, we only include the first year's savings from projects. Accordingly, IBM's total energy savings and GHG emissions avoidance from these projects are greater than the simple summation of the annual results. We do not include reductions in energy consumption resulting from downsizings, the sale of operations or cost-avoidance actions, such as fuel switching and off-peak load shifting, in our energy conservation results.

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

IBM does not disclose this information. Please refer to our 10-K for further descriptions of our business and additional financial information.

(3.6.1.26) Strategy to realize opportunity

In 2021, we established a goal to implement a minimum of 3,000 energy conservation projects to avoid the consumption of 275,000 MWh of energy from 2021 to 2025. As of year-end 2023, we completed 2,130 energy conservation projects towards our 2025 goal, avoiding an estimated 256,000 MWh of energy consumption. Since 1990, we have conserved an estimated 10.1 million MWh of energy consumption —equivalent to more than four times our current annual energy consumption— saving an estimated 691 million and avoiding an estimated 4.66 million mtCO2e emissions. More than 58% of energy conservation savings were due to upgrades in IT equipment at our data centers, most of which now incorporate hot/cold aisle containment. We also continued to execute projects aimed at enhancing the energy efficiency of both cooling and IT equipment, retrofitting lighting systems and optimizing the operational efficiency in our data center facilities. For

our other infrastructure buildings, additional savings were generated through strategic adjustments to lighting levels, temperature, and other building systems to avoid unnecessary energy consumption as we continue to adapt to new levels of onsite working.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp7

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.8) Organization specific description

Responsible Computing and Green IT: Through energy efficient data centers, compute and storage platforms, emissions observability and planning tools, and consulting services, IBM helps clients modernize their IT and embed more responsible and sustainable strategies across the IT landscape to achieve their goals. Clients can design, deploy, manage and optimize energy efficient infrastructures with a hybrid cloud approach using IBM LinuxONE, IBM z16, IBM Power, IBM Storage, IBM Turbonomic, Apptio and IBM Cloud. Organizations are seeing benefits from using AI to automate IT, business or network processes, including cost savings and efficiencies. Artificial Intelligent Units (AIUs) and system-on-chips dedicated to AI can save energy and increase speed. IBM Global Asset Recovery Services (GARS) can support end-of-life hardware refurbishment, remanufacturing, and recycling. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial reporting.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

IBM does not disclose this information. Please refer to our 10-K for further descriptions of our business and additional financial information including profit margins.

(3.6.1.26) Strategy to realize opportunity

A case study demonstrating the value that IBM Infrastructure's sustainability solutions provided to our client Norsk helsenett SF can be found here: https://www.ibm.com/case-studies/norsk-helsenett A case study demonstrating the value that IBM Infrastructure's sustainability solutions provided to our client Coop Group can be found here: https://www.ibm.com/case-studies/coop-group-sustainable-business A case study demonstrating the value that IBM Sustainability Software solutions provided to our flagship cloud data center, IBM Hursely, can be found here: https://www.ibm.com/case-studies/ibm-hursley

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp9

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.8) Organization specific description

Energy Transition and Climate Resilience: Transitioning to renewable energy sources increases supply and demand complexity. Weather events impact energy availability and the infrastructure stability essential to meeting demands. Data and AI are key to transforming the increasingly distributed and complex electricity grids utility providers will need. IBM Consulting's Energy Transition Services leverages AI, IoT and blockchain to support new energy marketplaces, enable more efficient and reliable utility operations and create more resilient, long-lasting physical infrastructure. IBM Maximo helps manage and maintain widely dispersed energy infrastructure assets to optimize power generation, distribution and workforces while the IBM Environmental intelligence Suite provides insights to help build resilience to climate impacts. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial reporting.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

IBM does not disclose this information. Please refer to our 10-K for further descriptions of our business and additional financial information including profit margins.

(3.6.1.26) Strategy to realize opportunity

A case study demonstrating the value that IBM Consulting's sustainability services provided to our client Neste can be found here: https://www.ibm.com/case-studies/neste A case study demonstrating the value that IBM Sustainability Software solutions provide to our client ABO Wind can be found here: https://www.ibm.com/case-studies/abo-wind

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp10

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.8) Organization specific description

Intelligent Assets, Facilities, and Infrastructure: IBM helps clients build more efficient physical operations to increase productivity, advance decarbonization and reduce cost, waste and emissions. IBM's AI-powered asset lifecycle management solutions help clients respond to new requirements by embedding sustainable practices into their daily operations through their assets, facilities and infrastructure. Maximo and TRIRIGA application suites and IBM Consulting expertise enable clients to reduce downtime and extend asset life, improve asset performance and reliability, optimize facility and space utilization and maximize technician productivity to help them build a more reliable and sustainable future. These assessments are not a determination of "materiality" as the term is defined in securities or other laws of the United States or other jurisdictions, nor its use in the context of financial reporting.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

IBM does not disclose this information. Please refer to our 10-K for further descriptions of our business and additional financial information including profit margins.

(3.6.1.26) Strategy to realize opportunity

A case study demonstrating the value that IBM Sustainability Software solutions provide to our client King Abdullah Financial District can be found here: https://www.ibm.com/case-studies/king-abdullah-financial-district-development-and-management-company A case study demonstrating the value that IBM Sustainability Software solutions provide to our client Transport for London can be found here https://www.ibm.com/case-studies/transport-for-london [Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ No

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Director on board

☑ Chief Executive Officer (CEO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Monitoring progress towards corporate targets

☑ Overseeing and guiding public policy engagement

☑ Overseeing and guiding public policy engagement

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Overseeing reporting, audit, and verification processes

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Monitoring compliance with corporate policies and/or commitments

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The Board and its committees have oversight responsibility for ESG-related matters and are continuously engaged with senior management on risk management and activities, policies, and progress on these matters. The Directors and Corporate Governance Committee: Oversees policies and practices related to corporate social responsibility, sustainability and other environmental, social and governance matters. IBM senior management assesses the significance of environmental and climate-related risks. In addition, they manage these risks and provide regular updates to the Board and Directors and Corporate Governance Committee. IBM has established objectives and targets for energy conservation, procurement of renewable energy, carbon dioxide (CO2) emissions reduction and other key environmental performance indicators. Performance against these objectives and targets is routinely monitored, and results are reviewed annually by the Board's Directors and Corporate Governance Committee. The Executive Compensation and Management Resources Committee: Oversees IBM's compensation programs.

The Audit Committee: Oversees internal controls regarding publicly reported environment, social and governance data, as well as compliance with legal and regulatory requirements.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Director on board

☑ Chief Executive Officer (CEO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Monitoring progress towards corporate targets

☑ Overseeing and guiding public policy engagement

☑ Overseeing and guiding public policy engagement

☑ Approving and/or overseeing employee incentives
☑ Overseeing and guiding major capital expenditures
☑ Overseeing reporting, audit, and verification processes
☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures
☑ Monitoring compliance with corporate policies and/or commitments
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The Board and its committees have oversight responsibility for ESG-related matters and are continuously engaged with senior management on risk management and activities, policies, and progress on these matters. The Directors and Corporate Governance Committee: Oversees policies and practices related to corporate social responsibility, sustainability and other environmental, social and governance matters. The Executive Compensation and Management Resources Committee: Oversees IBM's compensation programs. The Audit Committee: Oversees internal controls regarding publicly reported environment, social and governance data, as well as compliance with legal and regulatory requirements.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply
☑ Board chair
☑ Director on board
☑ Chief Executive Officer (CEO)
☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:
☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Monitoring progress towards corporate targets

☑ Overseeing and guiding public policy engagement

☑ Overseeing and guiding public policy engagement

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Overseeing reporting, audit, and verification processes

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Monitoring compliance with corporate policies and/or commitments

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The Board and its committees have oversight responsibility for ESG-related matters and are continuously engaged with senior management on risk management and activities, policies, and progress on these matters. The Directors and Corporate Governance Committee: Oversees policies and practices related to corporate social responsibility, sustainability and other environmental, social and governance matters. The Executive Compensation and Management Resources Committee: Oversees IBM's compensation programs. The Audit Committee: Oversees internal controls regarding publicly reported environment, social and governance data, as well as compliance with legal and regulatory requirements.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes

	Management-level responsibility for this environmental issue
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

☑ Implementing the business strategy related to environmental issues

☑ Managing environmental reporting, audit, and verification processes

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify **:**IBM's CSO directly reports to the Board of Directors on at least an annual basis on IBM's sustainability performance and is part of the CEO reporting line.

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Annually

(4.3.1.6) Please explain

Reviewing/guiding strategy, major action plans, risk management policies, annual budgets/business plans, and major capital expenditures. Setting/monitoring performance objectives, participating in acquisitions & divestitures activities

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Setting corporate environmental targets

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify **:**IBM's CSO directly reports to the Board of Directors on at least an annual basis on IBM's sustainability performance and is part of the CEO reporting line.

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Annually

(4.3.1.6) Please explain

IBM's environmental performance highlights are provided to IBM's specified executives, our VP of Environmental, Energy and Chemical Management Programs (EECMP), Corporate Sustainability Office, and the Chief Sustainability Officer (CSO), on a monthly basis. IBM conducts an annual review of our global EMS with both the VP EECMP and the CSO. IBM's CSO updates the Directors and Governance Committee of IBM's Board of Directors annually on our environmental programs and performance, challenges and emerging issues. As IBM's top environmental executive, the CSO is authorized with the responsibility for defining IBM's environmental strategy and setting requirements and goals with collaboration and oversight of IBM's ESG Steering Committee. These two executives lead the staff in developing and maintaining IBM's environmental corporate directives, internal standards and other guidance documents to support implementation of our environmental policy, and achievement of intended outcomes of IBM's global EMS. Business organization executives are responsible for implementation within their operations.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Sustainability Officer (CSO)

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Business unit manager

(4.3.1.2) Environmental responsibilities of this position

Strategy and financial planning

☑ Managing annual budgets related to environmental issues

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Sustainability Officer (CSO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Not reported to the board

(4.3.1.6) Please explain

The Business Unit leads are responsible for implementation of initiatives to achieve IBM's corporate sustainability goals

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Environmental, Social, Governance committee

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify **:**Members have various reporting lines. All members are listed in our Impact Report.

(4.3.1.6) Please explain

The ESG Executive Steering Committee provides leadership and direction on key corporate responsibility issues and organization-wide goals. It meets monthly, chaired by the Vice President, Corporate Social Responsibility & Chief Impact Officer, and includes senior executives from functional areas across the company. Each functional area is responsible for developing its specific goals and strategies.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.3) Please explain

Management and technical leaders with significant responsibilities for achieving climate-related goals are accessed annually versus performance criteria specific to their defined responsibilities. Performance against these assigned responsibilities is considered in determining salary and applicable annual incentives.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.3) Please explain

Management and technical leaders with significant responsibilities for achieving water-related goals are accessed annually versus performance criteria specific to their defined responsibilities. Performance against these assigned responsibilities is considered in determining salary and applicable annual incentives.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Other senior-mid manager, please specify **:**Executives, Business Unit managers, Energy Manager, Env. Sustainability Manager, Facilities Management, Process Operations Manager, Chief Sustainability Office staff, and relevant managers

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Salary increase

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

Policies and commitments

☑ Increased supplier compliance with environmental requirements

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Management and technical leaders with significant responsibilities for achieving climate-related goals are accessed annually versus performance criteria specific to their defined responsibilities. Performance against these assigned responsibilities is considered in determining salary and applicable annual incentives. Employees are evaluated versus these responsibilities throughout the year using the formal Human Resources process through which employees document their business goals and receive feedback and assessments on their performance from their managers. The assessments are considered in IBM's employee compensation program to

determine annual salary increases and bonus pay. Employees may also be rewarded for their differentiated performance under various cash and equity awards programs. There are also incentives for employees whose research and development in climate-related innovations result in patents products and solutions.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

These IBM employees have responsibility for defining strategies and executing actions and projects for the attainment of IBM's energy and GHG emissions reduction goals.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Salary increase

(4.5.1.3) Performance metrics

Resource use and efficiency

☑ Reduction of water withdrawals – direct operations

☑ Improvements in water efficiency – direct operations

☑ Improvements in water efficiency – upstream value chain (excluding direct operations)

☑ Improvements in water efficiency – downstream value chain (excluding direct operations)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Management and technical leaders with significant responsibilities for achieving water-related goals are accessed annually versus performance criteria specific to their defined responsibilities. Performance against these assigned responsibilities is considered in determining salary and applicable annual incentives. Employees are evaluated versus these responsibilities throughout the year using the formal Human Resources process through which employees document their business goals and receive feedback and assessments on their performance from their managers. The assessments are considered in IBM's employee compensation program to determine annual salary increases and bonus pay. Employees may also be rewarded for their differentiated performance under various cash and equity awards programs. There are also incentives for employees whose research and development in climate-related innovations result in patents products and solutions.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Chief Sustainability Officer, is the top environmental executive at IBM. This person is authorized to set IBM's strategy for environmental affairs and to establish the company's environmental requirements, goals, and management system with collaboration and oversight with the ESG Steering Committee to drive consistent execution across IBM's global operations and achieve results consistent with environmental leadership.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Salary increase

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Management and technical leaders with significant responsibilities for achieving climate-related goals are accessed annually versus performance criteria specific to their defined responsibilities. Performance against these assigned responsibilities is considered in determining salary and applicable annual incentives. Employees are evaluated versus these responsibilities throughout the year using the formal Human Resources process through which employees document their business goals and receive feedback and assessments on their performance from their managers. The assessments are considered in IBM's employee compensation program to determine annual salary increases and bonus pay. Employees may also be rewarded for their differentiated performance under various cash and equity awards programs. There are also incentives for employees whose research and development in climate-related innovations result in patents products and solutions.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Chief Sustainability Officer, is the top environmental executive at IBM. This person is authorized to set IBM's strategy for environmental affairs, including matters related to climate change, and to establish the company's environmental requirements, goals, and management system to drive consistent execution across IBM's global operations and achieve results consistent with environmental leadership.

