



The events of 2020 forever changed many things. As a society and within IBM, we are just beginning to comprehend the implications of these changes.

While IBM has been a leader in corporate diversity and inclusion for decades, we see 2020 as a reset, and look forward to 2021 and beyond with a renewed conviction and deeper commitment.

A letter from our Chairman and CEO	02
Our history of progress in diversity and inclusion	04
Accelerating our progress in 2020	06
A letter from our Chief Diversity Officer	80
Advocacy	13
Allyship	21
Employee experience	29
Accountability	71
Awards	83
Ensuring the future of work is inclusive	84

"I fundamentally believe that as we continue to uphold the values of diversity, inclusion, and equity, we will make IBM a better and stronger company."

As I wrote to investors in IBM's 2020 Annual Report, fostering a culture of diversity and inclusion is important to our company's success. As IBM's Chairman and CEO, I recognize that promoting diversity and inclusion is a never-ending journey. I remain fully committed to this journey and achieving progress. I write to you at a time when we are witnessing devastating acts of violence and discrimination around the world on the basis of ethnicity, race, sex, sexual orientation, gender identity, disability, or creed. I fundamentally believe that as we continue to uphold the values of diversity, inclusion and equality, we will make IBM a better and stronger company.

As IBM focuses on leadership in the era of hybrid cloud and AI, we are taking a number of decisive steps to create a culture where employees of all backgrounds can thrive. We are also determined to address the widening disparities in society today. Certain groups-notably women, people in underserved communities, and people with diverse abilities—have suffered disproportionately from the global pandemic and the economic upheaval it has caused. The events of the past year have reaffirmed IBM's commitment to address long-standing social injustices, accessibility gaps, and growing socioeconomic differences. Diversity and inclusion are key to our company's success and can help propel innovation and expand access to opportunity.

Nowhere is this more evident than in the remarkable dedication of IBMers around the globe to support their workplaces and communities. This report is a tribute to them and reflects the concrete measures we have taken to uphold our legacy as a responsible steward of technology.

Increasing Accountability

In 2020, we increased our transparency and reporting of diversity and inclusion. We are focused on making significant advances in diversifying our workforce and have established this as a business imperative. We are holding executives accountable for progress in diversity and inclusion and have tied this directly to their bonuses and compensation.

I conduct monthly reviews of diversity data with senior leaders and also consult on our goals with IBM's Board of Directors. In addition, IBM has continued our practice of conducting statistical pay equity analysis—which has been in place since the 1970s—to ensure that IBMers receive equal pay for equal work.

Investing in Skills

Businesses must work together on building skills and providing opportunities across society to accelerate pandemic recovery. IBM is leading by example through programs like P-TECH, our global educational initiative to provide students in underserved communities with critical skills for careers in tech. We are offering 1,000 new, paid internships to P-TECH students in the U.S. in 2021. This is a tenfold increase from the prior year. We've also updated the traditional apprentice model with paid, hands-on learning for the digital era. And we have emphasized hiring based on skills over academic degrees. Women now make up more than a third of IBM's workforce, and we increased representation of women, Black and Hispanic employees in 2020 compared to the prior year. Promotions of women and underrepresented minorities are also up over prior years.

Championing Policies

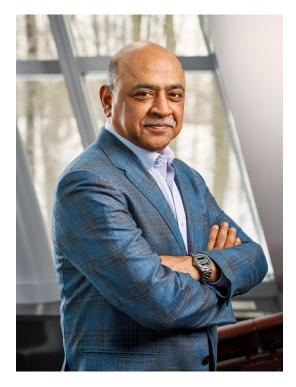
We continue to advocate globally on policies to promote diversity, equality and fairness in our society. IBM supported equal marriage provisions in Northern Ireland, Japan and Taiwan. We also signed an important, multi-year partnership with Australia's Victoria Pride Center, which provides vital services to LGBT+ citizens. In the U.S., we have been at the forefront of advocacy to extend essential civil rights protections to the LGBT+ community through passage of the Equality Act. We also have been one of the tech industry's most outspoken advocates for the Dreamers, who deserve a clear and certain path to U.S. citizenship. In addition, I sent letters to the U.S. Congress and the President advocating for racial justice, police reform, and the expansion of economic opportunities for our most vulnerable citizens. We advocated for passage of anti-hate crime legislation in the state of Georgia, and continue working towards enactment of similar laws in

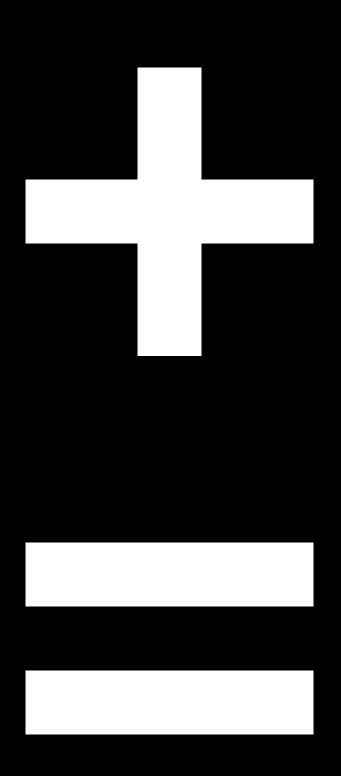
Arkansas, South Carolina and Wyoming. And we stated publicly that we will no longer offer general purpose facial recognition or analysis software.

IBM will continue to devote substantial resources, technology, and expertise in the quest to build a better and more equitable post-pandemic future. We will collaborate with governments, our industry and academic partners, our clients, and the communities we serve to achieve this goal. Together, we will ensure that the digital era is a more inclusive era. Our work has just begun, and we are ever-committed to the journey of equity at IBM and in the world at large.

Arvind Krishna

Chairman and Chief Executive Officer, IBM





Our history of progress in diversity and inclusion

1911

The newly formed Computing-Tabulating-Recording Company, later renamed IBM, included Black and female employees from its founding 1914

First Disabled Employee hired 76 years before Americans with Disabilities Act 1935

Women hired as systems service professionals, T.J. Watson, Sr. stated women will do the "same kind of work for equal pay"

1944

First corporation to support UNCF with IBM President serving on Advisory Committee

1953

First written equal opportunity policy letter is published, 11 years before the Civil Rights Act 1984

Non-discrimination on the basis of sexual orientation and included in IBM's equal opportunity policy 1996

Domestic Partner Benefits added in U.S. 2002

Gender, identity, orientation, and expression added to IBM's equal opportunity policy

2012

Under IBM Chairman and CEO Ginni Rometty's leadership, launched P-TECH®—an innovative education model in diverse and underserved communities 2015

Work/life transition support: breast milk delivery, significant expansion of paid parental leave, webbased elder care 2017

Led a grassroots coalition to successfully defeat discriminatory "bathroom bills" in Texas 2018

Ginni Rometty co-signed letter with the Coalition for the American Dream, urging lawmakers to pass legislation protecting dreamers

Accelerating our progress in 2020

June

Launched grassroots program enabling IBMers to advocate for racial justice reform with Members of Congress, advocated for a hate crime bill in Georgia which passed

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A first signer of the Vatican's Rome Call for AI Ethics to protect human rights

February

March

Transitioned 95% of IBMers to remote work, launched global initiative to support the health & well-being of IBMers amid the pandemic

June

Created IBM Emb(race),™ a global initiative that activates every IBMer in anti-racism

April

Signed Ascend Impact Statement to denounce bias & support Pan-Asian communities

May

Launched Open P-TECH®, providing the world with free online learning for tech skills

June

Created the Words Matter Inclusive Language in IT initiative, later adopted by Linux Foundation

June

Arvind Krishna letter to Congress outlining policy proposals to advance racial equality, declared sunset of IBM facial recognition and analysis products

July

IBM committed to procure 15% of its 1st tier supplier diversity spend from Black-owned suppliers by 2025. In 2020, IBM spent \$2.6B with diverse suppliers globally.

July

Launched advocacy initiatives urging South Carolina, Arkansas, and Wyoming to pass comprehensive hate crimes laws

October

October

Pledged support for the

European Commission's

Digital Education Action

Plan, called on Member

inclusive education, like

P-TECH, in economic

States to include

reform policies

Announced Call for Code for Racial Justice, calling upon our ecosystem to apply IBM technology to combat racial injustice

November

Arvind Krishna letter to president-elect Joe Biden, outlining ways to promote inclusion, close the skills gap, and expand access to economic opportunity

July

Committed to 1,000 paid IBM internships for P-TECH students

September

Announced the first Quantum initiative and a \$100M investment for Historically Black Colleges and Universities (HBCUs)

December

Helped form OneTen to create one million jobs for Black Americans over 10 years

December

IBM letter to incoming
U.S. Secretaries of
Education and Labor
on how to rethink
approaches to education,
skills, training, and
hiring to build a more
equitable economy

"While IBM has a rich heritage in diversity and inclusion, we are still learning, growing, and making progress."

In 2020, the convergence of racial injustice and the global pandemic amplified the stark need for swift and greater progress from society and businesses. COVID-19 disrupted all of our lives, though not in equal measure. Working women were challenged by the pandemic, causing millions to leave the workforce. On top of that, we witnessed social injustices that sparked a global movement, bringing conversations about inequality to the forefront.

All of this has brought us to accelerate our journey of diversity and inclusion at IBM. We are channeling what 2020 taught us into outcome-oriented, rigorous actions focused on four strategic areas:

- Advocacy that drives systemic change which creates opportunity for diverse communities
- Allyship where we provide the training and support to help every IBMer be an upstander through inclusive behaviors
- Employee experiences that champion all diverse communities of IBMers and support every employee to thrive and bring their authentic selves to work
- Accountability that harnesses data transparency and AI to enable action and deliver outcomes for increased diversity representation and inclusion at every level of our company

In this report, we outline key actions in these areas. We also share stories of IBMers that illustrate how life-changing diversity and inclusion in action can be. We are focused on driving systemic change for IBMers, our industry, our communities, and beyond.

At IBM, we take seriously our responsibility to ensure meaningful action. We aim to turn the tide through a modern-day agenda focused on education, skills, and jobs to create opportunity for diverse groups around the world. Sustained progress starts by understanding and acknowledging economic

inequality. Recently, IBM's Institute for Business Value (IBV) reported that in 2020 in the U.S. alone, more than five million women were pushed from their jobs, putting female participation in the workforce at its lowest rate since 1988. Additionally, this January, Latinas in the U.S. faced a 9.2% unemployment rate, with Black women at 9%, as reported by the U.S. Bureau of Labor Statistics. On the current trajectory, it will take about 95 years for Black employees to reach talent parity (or 12% representation) across all levels in the private sector according to research by McKinsey & Company.

