Key Highlights from IBM's 2023 ESG Report • IBM achieved a 68.5% reduction in operational greenhouse gas emissions from the 2010 baseline, surpassing its 2025 goal ahead of schedule. • IBM sourced 70.6% of its electricity from renewable energy, on track to meet the 2025 goal of 75% and 2030 goal of 90%. • IBM implemented 675 energy conservation projects, avoiding 95,000 MWh of energy consumption and 33,000 mtCO2e emissions.

IBM diverted 94.2% of its nonhazardous waste from landfills and incineration, exceeding its 2025 goal. • IBM eliminated nonessential single-use plastics from 58 of its 60 cafeteria operations. • IBM engaged over 11.5 million learners through its training programs and pledged to train 2 million individuals in AI skills by 2026. • IBM's Global Supplier Diversity Program saw $1.2 billion spent on first-tier diverse

suppliers, with a goal of 15% of spending on Black-owned businesses by 2025. • IBM launched watsonx.governance for ethical AI workflows. • IBM planted 70 pollinator gardens, surpassing its target of 50. • IBM completed an external limited assurance audit of its 2023 greenhouse gas (GHG) emissions inventory and underlying data and calculation processes.

IBM achieved 100% employee participation in its annual Business Conduct Guidelines (BCG) program in 2023. • IBM trained over 600 technology suppliers in technology ethics towards its 2025 goal. • IBM's internal IBM SkillsBuild platform engaged over 11 million learners as part of its goal to train 30 million people by 2030. • IBM implemented a diversity modifier in executive compensation to drive

accountability in improving executive diversity representation. • IBM's voluntary attrition decreased compared to the previous two years, with strong engagement and inclusion results from its annual survey. • IBM documented 72 client engagements or research projects demonstrating environmental benefits since 2021, aiming for 100 by 2025. • IBM supported policy advocacy efforts globally, including AI regulation, cybersecurity, and workforce skills development.

IBM’s 2023 ESG report aligns with frameworks like the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD). • IBM earned recognitions such as one of the World’s Most Ethical Companies by Ethisphere and one of the 100 Most Influential Companies by Time Magazine.

Key Milestones and Achievements Greenhouse Gas Emissions Reduction One of IBM's major accomplishments in 2023 was the reduction of operational greenhouse gas (GHG) emissions by 68.5% from the base year 2010, surpassing the 2025 goal of a 65% reduction two years ahead of schedule. This achievement was driven by increased renewable electricity purchases, enhanced operational efficiency, and energy conservation measures.

Renewable Energy Procurement IBM continues to advance its renewable energy goals. By 2023, 70.6% of the electricity consumed by IBM was sourced from renewable energy. The company is on track to procure 75% of its global electricity from renewable sources by 2025 and 90% by 2030.

Energy Conservation Projects In 2023, IBM implemented 675 energy conservation projects across more than 130 locations

globally, resulting in the avoidance of approximately 95,000 MWh of energy consumption and 33,000 mtCO2e emissions. This initiative also led to cost savings of approximately $11 million.

Waste Management and Pollution Prevention IBM exceeded its 2025 goal for diverting 90% of total non-hazardous waste from landfills and incineration, achieving a 94.2% diversion rate in 2023. The company also made significant progress in eliminating nonessential single-use plastics from its operations.

Social Impact and Corporate Responsibility Education and Skills Development IBM is committed to bridging the talent gap through its education and skills development programs. The company aims to skill 30 million people by 2030. Since 2021, over 11.5 million learners have engaged with IBM's free training content. Additionally, IBM has pledged to train 2 million individuals in AI by the end of 2026, focusing on historically underrepresented communities.

Supplier Diversity and Ethical Sourcing IBM's Global Supplier Diversity Program has been operational for over 55 years, promoting diversity and inclusion in its supply chain. In 2023, IBM spent $1.2 billion on first-tier diverse suppliers and set a goal to allocate 15% of its first-tier supplier diversity spending to Black-owned businesses by 2025.

Ethical AI and Technology

IBM continues to lead in ethical AI development. The company launched watsonx.governance, a toolkit to ensure responsible, transparent, and explainable AI workflows. IBM also engaged in numerous policy advocacy efforts to promote responsible AI regulation globally.

Environmental Stewardship Biodiversity and Conservation

IBM established a goal to plant 50 pollinator gardens at its locations worldwide by the end of 2023. The company surpassed this target, creating 70 pollinator gardens across 54 locations in 26 countries.

Sustainable Packaging IBM has been proactive in reducing the environmental impact of its product packaging. The company aims to eliminate nonessential plastic packaging from its products by 2024, ensuring that essential plastic packaging is either reusable, recyclable, compostable, or contains at least 30% recycled content.

Regulatory Changes and Compliance IBM's ESG strategies align with several international standards and frameworks, including the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD). IBM’s 2023 report also emphasizes the company's adherence to the UN Sustainable Development Goals (SDGs).

Commitment to a Sustainable Future

IBM's 2023 ESG report reflects substantial progress towards its sustainability goals. The company's proactive measures in reducing GHG emissions, increasing renewable energy use, and promoting ethical AI and education initiatives underscore its commitment to a sustainable future.

IBM continues to set ambitious targets and adopt innovative approaches to enhance its environmental and social impact, demonstrating leadership in corporate responsibility and sustainability.

For more detailed insights and specific data, readers are encouraged to review

the full IBM 2023 ESG report.