Water

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Other senior-mid manager, please specify **:**Environmental Sustainability Manager, Facilities Management, Process Operations Manager, Chief Sustainability Office staff, and relevant managers

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Salary increase

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Resource use and efficiency

☑ Reduction of water withdrawals – direct operations

☑ Improvements in water efficiency – direct operations

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Management and technical leaders with significant responsibilities for achieving water-related goals are accessed annually versus performance criteria specific to their defined responsibilities. Performance against these assigned responsibilities is considered in determining salary and applicable annual incentives. Employees are evaluated versus these responsibilities throughout the year using the formal Human Resources process through which employees document their business goals and receive feedback and assessments on their performance from their managers. The assessments are considered in IBM's employee compensation program to determine annual salary increases and bonus pay. Employees may also be rewarded for their differentiated performance under various cash and equity awards programs. There are also incentives for employees whose research and development in climate-related innovations result in patents products and solutions.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

These IBM employees have responsibility for defining strategies and executing actions and projects for the attainment of IBM's water-related goal.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change
☑ Water
☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:
☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply
☑ Direct operations
☑ Upstream value chain
☑ Downstream value chain
☑ Portfolio

(4.6.1.4) Explain the coverage

Every employee and every contractor on IBM premises is expected to follow IBM's Corporate Environmental policy and to report any environmental, health, or safety concern to IBM management. Managers are expected to take prompt action.

(4.6.1.5) Environmental policy content

Environmental commitments
☑ Commitment to a circular economy strategy
☑ Commitment to stakeholder engagement and capacity building on environmental issues
☑ Commitment to respect legally designated protected areas
☑ Commitment to comply with regulations and mandatory standards
☑ Commitment to take environmental action beyond regulatory compliance
☑ Commitment to avoidance of negative impacts on threatened and protected species

Water-specific commitments
☑ Commitment to control/reduce/eliminate water pollution

☑ Commitment to the conservation of freshwater ecosystems

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ No, and we do not plan to align in the next two years

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

IBM Corporate Environmental Policy.pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ Terra Carta

☑ The Climate Pledge

☑ Other, please specify **:**Business and industry partnerships and initiatives can be found here: https://www.ibm.com/about/environment/engagement

(4.10.3) Describe your organization’s role within each framework or initiative

IBM was awarded the Terra Carta Seal in 2021 as recognition for being an organization that has made a serious commitment to a future that is much more sustainable, and puts Nature, People and the Planet at the heart of the economy. IBM is a signatory to the Climate Pledge which requires participating companies to 1) Measure and report greenhouse gas emissions on a regular basis; 2) Implement decarbonization strategies in line with the Paris Agreement through business change and innovations, including efficiency improvements, renewable energy, materials reductions, and other carbon emission elimination strategies; and 3) Neutralize any remaining emissions with additional, quantifiable, real, permanent, and socially beneficial offsets to achieve net-zero annual carbon emissions by 2040.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

(4.11.4) Attach commitment or position statement

Energy and climate _ IBM.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ Unknown

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

IBM's core values include a commitment to trust and personal responsibility and a pursuit of innovation that matters to our company and the world. Consistent with these principles, IBM is committed to leading on public policy issues that are relevant to IBM and the world. IBM Government and Regulatory Affairs (GRA) provides worldwide leadership and expertise in advocating and advancing the public policy interests of IBM, its shareholders and employees with governments. IBM also is committed to meaningful management, oversight, and accurate reporting with respect to our engagement with government officials, and we consistently seek to provide our stockholders with relevant data regarding our public policy engagement. More information on our philosophy and governance can be found here: https://www.ibm.com/policy/philosophy-and-governance-new/
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

☑ Carbon taxes

☑ Subsidies for low-carbon, non-renewable energy projects

☑ Subsidies on products or services

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ Global

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Ad-hoc meetings

☑ Discussion in public forums

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ BusinessEurope

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Mixed

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, and they have changed their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The positions of specific trade associations of interest to CDP and others vary and can be found on their respective websites. IBM sets and communicates its own positions on climate protection. Trade associations of which we are members serve their members across a broad spectrum of issues and as such develop positions that reflect the collective views of their members. IBM has and continues to make our position regarding climate change clear to the public and to the trade associations in which we participate and their members. We exercise these privileges across all levels of participation from executive level to working group discussions. Importantly, IBM's position of climate change is clear. IBM first published its position on climate change in 2007 and our commitment remains steadfast today: Relevant sources: https://www.ibm.com/ibm/environment/climate/position.shtml https://www.ibm.com/blogs/policy/climate-change/

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

North America

☑ US Chamber of Commerce

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Mixed

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, and they have changed their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The positions of specific trade associations of interest to CDP and others vary and can be found on their respective websites. IBM sets and communicates its own positions on climate protection. Trade associations of which we are members serve their members across a broad spectrum of issues and as such develop positions that reflect the collective views of their members. IBM has and continues to make our position regarding climate change clear to the public and to the trade associations in which we participate and their members. We exercise these privileges across all levels of participation from executive level to working group discussions. Importantly, IBM's position of climate change is clear. IBM first published its position on climate change in 2007 and our commitment remains steadfast today: Relevant sources: https://www.ibm.com/ibm/environment/climate/position.shtml https://www.ibm.com/blogs/policy/climate-change/

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

☑ Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

Climate Leadership Council

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

NA

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In other regulatory filings

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Governance
☑ Emission targets
☑ Emissions figures
☑ Risks & Opportunities
☑ Value chain engagement
☑ Content of environmental policies

(4.12.1.6) Page/section reference

pg 25, 29-30

(4.12.1.7) Attach the relevant publication

IBM_Proxy_2024.pdf

(4.12.1.8) Comment

NA

Row 2

(4.12.1.1) Publication

Select from:

☑ In voluntary communications

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Water
☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:
☑ Complete

(4.12.1.5) Content elements

Select all that apply
☑ Governance
☑ Emission targets
☑ Emissions figures
☑ Risks & Opportunities
☑ Value chain engagement
☑ Content of environmental policies

(4.12.1.6) Page/section reference

https://www.ibm.com/about/environment

(4.12.1.7) Attach the relevant publication

Energy and climate _ IBM.pdf

(4.12.1.8) Comment

Note the attached file includes 1 page from IBM's Environmental website. Extensive information on our programs can be found here: https://www.ibm.com/about/environment

Row 3

(4.12.1.1) Publication

Select from:

☑ In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Value chain engagement

☑ Content of environmental policies

(4.12.1.6) Page/section reference

Environmental Impact

(4.12.1.7) Attach the relevant publication

2023 ESG REPORT.pdf

(4.12.1.8) Comment

NA

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☑ No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☑ Not an immediate strategic priority

(5.1.4) Explain why your organization has not used scenario analysis

IBM considers risks as identified by the Task Force on Climate-related Financial Disclosures (TCFD) in its risk management process. While we have qualitatively assessed physical and transition risks based on various climate scenarios, we have not undertaken a detailed scenario analysis for all risk types. However, we continue to look into methods to improve our risk analysis processes and are considering implementing more robust climate-related scenario analysis for some types of risks.

Water

(5.1.1) Use of scenario analysis

Select from:

☑ No, and we do not plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☑ Judged to be unimportant or not relevant

(5.1.4) Explain why your organization has not used scenario analysis

IBM has established a water conservation goal applicable to specified IBM locations in high or extremely high water stressed regions and has established other general requirements for water management. We believe our program and goal are effective and appropriate for IBM given the nature of IBM's business, focusing on AI and hybrid cloud.
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:
☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:
☑ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:
☑ No, and we do not plan to add an explicit commitment within the next two years

(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

IBM recognizes that fossil fuels are still a key part of the energy mix for most areas and that continued support for fossil fuel activities will be required in the near term.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

IBM has regular and comprehensive engagement with IBM employees, clients, and investors through which we discuss IBM's energy and climate programs, goals and performance. Examples of the respective mechanisms by which we receive feedback from these entities on our energy and climate program and goals include through IBM EcoTeams, our processes for responding to client inquiries, our regular updates with investors, and our annual shareholder meeting and financial reporting.

(5.2.9) Frequency of feedback collection

Select from:

☑ More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

Success will depend on our continued ability to identify and implement conservation practices availability of renewable energy, and longer term availability of technology solutions to remove carbon from atmosphere to negate any residual emissions as we approach 2030.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

During 2023, we implemented 675 energy conservation projects across more than 130 locations globally, avoiding an estimated 95,000 MWh of energy consumption and 33,000 mtCO2e emissions, thereby saving approximately 11 million. Improved weighted average Power Usage Effectiveness (PUE) of our data centers to 1.46, an improvement of 16.4% in cooling efficiency when compared to our baseline of 1.55 in 2019. Increased our renewable electricity consumption to approximately 1,322,000 MWh in 2023, representing 70.6% of our total electricity consumption, up from 65.9% in 2022. That includes 56.6% contracted directly from power suppliers or obtained via landlords, and 14.0% already in the electricity mix we received from the grid. Reduced IBM's operational GHG emissions 68.5% against base year 2010, adjusted for acquisitions and divestitures, meeting our 2025 goal two years early.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

2023 ESG REPORT.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ No other environmental issue considered

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Increasing focus on energy efficiency and regulations with energy efficiency requirements and GHG emissions restrictions are generating additional drivers and opportunities for developing new IBM products and offerings that are responsive to capturing the greater demand for efficiency, renewable energy, and climate protection management solutions. For example: 1. Our product development teams continually increase their focus on providing server, storage and software management systems that increase IT equipment utilization to deliver more work per unit of energy consumed and to do more work with less equipment. 2. Our data center teams are leveraging technology refresh cycles to introduce more efficient technologies from IBM and OEMs to improve the overall efficiency of the data center. 3. Our software business is applying cognitive and AI technologies to drive greater operational efficiency in many aspects of our client's business. Our consulting services are experiencing continued demands for sustainability-related services. IBM offers dedicated and adjacent software and services in the area of sustainability, including those related to energy, climate, supply chain, automation, optimization, etc.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

IBM procures many hardware parts, components and products from third parties and incorporates them into our technologies and solutions. Some of the procured hardware are or may be regulated by energy efficiency requirements that are not harmonized across jurisdictions. This has added complexity to our product design process and required greater resources to addressing these requirements. That said, our longstanding processes and underlying management systems enable us to ensure compliance with applicable requirements without undue burden on our resources or impact to our ability to bring products to market.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

IBM implements ongoing and effective business processes to identify, analyze, and realize emerging business opportunities which can be harnessed with IBM's range of expertise and offerings to solve challenges related with climate change. This has informed and directed our research focus over the years to create and incubate solutions across a wide range of areas for delivering a positive contributions to addressing climate change. We anticipate the magnitude of impact to be moderate. Examples of focus areas include research that addresses climate related issues through increasing the workload delivered or data stored per unit of energy consumed of IBM's IT products and data center; to develop solutions for clients in the areas of energy storage; renewable electricity forecasting and deployment; blockchain applications that enable tracking and assigning energy generation attributes; process optimization; architecting, organizing and efficient querying of large scale geospatial aimed to effectively deliver insights; and applying AI to accelerate materials discovery to enable more effective carbon capture to provide just a few examples.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

We have considered various drivers including, (1) increase of energy prices in the market which can be driven by price on carbon, renewable portfolio standards, and incentives for renewable generation imposed by regulation, (2) building and operational energy efficiency requirements, (3) client interest in energy efficient data center operations toward continually enhancing our longstanding focus on energy efficiency and conservation. The impact of magnitude is low but can become moderate in times of high energy cost. IBM continues to invest millions in CapEx and OpEx each year to improve energy efficiency of our operations, including improving and integrating controls systems in our buildings and data center operations to reduce energy use, and consolidating IT equipment in data centers to deliver more work per unit of energy consumed in connection with IBM's and client's operations. The main drivers for these investments are the economic benefit of using less energy and achieving our goals to reduce our operational GHG emissions.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues

(5.3.2.2) Effect type

Select all that apply

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

We do not expect climate change or compliance with environmental laws and regulations focused on climate change to have a disproportionate effect on the company or its results of operations, including revenues. As sustainability, inclusive of climate change, becomes more of a priority, companies need digital technologies to create a baseline, analyze data and improve the way they operate. We have been building a portfolio of solutions to help companies make progress on this journey, which includes our sustainability solutions software and consulting services. IBM sustainability solutions software brings, under one portfolio, a range of products and technologies from climate risk management and analytics enabled decision making capabilities to asset management, from operational efficiency to supply chain management, and more. IBM Consulting also offers a full suite of services from strategic planning to risk assessment, from emissions inventory, goal setting to mitigating and more. These offerings directly and meaningfully contribute to IBM's overall revenue.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Direct costs

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Changes in energy costs driven by the movement towards more renewables in the grid mix and renewable portfolio standards or equivalent programs that require REC purchases at elevated prices represent a cost impact. While wholesale prices for renewables have come down over time, the retail cost of electricity at the meter reflecting the total cost of integrating renewables with reliable power needed to operate our data centers at five 9's reliability levels, continues to increase in many markets. We plan for these changing energy prices, which are driven by a range of factors. For example, we are working with our utility suppliers in regulated markets and energy retailers in unregulated markets to develop contracts for reliable power supplied with a high percentage of renewable generating assets at a competitive cost.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Not impacted - IBM has a long-standing energy conservation program which operates within IBM's business process governing approvals of capital investments. Energy efficiency and conservation projects are assessed on their benefits to the business and compete on equal footing with business investments in other areas for capital allocation. We take this approach with the belief that investments can only be sustained when we apply rigor and objectivity in selecting projects. A testament to the effectiveness of this process is IBM's long history of energy conservation which has avoided an average of 2.9% of annual energy consumption over the past 5 years (2018-2022). Savings from energy conservation contribute to reducing operating costs and offsetting energy cost increases where they occur.