Discrimination is challenging people across identity groups. In IBM's IBV study, "Untapped potential:

The Hispanic talent advantage," 87% of Hispanics say they have experienced professional prejudice because of their race, and more than a third of Black and South Asian men say the same. Furthermore, 69% of women say they have experienced discrimination due to their gender according to IBM IBV's latest study, "Dismantling the glass ceiling: Actions to advance gender equality in the workplace."

What's also shocking is that IBM's IBV recently reported in its <u>2021 CEO study</u> that among the most important organizational attributes for engaging employees, CEOs ranked Diversity & Inclusion near the bottom of a 13-choice list.

This is a critical moment where we all must do better. Employees are expecting our leaders to step up to shape a more inclusive, diverse, and equitable workforce. We are at an inflection point to commit to a diversity and inclusion agenda to realize a workforce that reflects the world in which we live and work.

Over the past few months at IBM, we've had increasingly open, internal discussions on the topics of race, prejudice, bias, allyship, and more.

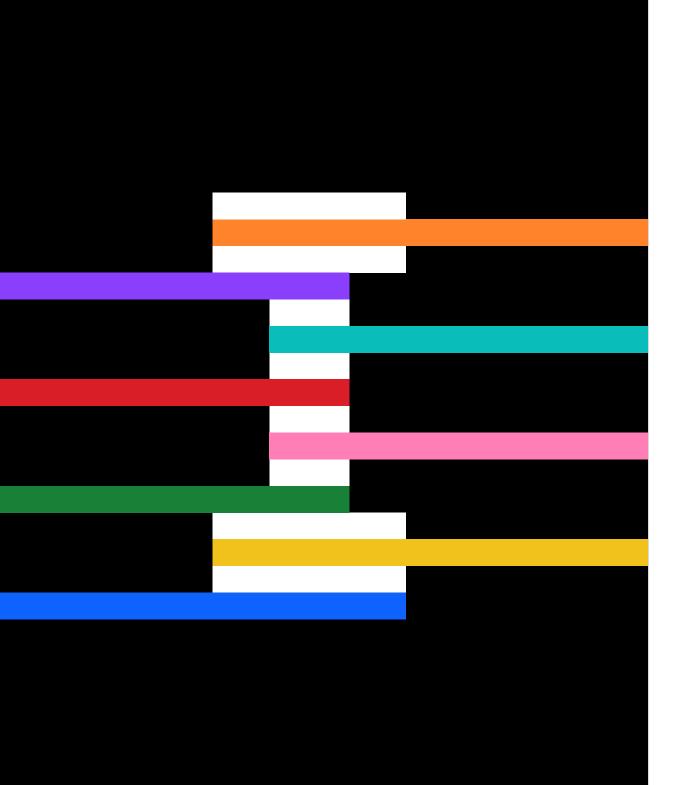
During these conversations, we heard from IBMers about the power of greater transparency to further trust and accountability. This report is the next step in our journey of transparency—it is focused on relevant data and our plans to continue to act on these commitments.

While IBM has a rich heritage in diversity and inclusion, we are still learning, growing, and making progress. We are proud of our legacy in creating an inclusive workplace and world, and grateful for the work and actions of hundreds of thousands of IBMers who led us to where we are today. At the same time, we are committed to even further progress. This is especially true in today's IBM, as we aim to be the gold standard in Good Tech, leading positive change in the world.

Carla Grant Pickens

Chief Diversity & Inclusion Officer, IBM





What does commitment to progress in diversity and inclusion look like at IBM?

All of this has brought us to accelerate our journey of diversity and inclusion at IBM. We are channeling what 2020 taught us into outcome-oriented, rigorous actions focused on four strategic areas:

accountability, action and outcomes for increased diversity representation and inclusion at every level

of our company.

Advocacy	IBM works to drive systemic change that creates opportunity for diverse communities.		
Allyship	IBM provides training and support to help every IBMer be an upstander through inclusive behaviors.		
Employee experience	IBM champions all diverse communities of IBMers and supports every employee to thrive and bring their authentic selves to work.		
Accountability	IBM harnesses data transparency and AI to enable		

"The urgency of fighting a global health pandemic, alongside global protests for racial justice, brought a vigorous energy to deepen and broaden Diversity & Inclusion initiatives that will support the lives and livelihoods of disenfranchised communities all over the world."

Dr. Laura Morgan Roberts

Professor of Practice, University of Virginia Darden School of Business and CEO, The Alignment Quest Enterprise, LLC

Advocacy

If last year taught us anything, it's that we need to do more. Accordingly, we have intensified our commitment to advocacy efforts aimed at driving systemic and sustainable improvement in equity and social justice in business and society.

Creating equality through skills and jobs

For more than five years, IBM has worked to create more equitable pathways for people to acquire tech skills to secure family-sustaining jobs. As we have created programs to support a "skills over degrees" approach, we have seen their potential for enabling corporations to address two key challenges of our time:

- Closing economic divides that exist around the world based on race, antiquated class systems, prejudice, and more
- Bringing millions of women back into the global workforce in the wake of the pandemic



The IBM Quantum
Educators Program
provides access to IBM's
quantum computers and
learning resources to the
students of the University
of the Witwatersrand,
South Africa.

Key actions we took in 2020 to make tech jobs more accessible through skill-building

- 1. The requirement of a bachelor's degree can unnecessarily limit the pool of available and diverse talent, which is why we have eliminated this qualification from job postings where it is not necessary to perform the job. Currently, approximately 50% of our U.S. job openings do not require a four-year degree. We are working to scale this approach globally.
- The IBM Apprenticeship Program offers people from all backgrounds with pathways to technology jobs—receiving training as cybersecurity analysts, system administrators, digital designers, developers, and more.
- 3. The IBM Skills Academy is a skills-oriented training program to empower students and faculty of various backgrounds with the skills needed to excel in today's high-demand technologies. Upon successful course completion, faculty and students can receive badges in areas such as artificial intelligence, cybersecurity, blockchain, design, and quantum computing.

- 4. In its 10th year, P-TECH is a public education reform model created by IBM that enables skills attainment and career readiness now reaching over 150,000 students in the pipeline in 266 schools globally. IBM is offering 1,000 paid internships for P-TECH students and graduates in the U.S., from now until December 31, 2021—a 10x incremental increase.
- IBM SkillsBuild is a free digital learning and career readiness program, readying people for in-demand entry level IT and non-IT roles in many industries.
- 6. In 2020, IBM joined 40 leading companies to create <u>OneTen</u>, an organization that will combine the power of these committed American companies to up-skill, hire, and promote one million Black Americans over the next 10 years into familysustaining jobs with opportunities for advancement.

Higher Education Partners P-TECH. Schools **Industry Partners** Countries

Emb(race) social justice

The heartbreaking events in the U.S. with the deaths of Ahmaud Arbery, Breonna Taylor, George Floyd, and too many others bring to light the inequality, bias, prejudice, and racism so many contend with on a daily basis. In response, we created IBM Emb(race), a global initiative that directly confronts racism. We took several key actions to drive significant impact around equality and equity.

IBM Words Matter initiative

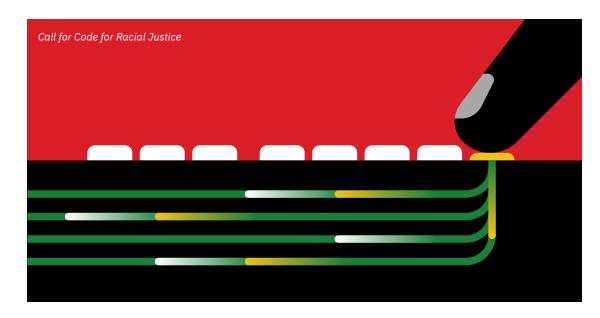
In 2020, as part of IBM's actions to Emb(race) social justice and combat racial inequality, the IBM Academy of Technology—which includes IBM Fellows, Distinguished Engineers and technical experts—launched an initiative to identify discriminatory terms in technology. Terminology such as "Master" and "Blacklist" used in our industry have been removed from use at IBM and replaced by inclusive words. We then worked with the Linux Foundation, Cloud Native Computing Foundation, Red Hat, Cisco, and VMware to create the Inclusive Naming Initiative to help all companies remove harmful language.

HBCU investment

In September 2020, we announced our first IBM quantum education and research initiative for Historically Black Colleges and Universities (HBCU), aimed at driving a diverse and inclusive quantum workforce. The IBM HBCU Quantum Center is a multi-year investment designed to prepare and develop talent at HBCUs from all STEM disciplines for the quantum future.

Additionally, in our support of HBCUs, we have made a \$100M investment in-kind gift of technology, assets, resources, and skills development through the IBM Academic Initiative.

This investment is part of the company's efforts around social justice and racial equality by creating equitable, innovative experiences for HBCU students to acquire the necessary skills to unlock economic opportunity and prosperity.



Supplier diversity

Established in 1968, IBM's Supplier Diversity program provides opportunities to diverse suppliers in 170+ countries—every country in which IBM operates.

- Since 2000, IBM has annually conducted greater than \$1 billion in business with first-tier diverse suppliers in the U.S.
- In 2003, IBM expanded the supplier diversity program beyond the U.S. to promote relationships with diverse suppliers in every country where IBM operates.
- In 2020, IBM purchased \$2.6 Billion, aggregate spend—1st and 2nd tier, in goods and services directly from diverse suppliers globally.
- In 2020, IBM committed to procure 15% of its 1st tier supplier diversity spend from Black-owned suppliers by 2025.

Call for Code for Racial Justice

Call for Code was created in 2018 in partnership with Creator David Clark Cause, Founding Partner IBM, Charitable Partner United Nations Human Rights, and the Linux Foundation. It has grown to over 400,000 developers and problem solvers across 179 countries.

Call for Code for Racial Justice launched in October 2020 as a vital initiative that brings together technology and a powerful ecosystem to combat one of the greatest challenges of our time: racial injustice.

Call for Code for Racial Justice facilitates the adoption and innovation of open source projects by developers, ecosystem partners, and communities across the world to promote racial justice across three focus areas: Police & Judicial Reform and Accountability; Diverse Representation; and Policy & Legislation Reform.

<u>Seven projects</u> have been unveiled and are receiving enthusiastic support from the open source community.

