

Scenario Planning Advisor is an AI tool developed with IBM Research that combines human-domain knowledge with machine reasoning and planning to project a wide range of scenarios and emerging risks.

Environmental and climate-related risks

Climate change is a serious concern that warrants meaningful action on a global basis. IBM considers risks as identified by the TCFD in its risk management process. 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.

IBM senior management assesses the significance of environmental and climate-related risks and opportunities, and manages them accordingly. Senior management regularly reports to the Directors and Corporate Governance Committee of the IBM Board of Directors on IBM's environmental programs, challenges, and emerging issues.

IBM does 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, results of operations, and competitive position. Conversely, we believe that there is opportunity to use IBM's AI, hybrid cloud, and other technologies to assist clients with managing their climate-related risks, and we continue to invest in solutions such as the IBM Environmental Intelligence Suite and our recent [acquisition of Envizi](#) to enhance IBM's capabilities in this area.

Business ethics

IBM's legacy of ethics and responsible business practices continues today in how we govern our operations and conduct relationships.

Every year, employees worldwide participate in IBM's Business Conduct Guidelines (BCGs) program to certify their understanding of IBM's code of business conduct and ethics and recommit to doing business with integrity. The IBM BCGs policy is available in 26 languages, and the accompanying online course, which includes ethical dilemmas that employees may face day to day, is available in 20 languages. In 2021, IBM again achieved 100% participation in the annual BCGs program.

In addition, IBM Trust and Compliance also conducts extensive in-person and virtual training on topics including public procurement, business amenities, anti-corruption, speaking up and nonretaliation, being a gatekeeper, and fraud prevention. These training initiatives are sponsored and attended by our business leaders, setting the tone from the top. These trainings are customized to highlight the risks the particular audience faces, and they leverage new tools and applications to drive engagement and participation, such as live polling. In 2021, Trust and Compliance also introduced behavioral ethics into many integrity education modules and sessions.

IBM's internal reporting channel, which was refreshed in 2021 to improve the user experience, enables employees to report concerns or suspected violations of our BCGs, as well as unethical or unlawful behavior within IBM. We also have similar reporting channels for suppliers, business partners, and others to raise concerns. Learning about issues and concerns allows IBM to intervene early, investigate, and remediate.

Our annual Global Integrity Survey, first launched in 2010, enables IBMers to provide feedback on their perception of ethics and integrity within IBM. The insights gained from the surveys help us gauge employee sentiment regarding speaking up, retaliation, and "doing the right thing." We also use the results to develop action plans to enhance training on targeted topics. In 2021, we conducted benchmarking to refresh our questions, which we anticipate will yield even better insights.

Our education initiatives go beyond IBMers, as we expect our business partners and suppliers to meet our ethics and integrity standards. In 2021, IBM provided online and in-person education to over 34,000 representatives of partners and suppliers worldwide.

6.1 Protecting Against Corruption

IBM prohibits bribery and kickbacks of any kind. Never offer or give anyone, or accept from anyone, anything of value that is, or could be viewed as, a bribe, kickback or other improper benefit, and never improperly attempt to influence that person's or entity's relationship with IBM, whether to obtain or retain business or get some other benefit. And do not make such payments or offer such benefits through others, such as agents, contractors, consultants, IBM Business Partners, trade associations or suppliers.

Likewise, we expect everyone we interact with – including suppliers, IBM Business Partners, agents, contractors and consultants – not to accept or offer bribes or kickbacks.

What is “anything of value”?



Anything of value means just that: *Anything*, including money, meals, gifts, entertainment, transportation, travel, accommodations, event entrance fees, charitable contributions and even employment or internships (paid and unpaid).

Watch out!



When working with IBM Business Partners, suppliers or others, watch for warning signs of corruption and bribery, such as:

- › Discrepancies in records or unexplained payments
- › Deep discounts, high margin or abnormally high prices
- › Lack of skills or resources to do the job
- › Parties with no legitimate purpose in the deal
- › Extravagant expenses
- › Suspicious personal relationships or business arrangements

Anti-corruption laws around the world make bribery a crime. Some laws, like the U.S. Foreign Corrupt Practices Act and Brazil's Clean Company Act, focus on bribery of government officials or employees of government entities or other GOEs. Others, like the UK Bribery Act, also prohibit bribery of employees of commercial entities.