Row 4

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Not impacted - IBM's acquisition and divestiture strategy is driven by business strategy. Climate change is not a separate consideration in these activities given the nature of IBM's business.

Row 5

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Access to capital

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

We do not expect climate change or compliance with environmental laws and regulations focused on climate change to have a disproportionate effect on the company, its financial position, results of operations, or access to capital.

Row 6

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Assets

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

We do not expect climate change or compliance with environmental laws and regulations focused on climate change to have a disproportionate effect on the company or its financial position, including total assets.

Row 7

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Liabilities

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Not impacted - There are no identified liabilities that are purely contingent on climate change issues
[Add row]

(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
	Select from: ☑ No, but we plan to in the next two years

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

(5.10.1) Use of internal pricing of environmental externalities

Select from:

☑ No, and we do not plan to in the next two years

(5.10.3) Primary reason for not pricing environmental externalities

Select from:

☑ Not an immediate strategic priority

(5.10.4) Explain why your organization does not price environmental externalities

To date, IBM has been able to adequately fund strategic activities necessary to meet our climate and water objectives without putting a price on environmental externalities.
[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water ☑ Plastics
Customers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water ☑ Plastics
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water ☑ Plastics
Other value chain stakeholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water ☑ Plastics

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

☑ Other, please specify **:**RBA Code of Conduct, Environmental Management System, Goals and reporting on energy, GHG emissions, and waste

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

All IBM Global Procurement suppliers are required to adhere to requirements of the RBA code of conduct, implement an environmental management system, and report publicly on energy management, GHG emissions, and waste management. Suppliers are assessed at onboarding and each year, a subset of suppliers are required to undergo audits to the RBA Code of Conduct. Certain supplier data may not include certain business units or acquired or non-wholly owned subsidiaries.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ Unknown

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

Plastics

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Impact on plastic waste and pollution

☑ Other, please specify **:**Goals to eliminate nonessential, single-use plastic items from IBM-managed cafeteria operations globally by 2025; and to eliminate nonessential plastic from the packaging of IBM logo hardware by year-end 2024.

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ Unknown

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

IBM has a goal to eliminate nonessential, single-use plastic items (including cups, straws, cutlery, plates, carry bags, and food containers) from IBM-managed cafeteria operations globally by 2025; and a goal to eliminate nonessential plastic from the packaging of IBM logo hardware by year-end 2024, ensuring essential plastic packaging is designed to be 100 percent reusable, recyclable, or compostable or incorporate 30 percent or more recycled content where technically feasible.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ Unknown

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

☑ Procurement spend

(5.11.2.4) Please explain

In addition to our universal supplier expectations, we take into account procurement's spend and the business sector of the suppliers, prioritizing key suppliers in emissions intensive business sectors.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Procurement spend

(5.11.2.4) Please explain

We have universal supplier expectations for environmental issues. IBM is committed to doing business with environmentally responsible suppliers. We work with our suppliers globally to enhance their ability to manage environmental responsibilities and encourage them to report transparently on their environmental impacts.

Plastics

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to plastics

☑ Material sourcing

(5.11.2.4) Please explain

In addition to our universal supplier expectations, we engage with suppliers relevant to our goal to eliminate nonessential, single-use plastic items (including cups, straws, cutlery, plates, carry bags, and food containers) from IBM-managed cafeteria operations globally by 2025; and our goal to eliminate nonessential plastic from the packaging of IBM logo hardware by year-end 2024, ensuring essential plastic packaging is designed to be 100 percent reusable, recyclable, or compostable or incorporate 30 percent or more recycled content where technically feasible.
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

IBM is committed to doing business with environmentally responsible suppliers. We work with our suppliers globally to enhance their ability to manage environmental responsibilities and encourage them to report transparently on their environmental impacts. Information on our specific program and requirements can be found here: https://www.ibm.com/about/environment/supply-chain

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

IBM is committed to doing business with environmentally responsible suppliers. We work with our suppliers globally to enhance their ability to manage environmental responsibilities and encourage them to report transparently on their environmental impacts. Information on our specific program and requirements can be found here: https://www.ibm.com/about/environment/supply-chain
[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Environmental disclosure through a public platform

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ First-party verification

☑ Second-party verification

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Other, please specify **:**Where suppliers are not meeting IBM requirements, we work with them as appropriate to bring their programs up to IBM’s requirements. In some instances, business may be suspended.

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

All IBM Global Procurement suppliers are required to adhere to requirements of the RBA code of conduct, implement an environmental management system, and report publicly on energy management, GHG emissions, and waste management. Suppliers are assessed at onboarding and each year, a subset of suppliers are required to undergo audits to the RBA Code of Conduct. Certain supplier data may not include certain business units or acquired or non-wholly owned subsidiaries.

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Other, please specify **:**IBM requires all first-tier suppliers to maintain their own environmental management system and to adhere to the RBA Code of Conduct

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ First-party verification

☑ Second-party verification

☑ Supplier self-assessment

☑ Other, please specify **:**Contractual

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Other, please specify **:**Where suppliers are not meeting IBM requirements, we work with them as appropriate to bring their programs up to IBM's requirements. In some instances, business may be suspended.

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

All IBM Global Procurement suppliers are required to adhere to requirements of the RBA code of conduct, implement an environmental management system, and report publicly on energy management, GHG emissions, and waste management. Suppliers are assessed at onboarding and each year, a subset of suppliers are required to undergo audits to the RBA Code of Conduct. Certain supplier data may not include certain business units or acquired or non-wholly owned subsidiaries.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Implementation of emissions reduction initiatives

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ First-party verification

☑ Second-party verification

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Other, please specify **:**Where suppliers are not meeting IBM requirements, we work with them as appropriate to bring their programs up to IBM's requirements. In some instances, business may be suspended.

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

All IBM Global Procurement suppliers are required to adhere to requirements of the RBA code of conduct, implement an environmental management system, and report publicly on energy management, GHG emissions, and waste management. Suppliers are assessed at onboarding and each year, a subset of suppliers are required to undergo audits to the RBA Code of Conduct. Certain supplier data may not include certain business units or acquired or non-wholly owned subsidiaries.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Other, please specify **:**IBM requires all first-tier suppliers to maintain their own environmental management system; set goals regarding energy management, GHG emissions reduction, and waste management; and publicly disclose progress.

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ First-party verification

☑ Second-party verification

☑ Supplier self-assessment

☑ Other, please specify :Contractual

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Other, please specify :Where suppliers are not meeting IBM requirements, we work with them as appropriate to bring their programs up to IBM's requirements. In some instances, business may be suspended

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

All IBM Global Procurement suppliers are required to adhere to requirements of the RBA code of conduct, implement an environmental management system, and report publicly on energy management, GHG emissions, and waste management. Suppliers are assessed at onboarding and each year, a subset of suppliers are required to undergo audits to the RBA Code of Conduct. Certain supplier data may not include certain business units or acquired or non-wholly owned subsidiaries.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Setting a science-based emissions reduction target

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ First-party verification

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ Less than 1%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

We require key suppliers in emissions-intensive business sectors to set an emissions reduction goal, addressing their Scope 1 and Scope 2 GHG emissions, that is aligned with scientific recommendations from the UN IPCC to limit Earth's warming to 1.5 degrees Celsius above pre-industrial levels. As of year-end 2023, 98% of the key logistics, airline, hotel, production, and technology product suppliers in scope of IBM's goal demonstrated that they have set GHG emissions reduction goals. We will continue to engage with the remaining 2% of in-scope suppliers and track the status of their goal setting process through completion.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Waste and resource reduction and material circularity

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ First-party verification

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Suspend and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

In line with IBM's longstanding commitment to doing business with environmentally responsible suppliers, and as part of its global environmental management system, IBM conducts environmental evaluations of suppliers who: - Provide services on a non-IBM location with considerable environmental impacts (including but not limited to services where IBM specified chemical use, repair, and remanufacturing services); - Provide hazardous waste treatment and/or disposal services; - Recycle and/or recover end-of-life IT products; or - Provide Extended Producer Responsibility (EPR) solutions used by IBM. These suppliers are evaluated prior to entering into a contract with them, and approximately every three years thereafter, to ensure their operations and sound environmental practices continue to meet IBM's requirements. The scope of the evaluation covers: - Facility operational activities, capabilities and services; - Established and maintained environmental management system; - Permits, licenses, other applicable regulatory requirements and compliance control; and - Environmental liability and financial assurance. More information can be found here: https://www.ibm.com/about/environment/supply-chain
[Add row]

(5.11.7) Provide further details of your organization’s supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

☑ Support suppliers to set their own environmental commitments across their operations

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 100%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

To help suppliers meet our requirements, we provide and facilitate education, including online access to the RBA learning academy and IBM developed materials. We regularly update these programs to address areas where assessments have revealed needed improvement.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement :We require all IBM Global Procurement suppliers comply with IBM's Social and Environmental Management System requirements and RBA Code of Conduct requirements.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ No other supplier engagement

Plastics

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Removal of plastic from the environment

(5.11.7.3) Type and details of engagement

Capacity building

☑ Support suppliers to set their own environmental commitments across their operations

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We engage with facilities suppliers where single-use plastics are involved as well as packaging suppliers where plastic packaging is procured.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Unknown

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Information collection

☑ Collect targets information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ Less than 1%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We engage with key suppliers in emissions-intensive business sectors to set an emissions reduction goal, addressing their Scope 1 and Scope 2 GHG emissions, that is aligned with scientific recommendations from the UN IPCC to limit Earth's warming to 1.5 degrees Celsius above pre-industrial levels.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement :We require key suppliers in emissions-intensive business sectors to set an emissions reduction goal, addressing their Scope 1 and Scope 2 GHG emissions, that is aligned with scientific recommendations from the UN IPCC to limit Earth's warming to 1.5.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ No

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Waste and resource reduction and improved end-of-life management

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to mitigate environmental impact

☑ Other capacity building activity, please specify :Convene an annual Sustainability Leadership Symposium to recognize progress and achievement among suppliers in emissions-intensive business sectors across applicable areas of environmental stewardship.

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ Less than 1%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In September 2023, we held our second annual symposium with the theme of innovative approaches to waste reduction – an area that touches all businesses and is key for preventing pollution and reducing the consumption of natural resources. We had over 100 participants, including a diverse mix of suppliers such as manufacturers, logistics providers, facility service providers, hotels, and airlines. The symposium included 4 roundtable discussions addressing: (1) Driving a circular economy through procurement best practices (2) Pros, cons, and challenges of zero waste to landfill certifications (3) Strategies to minimize manufacturing waste, and (4) Tools for tracking and measuring waste.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Convene an annual Sustainability Leadership Symposium to recognize progress and achievement among suppliers in emissions-intensive business sectors across applicable areas of environmental stewardship.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ No

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information about your products and relevant certification schemes

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Answer client inquiries and provide information to clients on climate change attributes of IBM products and services

(5.11.9.6) Effect of engagement and measures of success

Increased customer satisfaction and fulfillment of client requirements

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information about your products and relevant certification schemes

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ Less than 1%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Answer client inquiries

(5.11.9.6) Effect of engagement and measures of success

Increased customer satisfaction and fulfillment of client requirements
[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

	Consolidation approach used	Provide the rationale for the choice of consolidation approach
Climate change	*Select from:* ☑ Operational control	*Consistent approach across all aspects*
Water	*Select from:* ☑ Operational control	*Consistent approach across all aspects*
Plastics	*Select from:* ☑ Operational control	*Consistent approach across all aspects*
Biodiversity	*Select from:* ☑ Operational control	*Consistent approach across all aspects*

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

(7.1.1.1) Has there been a structural change?

Select all that apply

☑ Yes, an acquisition

(7.1.1.2) Name of organization(s) acquired, divested from, or merged with

Various acquisitions

(7.1.1.3) Details of structural change(s), including completion dates

Various acquisitions through the year. However, none were added to 2010 baseline. Not adding to baseline, but including in current year, makes achievement of percentage reductions vs. baseline targets more difficult. See annual report, page 71 (https://www.ibm.com/annualreport/assets/downloads/IBM_Annual_Report_2023.pdf)
[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☑ Yes, a change in methodology

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

These emissions have been adjusted to remove substances that are not covered by the Kyoto Protocol, which are not classified as Scope 1 emissions according to the Greenhouse Gas Protocol.
[Fixed row]

(7.1.3) Have your organization’s base year emissions and past years’ emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☑ Scope 1

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

IBM will change the baseline year if there are significant changes to the methodology or covered scope. In most circumstances, acquisitions are not added to the baseline due to a lack of verified data for the baseline year. This conservative approach makes achieving reduction targets more difficult as the acquisition is added to the current year values (numerator) but not in the denominator, making a percent reduction more challenging. Divestitures, if significant, are removed from the baseline.

(7.1.3.4) Past years’ recalculation

Select from:

☑ Yes

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ ISO 14064-1

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

☑ The Greenhouse Gas Protocol: Scope 2 Guidance

(7.3) Describe your organization’s approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

☑ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

☑ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

IBM's market based emissions are emissions from IBM’s use of electricity, cooling, heat and steam at IBM-managed locations, accounting for our purchases of renewable electricity.

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

122000

(7.5.3) Methodological details

Used GHG Protocol and ISO 14064-1

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

1034000

(7.5.3) Methodological details

Used GHG Protocol and ISO 14064-1

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

251000

(7.5.3) Methodological details

This value is provided as a reference to show progress towards our stated goals. The baseline value used in our goal calculation is zero because IBM is using a 2010 baseline year, in line with IPCC guidance on 1.5ºC, and IBM did not have cloud operations in 2010. Reporting current values for this category against the 2010 baseline value of zero only makes it more challenging for IBM to reach our stated reduction goals; however, despite that challenge, we were still able to achieve our operational GHG emissions reduction goal (65% by 2025), adjusted for acquisitions and divestitures, two years early (68.5% in 2023).