Advocating for equality through policy reform

IBM advocates for public policy that will ensure the digital era is an inclusive era that creates economic opportunity for all. Recent examples include:

Equal rights under the law

IBM focuses on public policy advocacy that supports equal rights globally.

- IBM has worked globally to secure equal rights
 protections for the LGBT+ community, including in
 the U.K., Hungary, Poland, Costa Rica, and Panama.
 We have supported marriage equality in places like
 Northern Ireland, Japan, and Taiwan. In the U.S.,
 we have been at the forefront of advocacy to extend
 essential civil rights protections to the LGBT+
 community through passage of the Equality Act.
- We are one of the tech industry's most outspoken advocates for the Dreamers, who deserve a clear and certain path to U.S. citizenship. <u>IBM has brought</u> <u>our Dreamers to D.C.</u> several times in-person and through virtual fly-ins to share their personal stories directly with legislators.

Racial justice

IBM has advocated aggressively for policies to promote greater fairness and transparency in policing.

- We have worked hard alongside allies in the business community to secure passage of statelevel hate crime legislation.
- Our CEO, Arvind Krishna, appealed directly to members of the U.S. Congress for police reform and legislative action that would expand access to economic opportunity for minority communities and promote the responsible use of technology by law enforcement. In doing so, he also made clear our company's decision to sunset facial recognition and analysis products, and stated unequivocally that IBM will not condone any use of technology that violates an individual's human rights.
- On June 8, 2020, IBM joined the business community in the state of Georgia with a letter to the state legislature to urge the passage of a statewide anti-hate crime law. Georgia was only one of four U.S. states that did not have antihate crime legislation. We continue advocating hard for the passage of hate crime laws in Arkansas, South Carolina, and Wyoming so that penalties for these abhorrent crimes are consistent nationwide.

A more inclusive workforce

Worldwide, IBM has advocated for policies that expand access to 21st century skills.

- We have pushed for career and technical education aligned to the skills that employers need most.
- We have championed the rapid expansion of apprenticeship programs that allow people to build new, valuable skills without having to take time away from earning a paycheck.
- Through these efforts, we are working to make skills-based learning programs available to more people, in more communities, including those that have been historically underserved.

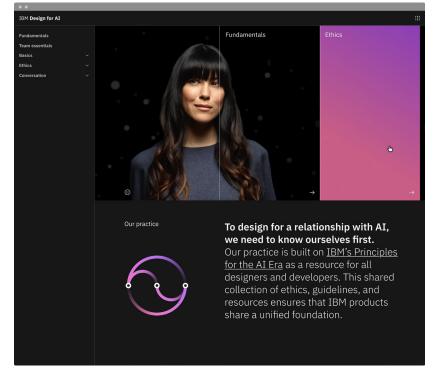
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IBM Design for AI is a resource for software product teams that includes guidance for embedding ethics into the design and development process from the very beginning of AI creation.

AI ethics

IBM leads global efforts to ensure AI is employed ethically and responsibly.

- IBM created an AI Ethics Board that leads the company's global efforts to ensure AI is employed ethically and responsibly.
- We were one of the only global companies involved in the <u>EU's High-Level Expert Group on AI</u>, which developed policy recommendations for ethical advancement of AI.
- Our open source tools <u>AI Fairness 360</u> and <u>Explainability 360</u> help organizations address harmful and unacceptable bias in AI systems.
- We helped shape and were one of the first signatories to the Vatican's Rome Call for AI Ethics.
- We partnered with the University of Notre Dame to establish the <u>Notre Dame-IBM Tech Ethics Lab</u>, the first of its kind to promote global best practices in technology ethics.



"In companies' efforts to capture a broad range of ideas under the label 'diversity,' many failed to recognize the inequities Black employees were continuing to face in their organization. Yet, when the concept of diversity is too narrow, the same outcomes can ensue. As companies move forward, they need to figure out how to strike a better balance between highlighting diversity as both a broad and narrowly focused concept."

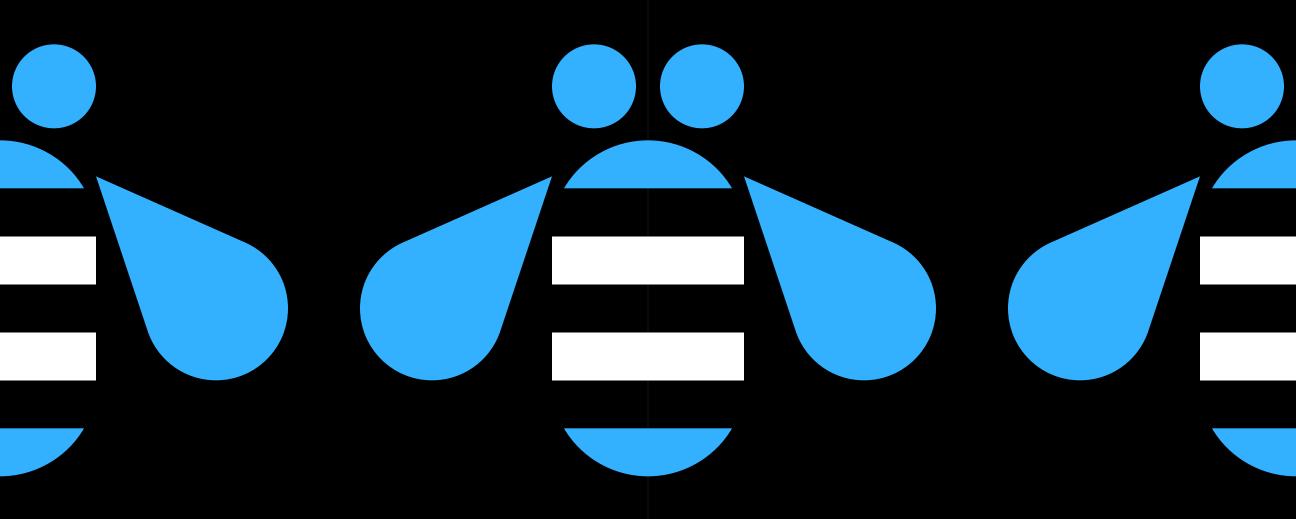
Dr. Stephanie Creary

Assistant Professor of Management
Wharton School of the University of Pennsylvania

Allyship

Real equality at IBM and in our world requires allyship. We are striving to create a culture of conscious inclusion and active allyship where every IBMer is an upstander—standing up for justice, fighting against bias, and supporting every colleague to be themselves at work. Allyship at IBM empowers passionate IBMers to take action, help mitigate bias, and build empathy.

Be Equal® is an endeavor to expand, enable, and ensure equality for everyone. Since its 2019 launch, Be Equal has engaged tens of thousands of IBMers worldwide to pledge their commitment to allyship and equal representation.



Our Be Equal campaign began with gender equality and now champions the culture of conscious inclusion for all. Be Equal is also about promoting, progressing, and celebrating plurality of minds—and being an upstander, as a role model or an Ally.

IBM has significantly bolstered employee education programs that strengthen IBMer advocacy for diverse communities by addressing sexism, racism, bias mitigation, allyship, covering, leading with inclusivity, and other related topics. These are regularly refreshed and some offerings—such as the LGBT+ Ally Championship Badge and Be Equal Ambassador Badge—are commercially available and being used by companies around the world to support their employees in standing up for equality.

Be Bold Be Plural Be Vocal Be Active Be Equal

Be Equal Ambassador Badge

The Be Equal Ambassador Badge is earned by IBMers who have demonstrated a level of volunteer effort and advocacy representation which support IBM's diversity, inclusion, talent, and business priorities.

LGBT+ Ally Championship Badge

The LGBT+ Ally Championship Badge is earned by allies who are aligned with the LGBT+ community and have demonstrated a level of volunteer efforts to create a supportive, inclusive culture.

Neurodiversity Ally Badge

The Neurodiversity Ally Badge is earned by allies who are aligned with the Neurodiversity community and have earned the Be Equal Ambassador Badge.

In 2020, IBM conducted mandatory sexual harassment and bullying prevention training for all IBMers globally, reinforcing the expectations of a harassment-free workplace.

A Be Equal Ally is more than a badge you earn or a class you take. It's continuous self-education and progress. It's a lasting commitment to our IBM core value of personal responsibility to others.

We will scale Emb(race) across all of our racioethnic groups to engage IBMers in education related to race, ethnicity, and discrimination.

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In 2020, the world witnessed acts of racism and violence which had devastating, traumatic impact on Hispanic, Asian, and Black people combined with impact of COVID-19. We amplified our focus on combatting racism as a systemic issue in the U.S. and around the world. And, we took a much bolder stance on discussing racism throughout our company. This culminated into an initiative to fight against the destructive force of racism of all forms, called Em(brace), which is part of Be Equal.

IBM Emb(race) is both a call to action and organizing principle that began on June 1 with the creation of the IBM Emb(race) Pledge—a pledge of advocacy and allyship empowering IBM and IBMers to call for change to ensure racial equality.

It has become one of the most significant catalysts for coalescing IBMers around the most urgent priorities where our technology and platforms can address issues of bias, racism, and social injustice. It has helped thousands of IBMers commit to being an Ally against racism and discrimination wherever it exists, across all diverse communities. The pledge has been translated into other languages and embraced by cultures across the globe.

Learn to Emb(race)

We've created Learn to Emb(race), a new collection of learning offerings to help IBMers understand race, ethnicity, nationality, and how to combat discrimination. This includes a course called Be Equal Essentials, digital learning that deepens understanding around bias, allyship, and microaggressions. Additionally, the Emb(race) Conversation Guide helps IBMers have meaningful, authentic conversations about race.

Emb(race)

I pledge **not** to remain silent.

I pledge to **better understand** the Black experience.

I pledge to **fully embrace** race and ethnicity with empathy.

I pledge to **demonstrate** equality through action.

I pledge to **create safe spaces** to speak out.

I pledge to be an **upstander** in every environment.

I pledge to become an **Ally**.

Ab(raça)

Emb(rasse)

Ab(raza)

Emb(인류)

"Together the private, public, and social sectors must press forward both the conversation and action necessary to address systemic inequality and the impact of intersectionality to create a more fair and equitable society."

Beck Bailey

Director, Workplace Equality Program, Human Rights Campaign Foundation

Employee experience

Leadership action and accountability are critical to fostering an inclusive culture at IBM. Diversity is a business imperative, core to the company's culture, supported by formalized goals and measuring progress.