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

393000

(7.5.3) Methodological details

This value is provided as a reference to show progress. This value is not included in our targets as our stated goals cover our operational emissions (Scope 1 and Scope 2 emissions, as well as Scope 3 emissions associated with IBM's electricity consumption at co-location data centers). These emissions are associated to business air travel on commercial carriers and car rentals. Business travel is a necessary and important part of ensuring that IBM understands our clients' needs and delivers the best client experience possible. We have worked with rental car companies to require that they offer more fuel-efficient vehicles to our employees while traveling for business. IBMers can reduce the need for travel by taking advantage of strategic collaboration and meeting tools that allow them to easily engage with clients and their colleagues to have productive meetings, without the need for travel.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

119000

(7.5.3) Methodological details

This value is provided as a reference to show progress. This value is not included in our targets as our stated goals cover our operational emissions (Scope 1 and Scope 2 emissions, as well as Scope 3 emissions associated with IBM's electricity consumption at co-location data centers). Our reported figure for employee commuting emissions only includes estimations made for our U.S. employees since this is the population for which we can make credible assumptions around their commuting behavior and we have access to reliable third-party data to estimate emissions. IBM has been active for decades in promoting programs that reduce employees' work-related commutes and associated GHG emissions. For example, many locations promote biking to work by having bicycle lockers, racks and showers available on-site. At several larger locations, IBM sponsors shuttle services to transport employees to mass transit stations and also between IBM campuses and buildings. Also, many IBM locations are within reach of the public transportation system, giving employees the choice to use more energy-efficient mass transit to commute to work. Globally, many of our locations partner with local public transit authorities to develop ride-sharing programs and negotiate subsidized transit passes for IBM employees.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

40000

(7.5.3) Methodological details

This value is provided as a reference to show progress. This value is not included in our targets as our stated goals cover our operational emissions (Scope 1 and Scope 2 emissions, as well as Scope 3 emissions associated with IBM's electricity consumption at co-location data centers). In some countries, IBM provides leased vehicles for employees that they may use for personal purposes. For these vehicles, we have set standard guidelines that require leasing of vehicles with lower emissions profiles. These guidelines enable reductions in average car emission levels as the car fleets are renewed.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

287000

(7.5.3) Methodological details

This value is provided as a reference to show progress. This value is not included in our targets as our stated goals cover our operational emissions (Scope 1 and Scope 2 emissions, as well as Scope 3 emissions associated with IBM's electricity consumption at co-location data centers). These are the emissions associated with the electricity consumption of our sold products when they are used by our clients. In estimating emissions from the use of our sold products, we only capture products sold during the reporting year and account for 12 months of estimated consumption. We use product specifications such as nameplate power, quantity of products sold every year, and we make assumptions around typical client hardware utilization rates, and use industry average Power Usage Effectiveness and global electricity GHG emission factors to estimate these emissions. We do not extrapolate this data to estimate emissions around a hypothetical lifetime of our products because that would require gross assumptions based on lifetime and specific client applications. This value has gone up due to increased sales. IBM designs its products to be energy efficient, incorporates recycled content and environmentally preferable materials, and facilitates reuse and recycling at their end of life. For more than two decades, we have maintained a goal to improve the computing power delivered for each kilowatt-hour of electricity consumed for new server products as compared to equivalent, previous-generation products with a valid upgrade path. The IBM zSystems multi-frame platform has a 27- year history of improved mainframe system capacity per kilowatt (kW), increasing the total capacity per kW by more than 100x over the last 14 generations. IBM has a long history with the U.S. EPA's ENERGY STAR program. IBM became a charter member of the EPA's ENERGY STAR Computer Program in 1992 and helped define criteria for computers and monitors. In March 2001, IBM became the first company to win an ENERGY STAR Excellence in Corporate Commitment Award recognizing IBM's overall commitment and contributions to energy conservation and efficiency across the company's operations and in the design of its products. IBM continues to certify eligible products to its criteria. In 2023, IBM had 9 enterprise Power9 and Power10 servers and 6 storage products certified to ENERGY STAR.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated as not included in baseline or target scope.
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

71000

(7.6.3) Methodological details

Emissions associated with IBMs use of fuels for building operations and transportation as well as from the use of refrigerants and chemicals with a global warming potential. As previously noted, these emissions have been adjusted to remove substances that are not covered by the Kyoto Protocol, which are not classified as Scope 1 emissions according to the Greenhouse Gas Protocol. IBM calculates its greenhouse gas (GHG) emissions according to The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and follows procedures aligned with the ISO 14064-1 standard.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

78000

(7.6.2) End date

12/31/2022

(7.6.3) Methodological details

Emissions associated with IBMs use of fuels for building operations and transportation as well as from the use of refrigerants and chemicals with a global warming potential. As previously noted, these emissions have been adjusted to remove substances that are not covered by the Kyoto Protocol, which are not classified as Scope 1 emissions according to the Greenhouse Gas Protocol. IBM calculates its greenhouse gas (GHG) emissions according to The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and follows procedures aligned with the ISO 14064-1 standard.

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

78000

(7.6.2) End date

12/31/2021

(7.6.3) Methodological details

Emissions associated with IBMs use of fuels for building operations and transportation as well as from the use of refrigerants and chemicals with a global warming potential. As previously noted, these emissions have been adjusted to remove substances that are not covered by the Kyoto Protocol, which are not classified as Scope 1 emissions according to the Greenhouse Gas Protocol. IBM calculates its greenhouse gas (GHG) emissions according to The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and follows procedures aligned with the ISO 14064-1 standard.

Past year 3

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

73000

(7.6.2) End date

12/31/2020

(7.6.3) Methodological details

Emissions associated with IBMs use of fuels for building operations and transportation as well as from the use of refrigerants and chemicals with a global warming potential. As previously noted, these emissions have been adjusted to remove substances that are not covered by the Kyoto Protocol, which are not classified as Scope 1 emissions according to the Greenhouse Gas Protocol. IBM calculates its greenhouse gas (GHG) emissions according to The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and follows procedures aligned with the ISO 14064-1 standard.

Past year 4

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

98000

(7.6.2) End date

12/31/2019

(7.6.3) Methodological details

Emissions associated with IBMs use of fuels for building operations and transportation as well as from the use of refrigerants and chemicals with a global warming potential. As previously noted, these emissions have been adjusted to remove substances that are not covered by the Kyoto Protocol, which are not classified as

Scope 1 emissions according to the Greenhouse Gas Protocol. IBM calculates its greenhouse gas (GHG) emissions according to The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and follows procedures aligned with the ISO 14064-1 standard.
[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

306000

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

150000

(7.7.4) Methodological details

Scope 2 market-based: Emissions from IBM's use of electricity, cooling, heat and steam at IBM-managed locations, accounting for our purchases of renewable electricity.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

330000

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

183000

(7.7.3) End date

12/31/2022

(7.7.4) Methodological details

Scope 2 market-based: Emissions from IBM’s use of electricity, cooling, heat and steam at IBM-managed locations, accounting for our purchases of renewable electricity.

Past year 2

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

356000

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

221000

(7.7.3) End date

12/31/2021

(7.7.4) Methodological details

Scope 2 market-based: Emissions from IBM’s use of electricity, cooling, heat and steam at IBM-managed locations, accounting for our purchases of renewable electricity.

Past year 3

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

413000

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

262000

(7.7.3) End date

12/31/2020

(7.7.4) Methodological details

Scope 2 market-based: Emissions from IBM's use of electricity, cooling, heat and steam at IBM-managed locations, accounting for our purchases of renewable electricity.

Past year 4

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

546000

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

460000

(7.7.3) End date

12/31/2019

(7.7.4) Methodological details

Scope 2 market-based: Emissions from IBM's use of electricity, cooling, heat and steam at IBM-managed locations, accounting for our purchases of renewable electricity.
[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

143000

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

These are the emissions associated with IBM's use of electricity at third-party managed (i.e., co-location) data centers. These emissions are in scope of IBM's current GHG emissions reduction goal. The emissions are calculated by multiplying the electricity consumed by IBM at these co-location data centers by the data center specific Power Usage Effectiveness (PUE) and by the specific emissions factor for that location according to the GHG Protocol Scope 2 Guidance, accounting for any use of renewable electricity if applicable. IBM includes emissions (Scope 3) associated with our electricity consumption in colocation data centers in our operational GHG emissions reduction goal and our net zero target for operational GHG emissions given that, (a) IBM has control over its electricity consumption; and (b) documented (i.e. metered) primary source data is available for the electricity IBM consumes in these spaces. Related to other Category GHG emissions not reported, IBM requires suppliers to measure performance and establish voluntary, quantifiable environmental goals in the areas of energy and greenhouse gas emissions; they must also publicly disclose results associated with these voluntary environmental goals and other environmental aspects of their operations. IBM also requires key suppliers in emissions-intensive business sectors to set an emissions reduction goal by 2022, addressing their Scope 1 and Scope 2 GHG emissions, that is aligned with scientific recommendations from the UN Intergovernmental Panel on Climate Change to limit Earth's warming to 1.5 degrees Celsius above pre-industrial levels. We continue to evolve our Scope 3 emissions reporting and are working with our Envizi team to help us report on all required scope 3 categories in the future per upcoming regulatory requirements.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

IBM requires suppliers to measure performance and establish voluntary, quantifiable environmental goals in the areas of energy and greenhouse gas emissions; they must also publicly disclose results associated with these voluntary environmental goals and other environmental aspects of their operations. IBM also requires key suppliers in emissions-intensive business sectors to set an emissions reduction goal by 2022, addressing their Scope 1 and Scope 2 GHG emissions, that is aligned with scientific recommendations from the UN Intergovernmental Panel on Climate Change to limit Earth's warming to 1.5 degrees Celsius above pre-industrial levels. We continue to evolve our Scope 3 emissions reporting and are working with our Envizi team to help us report on all required scope 3 categories in the future per upcoming regulatory requirements.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

These emissions are not relevant as these figures are generally calculated by all using the same emissions factors and are simply a function of transmission and distribution data.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

IBM's upstream suppliers manage their own logistics and shipping operations. There is a large number of suppliers and locations from which IBM sources parts and components. Also, our suppliers manage transportation and packaging of components and parts to IBM as they are doing the same for multiple customers. We influence the reduction of emissions by focusing on working with our suppliers to reduce packaging volume and weight to make shipping more efficient, through the use of packaging specifications to drive suppliers toward improving their packaging, and by reducing the use of materials, fuel and costs. We also require our suppliers to set goals to reduce their own emissions. They are most informed, empowered and responsible for their emissions. This delineation of responsibility also avoids multiple counting of the same emissions. We continue to evolve our Scope 3 emissions reporting and are working with our Envizi team to help us report on all required scope 3 categories in the future per upcoming regulatory requirements.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Since 1988, IBM has maintained a goal for recycling of non-hazardous wastes generated in its operations. IBM focuses its efforts on making its operations more efficient to reduce waste generation and increase recycling. These efforts deliver demonstrable emissions reductions. Please see the discussion under the Pollution Prevention and Waste Management section of the IBM Impact Report for reference. IBM manages our waste with goals for a) diverting 90% (by weight) of IBM's total nonhazardous waste from landfill and incineration by 2025 through reuse, recycling, composting, and waste- to-energy processes. Use waste-to-energy processes for no more than 10% (by weight) of the diverted waste, while b) Sending no more than 3% (by weight) of end-of-life product waste to landfill or to incineration for treatment. Recycle or reuse at least 97% (by weight). Since 1991, IBM has had a product design for the environment program to address this as well. We continue to evolve our Scope 3 emissions reporting and are working with our Envizi team to help us report on all required scope 3 categories in the future per upcoming regulatory requirements.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

117000

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

These are the emissions from business air travel on commercial carriers and car rentals. The CO2 emissions data from rental cars are directly provided by our suppliers, who multiply mileage driven by CO2 emission factor from the vehicle manufacturers to estimate total emissions. We obtain total CO2 emissions associated with business air travel via our corporate travel booking tool. The vendor responsible for our travel booking tool calculates these emissions following a standard developed by the United Kingdom Department for Environment, Food and Rural Affairs (DEFRA). It consists of multiplying flight distance with fixed emission factors in kgCO2/kilometer. These factors are different for short, medium and long-haul flights. Emissions are allocated per seat.

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

15000

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Our reported figure for employee commuting emissions only includes estimations made for our U.S. employees since this is the employee population for which we have a reasonably understood commuting behavior, and we have access to reliable third-party data to estimate emissions. This estimate was calculated using daily occupancy data at our U.S. locations, assuming employees commute to an IBM location 235 days a year and have a round trip commute of 26 miles based on data from the U.S. Census Bureau; and an emission factor of 0.00033 mtCO2e/mile from the U.S. EPA.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

13000

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

In some countries, IBM provides leased vehicles for employees that they may use for personal purposes. For these vehicles, we have set standard guidelines that require leasing of vehicles with lower emissions profiles. These guidelines enable reductions in average car emission levels as the car fleets are renewed. IBM car fleet data related to vehicle make and model, term and mileage, fuel type and fuel consumption are collected through our lease vehicle suppliers. All reported vehicles have been active at least one day during the reporting year and only the reporting year's mileage is reported. In some cases, the GHG emissions associated with the lease car use are supplied directly by our suppliers. Otherwise, GHG emissions are calculated based on data about the cars and their fuel type provided by our suppliers, dividing the mileage traveled by average mile per gallon for the car type and then calculating the CO2 emissions using the appropriate fuel emission factor.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

IBM manages the majority of the shipments downstream from our facilities; by GHG Protocol definition, this is covered under Scope 3, Category 4. This category is not relevant to IBM as the vast majority of shipments go directly to the end customer and we do not have distribution centers or other intermediate entities that would require additional shipments. Even spare parts are shipped to IBM service centers (not part of this category) and in most cases are then brought to clients in IBM service vehicles (counted in our Scope 1).

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

IBM divested virtually all manufacturing/processing operations that produce parts, components, assemblies, etc. as of 2015 when we sold our semiconductor manufacturing operations. IBM does a small amount of contract manufacturing of parts but the energy, and therefore the emissions, associated with "processing" these parts is negligible - this is supported by Life Cycle Assessments performed on our own hardware manufacturing.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

297000

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average product method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

These are the emissions associated with the electricity consumption of our sold products when they are used by our clients. In estimating emissions from the use of our sold products, we only capture products sold during the reporting year and account for 12 months of estimated consumption. We use product specifications such as nameplate power, quantity of products sold every year, we make assumptions around typical hardware utilization rates, and use industry average Power Usage Effectiveness and global electricity GHG emission factors to estimate these emissions. We do not extrapolate this data to estimate emissions around a hypothetical lifetime of our products because that would require additional assumptions given the lack of primary source data from our clients.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

IBM does not attempt to estimate GHG emissions associated with disposal of its products at end of life. There is no accepted standard or practice for how to determine when a product (in particular non-consumer products as are IBM products) will reach end of life or the ways it will be reused and recycled. There are many variables and a high degree of uncertainty in establishing assumptions associated with end of life treatment of our products. The analysis causing any resulting Scope 3 emissions associated with our product disposal would likewise be highly variable and unreliable. That being said, IBM focuses significant resources on product design, to make systems upgradeable and for ease of disassembly. This allows components to be reused or recycled at end of life, to minimize energy use over the life of the product, and to enable product end of life recycling. We continue to evolve our Scope 3 emissions reporting and are working with our Envizi team to help us report on all required scope 3 categories in the future per upcoming regulatory requirements.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Emissions of any leased assets (i.e., IBM products), if any, are captured in the “sold products” category.

Franchises

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

IBM does not operate franchises.

Investments

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

IBM does not currently estimate emissions associated with investments. We are currently evaluating relevance for future reporting.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

No other relevant upstream emissions.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

No other relevant downstream emissions.
[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/31/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

169000

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

0

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

0

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

125000

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

10000

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

18000

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

264000

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Scope 3 emissions occur in the value chain of a reporting company – both upstream and downstream. These emissions result from the activities of a reporting company's suppliers, clients and employees. Estimating Scope 3 emissions accurately can be challenging due to a lack of primary data and the complexity of value chains. To promote a long-lasting impact, our upstream efforts focus on capacity building across our supply chain. For example, IBM requires all first-tier suppliers to set GHG emissions reduction goals and publicly disclose their results. We also require our key suppliers in emissions-intensive industries to further set science-based goals that align with the recommendations of the UN IPCC. To address downstream emissions, one of IBM's longstanding goals is to continually improve the energy efficiency of our server products. We are also committed to using IBM offerings to help clients gain operational efficiencies and apply our technologies to accelerate solutions to global environmental challenges. Many of our other voluntary goals, including those associated with resource conservation, pollution prevention and waste management, also help to reduce emissions within our value chain.

Past year 2

(7.8.1.1) End date

12/31/2021

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

176000

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

0

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

0

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

37000

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

15000

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

13000

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

272000

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Scope 3 emissions occur in the value chain of a reporting company – both upstream and downstream. These emissions result from the activities of a reporting company's suppliers, clients and employees. Estimating Scope 3 emissions accurately can be challenging due to a lack of primary data and the complexity of value chains. To promote a long-lasting impact, our upstream efforts focus on capacity building across our supply chain. For example, IBM requires all first-tier suppliers to set GHG emissions reduction goals and publicly disclose their results. We also require our key suppliers in emissions-intensive industries to further set science-based goals that align with the recommendations of the UN IPCC. To address downstream emissions, one of IBM's longstanding goals is to continually improve the energy efficiency of our server products. We are also committed to using IBM offerings to help clients gain operational efficiencies and apply our technologies to accelerate solutions to global environmental challenges. Many of our other voluntary goals, including those associated with resource conservation, pollution prevention and waste management, also help to reduce emissions within our value chain.

Past year 3

(7.8.1.1) End date

12/31/2020

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

234000

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

0

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

0

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

85000

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

42000

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

13000

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

291000

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Scope 3 emissions occur in the value chain of a reporting company – both upstream and downstream. These emissions result from the activities of a reporting company's suppliers, clients and employees. Estimating Scope 3 emissions accurately can be challenging due to a lack of primary data and the complexity of value chains. To promote a long-lasting impact, our upstream efforts focus on capacity building across our supply chain. For example, IBM requires all first-tier suppliers to set GHG emissions reduction goals and publicly disclose their results. We also require our key suppliers in emissions-intensive industries to further set science-based goals that align with the recommendations of the UN IPCC. To address downstream emissions, one of IBM's longstanding goals is to continually improve the energy efficiency of our server products. We are also committed to using IBM offerings to help clients gain operational efficiencies and apply our technologies to accelerate solutions to global environmental challenges. Many of our other voluntary goals, including those associated with resource conservation, pollution prevention and waste management, also help to reduce emissions within our value chain.

Past year 4

(7.8.1.1) End date

12/31/2019

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

251000

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

0

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

0

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

393000

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

119000

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

40000

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

287000

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Scope 3 emissions occur in the value chain of a reporting company – both upstream and downstream. These emissions result from the activities of a reporting company's suppliers, clients and employees. Estimating Scope 3 emissions accurately can be challenging due to a lack of primary data and the complexity of value chains. To promote a long-lasting impact, our upstream efforts focus on capacity building across our supply chain. For example, IBM requires all first-tier suppliers to set GHG emissions reduction goals and publicly disclose their results. We also require our key suppliers in emissions-intensive industries to further set science-based goals that align with the recommendations of the UN IPCC. To address downstream emissions, one of IBM's longstanding goals is to continually improve the energy efficiency of our server products. We are also committed to using IBM offerings to help clients gain operational efficiencies and apply our technologies to accelerate solutions to global environmental challenges. Many of our other voluntary goals, including those associated with resource conservation, pollution prevention and waste management, also help to reduce emissions within our value chain.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:*

	Verification/assurance status
	☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.1.4) Attach the statement

Independent Limited Assurance Statement.pdf

(7.9.1.5) Page/section reference

Page 3 lists verified values

(7.9.1.6) Relevant standard

Select from:
☑ ISO14064-1

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.2.5) Attach the statement

Independent Limited Assurance Statement.pdf

(7.9.2.6) Page/ section reference

Page 3 lists verified values

(7.9.2.7) Relevant standard

Select from:

☑ ISO14064-1

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

Independent Limited Assurance Statement.pdf

(7.9.2.6) Page/ section reference

Page 3 lists verified values

(7.9.2.7) Relevant standard

Select from:
☑ ISO14064-1

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Purchased goods and services

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Independent Limited Assurance Statement.pdf

(7.9.3.6) Page/section reference

Page 3 lists verified values

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Upstream leased assets

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Independent Limited Assurance Statement.pdf

(7.9.3.6) Page/section reference

Page 3 lists verified values

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 3

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Business travel

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Independent Limited Assurance Statement.pdf

(7.9.3.6) Page/section reference

Page 3 lists verified values

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 4

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Employee commuting

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Independent Limited Assurance Statement.pdf

(7.9.3.6) Page/section reference

Page 3 lists verified values

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 5

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Use of sold products

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Independent Limited Assurance Statement.pdf

(7.9.3.6) Page/section reference

Page 3 lists verified values

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☑ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

9000

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

3.4

(7.10.1.4) Please explain calculation

Scope 2 market-based emissions reduced from 183,000 in 2022 to 150,000 mtCO2e in 2023 (delta of 33,000), and Scope 2 location-based emissions reduced from 330,000 to 306,000 mtCO2e respectively (delta of 24,000). Therefore, 9,000 mtCO2e (33,000 – 24,000) can be attributed to the increase in renewable electricity consumption year-to-year since that is the primary activity responsible for reducing Scope 2 emissions when discounting other emissions reduction activities.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

31000

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

11.9

(7.10.1.4) Please explain calculation

Scope 1 emissions reduced from 78,000 to 71,000 mtCO2e year-to-year (reduction of 7,000). In addition, location-based scope 2 reduced from 330,000 to 306,000 mtCO2e respectively (reduction of 24,000) - which is an indication of energy conservation and operational efficiency initiatives executed during 2023. In total, 7,000 24,000 31,000 mtCO2e.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:
☑ Yes

(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

(7.12.1.1) CO2 emissions from biogenic carbon (metric tons CO2)

700

(7.12.1.2) Comment

Biogenic emissions are CO2 emissions associated with IBM's use of biofuels. In line with the Greenhouse Gas Protocol, these emissions are reported separately and not accounted for as Scope 1 emissions because they are considered part of the natural CO2 cycle.
[Fixed row]

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:
☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

63000

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☑ NF3

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1000

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☑ SF6

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

2000

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:

☑ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

4000

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 5

(7.15.1.1) Greenhouse gas

Select from:

☑ PFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1000

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Sixth Assessment Report (AR6 - 100 year)

[Add row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☑ By activity

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	*Use of fossil fuels for operations*	*49000*
Row 2	*Use of fuels for transportation (mobile emissions)*	*14000*
Row 3	*Use of chemicals with a global warming potential (fugitive emissions)*	*8000*

[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☑ By activity

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	*Consumption of cooling, heating and steam*	*11000*	*11000*
Row 2	*Consumption of electricity*	*295000*	*139000*

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

71000

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

306000

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

150000

(7.22.4) Please explain

Our reporting and certification is for IBM Entity-Wide Reported GHG Emissions 1st January to 31st December 2023 (rounded to the nearest thousand metric tonnes of CO2e)

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

N/A
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ No

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 1

(7.27.1) Allocation challenges

Select from:
☑ Diversity of product lines makes accurately accounting for each product/product line cost ineffective

(7.27.2) Please explain what would help you overcome these challenges

IBM Scope 1 & 2 emissions:1-IBM's facilities generally are mixed use (labs, manufacturing, offices). Our business activity outputs inter-relate/overlap vs. being offering-specific. There is no logical methodology to separately allocate energy use to these activities based on the product/service produced. 2-IBM's operations are not divided into differentiable "unit operations" by client or client type for which an allocated energy use or GHG emissions estimate could be accomplished.3-As an AI and hybrid cloud company, the majority of IBM activities are based on knowledge transfer and our clients use numerous & varied combinations of these capabilities. 4-For IT hardware, majority of part/component manufacturing is performed by suppliers. IBM's supply chains are multiple tiers deep and production/ non-production suppliers offer many products/services to varying customers. IBM's business with any given supplier typically comprises single digit percentages. At a most fundamental level, determining Scope 3 emissions is extremely challenging due to lack of access to primary source data across multiple entities in a value chain. As well, it is extremely difficult for us to credibly allocate emissions across individual entities in our value chain due to required reliance upon gross assumptions and lack of clarity for downstream use.We have provided a detailed explanation of the challenges and our concerns associated with tracking, estimating, and allocating GHG emissions in general associated with the products, services and solutions that IBM sells across our client base in our response to questions SC0.0 & SC1.2. IBM does not attempt to allocate its Scope 1, 2, or any Scope 3 emissions to its clients for reasons including (a) any allocation of our Scope 1 and Scope 2 GHG emissions to clients would require us to make gross assumptions / cannot be credibly done. Rather than focusing on estimating energy use & GHG emissions across

its client base we prioritize resources on improving the energy efficiency of our operations and reducing the associated GHG emissions, and developing products, services and solutions which help our clients operate more efficiently and reduce the energy use, GHG emissions and other resource uses associated with their business activities. We have also long engaged with our suppliers requiring them to reduce their emissions.

Row 2

(7.27.1) Allocation challenges

Select from:

☑ Other, please specify **:**It is impractical to capture meaningful emissions data or allocation from suppliers

(7.27.2) Please explain what would help you overcome these challenges

IBM's business is only a small percentage (single digit) of the revenue of any of our suppliers. Further, the depth and breadth of our supply chain make data collection and tracking impractical, not to mention the dynamic nature of supply chains and operating variables all companies encounter including our suppliers. The challenges for suppliers to credibly allocate their emissions to IBM are equally daunting. IBM believes the best use of our resources is not to estimate energy use and GHG emissions at a customer level but to direct resources toward improving the energy efficiency of our operations and reducing the associated GHG emissions, developing services and solutions which help our clients operate more efficiently and reduce the energy use and GHG emissions associated with their business activities.

Row 4

(7.27.1) Allocation challenges

Select from:

☑ Customer base is too large and diverse to accurately track emissions to the customer level

(7.27.2) Please explain what would help you overcome these challenges

We have provided a detailed explanation of the challenges associated with obtaining credible Scope 3 data and allocating Scope 1, Scope 2 and Scope 3 emissions to individual clients in the entry immediately above. We believe we can deliver far greater contribution toward addressing climate change by focusing on improving the energy efficiency of our operations and reducing the associated GHG emissions, developing increasingly more energy efficient hardware products, and developing and offering products, services and solutions which help our clients operate more efficiently and reduce the energy use, GHG emissions and other resource uses associated with their business activities.
[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

	Do you plan to develop your capabilities to allocate emissions to your customers in the future?	Describe how you plan to develop your capabilities
	Select from: ☑ Yes	*We have developed a Cloud Carbon Calculator for our Cloud offering. We continue to work on developing credible methodologies for our other offerings.*

[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☑ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ Yes
Consumption of purchased or acquired steam	*Select from:*

	Indicate whether your organization undertook this energy-related activity in the reporting year
	☑ Yes
Consumption of purchased or acquired cooling	*Select from:* ☑ Yes
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ No

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:
☑ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

312000

(7.30.1.4) Total (renewable and non-renewable) MWh

312000

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

1322000

(7.30.1.3) MWh from non-renewable sources

550000

(7.30.1.4) Total (renewable and non-renewable) MWh

1872000

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

11000

(7.30.1.4) Total (renewable and non-renewable) MWh

11000

Consumption of purchased or acquired steam

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

0

Consumption of purchased or acquired cooling

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

92000

(7.30.1.4) Total (renewable and non-renewable) MWh

92000

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

1322000

(7.30.1.3) MWh from non-renewable sources

965000

(7.30.1.4) Total (renewable and non-renewable) MWh

2287000
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ No

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of heat	*Select from:* ☑ Yes
Consumption of fuel for the generation of steam	*Select from:* ☑ No
Consumption of fuel for the generation of cooling	*Select from:* ☑ No
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

N/A

Other biomass

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Even though IBM consumes significant quantities of B5 biodiesel (a blend that contains up to 5% of biofuel and 95% or less fossil fuel), we cannot deterministically calculate the exact composition of the blends of B5 biodiesel we consume. Therefore, we are not reporting this consumption as biomass or renewable fuels

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

1000

(7.30.7.8) Comment

Renewable natural gas (rounded to nearest thousand)

Coal

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

N/A

Oil

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

50000

(7.30.7.8) Comment

Includes consumption of fuel oil #2, diesel and B5 biodiesel (which contains up to 5% of biodiesel). Rounded to nearest thousand.