Transformation and culture

Leading with purpose and culture yields powerful and sustainable outcomes. It's what motivates us to do our best work and enables us to bring our whole selves to work. As we focus on leading in hybrid cloud and AI, IBMers are co-creating an evolved culture in four key areas:



"I believe diversity is a fact, but inclusion is a decision. If we want to tap into peoples' creative potential, inclusion must be infused in everything we do—from how we select and develop our people, to programs, policies and values which ultimately shape our culture over time."

Obed Louissaint

Senior Vice President, Transformation & Culture, IBM

Growth	Obsessing over our clients' growth; winning in the marketplace to drive growth for IBM; providing development opportunities to help IBMers succeed in their careers
Inclusion	Building and developing empathetic relationships; fostering meaningful collaborations; embracing flexibility; listening
Innovation	Shedding the status quo to encourage entrepreneurialism; being creative and adaptable; being curious, bold, and nimble, and learning from our mistakes
Feedback	Embracing candor and transparency; creating avenues for ongoing dialogs; being respectful, but honest and willing to grow

IBM's purpose is underpinned by a corporate culture driven to achieve growth for our clients, our company and ourselves. Fundamental to our transformation is empowering every IBMer to exemplify the behaviors that foster a culture of conscious inclusion where innovation can thrive and individuals progress.

At IBM, it is not enough for us to look different but sound the same. We are passionately dedicated to promoting, advancing and celebrating plurality of thought from all backgrounds to activate collaboration and unleash innovation. And our collective actions translate into 88.3% of IBMers declaring that they can be their authentic selves at work.

We still have work to do on this journey. And at IBM, we commit to continuously evolve inclusive behaviors and actions with our employees to drive systemic change for the world.

In 2020, IBM's engagement results were above the industry average for Inclusion:

88.3%

IBMers who say they can be their authentic selves at work

81.4%

IBMers who would recommend IBM as a great place to work

88.1%

Inclusion index score

Celebrating our differences











IBM has over 300+ chapters of Business Resource Groups (BRGs) and as members of our BRGs, IBMers are using their passion for equality to co-create the future of diversity and inclusion at IBM. More than 50,000 IBMers are involved in our BRGs, where employees are free to share their personal experiences about being a racial or ethnic minority, part of the LGBT+ community, neuro-diverse or physically disabled, female or a veteran, among others.

We also host Executive Councils for global Women, LGBT+, People with Diverse Abilities, and in the U.S., for Blacks, Hispanics, Asian/Pacific Islanders, Native Americans, and Veterans. These councils are each sponsored by an IBM senior vice president and engage the executives from each community to help grow inclusion, enable development and advancement, support the attraction and retention of diverse talent, and serve the community. The councils have adopted an agile way of working, with clear outcomes and self-directed work teams to advance IBM's representation and culture of inclusion.

Core to the continuous evolution of IBM's diversity strategy is the involvement of members of each diversity community. This has led IBM to many industry-leading innovations, such as extended same-sex partner benefits in 50 countries, expanded gender affirmation benefits in the U.S., Brazil and Canada, and in the U.S. increased paid parental bonding time up to 20 weeks for birth moms and 12 weeks for dads and adoptive parents.

















IBM provides a wide variety of development and career acceleration programs including:

- Pathways to Technical Leadership helps mid-level technical women advance.
- Elevate and Building Relationships and Influence programs help prepare high-potential women for leadership roles.
- The SOAR Initiative accelerates careers of highpotential Black, Hispanic, and Native American IBMers by pairing them with senior executive sponsors and career advocates, and providing developmental experiences.
- Hispanics@IBM Influence helps Hispanic IBMers develop their external eminence.
- The Black, Hispanic, and Native American mentoring programs help high-potential entry and mid-level professionals accelerate growth in technical and leadership careers.
- IBM Accelerate is an eight-week live-instruction virtual learning experience that equips undergraduate students with knowledge and readiness for technology jobs. The pilot program launched in the summer of 2020, with 63 HBCU students. In 2021, we are expanding the program to admit 1,000 students from diverse backgrounds.

- StepUP, a people manager development framework, grew women managers by 2% in India. The program includes support for high-potential women employees and managers.
- Virtual experiences for university programs such as our HBCU homecoming event to nurture the future pipeline for diverse potential interns and early college hires.

Within our diverse communities at IBM, we further development and advancement of Global Women, LGBT+, People with Diverse Abilities, and in the U.S., for Black, Hispanic, Asian/Pacific Islander, Native American, and Veterans.



Replaced by President's Letter No. 18 of 1/26/61 The Hiring of New Personnel

INTERNATIONAL BUSINESS MACHINES CORPORATION
590 MADISON AVENUE
NEW YORK 22. N Y.

OFFICE OF THE PRESIDENT Confidential

September 21, 1953

Policy Letter #4

The purpose of this letter is to restate for all of the supervisory personnel of the IBM Company the policy of this corporation regarding the hiring of personnel with specific reference to race, color, or creed.

Under the American system, each of the citizens of this country has an equal right to live and work in America. It is the policy of this organization to hire people who have the personality, talent and background necessary to fill a given job, regardless of race, color or creed.

If everyone in IBM who hires new employees will observe this rule, the corporation will obtain the type of people it requires, and at the same time we will be affording an equal opportunity to all in accordance with American tradition.

T. J. Watson, Jr.

If Water

June 2020

Corporate Policy 117

Workforce Diversity and Inclusion



The employees of IBM represent a talented and diverse workforce. Achieving the full potential of this diversity is a business priority that is fundamental to our competitive success. A key element in our workforce diversity programs is IBM's long-standing commitment to equal opportunity and an inclusive workplace.

IBM has more than 100 years of work on diversity, inclusion, and equality in the workplace. That legacy, and our continued commitment to advance equity in a global society, has made us leaders in diversity and inclusion. Guided by our values and beliefs, we're proud to foster an environment where every IBMer is able to thrive because of their differences, not in spite of them. IBM has taken and will continue to take a bold stand in favor of equal opportunity for all. It is the policy of this organization to continue to engage in activities such as hiring, promotion and compensation of employees, without regard to race, color, religion, sex, gender, gender identity or expression, sexual orientation, national origin, caste, genetics, pregnancy, disability, age and other characteristics. IBM makes reasonable accommodations available where the Company believes they are appropriate to enable employees with disabilities and others to effectively perform their jobs.

In respecting and valuing the diversity among our employees and all those with whom we do business, managers and employees are expected to foster a work environment free of all forms of discrimination, harassment, bullying and retaliation.

This policy is based on sound business judgment and anchored in our IBM Values. Every manager in IBM is expected to abide by our policy, and all applicable laws on this subject, and to uphold IBM's commitment to workforce diversity and inclusion.

Arvind Krishna
Chairman and Chief Executive Officer

IBM has long had policies, practices and employee training programs that foster understanding and respect for all. In 2020, 88.3% of IBMers said they can be their authentic selves at work.

Women

Attracting, retaining, and developing female talent across the world is not only essential to IBM's company culture, it is a business imperative. Women have played a critical role in driving innovation at IBM since its founding in 1911.

Mentorship and sponsorship are at the forefront of IBM's company culture. We have more than 100 Women's Business Resource Groups (BRGs) worldwide. These groups help members expand their personal and professional networks, develop their skills, receive mentorship and sponsorship, and advocate for issues important to women at IBM and in the world.

Globally, across industries in the business world, women represent just 26% of the AI workforce. In response, we created the annual Women Leaders in AI Program in 2019, as a force for change, to help encourage increased diversity in the field and provide honorees a network for shared learning. We are also proud to have showcased more than 100 women-led projects using IBM's portfolio of AI solutions.

IBMer Voices Bhavini Patel

"Recovery from the pandemic will not happen overnight, and neither will true gender equity in the labor market. The last year was especially painful, but it also presents an opportunity to course correct in ways that deliver exponential impact. In taking on this challenge, we will carve a brighter path for women, for men, and for our global economy."

Bridget van Kralingen Senior Vice President, Global Markets, IBM SVP Sponsor, IBM Women's Community



"When I was ready to return to work, the first thought that came to my mind was, 'Who would hire me?' I had a seven-year career break, and I was so far behind with how fast the industry had evolved."

Bhavini Patel is a recent graduate of the IBM Tech Re-Entry returnship program. She is a passionate software test specialist, and loves helping deliver products with the highest quality.

In 2013, she decided to take a career break to give more time to her family and address health issues. During her career break, she found it difficult to keep herself up to date with rapidly changing technology.

As she began to consider restarting her career, she began taking classes on Udemy to update her skills. At the same time, she learned about IBM's Tech Re-Entry program and felt hope that she could re-join the workforce in a great role.

"The IBM Tech Re-entry program provided me the pathway to relaunch my career," says Bhavini. "All the support, development, and technical mentoring, training, and education that I received has helped me learn new technology, re-enter the workforce, and gain high levels of confidence. I will forever be grateful for this opportunity, and I am honored to be part of it."

Supporting working women during the global pandemic

Recently, IBM's Institute for Business Value (IBV) reported that in 2020 in the U.S. alone, more than five million women were pushed from their jobs, putting female participation in the workforce at its lowest rate since 1988. The pandemic has had a devastating impact on women in the global labor force across every industry, which must be addressed.

At IBM, we have focused deeply on providing strong support to women. We ended 2020 with women making up nearly 34% of the IBM workforce, an increase from 2019. And, in 2020, 36% of IBM promotions were women. We have work to do but we held our ground in an incredibly challenging year.



We focused on creating an environment that supports women and acknowledges the multiple demands they experience daily-often taking the lead as caregivers at home. We have placed a major focus on empathy throughout the pandemictraining 30,000 managers to check-in regularly on how their teams are doing.

Benefits

We focused on understanding what women need through "mini-pulse" surveys, and launched benefits and programs that provide the support and flexibility to put family first by offering:

- Four additional weeks of flexible, paid emergency COVID leave that can be used in increments of hours or days, or in a single, monthlong stretch
- Emergency backup care through use of a daycare center or in-home assistance when usual child or elder care arrangements fall through
- IBMers and all members of their household with free mental health counseling
- Part-time employment and job-sharing arrangements

We've put a significant focus on improving retention and engagement, and increasing representation of women at all levels of our company. Additionally, our emphasis on skills over degrees opens a route to tech for women from diverse backgrounds.

- Our Tech Re-Entry Program is a six-month paid returnship for technical professionals who have been out of the workforce for 12 months to help them transition back to the workforce. Ninety nine percent of participants have been women.
- The IBM Apprenticeship Program is helping women-often without four-year degrees-make the shift from less flexible careers such as food service, retail, and manufacturing to become cybersecurity analysts, system administrators, digital designers, developers, and more. These roles provide the flexibility needed for women to excel in their careers and in their personal lives.



Maysa Macedo had her baby, Hugo, in February 2020. After maternity leave, she returned to work during quarantine and without childcare. She alternates work schedules with her husband to care for Hugo.

Simone Carmona Steffen and her two-year-old daughter Diana. Simone thanks her manager for the flexibility and alternative work hours during the pandemic that helped her and her husband care for their daughter as schools are still closed in Brazil.



LGBT+

IBM has a rich history of being a leader of LGBT+ inclusion and we've maintained our position as a leader by scoring 100% on the Human Rights Campaign's Corporate Equality Index for 18 consecutive years. We strive to make every LGBT+ IBMer feel empowered to be themselves.

In 2020, IBM's LGBT+ community lived our commitment to diversity by showing solidarity, compassion and allyship to others. Pride Month in June became an opportunity to stand as one with the Black community at IBM. The LGBT+ Executive Council collaborated with the Black Executive Council to host a series of fireside chats on history, solidarity and community.

In December 2020 on World AIDS Day, IBM and SAP launched in the U.S. the #workingpositively Pledge with multiple corporate partners to make the workplace more inclusive for employees living with HIV. #workingpositively advanced a global effort that began in Germany in 2019 through which more than 200 organizations have committed to a stigma- and discrimination-free workplace for employees living with HIV and/or other diseases.

At IBM, we provide the opportunity for employees to self-identify as LGBT+ in order to better understand the makeup of our workforce. By employees self-identifying, we are able to leverage the data and create solutions and network opportunities for our employees and continue to build a successful company. Today we have Self ID in 40 countries worldwide and we continue to update our Self ID options to be aligned to marketplace best practice.

Since 2019 we've had a feature that enables IBMers to display their pronouns on their profiles in our global intranet employee directory. In 2020, we enhanced the options to enable IBM employees to select multiple pronouns e.g. she/her and they/ them. We continue our work on making available all-gender rest rooms, furthering pronoun enablement, and ensuring our tools and applications use inclusive language. As a result, IBM is frequently recognized for its leadership in inclusion.

42:43

IBMer Voices Jill Rose

"I believe in equality and in advancing the rights of our LGBT+ community. My role as the SVP sponsor is a commitment to provide support, be a champion, and assume responsibility for removing barriers that exist for anyone to truly be themselves. I'm energized by this mission and by the journey ahead."

Dr. Dario Gil

Senior Vice President and Director of IBM Research SVP Sponsor, IBM LGBT+ Community



"At IBM I feel completely comfortable being myself. I don't feel like I need to hide anything about my identity here and it's really nice. It really feels like a serious thing, not just words."

Jill Rose has been with IBM for two years and works with the IBM Cloud team in Austin, Texas. She is part of the transgender community and has found a professional home at IBM.

Her decades-long journey of self-discovery and acceptance have culminated in being able to live as her true self. This is the first job that she interviewed for as herself and says that "IBM is just better overall" in terms of support provided to transgender employees.

In 2020, Jill had two standout moments of particular pride in being an IBMer. First, IBM invited a former transgender employee back for a formal apology for her hardships at IBM in the 1960s. Additionally, she experienced another proud moment when her team participated in an exercise that asked colleagues to share their favorite shoes. She chose a pair of shoes that were her favorite, pre-transition and then shared a picture of the shoes that are now her favorite. She said several colleagues sent her notes of congratulations on her transition. Jill says, "I believe that IBM is as committed as a company can be."

People with Diverse Abilities

"Diversity & Inclusion has always been presented as a commercial option not as an ethical imperative: a diversity department could focus on gender this year, ethnicity the next, sexual orientation after that, as though the equality basics were already in hand. Twenty twenty one will be the year when 'equality' becomes both a commercial and an ethical imperative—including equality for the world's more than 1.3 billion disabled people who have so rarely featured as a diversity priority."

Susan Scott-Parker OBE HonD

Founder, Scott-Parker International

Although nearly 1 in 4 adults in the U.S. face some type of disability, an industry sample has found that in 2020 over 98 percent of home pages had a detectable accessibility error. Accessibility can be forgotten or left until too late in the development process when it is difficult to retrofit the site or application.

In 2020, we launched a new open-source offering and design toolkit to enable designers and developers with the tools they need to make their websites and applications accessible. The Equal Access Toolkit and Checker give clear guidance on what's needed at each stage of development, test automation and browserbased accessibility checking.

We have always made accessibility a priority at IBM, and COVID-19 exacerbated the prioritization as we shifted our workforce to remote work. For IBMers, we put in place a temporary accommodation process, in addition to our standard accommodation provision procedures to ensure that our employees with diverse abilities would get the equivalent accommodations while working from home.

It's important that we set that tone not only in what we do and say, but also how we say it. Our decision to shift from using "People with disabilities" (PwD) to the more inclusive terminology "People with Diverse Abilities" (PwDA) is one more step to an even more inclusive IBM.

Along with our PwDA community, we recognize the important talent and contributions of neurodivergent IBMers to our business, our clients, and our communities. This talent pool brings different perspectives, backgrounds, and ways of working, making us a more competitive, diverse, and inclusive company.

That's why we are dedicated to hiring neurodivergent people through our Neurodiversity (ND) @ IBM program, a global program that includes neurodivergent friendly hiring and development opportunities and neurodiversity training for all employees. Today, we are hiring neurodivergent talent in eight countries, with ND enablement available to employees in more than 30 countries.

"At IBM, we embrace people with all abilities, as acceptance in the workplace fosters diverse thought and creativity. When people bring their whole selves to work they unleash innovation, which is how we continue to grow as an organization."

Howard Boville

Senior Vice President, IBM Hybrid Cloud

SVP Sponsor, IBM People with Diverse Abilities Community

IBMer voices Samuel Castleman



"Autism often manifests itself as a degree of social awkwardness that many neuro-normative people find off-putting. You can do your best to 'mask' these artifacts, but your behavior is still too-often perceived as going beyond the narrow confines of 'normal,' and is therefore unacceptable."

Like many autistics, Samuel Castleman has suffered the consequences of the disconnect between his abilities and others' perceptions of them. Articulate and persuasive, Samuel competed on his high school's debate team.

But artifacts of Samuel's autism made job interviews difficult. Before joining IBM, Samuel had applied for nearly 150 positions in Melbourne and his native Ballarat, without obtaining casual or part-time work. It was devastating.

After hearing about IBM's neurodiversity hiring program from a friend's mother, Samuel decided to try his luck. He impressed evaluators in the one-day feeder course that led to his selection to complete a fourweek intensive program for identifying neurodivergent individuals with in-demand skills for IBM.

IBMer voices Asna Javed



"I was actually new to the Diversity & Inclusion mindset until I realized that IBM focuses on the quality of your work, not whether you are 'different' in some way."

The lead developer advocate for Pakistan, Asna Javed works to strengthen IBM's relationships with business partners and independent software vendors (ISVs).

Asna learned to overcome challenges early in life, as she was born without either of her arms. Luckily, she was raised in a supportive family that never imposed limits on her ambition or world view. She enjoyed a typical childhood with three rambunctious brothers who treated her no better (or worse) than any sister, and then pursued her education—earning a Master's in Computer Engineering.

Along the way, Asna became accustomed to adapting to her environments rather than having environments adapt to her. So joining IBM was kind of a shock—in a good way. "When I joined IBM four years ago, it took a while for me to get used to being accommodated," she says.

Asna was pleasantly surprised when IBM customized her workspace for her—a vast improvement over the generic "people with disabilities fixes" that she had encountered in schools and at previous jobs. These accommodations allow Asna to focus on her work, and to employ the growth mindset necessary to develop innovative ideas and new ways of working with the partner and ISV constituencies so vital to IBM.

Black

The Emb(race) pledge was a catalyst for IBM to take long term and sustainable actions around social justice that will drastically change our company and society. We continued our social justice efforts by hosting a series of raw conversations with Black IBMers known as Emb(race) conversations led by IBM's senior leadership team. Through that process, we listened and learned about our Black colleagues' genuine feelings and personal experiences with racism and inequality.

Building on this momentum and with the Black community, we defined and co-created four pillars under Emb(race) to take strategic action:

1) representation and transparency which addresses our internal accountability and acceleration,
2) creating economic opportunity for underrepresented communities, 3) leading in good technology, and
4) social justice policy advocacy.

In support of the Emb(race) pillars, in 2020 we held a Call for Code challenge where more than 500 IBMers and Red Hatters generated thousands of lines of code to address Police & Judicial Reform & Accountability, Diverse Representation, and Policy Legislation Reform. Additionally, as a member of the New York Jobs Council, IBM and other New York based companies committed to hire 100,000 workers from Black, Latino, Asian, and low-income communities by 2030. IBM has also re-engaged with well-known influential civic organizations including the Joint Center for Political and Economic Studies, Congressional Black Caucus, National Caucus of Black State Legislators, and NAACP Legal Defense Fund.

Additionally, to further understand issues around race in business, the IBM Institute for Business Value (IBV) recently <u>surveyed</u> more than 1,500 Black executives and business leaders across a variety of companies and industries, between May 2020 and January 2021, comparing the results to a similarly composed survey of White executives and business leaders. The results point to continued obstacles for Black Americans, as well as potential of hope for long lasting systemic change and improvement.

IBMer Voices Adquena Faine

"I have always been extremely passionate about diversity, inclusion and allyship. However, when I became SVP Sponsor of the Black Community, I made it my mission to advance our commitment of inclusion across IBM."

Bob Lord

Senior Vice President, Worldwide Ecosystems and Blockchain, IBM SVP Sponsor, IBM Black Community



"I came with an empty IT cup and IBM essentially filled it until it ran over."

Adquena Faine, a Cloud Storage Engineer, joined IBM without IT experience. She had a successful career as an aircraft electrician in the Airforce and as a Navy civilian marine electrician. She sought a new career that provided flexibility to focus on raising her daughter, and wanted to join a company she believed in.

Adquena credits the IBM Apprenticeship Program with helping her "resurrect a new career," one that included bringing her entire self to work. As such, she will always be grateful for the learning based on Kenji Yoshino's concept of covering during her onboarding process. She was encouraged and supported by her IBM mentors throughout the program who assured her they could teach her IT but could not teach her what she had in abundance—passion for and dedication to her work. Following her apprenticeship, she was offered a full-time IBM position in 2020.

Adquena loves IBM's Emb(race) initiative, stating "What sets IBM apart is its willingness not to ignore racism, because many companies do. At IBM I can be unapologetically me—black, female, gay, I can be whatever I am."

Hispanic

According to the IBM Institute for Business Value (IBV) recent study "Untapped potential: The Hispanic talent advantage." Hispanics are the largest and fastest-growing community in the U.S., but only 4% of executive positions are held by Hispanics, though they represent nearly 20% of the US population.

IBM is proud to have a diverse Hispanic population and is committed to accelerating hiring and growth at all job levels including executives. The IBM Hispanic Council operates with a three-point agenda that prioritizes education, mentorship, and advocacy with a focus on leadership development, both for current and future IBMers.

Within IBM, we're fostering career growth through dedicated mentoring, advocacy, and skill-specific development. Programs such as the Hispanics at IBM Tech Talks and the Social Eminence series reached over 1,000 IBMers last year alone, and the pilot for our new mentoring framework (BHN Mentoring Connect) generated over 300 new mentoring connections.

We are also in the process of forming an alliance of large enterprises, like IBM, who will partner to provide mentors and career opportunities for P-TECH students and alumni. Our goal is to double the number of supported P-TECH schools located in school districts with high concentrations of Hispanic students. In addition, Open P-TECH learning platform is now available in Spanish and Portuguese too, easing the access of the Hispanic/Latino communities to the wide world of technology.

In 2020, we also signed <u>The Hispanic Promise</u>, a first-of-its-kind national pledge to celebrate Hispanics in the workplace. It was launched at the World Economic Forum in 2019 as a call to action for companies and organizations across the U.S. to create a more inclusive work environment for Hispanics. In less than a year, more than 130 top companies have signed the Promise.

IBMer Voices

Ivan Portilla

"As the senior executive sponsor for the IBM Hispanic community, I've had the privilege of learning from and influencing the connections, development, and advancement of my Hispanic colleagues. I've made it my personal priority to be a better ally and to move the needle where I can by listening, having empathy, and taking actions that make a difference."

Tom Rosamilia

Senior Vice President, IBM Systems and Chairman of North America, IBM SVP Sponsor, IBM Hispanic Community



"Growing up, when I was in high school, I had a fascination with computers. This was during the time of the first personal computers. I had an Apple, but the IBM PC was always the standard. It was my dream to work for a company such as IBM."

Ivan Portilla is based in Boulder, Colorado and has been with IBM for 24 years. He is proud to work for IBM because of the impact he has on minority communities. Ivan is a P-TECH mentor, and he is very involved with the local school district. He teaches a weekly class on Robotics and AI to mostly minority high school students. As a Hispanic engineer, he has become a role model.

Ivan is a member of the IBM Boulder Hispanic
Networking Group, which he has been an active
member of since its creation. A source of tremendous
pride for Ivan is the positive impact he has on
the Boulder community because of the support he
gets from IBM.

During his IBM career, Ivan worked on assignment in Brazil and Chile, where he learned a critical lesson he applies to his work each day: "Creating a human bond is essential before you can conduct business. When we understand each other's culture, we can better anticipate the needs of the customer."

Native American and Indigenous

We are focused on four key areas of impact for the Native Community; talent acquisition and career growth; societal impact; and engagement. Our engagement across Native IBMers has increased at all levels. Through mentorship, skill building and hiring, we are committed to growth in all job areas of representation and hiring for Native American IBMers.

In addition, we have an unwavering commitment to American Indian Science and Engineering Society (AISES), one of the largest STEM organizations focused on supporting the Indigenous community. Our commitment is evident through two IBMers winning AISES coveted Professional Awards and, for the past three years, we have been named a top place to work for Native American Talent by AISES.

Another key area we are focused on is allyship. To build strong allies, you need education. We partner with the International Indigenous Speakers Bureau (IISB) to regularly provide IBMers with Indigenous perspectives around mainstream industry topics. Through this series of guest speakers, we are building a network of IBMer allies who advocate for the Indigenous community.

"I often experience organizations who might initially believe that engaging with Indigenous people is about checking a box to ensure they are on the right side of ethics or social responsibility. The first step forward is always important but, it is a company's willingness to journey the long road that Indigenous people are really going to respect and will make the biggest difference. With IBM, I never had to explain this."

Shannon Loutitt

CEO, International Indigenous Speakers Bureau (IISB)

IBMer Voices Brendan Kinkade

"Diverse perspectives are critical to IBM's success in the marketplace, and Native American and Indigenous IBMers are innovating and bringing value to our clients every day. That's why IBM is committed to: ensuring our jobs are accessible; investing in the careers of Native American and Indigenous IBMers; and supporting and driving societal impact that will last for years to come."

Jim Kavanaugh

Senior Vice President and Chief Financial Officer, IBM SVP Sponsor, IBM Native American & Indigenous Community



"My Native American background and position give me unique visibility across intersections of culture, technology, and society. IBM has provided me with the corporate-level support needed to contribute my time and expertise to the Native American community."

Brendan Kinkade joined IBM from VMware five years ago. Brendan is a citizen of the Choctaw Nation of Oklahoma, where he was born, and where his parents and grandparents struggled with segregation and lack of economic opportunity. He views increased Native American participation in tech as critical to closing gaps ranging from income inequality to health.

Brendan has worked extensively as an executive sponsor of the IBM Native American Council and other Native American educational, community, and economic development organizations, including the AISES, which honored him with its 2020 Award for Executive Excellence.

"I strongly believe that IBM enables employees to bring their authentic selves to work and has built a culture that welcomes distinct points of view," he said. "I've also been on a personal mission to build diverse teams here, and am honored that 50 percent of my team is comprised of women and members of underrepresented groups."

Pan-Asian

IBM's U.S. Pan-Asian community is an essential part of the IBM workforce and shows increased representation at all job levels and categories. IBM is above market for overall representation and management.

To combat discrimination targeted at Pan-Asians, IBM showed leadership by releasing a statement in support of the Pan-Asian community and stood against xenophobia by joining over 100 companies to sign the <u>Ascend COVID-19 Action Agenda</u> at the height of the pandemic. Recently, with a spike in anti-Asian violence in the U.S., we spoke out again, as a sign of continued support for the Pan-Asian community and IBM's commitment to fight discrimination and racism in all its forms and wherever it exists.

We are focused on five core areas for our Pan-Asian community: Leadership Development, External Partnerships, Communications, Allyship, and Business Resource Group Revitalization.

"With the pandemic as a backdrop, 2020 surfaced deeply rooted, lingering issues around racism, bias, and negative sentiments that targeted underserved diverse communities. Recent overt acts of aggression and microaggressions against Asians in and out of the workplace show how critically important it is for DEI to work together."

Anna W. Mok

President, Ascend and Ascend Foundation

"The Pan-Asian community plays a huge role in the success of our clients and this company. At IBM, we are committed to developing current Pan-Asian talent and also to creating an environment for future Pan-Asian IBMers to thrive and be their authentic selves at work, every day."

John Granger

Senior Vice President, Hybrid Cloud Services and Chief Operating Officer IBM Global Business Services
SVP Sponsor, Pan-Asian Community

IBMer Voices Sarah Missale



"Growing up in Los Angeles, Kobe Bryant has been an inspiration for me as the embodiment of hard work and perseverance. I was a very young Staff Sergeant in a male-dominated field. I went to college late in life and started my career almost a decade later than my peers. I had to overcome self-doubt, understanding that I make a difference when I work hard and persevere."

Sarah Missale is a first-generation Korean American and second-generation U.S. military veteran. Seeking to find her own path and travel the world, she joined the Air Force after high school as an airplane mechanic. After retiring from the Air Force, she moved to New York to study Computer Science and build upon her technical knowledge from working on airplanes. After a successful internship at the company her junior year, she knew IBM was where she wanted to start her technology career.

Today, as a Technical Solution Specialist at IBM, her work helps businesses through their digital transformations, giving them the tools they need to be agile in an ever-changing world. Additionally, Sarah helps women in their career journeys as a mentor for the American Corporate Partners (ACP) Women's Veteran Mentoring Program. And, she is applying her ACP experience to help IBM advance IBMer mentorship programs.

She says, "I was aware that IBM is an inclusive company, but when I saw leaders posting messages about #StopAsianHate, I felt that I was in a safe environment, belonged, and mattered."

IBMer Voices Radha Ratnaparkhi



"Many companies talk about women in the workplace, but IBM puts those words into action!"

Radha Ratnaparkhi has been with IBM for 20 years. For 11 years she has held the title of Vice President and credits her success at IBM to the inclusive culture that allowed her to excel. She says, "You can reach your full potential when you don't have to worry about things that should not matter, like gender."

Radha's childhood friend recently started working for IBM India. When she asked her how it was going, "the first thing she said was how supportive her work environment is and that she is allowed to focus on her job."

Radha is proud to see that the IBM inclusive culture translates globally and personally. Her daughter was able to choose an employer that fostered an inclusive culture, something she learned to look for from Radha's experience at IBM.

Radha serves on the Pan-Asian Leadership Council. She is an executive champion, leading the Leadership Development strategic priority. Over the last year they have focused on allyship. She says, "there is much to learn from other minority groups and generally any challenges around inclusion will be similar." For example, they learned about the grassroots outreach strategy from members of the Hispanics at IBM Council, and are working to apply similar concepts within the Pan-Asian community.

Veterans

IBM is a top-10 designated Military Friendly Employer. In 2020, the company achieved its goal of hiring 2,000 veterans, 11 months in advance of plan. We also established our first Veterans Executive Council focusing on four key strategic areas: Mentorship, Leadership & Advancement, Camaraderie, and Recruitment.

At the beginning of the COVID-19 pandemic, we began offering a version of IBM SkillsBuild specifically designed for military veterans transitioning to jobs in the private sector, particularly roles with a technology component.

Military veterans in the U.S., Canada, and the U.K. who are transitioning to civilian tech jobs, such as cybersecurity experts and data analysts, are being re-skilled by IBM's Veterans Employment Initiative. This provides free, in-person data analytics software training, along with certification and job placement assistance from NPOs, helping hundreds find jobs at IBM and with industry partners. In 2020, the Veterans Employment Initiative has been made more accessible and convenient with a comprehensive online option — providing technical and career readiness coursework, certifications, coaching, and job placement assistance.

The number of IBMers who volunteered as mentors to help transitioning military members in the <u>American</u> <u>Corporate Partners (ACP) Program</u> which IBM sponsors, doubled to 150 in 2020. It is important that IBMers continue to recognize how our culture of volunteerism, mentorship, professional development, and lifelong learning coalesce around veterans, both within and outside IBM.

IBMer Voices Bobby Givens

"Veterans bring unparalleled discipline and passion to their roles, and a unique perspective to every team they are part of at IBM. Our objective for the Veterans Executive Council is to create a sense of community and foster a welcoming, supportive, and diverse workplace for veterans to realize their personal growth, camaraderie, and professional development."

Rob Thomas

Senior Vice President, IBM Cloud and Data Platform SVP Sponsor, IBM Veterans Executive Council



"IBM provides a substantial ecosystem of resources for veterans. These resources have furthered my career growth, skills development, and professional network in an ever dynamic and connected world."

Almost a decade after being in the U.S. Navy, Bobby Givens wanted to land a job in technology and contribute to the digital era. The big obstacle was that he didn't have the right mix of high-tech skills. He was an Assistant Director in the Department of Revenue in Louisiana, leading a team of almost 100 people, but he knew he wanted a career in technology.

"My military background has gotten me into leadership and managing people. I wanted to apply that experience to a role in technology because digital transformation is the future and I wanted to be part of that future."

Through his mother, he learned about IBM's Apprenticeship Program and is now a full-time Application Developer at IBM.

"Let's not return to the normal or a 'new normal' let's return to a 'new different.' A 'new different'— in which we in our organizations, C-Suites, across sectors, and with our boards, are collaborating across generations, races, ethnicities, genders, global locations, etc., engaging and leveraging different ideas, measuring and holding people and organizations accountable to create innovations that will allow us to deal with future disruptions in proactive ways."

Dr. Lisa Coleman

SVP, Global Inclusion & Strategic Innovation, NYU

Accountability

IBM harnesses data transparency and AI to enable accountability, action and outcomes for increased diversity representation and inclusion at every level of our company.

At IBM, diversity is a business imperative, core to the company's culture, supported by formalized goals and measurable progress. Accountability is critical to fostering a diverse and inclusive company.

Our senior executives are held accountable for improvement in the career progression and representation of each underrepresented minority group and women. Compensation for our C-suite and all IBM executives is calculated in part based on their organization's progress in improving diversity for women and underrepresented minorities. In addition, in 2021, the IBM Board of Directors added a diversity modifier to the Company's annual incentive program to reinforce senior management's focus on improving a diverse representation of our workforce.

The Chairman and CEO and the company's senior leadership team hold monthly reviews of executive hires, promotions, losses, and the rate of hiring for women and underrepresented minorities. This is also reviewed twice per year with the IBM Board of Directors.

Today, the company's senior executive leadership team includes women, Black, Hispanic, and Asian team members. Additionally, the IBM Board of Directors focuses on ensuring its members reflect a diversity of backgrounds. IBM has had people of color and women on the company's Board of Directors for several decades. In the last three years, two women directors were added to the Board. In the same period, two ethnically diverse directors were added to the Board. Twenty-five percent of the nominees for the Board of Directors at the 2021 Annual Meeting of Stockholders are diverse.

IBM has pursued the highest standards of corporate responsibility for more than a century, and our Board of Directors is actively engaged in overseeing the Company's diversity and inclusion efforts. Consistent with IBM's legacy of welcoming and supporting a diverse and inclusive workforce, the Board of Directors has adopted a policy committing the Company to publish a report annually assessing the Company's diversity, equity and inclusion efforts and programs. Further, in the spirit of enhanced transparency, we have committed to publish EEO-1 data in 2022 after the completion of the separation of our managed infrastructure services business.



"Our heritage and rigor around diversity and inclusion fills me with pride and is one of the biggest reasons I joined IBM."

Carla Piñeyro Sublett

Senior Vice President and Chief Marketing Officer, IBM

About our diversity data

Equity, diversity and inclusion are essential components of IBM's corporate values and tightly integrated into our business strategy. Achieving the most patents of any company for 28 consecutive years, and solving the hardest problems in business and society requires a highly skilled team of diverse IBMers around the world.

At IBM, our data fuels a science-based model to help advance diversity, equity, and inclusion. This includes multiple dimensions across our societal and business initiatives such as:

- Recruitment pipeline development to maximize the flow of diverse individuals to IBM
- Communities and Business Resource Groups (BRGs) which elevate engagement and inspire the world.
- Skills-based hiring to power IBM into the future
- Differentiated experiences affirming IBMers belong, are engaged, and are heard
- Mentorship and career development programs to increase diversity representation in management and executive roles across our company
- Transparency in IBM's diversity mix and accountability in selection decisions
- Respect for the individual and appreciation of our differences and intersectionality
- Innovative technology enabling Equity and Equal
 Opportunity in IBM programs and practices

Our data is part of who we are, informs what we do, and supports us to scale cultural and behavioral transformation across IBM.

While we have taken significant actions and made progress, we continue our focus on addressing underrepresentation at all job levels. Additionally, measuring representation is not enough. We are dedicated to employee career growth, engagement, well-being, and investing in IBMers who are developing their skills and leadership potential. Measuring progress in these areas is critical.

Inclusion and engagement

Despite the challenges of a global pandemic, in our November 2020 annual IBMer Engagement Survey, IBM achieved best-in-class inclusion scores with 88.3% of IBMers saying they can be their authentic selves at work. Our employee engagement index increased by 2.5%, and employee engagement scores increased for Women (+3 points YoY), Black (+3 points YoY), Hispanic (+2 points YoY), and Asian (+3 points YoY). Women and underrepresented minority groups had higher engagement scores than the average IBMer. And, 81.4% of IBMers said they would recommend IBM as a great place to work, up 6 points from 2019.

Hiring, Skill Development, and Careers

We believe one of the strongest actions businesses can take to promote equality and inclusion is to focus on skill-based hiring and prioritize skill development for the entire workforce. Amidst the pandemic, we were challenged to develop virtual experiences for candidates to engage, attract, and hire exceptional talent globally with signature experiences for diverse groups. We continued to hire throughout 2020 and achieved over 30,000 new IBMer hires across the globe.

Our emphasis on skills over academic degrees expands pathways for everyone, regardless of background or education level and broadens access into tech careers.

Our industry-leading diversity hiring practices have resulted in the hiring of 38.3% women, overall, and 21.3% underrepresented minorities in the U.S. in 2020. Year over year, we have increased the representation in our hiring outcomes for key constituencies—including: Black new joiners across executive, management and technical hiring types; Hispanic new joiners across all hiring types; and Women technical and management hiring types.

In addition to hiring, advancement opportunities for diverse employees are a priority. Since 2019, IBM increased promotions of IBMers from underrepresented minorities—with improvements ranging from 3.1% to 27%. Of all promotions globally in 2020, Women represented 36.6%. Non-executive promotions for Black IBMers increased 1.3 percentage points and increased 2.0 percentage points for Hispanic IBMers. Multi-race and Women are also experiencing an increase in promotions of up to 1.7 percentage points in some areas.

IBM's culture of growth supports an employeecentric career model. IBMers are empowered to own their career, with unfettered access to tools and programs that support their journey.

- In 2020, IBM launched Your Career at IBM, a digital experience designed to help IBMers understand the skills they have, gain clarity on the skills they need, and open doors to new roles and career opportunities. Targeted certification programs and comprehensive coaching and mentoring supplement IBMer development and growth.
- In 2020, the average IBMer logged 88 hours of learning, reflecting our commitment to every IBMer having access to the resources to build strategic skills, grow their careers, and face the future with confidence.
- Globally, women earned over 185,000 badges for learning skills. In the United States, Black IBMers earned more than 6,800 badges and Hispanic IBMers earned more than 6,600.

4000

Women in career accelerator programs

1,000

New internships for P-TECH students and graduates by December 2021 6,600

Badges earned by Hispanic IBMers

185.000

Badges earned by female IBMers

6,800

Badges earned by Black IBMers

20%

Increase in underrepresented minority hiring over the past 3 years

31%

Increase in executive underrepresented minority hiring

2x

Increase in Black management and executive hiring over the past 3 years

39%

Female hiring over the past 3 years

55%

Increase in Hispanic management and executive hiring over the past 3 years

30%

Executive female hiring

36%

Of all promotions were women

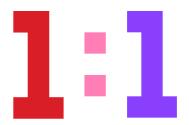
Pay equity at IBM

At IBM, paying all people, regardless of gender or race, fairly based on their job, without discrimination, has been part of our global policy since 1935—preceding the law in the U.S. by several decades. IBM has a long-standing practice of pay equity and is firmly committed to equal pay for equal work. We've been conducting statistical pay equity analysis in the United States since the 1970s. Today, the program covers all our employees worldwide.

"Men and women will do the same kind of work for equal pay. They will have the same treatment, the same responsibilities and the same opportunities for advancement."

Thomas Watson Sr.

Former Chairman and CEO, IBM 1935



Our methodology

To support our commitment to pay equity, each year we follow a consistent methodology to identify and address pay gaps.

- We define distinct peer groups consisting of employees doing the same type of work, in the same country, at the same level. This like-for-like comparison considers factors such as job role, job family, level, and country.
- We compare salaries between men and women in each peer group, where there are at least five Males and five Females, looking for differences in average pay.
- We make salary adjustments if needed, whether it be for women paid lower than men or vice versa, to fully close gaps.
- In the U.S., we also compare pay for minorities, and at the intersection of gender and race.

Our approach is not just about analysis. We design and execute best practices in compensation, hiring, promotion, and career development to prevent pay inequity from emerging in the first place. These practices include:

- Using IBM Compensation Advisor with Watson®—
 an AI-driven solution that gives managers
 salary increase recommendations based on
 skills and pay competitiveness.
- Providing consistent and competitive salary offers for early professional hires, rather than engaging in individual negotiation.
- Basing salaries for experienced hires on the value of the job, not on prior salary.
- Internal promotions receive at or above minimum competitive pay levels.

Our results

IBM takes action to address pay gaps found in our analysis. Adjustments are made for both women and men for gender gaps, and for racial and ethnic minorities in the United States.

In 2020, more than 90 countries were included in the analysis: every country where IBM has employees. Eighty nine percent of the total salary investment was to address gender pay gaps globally and 11% of the investment was based on race and ethnicity in the U.S. Of the total investment made, whether for gender or race, 92% went to women and 8% to men.

We are proud of the results: overall IBM pays equitably for similar work. Women globally as well as in the U.S. earn \$1.00 for every \$1.00 earned by men. The same is true for underrepresented minorities in the US.



Good Tech: Using AI, data, and ethics to enable equity and address bias

Core to the company's approach to diversity and inclusion is Good Tech—an IBM business imperative focused on using technology and data with the highest ethical standards to create progress in the world. Some examples of actualizing diversity, equity, and inclusion at IBM through Good Tech include:

IBM D&I Optimizer

A first of its kind, the D&I optimizer provides leaders with ongoing insights into their organization's diversity mix. This new level of transparency connects how actions taken across the organization affect diversity growth and the degree to which employees feel included and engaged. This is a pioneering solution with augmented navigation, manager insights with AI -enabled decision support, pattern analysis, root-cause analysis, and personalized micro interventions to help IBM leaders improve diversity and inclusion outcomes.

Manager insights to mitigate human bias

IBM takes a data-driven approach to diversity and inclusion to create an even more inclusive environment. By providing managers with AI-driven tools and insights, we can mitigate unconscious bias, for example, in compensation and hiring decisions. IBM also mitigates bias by giving IBMers control of their career journey through an AI-enabled digital experience that offers internal job recommendations matching their skills and experience, helping further skills development and career acceleration.

Diversity and inclusion aspirational goals

IBM follows a structured data-driven approach to create an inclusive environment. Our AI-driven tools and insights are used to identify where opportunities exist to grow diversity and inclusion. Each senior IBM executive is then responsible for working to achieve the aspirational goals for their unit, and progress is reviewed monthly by IBM's Chairman and CEO, Arvind Krishna, and the senior leadership team.

3-year representation and hiring trends

Overall includes all members of the specific community. Management includes all executives and people managers. Technical includes Distinguished Engineers, Designers, IBM Fellows, etc. Executive includes Director level and above.

Women (global)							
Representation	2018	2019	2020	New hires	2018	2019	2020
Overall	32.6%	33.3%	33.9%	Overall	40.0%	39.1%	38.3%
Management	27.5%	28.5%	29.0%	Management	27.9%	29.7%	30.9%
Technical	26.2%	26.6%	28.1%	Technical	32.5%	28.8%	30.7%
Executive	26.0%	27.6%	28.3%	Executive	28.2%	33.5%	29.9%

Pan-Asian (US)							
Representation	2018	2019	2020	New hires	2018	2019	2020
Overall	17.7%	18.3%	18.9%	Overall	24.8%	23.6%	24.9%
Management	15.1%	15.8%	16.4%	Management	22.7%	18.5%	20.2%
Technical	23.7%	24.4%	25.6%	Technical	32.8%	31.1%	32.0%
Executive	14.2%	15.0%	15.5%	Executive	32.8%	31.1%	21.2%

Multi-race (US)							
Representation	2018	2019	2020	New hires	2018	2019	2020
Overall	0.9%	0.8%	0.7%	Overall	0.1%	0.2%	0.1%
Management	0.7%	0.8%	0.8%	Management	0.0%	0.0%	0.0%
Technical	0.9%	0.9%	0.8%	Technical	0.1%	0.3%	0.0%
Executive	0.5%	0.7%	0.7%	Executive	0.0%	0.0%	0.0%

Multi-race includes multiple race selections for self-ID.

Underrepresented minorities (US)

Representation	2018	2019	2020	New hires	2018	2019	2020
Overall	13.3%	13.3%	13.7%	Overall	18.9%	20.7%	21.3%
Management	9.8%	10.3%	11.0%	Management	6.3%	11.0%	14.0%
Technical	12.0%	12.4%	12.9%	Technical	17.7%	19.2%	21.3%
Executive	9.3%	10.4%	11.6%	Executive	7.8%	11.4%	13.9%

Underrepresented minorities includes Black, Hispanic, Native American, and Native Hawaiian and other Pacific Islanders (NHOPI).

Black (US)

Representation	2018	2019	2020	New hires	2018	2019	2020
Overall	6.8%	6.8%	6.9%	Overall	10.7%	11.2%	11.3%
Management	4.7%	4.9%	5.4%	Management	2.3%	4.5%	8.3%
Technical	5.7%	5.9%	6.0%	Technical	10.0%	10.1%	11.1%
Executive	4.3%	4.8%	5.4%	Executive	2.9%	4.8%	8.0%

Hispanic (US)

Representation	2018	2019	2020	New hires	2018	2019	2020
Overall	5.9%	6.0%	6.3%	Overall	7.6%	8.8%	9.4%
Management	4.7%	5.0%	5.2%	Management	3.4%	5.0%	5.7%
Technical	5.9%	6.1%	6.4%	Technical	7.1%	8.3%	9.7%
Executive	4.7%	5.2%	5.7%	Executive	3.9%	4.8%	5.8%

Native American (US)

Representation	2018	2019	2020	New hires	2018	2019	2020
Overall	0.3%	0.3%	0.3%	Overall	0.3%	0.4%	0.3%
Management	0.2%	0.3%	0.2%	Management	0.6%	1.0%	0.0%
Technical	0.3%	0.3%	0.3%	Technical	0.2%	0.4%	0.2%
Executive	0.2%	0.3%	0.3%	Executive	1.0%	1.0%	0.0%

"2020 has lit a fire that we cannot afford to let extinguish. Many organizations have pledged commitments and we hope to see real change and progress. Companies like IBM who have always placed a focus on Diversity and Inclusion are best positioned

Joan Sheridan LaBarge

to succeed."

Senior Vice President, Working Mother Media

Diversity and inclusion award highlights

American Indian Science and Engineering Society (AISES)

Top 50 Employers

Employers Network for Equality & Inclusion

Global Diversity Award, UK

Human Rights Campaign (HRC)

Best Place to Work for LGBTQ Equality, Corporate Equality Index score of 100%

Great Place To Work

Great Place To Work for Race/Ethnicity, #5 for Great Place To Work for LGBT+, Great Place To Work for People with Disabilities in 2019 and 2020, IBM Brazil

Latino Leaders

Best Companies for Latinos to Work, 2021

Mediacorp

Canada's Best Diversity Employers for 2020, IBM Canada

Military Friendly Employer

Gold Award, Top 10 Fourth consecutive year

Ethisphere

World's Most Ethical Companies Second consecutive year

National Association for Female Executives (NAFE)

Top 10 Best Companies for Women Executives (Hall of Fame)

Nikkei (Japan) Woman

Top 100 firms for Women and Executive Promotion

Nikkei (Japan)

Employer of Choice for Women's Advancement

Working Mother Magazine

Top 10 lists for: 100 Best Companies, Best Companies for Multicultural Women and Best Companies for Dads

Career Communications Group, Inc.

#4 for U.S. Top 10 Industry Supporters of Historically Black Colleges & Universities

Working Mother and Avtar (India)

Top 10 Best Companies for Women in India Fifth consecutive year

Working Mother and Avtar (India)

'Champion of Inclusion' for Most Inclusive Companies in India Index Second consecutive year

Zhaopin.com

Best Employers for Females in China Fourth consecutive year

Ensuring the future of work is diverse and inclusive

"As we create the future of work for a post-COVID era, we are focused on making it a diverse, inclusive, and equitable experience for all IBMers. We are building on our longtime approach to flexibility and collaborative innovation but with new intentionality based upon everything we learned in 2020."

Nickle LaMoreaux

Senior Vice President and Chief Human Resources Officer, IBM



At IBM, our workplace has long been grounded in our core values: 1) Dedication to every client's success, 2) Innovation that matters—for our company and for the world, and 3) Trust and personal responsibility in all relationships.

These values have enabled IBM to build a culture of flexibility and inclusion—trusting IBMers to do what's right for clients, for our business, and for themselves. And now, as we envision the future of work in a post-pandemic world, we are focused on a hybrid workplace that supports IBMers to innovate, serve our clients and engender trust.

When it is safe to return to the office, IBM will take an approach that combines the best of pre-pandemic models and the best of virtual approaches used during COVID. For us, this is not a revolution, but rather, an evolution. Prior to the pandemic, 95% of IBMers took advantage of IBM's broad-based work-fromhome policy to work remotely, as needed. Flexibility and inclusion have long been core to IBM's culture. We're further evolving to a future of work focused on intentionality that fosters greater teaming.

Where we work

We've always taken a data driven approach to choose our locations, placing offices in diverse communities. Additionally, we are doubling down on the work we began before the pandemic to redesign our offices into collaborative workspaces. When it is safe to return, when and how often an IBMer goes into the office will be based upon work deliverables. Teams will decide when they are in the office together and when they work from home. We will engage over 30,000 IBM Managers globally to scale best practices for inclusion in a hybrid workplace—where IBMers feel they can bring their whole selves to work, whether their team is in the office or virtual that day.

When we work

IBM coined the term "work-life integration" twenty years ago. Flexibility is at the heart of our workplace. Crafting flexible schedules that focus on employee outcomes, instead of activities, not only serves key business objectives but also enables a more diverse workforce. IBMers and their

teams will determine the work schedules that work best for supporting our clients and best for the team. They will continue to have support to balance personal and professional commitments. Working hours flexibility is critical to IBM's inclusive culture.

How we work

Building the next generation of cutting-edge technology isn't possible without strong team collaboration. While 92% of IBMers agree they have the tools required to succeed in a hybrid work environment, many tell us they will need more training on what work is most effective when done remotely and what work is better face-to-face. As we look towards the future, designing ways of working where inclusion drives innovation is critical. This starts with teams defining the outcome and determining the best path to get there. At IBM, Agile and Design Thinking will continue to be foundational to how we work—providing a blueprint for inclusive teaming aimed at supporting every IBMer to achieve their greatest potential.

To ensure the future of work is inclusive, intentional design in where, when, and how we work is a solid foundation, but alone is insufficient. We must also continue expanding access to tech jobs, inside of IBM and across our industry. For several years, IBM has been on a journey of prioritizing skills over degrees in our hiring. The requirement of a bachelor's degree can unnecessarily limit the pool of available and diverse talent. This is why we have eliminated this qualification from job postings where it is not necessary to perform the role. Currently, approximately 50% of our U.S. job openings do not require a fouryear degree, and we are scaling this method globally. We are doubling down on our inclusive approach to hiring IBMers, through programs like apprenticeships, returnships, internships, and P-TECH.

We are seizing this moment to ensure the future of work at IBM fosters inclusion, equity, and diversity every step of the way.

"Our work has just begun, and we are ever-committed to the journey of equity at IBM and in the world at large."

Arvind Krishna

Chairmain and Chief Executive Officer, IBM

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