Gas

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

203000

(7.30.7.8) Comment

Natural gas - rounded to nearest thousand

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

58000

(7.30.7.8) Comment

Includes consumption of transportation fuels, kerosene and liquified petroleum gas. Rounded to nearest thousand

Total fuel

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

312000

(7.30.7.8) Comment

N/A
[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:

☑ United States of America

(7.30.14.2) Sourcing method

Select from:

☑ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Renewable energy mix, please specify :Solar, wind, hydro, biomass and geothermal

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1060000

(7.30.14.6) Tracking instrument used

Select from:

☑ Other, please specify :Renewable Energy Certificates from multiple tracking schemes, or equivalent documentation

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ United States of America

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

The CO2e emission factor for this electricity is already reflected in each local grid emission factor, which are used to calculate IBM's Scope 2 emissions. No instruments are generally available to track this electricity. IBM estimates the grid-supplied renewable electricity consumption using publicly available power generation data from the International Energy Agency (at national level), from the U.S. Environmental Protection Agency (at grid sub-region level) and from the Canada Energy Regulator agency (at provincial level). For more information about how IBM calculates its total consumption of renewable electricity, please visit this website: https://www.ibm.com/ibm/environment/climate/renewable_energy.shtml. IBM's electricity demand by location is relatively low and IBM has a large and dynamic portfolio of leased locations. IBM therefore consumes renewable electricity from numerous utility providers, retailers and generators around the world and consumes renewable electricity at many facilities worldwide. The consumption of renewable electricity reported in this category involves the share of renewables automatically supplied to IBM locations via the grid mix. Given the above we do not have the data granularity to respond to this question by country. The selection of a country (in this case "United States of America") is needed to avoid being forced to leave no response. IBM's reporting of renewable electricity consumption counts only what is generated in the grid regions where our consumption actually occurs. We do not rely upon the purchase of unbundled renewable energy certificates to comprise any "percent renewable" if we cannot credibly consume the electricity those certificates represent. Our definition of "grid region" aligns with how the US Energy Information Administration defines power balancing authorities' territories. We apply the same concept for other jurisdictions.
[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Afghanistan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Albania

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Algeria

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Andorra

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Angola

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Anguilla

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Antigua and Barbuda

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Argentina

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Armenia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Aruba

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Australia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Austria

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Azerbaijan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Bahamas

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Bahrain

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Bangladesh

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Barbados

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Belgium

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Belize

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Benin

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Bermuda

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Bhutan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Bolivia (Plurinational State of)

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Bosnia & Herzegovina

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Botswana

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Brazil

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

British Indian Ocean Territory

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

British Virgin Islands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Brunei Darussalam

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Bulgaria

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Burkina Faso

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Burundi

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Cabo Verde

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Cambodia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Cameroon

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Canada

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Cayman Islands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Central African Republic

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Chad

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Chile

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

China

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Colombia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Congo

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Cook Islands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Costa Rica

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Côte d'Ivoire

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Croatia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Curaçao

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Cyprus

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Denmark

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Djibouti

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Dominica

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Dominican Republic

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Ecuador

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Eygpt

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

El Salvador

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Equatorial Guinea

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Eritrea

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Estonia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Ethiopia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Falkland Islands (Malvinas)

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Faroe Islands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Fiji

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Finland

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

France

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

French Guiana

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

French Polynesia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Gabon

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Gambia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Georgia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Ghana

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Germany

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Gibraltar

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Greece

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Greenland

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Grenada

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Guadeloupe

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Guam

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Guatemala

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Guinea

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Guinea-Bissau

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Guyana

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Haiti

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Honduras

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Hong Kong SAR, China

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Hungary

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Iceland

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

India

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Indonesia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Ireland

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Israel

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Italy

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Jamaica

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Japan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Jordan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Kazakhstan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Kenya

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Kiribati

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Kuwait

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Kyrgyzstan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Lao People's Democratic Republic

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Latvia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Lebanon

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Lesotho

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Liberia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Liechtenstein

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Lithuania

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Luxembourg

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Madagascar

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Malawi

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Malaysia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Maldives

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Mali

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Malta

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Marshall Islands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Martinique

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Mauritania

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Mauritius

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Mayotte

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Mexico

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Monaco

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Mongolia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Montenegro

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Montserrat

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Morocco

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Mozambique

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Namibia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Nauru

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Nepal

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Netherlands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

New Caledonia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

New Zealand

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Nicaragua

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Niger

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Nigeria

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Norfolk Island

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

North Macedonia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Norway

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Northern Mariana Islands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Oman

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Pakistan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Palau

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Panama

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Papua New Guinea

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Paraguay

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Peru

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Philippines

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Poland

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Portugal

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Qatar

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Republic of Korea

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Republic of Moldova

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Réunion

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Romania

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Rwanda

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Saint Kitts and Nevis

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Saint Lucia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Saint Vincent and the Grenadines

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Samoa

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

San Marino

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Sao Tome and Principe

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Saudi Arabi

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Senegal

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Serbia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Seychelles

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Singapore

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Sierra Leone

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Slovakia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Slovenia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Solomon Islands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Somalia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

South Africa

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Spain

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Sri Lanka

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Suriname

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Sweden

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Switzerland

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Taiwan, China

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Tajikistan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Thailand

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Togo

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Tonga

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Trinidad and Tobago

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Tunisia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Turkmenistan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Turkey

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Turks and Caicos Islands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Tuvalu

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Uganda

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Ukraine

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

United Arab Emirates

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

United Kingdom of Great Britain and Northern Ireland

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

United Republic of Tanzania

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

United States of America

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

United States Virgin Islands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Uruguay

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Uzbekistan

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Vanuatu

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Venezuela (Bolivarian Republic of)

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Viet Nam

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Wallis and Futuna Islands

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Yemen

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Zambia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Zimbabwe

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00
[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.00000357

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

221000

(7.45.3) Metric denominator

Select from:

☑ unit total revenue

(7.45.4) Metric denominator: Unit total

61860000000

(7.45.5) Scope 2 figure used

Select from:

☑ Market-based

(7.45.6) % change from previous year

17

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Change in renewable energy consumption

☑ Other emissions reduction activities

(7.45.9) Please explain

Our continued efforts in renewables and energy use reduction
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply
☑ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:
☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.1.5) Date target was set

02/16/2021

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1
☑ Scope 2
☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 1 – Purchased goods and services

(7.53.1.11) End date of base year

12/31/2010

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

122000

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

1034000

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

1156000.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2025

(7.53.1.55) Targeted reduction from base year (%)

65

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

404600.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

71000

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

150000

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

143000

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

143000.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

364000.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

105.40

(7.53.1.80) Target status in reporting year

Select from:

☑ Achieved

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers our operational emissions.

(7.53.1.83) Target objective

The referenced target, set by IBM in 2021 is IBM's fifth-generation goal which calls for IBM to reduce its operational GHG emissions 65 percent by 2025 against base year 2010, adjusted for acquisitions and divestitures. This goal covers our Scope 1 and Scope 2 emissions, as well as Scope 3 emissions associated with IBM's electricity consumption at co-location data centers. Our goal is aligned with the scientific recommendations from the United Nations Intergovernmental Panel on Climate Change (IPCC) and exceeds the rate of reduction it indicates is necessary to limit Earth's warming to 1.5 degrees Celsius above pre-industrial levels. Further, we challenge ourselves by not including the purchase of nature-based carbon offsets to comprise any emissions reduction. In addition, in 2021 IBM set a goal to reach net zero greenhouse gas emissions by 2030 using feasible technologies to remove emissions in an amount which equals or exceeds IBM's residual emissions. Aim for residual emissions of 350,000 metric tons of CO2 equivalent or less by 2030, with 90 percent of IBM's electricity coming from renewable sources. We challenge ourselves by setting a numerical target for residual emissions. Like our goal on GHG emissions reduction, this new goal is responsive to the global ambition of the Paris Agreement.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

(7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

The two key levers for IBM to achieve its GHG emissions reduction target were through energy conservation and transitioning to using renewable electricity. In 2023, we executed 675 energy conservation projects globally avoiding 95,000 MWh in energy consumption. 70.6% of the electricity IBM consumed globally was sourced from renewables. IBM will continue to prioritize energy conservation and the use of renewable electricity to reduce GHG emissions as we pursue our goal to reach net-zero GHG emissions by 2030. We anticipate new carbon removal solutions such as direct air capture and support their development with research to accelerate the discovery of enabling materials.
[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Targets to increase or maintain low-carbon energy consumption or production

☑ Net-zero targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☑ Low 1

(7.54.1.2) Date target was set

02/16/2021

(7.54.1.3) Target coverage

Select from:

☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

☑ Electricity

(7.54.1.5) Target type: activity

Select from:

☑ Consumption

(7.54.1.6) Target type: energy source

Select from:

☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/31/2021

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

2011627

(7.54.1.9) % share of low-carbon or renewable energy in base year

62.7

(7.54.1.10) End date of target

12/31/2025

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

75

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

70.6

(7.54.1.13) % of target achieved relative to base year

64.23

(7.54.1.14) Target status in reporting year

Select from:

☑ Underway

(7.54.1.16) Is this target part of an emissions target?

Yes. IBM's purchases of renewable electricity are an essential component for achieving our GHG emissions reduction target.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☑ Other, please specify

(7.54.1.19) Explain target coverage and identify any exclusions

"Base year" is not applicable to IBM's goal because our goal is not measured against a base year. Nonetheless we entered a 'base year' because this question requires an input. We selected "2021" which reflects the year we set this goal. It is important to note that this is IBM third-generation renewable electricity purchase goal, announced in 2021 upon having met our previous generation goal. Our current goal is to procure 75% of the electricity IBM consumes worldwide from renewable sources by 2025, and 90 percent by 2030. We include renewable electricity (a) in the grid mix IBM receives from utilities, (b) for which IBM contracts over and above what's contained in the grid mix, and (c) generated on site. We challenge ourselves by not counting the purchase of unbundled Renewable Energy Certificates (RECs) to comprise any percent renewable if IBM cannot credibly consume the electricity those certificates represent.

(7.54.1.20) Target objective

Procure 75% of the electricity IBM consumes worldwide from renewable sources by 2025, and 90% by 2030

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

During 2023, IBM increased its consumption of renewable electricity to approximately 1,3222,000 MWh, representing 70.6% of its total electricity consumption, up from 65.9% in 2022. That includes 56.6% contracted directly from power suppliers and 14.0% already in the electricity mix we received from the grid. This keeps IBM on track to meet our current goal of 75% by 2025. IBM will continue to work with our power suppliers and landlords across geographies to identify the best

opportunities to increase our consumption of renewable electricity, sourcing from the same grid region from which IBM operations consume the power, to reach our 2025 goal.
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:
☑ NZ1

(7.54.3.2) Date target was set

02/16/2021

(7.54.3.3) Target Coverage

Select from:
☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply
☑ Abs1

(7.54.3.5) End date of target for achieving net zero

12/31/2030

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.54.3.10) Explain target coverage and identify any exclusions

This goal covers our Scope 1 and Scope 2 emissions, as well as Scope 3 emissions associated with IBM's electricity consumption at co-location data centers. Our goal is aligned with the scientific recommendations from the United Nations Intergovernmental Panel on Climate Change (IPCC) and exceeds the rate of reduction it indicates is necessary to limit Earth's warming to 1.5 degrees Celsius above pre-industrial levels. Further, we challenge ourselves by not including the purchase of nature-based carbon offsets to comprise any emissions reduction. IBM's goal is to reach net zero greenhouse gas emissions by 2030 using feasible technologies to remove emissions in an amount which equals or exceeds IBM's residual emissions. IBM aims for residual emissions of 350,000 metric tons of CO2 equivalent or less by 2030, with 90 percent of IBM's electricity coming from renewable sources. We challenge ourselves by setting a numerical target for residual emissions. Like our goal on GHG emissions reduction, this goal is responsive to the global ambition of the Paris Agreement.

(7.54.3.11) Target objective

Reach net zero greenhouse gas emissions by 2030 using feasible technologies to remove emissions in an amount which equals or exceeds IBM's residual emissions. Aim for residual emissions of 350,000 metric tons of CO_2 equivalent or less by 2030, with 90% of IBM's electricity coming from renewable sources.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, and we do not plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

IBM's interim target that supports our net zero operational GHG emissions by 2030 is our current, fifth-generation target to reduce IBM's GHG emissions 65 percent by 2025 against base year 2010, adjusted for acquisitions and divestitures. This has been achieved and we are continuing to invest in energy conservation projects and in increasing our procurement of renewable electricity to reduce our emissions as much as to minimize our residual emissions. We anticipate relying on feasible carbon removal solutions such as direct air capture to permanently remove our residual emissions necessary to meet out net zero operational GHG emissions target. Related, IBM Research is applying AI to accelerate the discovery of more efficient materials for carbon capture and contributing to the continued advancement of technologies.

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

(7.54.3.19) Process for reviewing target

Status of progress to our goals is reviewed quarterly and reported annually.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*0*	*`Numeric input*
To be implemented	*0*	*0*
Implementation commenced	*0*	*0*
Implemented	*675*	*33000*
Not to be implemented	*0*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Transportation

☑ Other, please specify

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

33000

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

☑ Scope 3 category 1: Purchased goods & services

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

11000000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ Ongoing

(7.55.2.9) Comment

During 2023, we implemented 675 energy conservation projects across more than 130 locations globally, avoiding an estimated 95,000 MWh of energy consumption and 33,000 mtCO2e emissions, thereby saving approximately 11 million. More than 58% of energy conservation savings were due to upgrades in IT equipment at our

data centers, most of which now incorporate hot/cold aisle containment. We also continued to execute projects aimed at enhancing the energy efficiency of both cooling and IT equipment, retrofitting lighting systems and optimizing the operational efficiency in our data center facilities. For our other infrastructure buildings, additional savings were generated through strategic adjustments to lighting levels, temperature, and other building systems to avoid unnecessary energy consumption as we continue to adapt to new levels of onsite working.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:
☑ Financial optimization calculations

(7.55.3.2) Comment

We prioritize on energy efficiency and conservation projects that meet our internal financial IRR and ROI requirements garnering support from both operational and finance organizations. IBM's commitment to meeting its goals on energy conservation and energy efficiency, combined with the business returns generated by conservation projects sustain our ability to have these projects funded and implemented. IBM's performance against these goals can be found https://www.ibm.com/downloads/cas/QVXD7VDO

Row 3

(7.55.3.1) Method

Select from:
☑ Other **:**Alternative funding mechanisms

(7.55.3.2) Comment

IBM organizations make use of energy efficiency incentives, grants, and tax incentives offered by governments and utilities that improve the financial viability of energy conservation projects and contribute to co-funding such projects.

Row 4

(7.55.3.1) Method

Select from:

☑ Employee engagement

(7.55.3.2) Comment

IBM engages its employees toward achieving reduction in energy consumption and related GHG emission through a variety of programs including publicity campaigns, "best idea" solicitations, personal energy use, software-based meters for office employees, and other methods to encourage employees to identify, propose, and/or implement energy saving and GHG emissions reduction ideas. IBM leverages a formal program called EcoTeams to promote and sustain employee engagements in the area of environmental sustainability.

Row 5

(7.55.3.1) Method

Select from:

☑ Internal finance mechanisms

(7.55.3.2) Comment

Within IBM, Chief Sustainability Office (CSO) staff, Finance, and business units collaborate to execute a cross functional business process aimed at improving the competitiveness of energy-related projects for capital funding.

Row 6

(7.55.3.1) Method

Select from:

☑ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

Compliance with applicable regulations is absolutely required and enabled with requisite resources. IBM also invests toward meeting meaningful and impactful standards (e.g., ENERGY STAR). Further, IBM anticipates and proactively addresses emerging requirements and/or implementing best practices such as those in

connection with hardware product and data center service energy efficiency with twin goals of reducing impacts on climate change and competitively positioning the company in the marketplace.

Row 7

(7.55.3.1) Method

Select from:

☑ Partnering with governments on technology development

(7.55.3.2) Comment

IBM partners with governments around the globe on the development and implementation of innovative solar electricity generation systems, development of technologies and IT based solutions to improve the efficiency of built infrastructure, the use of high performance computers to analyze climate and energy challenges, development of IT based electric grid management systems to facilitate the integration of electric vehicle charging stations and distributed, renewable electricity generation into the grid infrastructure, development of innovative data center power and cooling infrastructures, and other projects which drive energy efficient technology development.
[Add row]

(7.73) Are you providing product level data for your organization's goods or services?

Select from:

☑ No, I am not providing data

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☑ No

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☑ No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☑ Yes

(9.1.1) Provide details on these exclusions.

Row 1

(9.1.1.1) Exclusion

Select from:

☑ Facilities

(9.1.1.2) Description of exclusion

Our water-related data covers IBM locations subject to our water conservation goal to achieve year-to-year reductions in water withdrawals at larger IBM locations in water-stressed regions and locations where conservation actions have been implemented for manufacturing, assembly and other water intensive facilities where water scarcity is not a challenge. It does not cover locations outside water stressed regions unless otherwise noted in the response, for example, where IBM tracks on-site treated waste water discharges and water withdrawals at water intensity locations for research and manufacturing.

(9.1.1.3) Reason for exclusion

Select from:

☑ Other, please specify **:**IBM has prioritized water conservation efforts where the greatest desired outcome will be realized for our efforts.

(9.1.1.7) Percentage of water volume the exclusion represents

Select from:

☑ 31-40%

(9.1.1.8) Please explain

The locations subject to the water goal in 'High' or 'Extremely High' baseline water stress as determined from the WRI Aqueduct Water Risk Atlas and utilizing specific local selection criteria collect and report water data, including source and volume of withdrawals. This represented 37% of IBM's total estimated water withdrawals worldwide.
[Add row]

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:
☑ 26-50

(9.2.2) Frequency of measurement

Select from:
☑ Monthly

(9.2.3) Method of measurement

Water utility bills or landlord invoices are required to be entered monthly and are verified and reported quarterly in an assigned reporting tool, IBM Envizi. In 2023, water withdrawals in the 49 locations covered 37% of IBM's estimated total water withdrawals.

(9.2.4) Please explain

The locations subject to the water goal in 'High' or 'Extremely High' baseline water stress as determined from the WRI Aqueduct Water Risk Atlas and utilizing specific local selection criteria collect and report water data, including source and volume of withdrawals.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☑ 26-50

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Water utility bills or landlord invoices are required to be entered monthly and are verified and reported quarterly in an assigned reporting tool, IBM Envizi. All sourced for the locations in 'High' or 'Extremely High' in baseline water stress are tracked and reported. These sources are from piped municipal supply, or road tanker supplied from third parties, renewable groundwater, and bottled drinking water.

(9.2.4) Please explain

We track and report water withdrawals by source from the locations in water stressed regions as previously defined and also at water-intensive locations not in water stressed regions.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☑ 1-25

(9.2.2) Frequency of measurement

Select from:

☑ Other, please specify **:**Periodically as required for the business activity.

(9.2.3) Method of measurement

At IBM research and manufacturing locations additional monitoring of water quality is conducted. For example, Ultrapure water is required for some research or for washing during production processes for semiconductor module packaging and assembly.

(9.2.4) Please explain

IBM provides access to fresh drinking water sanitation and hygiene services in the workplace at all IBM locations worldwide. This is an enterprise-wide precondition for selecting and for maintaining a safe and healthy workplace. At most of our locations water quality is monitored at the municipal level. Where the quality of the water drawn into the site is not to specification for research purposes 'Ultrapure' water i.e., distilled water is processed onsite of the IBM research location, primarily utilized in the U.S. Where drinking water is not readily available at a location, bottled drinking water is provided, for example at some locations in India and Mexico.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 1-25

(9.2.2) Frequency of measurement

Select from:

☑ Other, please specify **:**Monthly for 7 locations and unknown for the remained.

(9.2.3) Method of measurement

There are two locations, one in Canada and the other in U.S. with onsite industrial treated wastewater direct discharges to receiving waters. There are 5 locations that have on-site treatment of industrial wastewater that is discharged for property irrigation or to third-party wastewater treatment plants. The majority of locations are in commercial office buildings and discharge to a third party or municipal sewerage system where discharge volumes are not known.

(9.2.4) Please explain

IBM managed locations with direct water discharges are subject to the requirements of discharge permits issued by applicable regulatory agencies, IBM complies with the permit requirements including monitoring and reporting to the agencies, including total volume discharged.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☑ 1-25

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

There are two locations, one in Canada and the other in U.S. with onsite industrial treated wastewater directly discharges to receiving waters. There are 5 locations that have on-site treatment of wastewater discharged for property irrigation or to third-party wastewater treatment plants. The majority of locations are in commercial office buildings and discharge to a third party or municipal sewerage system where discharge volumes are not known.

(9.2.4) Please explain

IBM managed locations with direct water discharges are subject to requirements of water discharge permits issued by applicable regulatory agencies. IBM complies with the permit requirements including monitoring and reporting to agencies, including volume by destination.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☑ 1-25

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

There are two locations, one in Canada and the other in U.S. with onsite industrial treated wastewater directly discharges to receiving waters. There are 5 locations that have on-site treatment of wastewater discharged for property irrigation or to third-party wastewater treatment plants.

(9.2.4) Please explain

The vast majority of water discharges from IBM locations go to publicly owned treatment works. IBM complies with the requirements in our site discharge permits issued by the receiving treatment facilities including volumes of discharge and intended treatment method.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☑ 1-25

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Per facility wastewater effluent quality discharge permit conditions issued by state and local authorities.

(9.2.4) Please explain

IBM managed locations with direct water discharges are subject to requirements of water discharge permits issued by applicable regulatory agencies. IBM complies with the permit requirements, including standard effluent parameters.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☑ 1-25

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

Per facility wastewater effluent quality discharge permit conditions issued by state and local authorities.

(9.2.4) Please explain

IBM managed locations with direct water discharges are subject to requirements of water discharge permits issued by applicable regulatory agencies. IBM complies with the permit requirements including water discharge quality.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☑ 1-25

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

One location in the United States withdraws water from the river through an on-site closed loop building cooling system for the data center which it discharges directly back into the river. Temperature is measured and reported to the regulatory authority monthly.

(9.2.4) Please explain

IBM managed locations with direct discharges are subject to requirements of water discharge permits issued by applicable regulatory agencies. IBM complies with the permit requirements including water discharge quality.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☑ 26-50

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Water withdrawals for the 49 water goal subject locations minus their water discharges as tracked in our reporting tool, Envizi. Consumption equals estimated water evaporated in cooling tower systems for offices and data centers, as well as water used to irrigate green space on these IBM locations. Basically water input minus water output from a location boundary.

(9.2.4) Please explain

Water consumption at IBM locations typically involve the following uses: building cooling tower systems, irrigation and domestic water consumption. In 2023, IBM collected water consumption data from 49 IBM locations located in regions of "high" to "extremely high" baseline water stress, comprising approximately 38% of IBM's total utilized real estate space worldwide. Water withdrawals from these locations associated with normal business operations were approximately 760,000 cubic meters.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☑ 1-25

(9.2.2) Frequency of measurement

Select from:

☑ Quarterly

(9.2.3) Method of measurement

Water flow metering or estimated based on qualified calculations from the onsite operations team.

(9.2.4) Please explain

These are facilities that use a process for generating ultra purified water for research or manufacturing processes. The rejected water from the reverse osmotic process is reused in the process, or treated industrial wastewater is recycled to the cooling tower systems.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Implemented by our Global Real Estate team through a corporate process for onboarding new locations.

(9.2.4) Please explain

IBM provides access to fresh drinking water, sanitation and hygiene services in the workplace at all IBM locations worldwide. This is an enterprise-wide precondition for selecting and for maintaining a safe and healthy workplace.
[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

756

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify **:**This increase was primarily associated with the continued return of employees to offices.

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in efficiency

(9.2.2.6) Please explain

Our water conservation goal is to achieve year-to-year reductions in water withdrawals at larger IBM locations in water-stressed regions. Approximately 85% of water withdrawals at these locations are for domestic consumption in the workplace, of which approximately 60% are for drinking water, cafeteria, washrooms, etc., and approximately 25% are for heating, ventilating and air conditioning of buildings. Conservation efforts consisted of replacing irrigated turf areas with native drought resistant plants, expanding water system leak detection and repair programs at our locations, upgrading humidifier equipment, and installing waterless urinals and faucet aerators in washrooms. To help us identify additional opportunities for conservation and to enable more accurate measures of water use, we continued to install water meters in campuses and multi-tenant buildings.

Total discharges

(9.2.2.1) Volume (megaliters/year)

472

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify **:**This increase was primarily associated with the continued return of employees to offices.

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.2.6) Please explain

IBM tracks water discharge volumes from locations managed by IBM. Water discharges are managed at a location level and discharge information is reported to regulatory agencies where required. In addition, IBM has established treatment requirements applicable to IBM locations that treat and directly discharge treatment wastewater to receiving waters. This is a longstanding requirement of IBM's global environmental management system. Water discharges from the locations in scope of the water goal was determined from the water measured as evaporated in site cooling towers and used for irrigation of green space. In 2023 discharges represented 62% of the total withdrawals at locations in water stressed regions subject to the water goal.

Total consumption

(9.2.2.1) Volume (megaliters/year)

284

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify **:**Business activity, weather conditions in water stressed regions such as lower humidity and higher temperatures impacting evaporative cooling.

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in efficiency

(9.2.2.6) Please explain

Water is consumed at locations where we have evaporative cooling of buildings as well as for irrigation of green space at our locations in water stressed regions. In 2023 consumption from these sources represented 38% of the total use at locations in water stressed regions.
[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☑ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

756

(9.2.4.3) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify **:**The increase in our water withdrawals in water stressed areas was primarily associated with the continued return of employees to offices.

(9.2.4.5) Five-year forecast

Select from:

☑ Lower

(9.2.4.6) Primary reason for forecast

Select from:

☑ Increase/decrease in efficiency

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

100.00

(9.2.4.8) Identification tool

Select all that apply

☑ WRI Aqueduct

(9.2.4.9) Please explain

IBM's current water conservation goal is to achieve year-to-year reductions in water withdrawals at its larger locations (e.g., 49 offices, data centers, research labs, warehouses, and assembly facilities) in water stressed regions. IBM has prioritized water conservation efforts in water stressed regions to produce the greatest desired outcome from our efforts. We use the World Resources Institute's Aqueduct Water Risk Atlas, which highlights regions around the world where water resources are stressed to meet human and ecological demands. We identify IBM locations in areas of "High" or "Extremely High" Baseline Water Stress in water stressed regions and incorporate this with our own site specific criteria to determine the locations subject to our water conservation goal.
[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:
☑ Not relevant

(9.2.7.5) Please explain

For IBM locations in scope of the water goal in water stressed regions water withdrawals are from renewable groundwater or third-party sources.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:
☑ Not relevant

(9.2.7.5) Please explain

For IBM locations in scope of the water goal in water stressed regions water withdrawals are from renewable groundwater or third-party sources.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

60

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in efficiency

(9.2.7.5) Please explain

Of the locations that withdraw groundwater on-site most use the water for non-potable demand. Water conservation projects and treated wastewater recycling actions help avoid the withdrawal of groundwater at the site.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

For IBM locations in scope of the water goal in water stressed regions water withdrawals are from renewable groundwater or third-party sources.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

For IBM locations in scope of the water goal in water stressed regions water withdrawals are from renewable groundwater or third-party sources.

Third party sources

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

696

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify **:**The increase in our water withdrawals in water stressed areas was primarily associated with the continued return of employees to offices.

(9.2.7.5) Please explain

Third-party water sources included bottled drinking water, water delivered by road tanker for non-potable site uses and municipal piped potable water.
[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

310

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ About the same

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Investment in water-smart technology/process

(9.2.8.5) Please explain

IBM complies with the requirements of the discharge permits issued by applicable regulatory agencies to subject locations including submitting required discharge reports to the agencies. There are no locations in water stressed regions subject to our water goal that directly discharge wastewater to fresh surface water. IBM locations in water stressed regions discharge wastewater to third party destinations. Globally, outside of water stressed regions only two IBM managed locations with permits discharge treated industrial wastewater directly to fresh surface water (i.e., "receiving waters"). Approximately 310.4 ML/yr were discharges to fresh surface waters outside water stressed regions where IBM treats wastewater on-site and discharges directly to fresh surface waters.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

IBM does not have managed locations worldwide that treat their wastewater and directly discharge to brackish surface water or seawater.

Groundwater

(9.2.8.1) Relevance

Select from:
☑ Not relevant

(9.2.8.5) Please explain

IBM performs groundwater remediation at some locations currently managed by IBM and some formerly owned locations. IBM also performs groundwater monitoring or remediation at 4 locations designated under the U.S. Superfund program. Extracted groundwater at the aforementioned locations is treated to meet regulatory requirements stipulated in applicable discharge permits (typically drinking water standard) prior to being discharged.

Third-party destinations

(9.2.8.1) Relevance

Select from:
☑ Relevant

(9.2.8.2) Volume (megaliters/year)

472

(9.2.8.3) Comparison with previous reporting year

Select from:
☑ Higher

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify **:**This increase was primarily associated with the continued return of employees to offices.

(9.2.8.5) Please explain

IBM complies with the conditions imposed by publicly owned treatment work (POTW) receiving our water discharges. The majority of IBM locations in water stressed regions discharge treated industrial wastewater or untreated sanitary wastewater to third party destinations. One location in Mexico treats sanitary wastewater on site and discharges this for irrigation of the site's green space. For the 49 locations subject to the water goal in water stressed regions 472 ML was discharges to a third-party destination (public wastewater treatment plant/system). The rest of the withdrawals was consumed on sites through evaporative cooling of building space or irrigation of property green spaces.
[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

221

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in efficiency

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 1-10

(9.2.9.6) Please explain

Overall scope includes all IBM locations that conduct on-site treatment of wastewaters that are discharged to either, fresh surface waters, or on land for irrigation, or to a third-party destination / public wastewater treatment plant.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

29

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Investment in water-smart technology/process

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 1-10

(9.2.9.6) Please explain

Overall scope includes all IBM locations that conduct on-site treatment of wastewaters that are discharged to either, fresh surface waters, or on land for irrigation, or to a third-party destination / public wastewater treatment plant.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

189

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 1-10

(9.2.9.6) Please explain

Overall scope includes all IBM locations that conduct on-site treatment of wastewaters that are discharged to either, fresh surface waters, or on land for irrigation, or to a third-party destination / public wastewater treatment plant.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

There are no deliberate untreated wastewater discharges to the environment / natural ecosystems.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

317

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 81-90

(9.2.9.6) Please explain

Overall scope includes all IBM locations that conduct on-site treatment of wastewaters that are discharged to either, fresh surface waters, or on land for irrigation, or to a third-party destination / public wastewater treatment plant.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant but volume unknown

(9.2.9.6) Please explain

The majority of IBM locations worldwide are leased in commercial buildings with untreated sanitary wastewater discharges conveyed to public wastewater treatment plants. The amount of wastewater discharged is not metered and is unknown or not provided by the landlord.
[Fixed row]

(9.2.10) Provide details of your organization’s emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

(9.2.10.1) Emissions to water in the reporting year (metric tons)

0.03

(9.2.10.2) Categories of substances included

Select all that apply

☑ Nitrates

☑ Phosphates

(9.2.10.4) Please explain

Amount of Ammonia, Nitrates and Phosphates discharged in 2023 from IBM locations that conduct on-site wastewater treatment and discharges to fresh surface waters. IBM internally tracks, reports and manages total water discharges from IBM locations worldwide that have site regulatory wastewater discharge permits. IBM measures and manages wastewater discharges at applicable IBM locations worldwide for maintaining operational conditions and compliance with discharge permits. IBM's corporate program establishes treatment requirements applicable to IBM locations where they discharge directly to receiving waters, regardless of where in the world they locate. This has been a longstanding requirement of IBM's global environmental management system.
[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

55

(9.3.3) % of facilities in direct operations that this represents

Select from:

☑ 26-50

(9.3.4) Please explain

In 2023, 38% of IBM total real estate space of 49 locations were in water stressed regions. Other locations outside water stressed regions were also identified with a water-related dependency. IBM also identified 6 other research, development and manufacturing location with a water-related dependency, risk or opportunities making 55 locations in total.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

(9.3.4) Please explain

We are investigating a suitable methodology for identifying water-related dependencies from our value chain e.g., first-tier suppliers, hardware and parts suppliers, ecosystem partners, business partners.
[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

☑ Facility 1

(9.3.1.2) Facility name (optional)

IBM facility details are confidential

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

United States of America

☑ Other, please specify **:**IBM locations in water stressed regions.

(9.3.1.8) Latitude

0

(9.3.1.9) Longitude

0

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

756

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Higher

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

60

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

696

(9.3.1.21) Total water discharges at this facility (megaliters)

472

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Higher

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

472

(9.3.1.27) Total water consumption at this facility (megaliters)

284

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:
☑ Higher

(9.3.1.29) Please explain

IBM does not disclose the details of specific facilities which is considered confidential information. The IBM locations included are subject to our water goal. The water goal is to achieve a year-to-year reduction in water withdrawals at specified IBM locations in high or extremely high water-stressed regions.
[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

The water data for locations in water stressed regions in scope of the water goal is verified internally. There is no third-party verification or assurance.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

The water data for locations in water stressed regions in scope of the water goal is verified internally. There is no third-party verification or assurance.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

The water data for locations in water stressed regions in scope of the water goal is verified internally. There is no third-party verification or assurance.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

The water data for locations in water stressed regions in scope of the water goal is verified internally. There is no third-party verification or assurance.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

The water data for locations in water stressed regions in scope of the water goal is verified internally. There is no third-party verification or assurance.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

The water data for locations in water stressed regions in scope of the water goal is verified internally. There is no third-party verification or assurance.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

The water data for locations in water stressed regions in scope of the water goal is verified internally. There is no third-party verification or assurance.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

The water data for locations in water stressed regions in scope of the water goal is verified internally. There is no third-party verification or assurance.
[Fixed row]

(9.4) Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?

Select from:

☑ No facilities were reported in 9.3.1

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

	Anticipated forward trend
	IBM does not apply water withdrawal efficiency values to is direct operations, goods or services.

[Fixed row]

(9.12) Provide any available water intensity values for your organization's products or services.

	Comment
Row 1	*IBM does not apply water intensity values to is goods or services.*

[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

(9.13.1) Products contain hazardous substances

Select from:

☑ No

(9.13.2) Comment

Chemicals needed for research, development, manufacturing processes and services are selected and managed, from purchase through storage, use and disposal to avoid release to and contamination of the environment. Prior to using new chemicals or materials in processes or technologies, IBM requires those chemicals or materials to undergo an extensive environmental, health and safety evaluation called an upstream chemical review. IBM has proactively prohibited or restricted the use of many hazardous substances in our products and processes well in advance of potential regulatory actions. Metrics for chemical use are focused on the selection of more environmentally preferable chemicals, safe and environmentally sound handling, and responsible disposal.
[Fixed row]

(9.13.1) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Row 2

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

☑ Other, please specify

(9.13.1.3) Please explain

IBM is committed to developing, manufacturing, and marketing products that are safe for their intended use. IBM established its product stewardship program in 1991 as a proactive and strategic approach to the environmental design and management of our products. The program's mission is to develop, manufacture and market products that are increasingly energy efficient; that can be upgraded, refurbished, remanufactured and reused to extend product life; that incorporate recycled content and environmentally preferable materials and finishes; and that can be dismantled, recycled and disposed of safely. As part of IBM's global environmental management system, IBM requires suppliers to identify if any substances on the SVHC Candidate list are present in an Article at or above the 0.1% weight by weight (w/w) concentration and report it to IBM. Once identified, IBM works with the supplier to eliminate the SVHC, as soon as technically feasible, given there is an appropriate alternative available. While IBM no longer has a large manufacturing footprint, when research activities involving chemicals or new materials demonstrate the potential for use in commercial products, processes, or technologies, or when IBM modifies existing internal chemical or material processes, IBM requires those chemicals or materials to undergo an evaluation of regulatory, health and safety, and environmental impacts.
[Add row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

☑ No, and we do not plan to address this within the next two years

(9.14.3) Primary reason for not classifying any of your current products and/or services as low water impact

Select from:

☑ Important but not an immediate business priority

(9.14.4) Please explain

IBM is a global leading AI and hybrid cloud company with specific offerings that are not generally considered to have high water impact. For example, IBM offers products and services including those that help clients reduce environmental impacts, as well as the cost, time, and burden of reporting with a single system of record, enabling organizations to focus on realizing their ESG strategic goals. We help our clients measure, analyze, report, and operationalize ESG data with our IBM Envizi ESG Suite, Maximo Asset Management Suite to help clients make data-driven decisions such as scheduling proactive maintenance actions before

something becomes a problem, OpenPages and Planning Analytics software and through an ecosystem of partnerships. And to leverage AI-derived insights from Environmental Intelligence Suite (EIS) to proactively manage the economic impact of severe weather and climate change events.
[Fixed row]

(9.15) Do you have any water-related targets?

Select from:
☑ Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

Water pollution

(9.15.1.1) Target set in this category

Select from:
☑ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

IBM's operations are not water intensive. IBM's goal is to achieve a year-to-year reduction in water withdrawals at specified IBM locations in high or extremely high water-stressed regions. This goal continues IBM's longstanding focus upon resource conservation.

Water withdrawals

(9.15.1.1) Target set in this category

Select from:
☑ Yes

Water, Sanitation, and Hygiene (WASH) services

(9.15.1.1) Target set in this category

Select from:

☑ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

IBM ensures 100% conformance with its location on-boarding selection requirements worldwide for provision of WASH services to staff.

Other

(9.15.1.1) Target set in this category

Select from:

☑ No, but we plan to within the next two years

(9.15.1.2) Please explain

We review the applicability of our water conservation and pollution prevention goals and programs periodically to ensure they continue to meet the needs of our business. We are currently investigating opportunities across our value chain, upstream and downstream.
[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

☑ Target 1

(9.15.2.2) Target coverage

Select from:

☑ Country/area/region

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☑ Reduction in total water withdrawals

(9.15.2.4) Date target was set

12/31/2021

(9.15.2.5) End date of base year

12/30/2022

(9.15.2.6) Base year figure

725

(9.15.2.7) End date of target year

12/31/2024

(9.15.2.8) Target year figure

756

(9.15.2.9) Reporting year figure

756

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

100

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

Goal metric is a percent reduction in water withdrawals year-on-year for specified larger locations in water stressed regions. In 2023, these 49 goal subject locations represent 38% of IBM's total real estate space. The baseline year of 2022 is adjusted from what was reported to CDP for 2022 to include additional locations that for the first time commenced reporting water data, and also now have 2023 water data to compare with. The baseline required periodic adjustments/resetting.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

In 2023, specified IBM locations subject to the water goal are required to set an action plan, track and report water data into an assigned reporting tool, IBM Envizi, and identify, track and report the implementation of water conservation actions. Where no access to water withdrawal data is available we install water flow meters at a location where feasible.

(9.15.2.16) Further details of target

IBM's direct operations are not water intensive. IBMs goal is to achieve a year to year reduction in water withdrawals at specified IBM locations in high or extremely high water stressed regions.
[Add row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

(10.1.1) Targets in place

Select from:

☑ Yes

(10.1.2) Target type and metric

Plastic packaging

☑ Eliminate problematic and unnecessary plastic packaging

☑ Eliminate single-use plastic packaging

☑ Increase the proportion of post-consumer recycled content in plastic packaging

☑ Increase the proportion of plastic packaging that is recyclable in practice and at scale

(10.1.3) Please explain

W10.4
[Fixed row]

C11. Environmental performance - Biodiversity

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from: ☑ Yes, we use indicators	*Select all that apply* ☑ State and benefit indicators ☑ Response indicators ☑ Other, please specify :Increase awareness of biodiversity

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party	Primary reason why other environmental information included in your CDP response is not verified and/or assured by a third party	Explain why other environmental information included in your CDP response is not verified and/or assured by a third party
	Select from: ☑ No, but we plan to obtain third-party verification/assurance of other environmental information in our CDP response within the next two years	*Select from:* ☑ Not an immediate strategic priority	*We have not identified any significant risks.*

[Fixed row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

	Additional information	Attachment (optional)
	Please see the 2023 IBM Impact Report for our ESG progress and performance in 2023.	*2023 ESG REPORT.pdf*

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

VP, Environmental, Social and Governance Strategy and Programs

(13.3.2) Corresponding job category

Select from:

☑ Other, please specify

[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

☑ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute