Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

IBM is a global technology and innovation company headquartered in Armonk, New York. It is one of the largest technology and consulting employers in the world, with more than 285,000 employees. IBM operates in more than 175 countries around the world. Our platform-centric hybrid cloud and AI strategy is executed through our operations and consists of four business segments: Software, Consulting, Infrastructure and Financing. IBM is the world's leading artificial intelligence (AI) and hybrid-cloud solutions company for enterprises, ingesting and extracting value from data in all its forms to create competitive advantage and societal value. Hybrid cloud is the platform on which these solutions are designed, built, tested, and deployed in the world. Through integrated solutions and products that leverage the full spectrum of data, most advanced information technologies, deep expertise in industries and business processes, and the world's premier industrial research labs, leading in ground-breaking work in areas like AI and quantum computing, we realize two principal goals: helping clients to become more innovative, efficient, and competitive; and providing long-term value to shareholders.

IBM has treated environmental sustainability as a long-term strategic imperative. This commitment was first formalized in 1971 under IBM's corporate policy on environmental affairs. Governing our actions and driving leadership performance is IBM's global Environmental Management System (EMS). Our EMS outlines roles, responsibilities, and accountability, and integrates the environmental work – including execution of our goals – throughout our business; and it ensures our commitment to environmental leadership. Our comprehensive environmental programs and goals help reduce our environmental impact including preserving water resources and safeguarding watersheds. Although, as a company with core business of AI and hybrid cloud IBM's operational demand on water is relatively low and primarily involving cooling of occupied spaces, domestic consumption and irrigation to

maintain facilities, IBM recognizes water scarcity is a global crisis and as such has sustained a continued focus on water conservation. We have published our results against these goals in the IBM Impact Report (pg. 45).
IBM's Corporate Environmental Policy also calls for the company to use our products, services and expertise around the world to assist in the development of solutions to environmental problems, some of which support water sustainability like our efforts to develop technologies that enable more sustainable agricultural practices and more efficient water management systems. You may access the complete set of IBM's environmental sustainability goals here.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Other, please specify
Operational Control

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
In 2022, IBM collected water use data from 32 IBM locations (data centers and other large offices) comprising approximately 21% of IBM's total utilized real estate space. These locations are subject to IBM's water goal as they are in regions of "high" to "extremely high" baseline water stress as identified by the World Resources Institute's Aqueduct Water Risk Atlas tool. Our location selection criteria are aimed at prioritizing resources to where we can have the greatest impact for our efforts. Our process includes an annual assessment of all IBM locations worldwide over 25,000 square feet to ensure locations subject to the goal are appropriate.	As an AI and hybrid cloud company, IBM's operations are not water intensive. Our water use is primarily associated with domestic consumption at the workplace, cooling and humidity control at office buildings, and landscape irrigation. However, we believe there are still effective actions we can take to reduce our demand on this natural resource and in particular, we are focusing on places where our water conservation efforts can produce the greatest desired outcome. Reducing water withdrawals from fresh water sources (e.g., lake, river or groundwater) directly reduces ecological impact in that region. Water withdrawal reduction can be achieved by using water more efficiently at a facility, increasing on-site reuse and recycling of process water and treated wastewater, along with implementing water conservation measures. Informed by the above, IBM's current water conservation goal is to achieve year-to-year reductions in water withdrawals at specified IBM locations located in regions of "high" to "extremely high" baseline water stress. IBM has prioritized water conservation efforts in water-stressed regions of the world to produce the greatest desired outcome from our efforts. We use the World Resources Institute's Aqueduct Water Risk Atlas, which highlights regions

	around the world where water resources are stressed to meet human and ecological demand. We identify IBM locations in areas of “high” or “extremely high” baseline water-stress and incorporate this with site specific criteria to determine the locations subject to our water conservation goal. The IBM locations required to report towards the 2022 goal were located in 15 countries – Chile, China, Germany, India, Israel, Japan, Mexico, Peru, Philippines, Romania, South Africa, Spain, United Kingdom, United States, Venezuela. In addition, IBM internally tracks, reports and manages total water discharges from IBM locations worldwide that have site regulatory wastewater discharge permits. IBM measures and manages wastewater discharges at applicable IBM locations worldwide for maintaining operational conditions and compliance with discharge permits. IBM’s corporate program establishes treatment requirements applicable to IBM locations where they discharge directly to receiving waters, regardless of where in the world they locate. This has been a longstanding requirement of IBM’s global environmental management system.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	US4592001014

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Direct: IBM's operations are not water intensive. IBM's primary use of water at locations subject to our goal is domestic water consumption in the workplace (46% of total water withdrawals), cooling and humidity control at office buildings (25% of total water withdrawals), and irrigation of lawns and gardens (19% of total water withdrawals). We do not anticipate changes in water dependency for direct use as IBM's main use of water within goal subject locations is domestic water consumption and we recognize the importance of water for general employee wellbeing. Indirect: Water quality and quantity are important for suppliers involved in the manufacturing of integrated circuits, enclosures, packaging, etc. IBM requires all its first-tier suppliers to have an environmental management system (EMS) of their own and that suppliers require the same of their suppliers who perform work material to the goods and services provided to IBM. Through an EMS, IBM expects its suppliers to manage their business intersections with the environment effectively, systematically, and sustainably over the long-term, including for water use and discharge as applicable/significant to their operations. Primary downstream water uses are related to cooling data centers that house IBM server products. In addition, we recognize access to drinking water and sanitation is important for employee wellbeing. IBM is a founding member of the Responsible Business Alliance (RBA) and adheres to its Code of Conduct (CoC) which has requirements for labour, health, safety, environment, ethics and management systems. IBM also requires its direct suppliers of hardware, software and services to adhere to the RBA CoC. In 2022, IBM suppliers participated in 60 RBA full-scope

			audits and 46 reaudits in 19 countries where heightened risks for social and environmental responsibility are known to exist.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Neutral	Direct: From our locations subject to IBM's goal in 2022, IBM reused or recycled over 24,000 cubic meters of water for landscape irrigation across these locations. Access to lower quality water for appropriate use is important because it reduces our dependencies on potable water. Other water conservation efforts consisted of the installation of faucet aerators, reduce flush cisterns, and automatic faucet sensors in washrooms. IBM also continues to look for opportunities to reduce water consumption at locations outside of water-stressed regions. In 2022, more than 11,400 cubic meters of water were saved through various conservation projects, including optimization of reverse osmosis deionized water systems to generate less wastewater, utilization of rainwater, and routine maintenance of water pipes. Indirect: IBM requires all its first-tier suppliers to have an environmental management system (EMS) of their own and that suppliers require the same of their suppliers who perform work material to the goods and services provided to IBM. Through an EMS IBM expects its suppliers to manage their business intersections with the environment effectively, systematically, and sustainably over the long-term, including for water use and discharge as applicable to their operations. IBM is a founding member of the Responsible Business Alliance (RBA) and adheres to its Code of Conduct (CoC) which has requirements for labour, health, safety, environment, ethics and management systems. IBM also requires its direct suppliers of hardware, software and services to adhere to the RBA CoC. Each year, a cross-section of IBM's global suppliers is requested to participate in RBA-validated audits to gauge their degree of conformance to the RBA code and to IBM's requirements. In 2022, IBM suppliers participated in 60 RBA full-scope audits and 46 reaudits in 19 countries where heightened risks for social and environmental responsibility are known to exist

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	1-25	Monthly	Water bills are required to be entered monthly and are verified quarterly.	In 2022, IBM collected water use data from 32 IBM locations (offices, research labs, software development labs, warehouses, and manufacturing sites) located in regions of "high" to "extremely high" baseline water stress, comprising approximately 21% of IBM's total utilized real estate space, worldwide. Water withdrawals from these locations associated with normal business operations were 493,734.2 cubic meters. The IBM locations required to report in scope of the goal are in 15 countries - Chile, China, Germany, India, Israel, Japan, Mexico, Peru, Philippines, Romania, South Africa, Spain, United Kingdom, United States, Venezuela.
Water withdrawals – volumes by source				In 2022, IBM collected water use data from 32 IBM locations located in regions of "high" to "extremely high" baseline water stress, comprising approximately 21% of IBM's total utilized real estate space, worldwide. Water withdrawals from these locations associated with normal business operations were 493,734.2 cubic meters made up of the following sources: 74.0% (362, 482 m3) from third party piped municipal supply, 17.8% (87,378 m3) from groundwater, 8% (38,744 m3) from third-party water - road tanker supply;

				and less than 1% (1,388 m3) from bottled drinking water where this is the only potable water supplied on-site.
Water withdrawals quality	100%			IBM provides access to fresh drinking water, sanitation and hygiene services in the workplace at all IBM locations worldwide. This is an enterprise-wide precondition for selecting and for maintaining a safe and healthy workplace. At most of our sites, water quality is monitored at the municipal level. Where the quality of the water drawn into the site is not to specification for research purposes, pure water (i.e., distilled water) is processed on-site of the IBM research location, primarily utilized in the U.S. Where drinking water is not readily available, bottled drinking water is provided, for example, in India.
Water discharges – total volumes	100%			IBM managed locations with direct discharges are subject to the requirements of discharge permits issued by applicable regulatory agencies, IBM complies with the permit requirements including monitoring and reporting to the agencies, including total volume discharged.
Water discharges – volumes by destination	100%			IBM managed locations with direct discharges are subject to requirements of water discharge permits issued by applicable regulatory agencies. IBM complies with the permit requirements including monitoring and reporting to agencies, including volume by destination.
Water discharges – volumes by treatment method	100%			The vast majority of water discharges from IBM locations go to publicly owned treatment works. IBM complies with the requirements in our site water discharge permits

				issued by the receiving treatment facilities including volumes of discharge and intended treatment method
Water discharge quality – by standard effluent parameters	100%			IBM managed locations with direct discharges are subject to requirements of water discharge permits issued by applicable regulatory agencies. IBM complies with the permit requirements, including standard effluent parameters.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	100%			IBM managed locations with direct discharges are subject to requirements of water discharge permits issued by applicable regulatory agencies. IBM complies with the permit requirements including water discharge quality.
Water discharge quality – temperature	100%			IBM managed locations with direct discharges are subject to requirements of water discharge permits issued by applicable regulatory agencies. IBM complies with the permit requirements including water discharge quality.
Water consumption – total volume	1-25			Water consumption at IBM locations typically involve the following uses: building cooling systems, irrigation and domestic water consumption. In 2022, IBM collected water consumption data from 32 IBM locations located in regions of "high" to "extremely high" baseline water stress, comprising approximately 21% of IBM's total utilized real estate space worldwide. Water withdrawals from these locations associated with normal business operations were approximately 494,000 cubic meters.
Water recycled/reused	1-25			IBM's water conservation goal is to achieve year-to-year reductions in water withdrawals at specified IBM

				locations in water stressed regions. In 2022, IBM collected water use data from 32 IBM locations (offices, research labs, software development labs, warehouses, and manufacturing sites) located in regions of "high" to "extremely high" baseline water stress, comprising approximately 21% of IBM's total utilized real estate space, worldwide. In 2022, recycling of treated wastewater and on-site reuse of water at IBM locations in waster stressed regions avoided water withdrawals of 5% (24,470 cubic meters) of their total water use at the IBM locations in water-stressed regions. Water withdrawals from these locations are 493,734.17 cubic meters. Other water conservation efforts consisted of the installation of faucet aerators, reduce flush cisterns, and automatic faucet sensors in washrooms.
The provision of fully-functioning, safely managed WASH services to all workers	100%			IBM provides access to fresh drinking water, sanitation and hygiene services in the workplace at all IBM locations worldwide. This is an enterprise-wide precondition for selecting and for maintaining a safe and healthy workplace.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	494	Lower	Other, please specify Decrease in water withdrawals was primarily due to temporary or permanent building closures and reduced lawn irrigation.	Lower	Increase/decrease in efficiency	Our current water conservation goal is to achieve year-to-year reductions in water withdrawals at locations (e.g., offices, research labs, software development labs, warehouses, and manufacturing) in areas of “high” or “extremely high” baseline water-stress. In 2022, IBM collected water use data from 32 IBM locations , comprising approximately 21% of IBM's total utilized real estate space, worldwide. Water withdrawals from these locations associated with normal business operations were approximately 494,000 cubic meters. Water withdrawals at the locations decreased by 0.19% compared to 2021. This decrease in water withdrawals was primarily due to temporary or permanent building closures and reduced lawn irrigation. For example, three major projects involved lawn conversions that replaced over 100,000 square feet of grassy area with drought resistant native plants reducing the total annual landscape irrigation by approximately 9,200 cubic meters. In addition, we reused or recycled over

						24,000 cubic meters of water for landscape irrigation. Other water conservation efforts consisted of the installation of faucet aerators, reduce flush cisterns, and automatic faucet sensors in washrooms. Results from our efforts to reduce water withdrawals during 2022 were largely offset as more employees returned to offices. IBM installed more than 100 water meters in campuses in India and South America which resulted in more accurate measurement of our water consumption in multi-tenant buildings where we previously relied upon estimates. IBM also continues to look for opportunities to reduce water consumption at locations outside of water-stressed regions. In 2022, more than 11,400 cubic meters of water were saved through various conservation projects, including optimization of reverse osmosis deionized water systems to generate less wastewater, utilization of rainwater, and routine maintenance of water pipes.
Total discharges		About the same	Increase/decrease in business activity	Lower	Increase/decrease in business activity	IBM tracks water discharge volumes from locations managed by IBM . Water discharges are managed at a location level and discharge information is reported to regulatory agencies where required. In addition, IBM has establishes treatment

						requirements applicable to IBM locations that discharge post treatment wastewater directly to receiving waters. This is a longstanding requirement of IBM's global environmental management system.
Total consumption		Lower	Investment in water-smart technology/process	Lower	Increase/decrease in efficiency	Water consumption is low at many of our office sites which represent majority of our occupation type. Water is consumed in some building cooling systems at IBM locations in water stressed regions. Water is also consumed for irrigation of properties. In 2022, IBM collected water use data from 32 IBM locations located in regions of "high" to "extremely high" baseline water stress. In other locations we estimate water usage due to difficultly obtaining actual data from landlords particularly in multi-tenant buildings. Between 2019 and 2022 IBM installed more than 100 water meters in campuses in India and South America which resulted in more accurate measurement of our water consumption in multi-tenant buildings where we previously relied upon estimates. In 2022, more than 11,400 cubic meters of water were saved through various conservation projects, including optimization of reverse osmosis deionized water systems to generate less

						wastewater, utilization of rainwater, and routine maintenance of water pipes. Three major projects involved lawn conversions that replaced over 100,000 square feet of grassy area with drought resistant native plants reducing the total annual landscape irrigation by approximately 9,200 cubic meters. In addition, we reused or recycled over 24,000 cubic meters of water for landscape irrigation.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	11-25	Lower	Other, please specify Decrease in water withdrawals was primarily due to temporary or permanent building closures	Lower	Increase/decrease in efficiency	WRI Aqueduct	IBM's current water conservation goal is to achieve year-to-year reductions in water withdrawals at its locations (e.g., offices, labs, warehouses, manufacturing) in regions in the world with "high" to "extremely high" baseline water stress. IBM has prioritized water

				and reduced lawn irrigation				conservation efforts in water-stressed regions to produce the greatest desired outcome from our efforts. We use the World Resources Institute's Aqueduct Water Risk Atlas, which highlights regions around the world where water resources are stressed to meet human and ecological demand. We identify IBM locations in areas of "high" or "extremely high" baseline water-stress and incorporate this with our own site-specific criteria to determine the locations subject to our water conservation goal. In 2022, IBM collected water use data from 32 subject IBM locations comprising approximately 21% of IBM's total utilized real estate space. Water withdrawals from these locations associated with normal business operations were approximately 494,000 cubic meters. These IBM locations are in 15 countries - Chile, China, Germany, India, Israel, Japan, Mexico, Peru, Philippines, Romania, South

								Africa, Spain, United Kingdom, United States, Venezuela.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant		Lower		IBM complies with the requirements of the discharge permits issued by applicable regulatory agencies to subject locations including submitting required discharge reports to the agencies. Globally, only two IBM managed locations with discharge permits discharge treated industrial or sanitary wastewater directly to fresh surface water (I.e., “receiving waters”). In Canada and the United States there are several IBM managed locations with on-site wastewater treatment plants but they discharge to public sewerage systems. One location in Mexico with an on-site sanitary wastewater treatment plant recycles its treated wastewater for irrigating the property. IBM establishes its own requirements for tracking, reporting, and managing discharges which are applicable to IBM locations including those in water-stressed regions that are included in our water conservation goal.
Brackish surface water/seawater	Not relevant				IBM does not have managed locations worldwide that treat their wastewater and directly discharge to brackish surface

					water or seawater.
Groundwater	Relevant		Lower	Increase/decrease in efficiency	IBM performs groundwater remediation at some locations currently managed by IBM and some formerly owned locations. IBM also performs groundwater monitoring or remediation at 4 locations designated under the U.S. Superfund program. Extracted groundwater at the aforementioned locations is treated to meet regulatory requirements stipulated in applicable discharge permits (typically drinking water standard) prior to being discharged. In 2022, we operated remediation systems that removed approximately 9,400 pounds of solvents from groundwater and soil vapor at three currently operating IBM locations and 11 former IBM locations.
Third-party destinations	Relevant		Lower	Increase/decrease in efficiency	IBM complies with the conditions imposed by publicly owned treatment work (POTW) receiving our discharges. The majority of IBM locations discharge treated wastewater or untreated sanitary waste water to public sewerage drainage and treatment systems. Two IBM managed locations (one each in Canada and the United States), provide primary level treatment to industrial wastewater, on-site, prior to discharge. One location discharges treated wastewater to POTW and the other site discharges treated wastewater to both a POTW and receiving waters.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant					One IBM location (in the US) treats industrial wastewater to a tertiary level on site prior to discharge to a receiving water.
Secondary treatment	Relevant					One IBM managed location in Mexico, with an on-site sanitary wastewater treatment plant in a water stressed region recycles its treated wastewater for irrigation purposes.
Primary treatment only	Relevant					Two IBM managed locations (one each in Canada and the United States), provide primary level treatment to industrial wastewater, on-site, prior to discharge. One location discharges treated wastewater to a publicly owned treatment work (POTW) and the other site discharges treated wastewater to both a POTW and receiving waters.
Discharge to the natural environment without treatment	Not relevant					One location in the US uses surface water in a non-contact cooling operation and discharges back to surface water. This site maintains compliance with its permit for this action.

Discharge to a third party without treatment	Relevant but volume unknown					IBM tracks wastewater discharge volumes pursuant to requirements of our global environmental management system. Most IBM locations utilize public sewerage drainage and treatment systems to treat our wastewater prior to their discharges.
Other	Relevant but volume unknown					IBM has corporate environmental requirements for the management of stormwater and rainwater runoff at IBM managed locations globally to reduce the impact of water discharges directly to receiving waters. Water discharges are managed at a location level and discharge information is reported to regulatory agencies where required. IBM also tracks any environmental incidents that involve receiving waters or wastewater discharges as part of our global environmental management system. IBM publishes its water management performance and environmental incidents summary through its annual IBM Impact report. https://www.ibm.com/impact/files/reports-policies/2022/IBM_2022_ESG_Report_and_Addendum.pdf

W1.2k

(W1.2k) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

	Emissions to water in the reporting year (metric tonnes)	Category(ies) of substances included	Please explain
Row 1		Nitrates Phosphates Pesticides	Of the locations IBM managed globally, only 4 directly discharge to receiving water, and only after the wastewater was treated, pursuant to discharge permits issued by applicable regulatory agencies. In addition, IBM also established its own discharge requirements, applicable to its managed locations globally with direct discharges to the environment. Permit and IBM requirements address discharge quality (which are permit specific and may or may not be identical to the parameters in this question), monitoring and reporting. Compliance is required and executed at a location level specific to their requirements.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1				

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
Row 1	Yes

W1.4a

(W1.4a) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Other, please specify		IBM is committed to developing, manufacturing, and marketing products that are safe for their intended use. IBM established its product stewardship program in 1991 as a proactive and strategic approach to the environmental design and management of our products. The program's mission is to develop, manufacture and market products that are increasingly energy efficient; that can be upgraded, refurbished, remanufactured and reused to extend product life; that incorporate recycled content and environmentally preferable materials and finishes; and that can be dismantled, recycled and disposed of safely. As part of IBM's global environmental management system, IBM requires suppliers to identify if any substances on the SVHC Candidate list are present in an Article at or above the 0.1% weight by weight (w/w) concentration and report it to IBM. Once identified, IBM works with the supplier to eliminate the SVHC, as soon as technically feasible, given there is an appropriate alternative available. While IBM no longer has a large manufacturing footprint, when research activities involving chemicals or new materials demonstrate the potential for use in commercial products, processes, or technologies, or when IBM modifies existing internal chemical or material processes, IBM requires those chemicals or materials to undergo an evaluation of regulatory, health and safety, and environmental impacts.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Other, please specify

Number of suppliers identified as having a substantive impact

% of total suppliers identified as having a substantive impact

Please explain

IBM has long been committed to doing business with suppliers who conduct themselves with high standards of ethical, environmental, and social responsibility. We support this commitment by setting specific environmental requirements for our suppliers, and by partnering with them. Since 2010, IBM has required all suppliers to establish their own environmental management system to manage their environmental responsibilities including setting goals that effectively address the environmental impacts intersecting their business (for certain suppliers this would include matters related to water), and publicly disclosing their programs and results. Our objective is to encourage suppliers to build/enhance their capability to manage their environmental responsibilities effectively, systematically, and sustainably. IBM conducts review of its suppliers during their on-boarding process to drive conformance as part of our supply chain management program.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements

Row 1	Yes, water-related requirements are included in our supplier contracts

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement

Other, please specify

IBM EMS (https://www.ibm.com/ibm/environment/supply/ms_requirement.shtml) and RESPONSIBLE BUSINESS ALLIANCE CODE OF CONDUCT (https://www.responsiblebusiness.org/media/docs/RBACodeofConduct7.0_English.pdf)

% of suppliers with a substantive impact required to comply with this water-related requirement

100%

% of suppliers with a substantive impact in compliance with this water-related requirement

Mechanisms for monitoring compliance with this water-related requirement

Other, please specify

Contractual

Response to supplier non-compliance with this water-related requirement

Other, please specify

Suppliers who were not compliant are required to remedy nonconformities within an agreed upon time with IBM

Comment

IBM manages a supply chain with over 10,000 suppliers around the globe, it is both a business and social imperative. We proactively drive high standards of social and environmental responsibility and performance across our supply chain. For instance, since 2010, IBM has required that all of its first-tier suppliers maintain a management system to address their social and environmental responsibilities. In summary, we require all

IBM suppliers to have a corporate responsibility and environmental management system in place, measure performance, set goals, disclose results and communicate the requirements to their upstream suppliers who perform work material to the goods and services provided to IBM
1. https://www.ibm.com/ibm/environment/supply/ms_requirement.shtml
2. https://www.ibm.com/procurement/sems
3. IBM 2022 Impact Report, https://www.ibm.com/impact/files/reports-policies/2022/IBM_2022_ESG_Report.pdf

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Other, please specify

Value Chain Engagement

Type of engagement

Education / information sharing

Details of engagement

Educate and work with stakeholders on understanding and measuring exposure to water-related risks
Run an engagement campaign to educate stakeholders about your water-related performance and strategy
Run an engagement campaign to educate stakeholders about the impacts on water that (using) your products, goods, and/or services entail
Share information about your products and relevant certification schemes

Rationale for your engagement

Consistent with IBM's corporate environmental policy, we seek to utilize IBM products, services and expertise around the world to assist in the development of solutions to environmental problems. IBM has also committed to initiating 100 client engagements or research projects by 2025, in which IBM solutions have enabled demonstrable environmental benefits. We believe IBM's greatest opportunity to contribute towards the environmental sustainability of our planet comes from the innovative technologies and solutions that we deploy to help our clients and society address environmental challenges. IBM is working with governments, nongovernmental organizations and other customers in applying IT solutions to water resource management challenges confronting communities globally.

Impact of the engagement and measures of success

As an example, and in support of the United Nations Sustainable Development Goal (SDG) 6, IBM, through its Sustainability Accelerator program is helping to improve equitable access to safe drinking water for all, improve water quality by reducing pollution, increase water-use efficiency across all sectors, protect and restore water-related ecosystems, increase sanitation management, and reduce the number of people suffering from water scarcity. Following are some ongoing projects:

Deltares to enhance and scale an AI-enabled mobile app for water quality monitoring which enabling early detection for water pollution, ecosystem threats, and agricultural inefficiency.

Plan21 Foundation to deliver an IBM Cloud mobile app for weather forecasts, environmental footprint modelling, and sustainability certification communication for smallholder farmers.

Texas A&M AgriLife to deploy an IBM cloud mobile app and IoT solution to provide water-related decisions support to farmers and water managers the United States and Ukraine. For more info see: https://www.ibm.com/impact/initiatives/ibm-sustainability-accelerator.

IBM and ProMare co-engineered the software for the crewless ship, the Mayflower. This ship will gather critical ocean data on the impact of climate change and pollution so that marine researchers can better understand and protect our oceans.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	Yes	Enforcement orders or other penalties	In May 2022, there was an underground leak of domestic water near IBM Silicon Valley Lab from a mechanical pipe joint on an 8" water main upstream of IBM's connection to Great Oaks Water Company. The water had surfaced to the ground and was flowing across the sidewalk, down the road, and into a nearby storm drain. IBM reported the incident to the City of San Jose Environmental Services Watershed Protection since it was a violation of San Jose Municipal Code: SJMC 15.14.515 – Discharge into Storm Drain Prohibited. IBM took immediate action upon discovery to make necessary repairs. The impact to the environmental is not considered significant and no fine was assessed.

W2.2b

(W2.2b) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	IBM complies with the requirements in effluent discharge permits issued by applicable regulatory agencies, including treatment, monitoring and reporting to the agencies. These permits are issued at location level. Globally, only two IBM managed locations discharge treated industrial or sanitary wastewater directly to fresh surface water ("receiving waters"). In Canada and the United States there are several other IBM managed locations with on-site wastewater treatment plants that discharge treated effluent to the public sewerage systems. One location in Mexico with an on-site sanitary wastewater treatment plant recycles its treated effluent for irrigating the property. IBM establishes its own requirements for tracking, reporting and managing discharges at applicable locations including IBM locations in water stressed regions that are included in our water conservation goal.

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Other nutrients and oxygen demanding pollutants

Description of water pollutant and potential impacts

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Please explain

IBM's global EMS includes a process for identifying and assessing significant environmental aspects of our business. Potential environmental risks include extreme weather events, interruptions in the availability of energy, water and other critical materials, which could affect IBM's operations or supply chain; inability to comply with environmental laws and regulations, which could impact manufacturing operations or product deliveries; liabilities associated with inadequate or improper disposal of wastes and other materials generated from operations, including end-of-life products; and impacts to our reputation associated with perceived failure to responsibly manage the environmental impacts of our operations. IBM manages its operations to meet business objectives while minimizing these potential risks. IBM's Chief Sustainability Officer provide annual updates on matters related to the environment to the Directors and Corporate Governance Committee of the Board annually. Our EMS establishes responsibilities for identifying and complying with environmental laws and regulations — responsibilities that are also specified in our environmental requirements for suppliers, as well as the IBM Business Conduct Guidelines certification that all IBM'ers must complete annually.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

3 to 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards

Tools and methods used

WRI Aqueduct
Environmental Impact Assessment
ISO 14001 Environmental Management Standard

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
Regulators

Comment

The IBM Board of Directors oversees IBM’s long-term business strategy and is actively engaged in ensuring that IBM’s culture reflects its commitment to integrity, trust and transparency, and inclusion. Under the guidance and supervision of our Board and its committees, IBM senior management is responsible for the company’s environmental and social performance and regularly reports to the Board and its committees on IBM’s ESG activities, including environmental risks.

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Other, please specify

IBM's requirements for first tier suppliers to implement social and environmental management systems.

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Tools on the market

International methodologies and standards

Tools and methods used

ISO 14001 Environmental Management Standard

Other, please specify

Responsible Business Alliance (RBA) Code of Conduct for suppliers

Contextual issues considered

Implications of water on your key commodities/raw materials
Water regulatory frameworks
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Suppliers

Comment

IBM is committed to doing business with environmentally responsible suppliers. In 2010, IBM established a new requirement that all first-tier suppliers establish a management system to address their social and environmental responsibilities. IBM expects each supplier to deploy a management system, measure performance, set goals that reflects their business intersections with social and environmental responsibilities, and publicly disclose their programs and results.

Value chain stage

Other stages of the value chain

Coverage

Full

Risk assessment procedure

Other, please specify

Water-related risk to clients businesses

Frequency of assessment

Not defined

How far into the future are risks considered?

3 to 6 years

Type of tools and methods used

Tools on the market

International methodologies and standards
Databases
Other

Tools and methods used

Other, please specify
IBM IT solutions - Cloud & AI tools

Contextual issues considered

Other, please specify
Assessment is tailored to client's business needs and enviornmental impact and risks, water included where applicable.

Stakeholders considered

Customers
NGOs
Regulators
Suppliers
Water utilities at a local level

Comment

Environmental and climate-related risks
We believe that there is opportunity to use IBM's AI, hybrid cloud, and other technologies to assist clients with managing their environmental-related risks, and we continue to invest in solutions such as the IBM Environmental Intelligence Suite and other software tools to enhance IBM's capabilities in this area.

For example, the IBM Environmental Intelligence Suite is an AI-powered SaaS solution that provides organizations with timely and fact-based actionable intelligence to proactively plan and manage the economic impact of severe weather and climate change events; built on the world's most accurate weather data.
• Monitor for disruptive environmental conditions such as severe weather, wildfires, flooding and air quality and send alerts when detected
• Predict potential impacts of climate change and weather across the business using climate risk analytics
• Gain insights into potential operational disruptions and prioritize mitigation and response efforts

• Measure and report on environmental initiatives and operationalize carbon accounting, while reducing the burden of this reporting on procurement and operations teams.

A project-specific example:
Over the two-year Accelerator experience, Q4 2021– Q4 2023, IBM will work with Heifer to design and deliver a sustainable farming platform, designed for users with limited data connectivity and digital literacy, but delivering capabilities for farm data management, agricultural decision support, and enablement for Heifer's farmer incentives program. This technology uses IBM Environmental Intelligence Suite-enabled ag-recommendations and blockchain-based activity verification.

IBM was included on TIME's list of the 100 Most Influential Companies for our technology innovations in the climate risk and environmental intelligence.

1. Further information on IBM Environmental Intelligence Suite is available at: https://www.ibm.com/products/environmental-intelligence-suite
2. Further information on Sustainability solutions from IBM is available at: https://www.ibm.com/impact/sustainability?mhsrc=ibmsearch_a&mhq=Sustainability%20Accelerator

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	IBM's enterprise risk management process considers relevant risks to our business including those related to the	Direct Operations, Supply Chain and other stages were selected because activities in those areas represent or input into key business intersections with the	IBM has long been committed to doing business with suppliers who conduct themselves with high standards of ethical, environmental, and social responsibility. We support this commitment not only by setting specific environmental requirements for our suppliers, but also by partnering with them. Since 2010, IBM has required all suppliers	IBM uses the World Resources Institute's Aqueduct Water Risk Atlas, which highlights regions around the world where water resources are stressed

	environment and helps ensure business continuity and asset protection. In addition, our global EMS includes a process for identifying and assessing significant environmental aspects of our business. Potential environmental risks include extreme weather events, interruptions in the availability of energy, water and other critical materials, which could affect IBM's operations or supply chain; inability to comply with environmental laws and regulations, which could impact manufacturing	environment. In addition, with a focus on water withdrawals in water stressed regions, IBM monitors, measures and manages water use at and wastewater discharges from IBM managed locations not in water stressed regions for maintaining operational conditions and compliance with discharge permits. This is a requirement of IBM's global environmental management system	to establish their own environmental management system, set goals in a way that reflects their intersections with their environmental responsibilities, and publicly disclose their programs and results. Our objective is to encourage suppliers to build/enhance their capability to manage their responsibilities, regardless of who their clients are. Suppliers are expected to comply with: · the Responsible Business Alliance (RBA) Code of Conduct, · measuring performance and establishing voluntary, quantifiable environmental goals for, at a minimum waste, energy and greenhouse gas emissions, · publicly disclosing these goals, results and other environmental aspects of their management systems, · conducting self-assessments, audits and management reviews, and · cascading these actions of their next-tier suppliers. IBM engages with suppliers through a number of mechanisms including the on-boarding process, reviews, training and education. Where gaps are identified, IBM works with its suppliers to close the gap. Information on supplier environmental responsibility is available at: https://www.ibm.com/procurement/sems#requeriments	to meet human and ecological demand, and our site-specific information and expert judgment to identify IBM locations in areas of "high" or "extremely high" baseline water-stress. IBM reevaluates real estate space held over 25,000 square feet using Aqueduct tool every three years to determine whether additional locations need to be included in scope of the water goal. Any locations that may fall into a lower than High baseline water stress remain in the goal to ensure consistency and to drive reduction in water withdrawals and efficient use in water stressed regions. Designated locations in water stressed regions are required to implement local site water conservation action plans, measure and report on environmental outcomes. Site plans are reviewed at

	operations or product deliveries; liabilities associated with inadequate or improper disposal of wastes and other materials generated from operations, including end-of-life products; and impacts to our reputation associated with perceived failure to responsibly manage the environmental impacts of our operations. IBM manages its operations to meet business objectives while minimizing these potential risks. IBM's Chief Sustainability Officer provide annual updates on matters related to the environment to the			least annually and updated as required. Results are publicly reported in the annual IBM 2022 Impact Report and on our web site. IBM also monitors, measures and manages water use and wastewater discharges at IBM locations not in water stressed regions for maintaining operational conditions and compliance with discharge permits. This is a requirement of IBM's global environmental management system. IBM's global EMS is accredited to ISO14001: 2015 standard requirements, with IBM's management of water resource being including in periodical internal and third-party ISO 14001 EMS auditing.

	Directors and Corporate Governance Committee of the Board annually. Our EMS establishes responsibilities for identifying and complying with environmental laws and regulations — responsibilities that are also specified in our environmental requirements for suppliers, as well as the IBM Business Conduct Guidelines certification that all IBM'ers must complete annually.			

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

IBM provides an annual Form 10-K regulatory filing in the United States that defines substantive financial or strategic risk factors to the business disclosed at: https://www.sec.gov/Archives/edgar/data/51143/000155837023002376/ibm-20221231x10k.htm - Refer to this 2022 report, Item 1A in IBM's Form 10-K regulatory filing from page 3 for a discussion on 'Risk Factors'.

IBM’s enterprise risk management process considers relevant risks to our business including those related to the environment and helps ensure business continuity and asset protection. In addition, our global EMS includes a process for identifying and assessing significant environmental aspects of our business. Potential environmental risks include extreme weather events, interruptions in the availability of energy, water and other critical materials, which could affect IBM’s operations or supply chain; inability to comply with environmental laws and regulations, which could impact manufacturing operations or product deliveries; liabilities associated with inadequate or improper disposal of wastes and other materials generated from operations, including end-of-life products; and impacts to our reputation associated with perceived failure to responsibly manage the environmental impacts of our operations. IBM manages its operations to meet business objectives while minimizing these potential risks. IBM’s Chief Sustainability Officer provide annual updates on matters related to the environment to the Directors and Corporate Governance Committee of the Board annually. Our EMS establishes responsibilities for identifying and complying with environmental laws and regulations — responsibilities that are also specified in our environmental requirements for suppliers, as well as the IBM Business Conduct Guidelines certification that all IBM'ers must complete annually.

While IBM, like other companies, is subject to potential climate-related risks, we do not expect climate change or compliance with environmental laws and regulations related to climate change to have a disproportionate adverse effect on the company. Conversely, as described in the table in W4.2b below, we believe that there is significant opportunity to use IBM’s AI, hybrid cloud, and other technologies to assist clients with managing their water and climate-related risks.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain

Row 1	Risks exist, but no substantive impact anticipated	Based on our assessment, IBM does not perceive unusual or substantive water-related impacts on our operations outside of those we plan for as part of our ongoing business and risk management processes. These processes look at business risk comprehensively including, but not limited to, those related to water use and wastewater discharges. We anticipate our management systems will enable our operations to anticipate and adapt to potential risks and mitigate the impacts without significant disruptions to our business. Refer to: https://www.ibm.com/ibm/environment/ems/

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	We conducted risk assessments in connection with IBM's business interactions with our suppliers, considering risks comprehensively including, but not limited to, those related to water. We anticipate that our suppliers' management systems of will enable their operations to anticipate and adapt to potential risks and mitigate the impacts without significant disruptions to IBM's business. Refer to: https://www.ibm.com/ibm/environment/ems/

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

The preservation of water resources and protection of watersheds are important areas of focus for IBM. Our first water conservation goal was established in 2000 and has evolved over time as IBM has transformed from a vertically integrated manufacturing company to a hybrid cloud and AI company.

Water use data
In 2022, IBM collected water use data from 32 IBM locations (data centers and other large offices) comprising 21% of IBM's total utilized real estate space. These locations are subject to IBM’s water goal as they are located in water-stressed regions as identified by the World Resources Institute's Aqueduct Water Risk Atlas tool, which highlights among other parameters, places around the globe located in regions of "high" to "extremely high" baseline water stress. The criteria we used to selection locations subject to our goal aimed to prioritizing our resources to locations where we can have the greatest impact for our efforts.

Water conservation
IBM’s water conservation goal is to achieve year-to-year reductions in water withdrawals at larger IBM locations and data centers in water-stressed regions. In the IBM 2022 Impact Report, we reported that water withdrawals at these locations decreased by 0.19% versus 2021.

IBM's primary use of water at locations subject to this goal is domestic water consumption in the workplace (46% of total water withdrawals), cooling and humidity control at office buildings (25% of total water withdrawals), and irrigation of lawns
and gardens (19% of total water withdrawals).

In 2022, we completed three major projects involved lawn conversions that replaced over 100,000 square feet of grassy area with drought resistant native plants reducing the total annual landscape irrigation by approximately 9,200 cubic meters. In addition, IBM reused or recycled over 24,000 cubic meters of water for landscape irrigation. Other water conservation efforts consisted of the installation of faucet aerators, reduce flush cisterns, and automatic faucet sensors in washrooms. IBM also continues to look for opportunities to reduce water consumption at

locations outside of water-stressed regions. In this regard, in 2022, more than 11,400 cubic meters of water were saved through various conservation projects, including optimization of reverse osmosis deionized water systems to generate less wastewater, utilization of rainwater, and routine maintenance of water pipes.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

There are no extra-ordinary cost risks, as costs to execute our programs and strategy are embedded in IBM's current operational structure. IBM does not allocate financial figures by specific cause.

Type of opportunity

Products and services

Primary water-related opportunity

Sales of new products/services

Company-specific description & strategy to realize opportunity

Harnessing IT solutions and services:
One of the greatest opportunities IBM has to contribute to sustainable development comes from the innovative technologies and solutions that we deploy to help our clients reduce their environmental impacts. Our products, services and solutions help our clients to conserve natural resources, reduce the environmental impacts associated with their operations, and make informed decisions that drive improved operational efficiency. Here are two examples:

A. IBM deploys and operates an environmental sensor network at Lake Chautauqua using a cloud-based monitoring and analytics system for the purpose of performing harmful algae bloom research activities (the “IBM Technology”). The system is deployed at both the north and south basins. This system is comprised of sensor platforms, small edge computers/internet of things (IoT) devices, communications infrastructure, back-end cloud applications for monitoring and analysis of real-time events and modelling system that drives the development of prediction scenarios
Environment Benefit
Understand the environmental factors that cause Harmful Algae blooms in lakes and propose methods to prevent or minimize their impacts to animals living in the lake and potential health risks to humans. http://www.chautauquaalliance.org/the-jefferson-project-at-chautauqua-lake/

B. IBM Consulting and Analytics developed and implemented a Digitalisation Programme for Southern Water, supporting them in deployment of digital technologies and analytics services to drive business value across their business.
This project covers a range of areas, including
• Board level business case development / forecasting to help secure significant investment (£>£100m),
• The application of analytics to identify proactive interventions for waste pumping stations, and
• An industry first programme to place 22,000 IoT devices into the sewer network to identify and rectify issues such as blockages.
Environment Benefit
Prevent pollution, flood and spill events
Analysis of pumping station operations to identify inefficient pumps, driving improved efficiency

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

IBM considers this business confidential information, not appropriate to be disclosed.

Type of opportunity

Products and services

Primary water-related opportunity

Sales of new products/services

Company-specific description & strategy to realize opportunity

IBM's products, services and solutions help our clients to conserve natural resources, reduce the environmental impacts associated with their operations, and make informed decisions that drive improved operational efficiency. Here are two examples using the IBM Sustainability Accelerator program:

1. Technology can help answer the challenges to address water scarcity and quality
Water is an essential part of life. Its fundamental role in every person's life is such that the United Nations recognizes access to water as a human right. When it comes to critical water-dependent activities such as watering crops, water scarcity and quality are major issues – especially for farmers in developing areas. Many farmers would benefit from guidance on what quantities of water to use for their crops on any given day to ensure a good yield, or better understand what sources of water are safe for irrigation. Addressing this issue can enhance the livelihoods of farmers and, consequently, their surrounding community. To address water scarcity and quality using technology, Texas A&M AgriLife and Deltares are joining the first cohort of the IBM Sustainability Accelerator. The solution, called Liquid Prep, is an end-to-end, open-source platform that includes an IoT sensor and a mobile application running on the IBM Cloud that harness critical weather data from IBM's Environmental Intelligence Suite. Work is underway with agricultural communities in Texas.

2. Enhancing water quality by measuring nitrates
Most of the farmers use fertilizers to grow crops on their land. This and manure from livestock may cause nitrate losses to surface water, which can be harmful to the ecosystem and drinking water. The Deltares partnership with IBM will enhance and expand the reach of its Nitrate App, a tech solution that identifies hot spots of nitrate losses to surface water that causes toxic algae blooms and oxygen depleted dead zones in downstream lakes and coastal waters. This app is used by farmers and other professionals concerned with water quality to measure nitrate levels and share the results. Deltares will leverage IBM's expertise in user experience design for the Nitrate App and its support to accelerate uptake in France, particularly in the Brittany region which has high-profile cases of nitrate pollution in local water bodies.
Source: https://www.ibm.com/blogs/corporate-social-responsibility/2022/06/addressing-water-scarcity-and-quality/

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

IBM considers this business confidential information, not appropriate to be disclosed.

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

IBM's products, services and solutions help our clients to conserve natural resources, reduce the environmental impacts associated with their operations, and make informed decisions that drive improved operational efficiency. For example, IBM's Sustainability Accelerator has the goal to help accelerate global water management solutions for vulnerable populations. In supporting the United Nations Sustainable Development Goal (SDG) IBM is helping to improve equitable access to safe drinking water for all, improve water quality by reducing pollution, increase water-use efficiency across all sectors, protect and restore water-related ecosystems, increase sanitation management, and reduce the number of people suffering from water scarcity – among other purposes. Two of those projects are described below and will be finishing in April 2024.

A. In partnership with IBM, Deltares is working to enhance and expand the reach of its Aquality app, formerly called the Nitrate app. The tool can help farmers improve water quality, protect biodiversity, save on fertilizer costs and make farming practices more sustainable. The Aquality app leverages technologies such as machine learning to help communities detect nitrate pollution and other quality characteristics in water and is experimenting with artificial intelligence to provide feedback and recommendations to farmers.

B. IBM and Texas A&M AgriLife are also working together to help farmers receive insights for water usage, which can further crop yield increases while decreasing economic and environmental costs. Texas A&M AgriLife and IBM will deploy and scale Liquid Prep, a tech solution that provides “when to water” decision support to farmers, in arid regions of the United States. The tool works by placing low-cost sensors developed by IBM’ers into the soil to record moisture and temperature levels, which are then uploaded to the IBM Cloud. The Liquid Prep app will combine weather forecast data from the IBM Environmental Intelligence Suite, crop-specific information from the Soil & Water Assessment Tool (SWAT) (which is co-managed by Texas A&M AgriLife and the United States Department of Agriculture), and real-time soil moisture data from the new sensors. The app will analyse the combined data using artificial intelligence to provide farmers with recommendations on when and how much to water via a smartphone app.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

IBM considers this business confidential information, not appropriate to be disclosed.

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

In May 2022 IBM announced its Sustainability Software business unit bringing into one comprehensive portfolio offerings covering asset management, supply chain operations, data center workload management, building energy management, water management, weather prediction and analytics enabling data-driven / just in time decisions, and ESG data management and reporting software. This announcement reflects IBM's recognition of the opportunity to use IBM's AI, hybrid cloud, and other technologies to assist clients with managing their environmental-related risks and achieving their sustainability goals.

Another project example:
As an organization committed to sustainability, Melbourne Water has pledged to help lead the state's water sector in climate change mitigation and adaption initiatives. This pledge compelled the organization to identify more ways to reduce energy consumption and leverage renewable alternatives. But doing so would require an extremely detailed level of energy use and spend tracking that, prior to 2013, the organization did not possess. Melbourne Water decided to replace its legacy system with the IBM® Envizi ESG Suite to help proactively manage its portfolio of transactional energy data and to eliminate the data retention and reporting challenges hindering its sustainability efforts. Melbourne Water selected Envizi to consolidate data from its various pump transfer assets, storage reservoirs and treatment plants onto one dashboard. The suite automates the collection and consolidation of over 500 data types from multiple sources, so users only need to collect data once to generate reports multiple times. For more information see: https://www.ibm.com/case-studies/melbourne-water-envizi

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

NA

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of the scope (including value chain	IBM's corporate policy includes an objective to "conserve natural resources by reusing and recycling materials, purchasing recycled materials, and using recyclable packaging and other materials." This incorporates all natural resources utilized in our business, including water. IBM's environmental corporate directives set corporate-wide objectives and requirements for water

		stages) covered by the policy Description of business impact on water Commitment to prevent, minimize, and control pollution Commitment to reduce or phase-out hazardous substances Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities Commitment to stakeholder education and capacity building on water security Commitment to water stewardship and/or collective action	conservation, and management of water discharges. Our global environmental management system drives water conservation (a significant environmental aspect) and continual improvement of our targeted corporate-wide water conservation program. Our first water conservation goal was established in 2000 and has evolved over time as IBM has transformed from a vertically integrated manufacturing company to a hybrid cloud and AI platform company. Our current goal calls for the company to achieve year-to-year reductions in water withdrawals at larger IBM locations and data centers in water-stressed regions. We use the World Resources Institute's Aqueduct Water Risk Atlas, which highlights regions around the world where water resources are stressed to meet human and ecological demand. We identify IBM locations in areas of "high" or "extremely high" baseline water-stress and incorporate this with site specific criteria to determine the locations subject to our water conservation goal. IBM's Environmental Policy is publicly available, for example at: https://www.ibm.com/ibm/environment/policy https://www.ibm.com/ibm/environment/conservation

		Commitment to the conservation of freshwater ecosystems Commitments beyond regulatory compliance	

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Chief Sustainability Officer (CSO)	IBM's CSO is IBM's top environmental executive and is responsible for setting IBM's environmental strategy, requirements & management system; and ensuring the company's performance is consistent globally and supports its commitment to environmental leadership across all business
Board-level committee	The Directors and Corporate Governance Committee of the Board of Directors oversee IBM's environmental programs & performance, including those related to resource conservation and pollution prevention. IBM's Chief Sustainability Officer (CSO, see role in row below) briefs the Committee annually covering topics such as our environmental controls posture, performance (including against goals), new or significant focus, emerging requirements, and challenges. Our resource conservation and pollution prevention goals cover water conservation. The Committee provides feedback to the CSO, and it also updates the full board on topics for which

	it has oversight responsibility. In the case of IBM's 21 environmental goals, including water conservation, the Committee reviewed these goals and affirmed their support.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation/R&D priorities Setting performance objectives	The Directors and Governance committee of the IBM Board of Directors oversees IBM's environmental affairs programs and performance including related resource conservation and pollution prevention, such as water conservation. IBM's CSO is the company's top environmental executive. The CSO briefs the Directors and Governance Committee of IBM's Board of Directors annually on IBM's environmental affairs programs, performance, challenges, and emerging issues. IBM began its annual briefing to a Board Committee on the topic of environment in 1993 and has continued this practice ever since. IBM executes a comprehensive management review process of our environmental programs and performance, from self-assessments to corporate audits, to management reviews up to the Directors and Corporate Governance Committee of IBM's Board of Directors. The requirements of management review are set forth in corporate directives and embedded in our global environmental management system. IBM's CSO is authorized with the responsibility to set IBM's environmental strategy and direct IBM's environmental programs globally, including those pertaining to water management. The CSO possesses the authority, requisite technical skills, environmental knowledge and business acumen, and directly interacts with IBM's top leadership team with influence across the company's businesses and operations to drive actions to achieve desired outcome.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	The Directors and Corporate Governance Committee is responsible for leading the search for qualified individuals for election as directors to ensure the IBM Board has the optimal mix of skills, expertise, experience, and diversity of backgrounds. The Committee recommends candidates to the full Board for election. Following the Annual Meeting in 2023, the Board consist of 12 directors with expertise and leadership experience in Industries such as Chemicals, Utilities, Pharmaceutical, Oil & Gas - a diverse, experienced group of global thought, business, and academic leaders, all with the optimal mix of skills, expertise, experience, and diversity of backgrounds that are needed to understand and oversee the scale, scope and complexity of IBM's business, including matters associated with resource conservation and pollution prevention. All current directors have risk oversight and management exposure and experience with government, regulatory, business associations or public policy. Directors also have deep industry expertise as leaders of organizations within some of the Company's most important client industries and constituencies. Their perspectives on contemporary business issues like sustainability and climate protection and their experience running data-intensive organizations are an asset to the Company and to our shareholders.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other, please specify

Vice President of Environmental, Energy and Chemical Management Programs, Corporate Environmental Affairs. The position is equivalent to "Chief Environmental Officer".

Water-related responsibilities of this position

Setting water-related corporate targets

Frequency of reporting to the board on water-related issues

Annually

Please explain

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

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Annual incentive-based performance pay is directly tied to delivery against environmental goals and targets , including for the water conservation goal and program execution across the business.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Chief Sustainability Officer (CSO) Other C-suite Officer VP for Environment, Energy and Chemical Management Programs, Corporate Environmental Affairs	Reduction of water withdrawals – direct operations Improvements in water efficiency – direct operations Improvements in water efficiency – supply chain Improvements in water efficiency – product use Other, please specify	These are examples of the key environmental performance metrics measured against related to water efficiency and conservation.	
Non-monetary reward	Chief Sustainability Officer (CSO) Other C-suite Officer VP for Environment, Energy and Chemical Management Programs, Corporate Environmental Affairs	Reduction of water withdrawals – direct operations Improvements in water efficiency – direct operations Other, please specify	These are examples of the key environmental performance metrics measured against related to waterefficiency and conservation.	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

The process we follow adheres to clearly and explicitly defined organizational roles and responsibilities set by the company and documented in our global Environmental Management System. IBM's Corporate Environmental Affairs staff organization is responsible for developing IBM environmental public policy positions including those addressing operational issues related to water and advocating the company's positions on public policies for same. IBM's lines of business are responsible for executing against the requirements applicable to them. All direct and indirect activities that could be considered to influence environmental policy externally must be approved by Corporate Environmental Affairs staff and Government and Regulatory Affairs staff, ensuring consistency with the company's own position and commitment to environmental leadership.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	IBM’s enterprise risk management process considers relevant risks to our business including those related to the environment and helps ensure business continuity and asset protection. In addition, our global EMS includes a process for identifying and assessing significant env'al aspects of our business. Potential env'al risks include extreme weather events causing interruptions in the availability of energy, water and other critical materials, which could affect IBM’s operations or supply chain; inability to comply with env'al laws and regulations, which could impact manufacturing operations or product deliveries; and impacts to our reputation associated with perceived failure to responsibly manage the env'al impacts of our operations. IBM manages its operations to meet business objectives while minimizing these potential risks. IBM conducts an annual review of our global EMS with the VP of Environment, Energy and Chemical Management Programs (EECMP) and the Chief Sustainability Officer (CSO). IBM's CSO updates the Directors and Governance Committee of IBM’s Board of Directors annually on IBM’s env'al programs and performance. IBM’s CSO is responsible for defining IBM's env'al strategy and setting requirements and goals. These two executives lead the staff in developing and maintaining IBM's env'al corporate directives, internal standards and other guidance documents to support implementation of our env'al policy, and achievement of the intended outcomes of IBM’s global EMS.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Water is integrated into a comprehensive and global risk assessment process incorporating both direct and supply chain operations. The approach covers our historic, current, and potential practices to determine relevance of environmental aspects and impacts, and their associated significance across relevant business organizations. Further and as already outlined in this questionnaire, water use and conservation and water discharges are environmental aspects identified in IBM's global Environmental Management System with implemented management programs designed for prevention, preparation and response to impacts on the environment from our operations and within our supply chain. Further, we use the WRI's Aqueduct Water Risk Atlas, which highlights regions around the world where water resources are stressed to meet human and ecological demand, and our site-specific information and expert judgment to identify IBM locations in areas of “high” or

			“extremely high” baseline water-stress. These IBM locations are required to implement site water conservation action plans, measure and report on results. The site plans are reviewed at least annually, updated as required to drive continual improvement. Based on our assessment of suppliers we anticipate their management systems will enable them to anticipate and adapt to potential risks and mitigate the impacts without significant disruptions to IBM’s business.
Financial planning	Yes, water-related issues are integrated	5-10	Assessment of risk is based on the nature and scope of IBM's business operations and our interaction with suppliers. IBM does not perceive unusual water-related risk in our operations or the supply chain outside of those we plan for as part of our ongoing business and risk management processes. These processes look at business risk comprehensively including, but not limited to those related to water use and waste water discharges from our operations globally. We anticipate that our management system will enable our operations to anticipate and adapt to potential risks and mitigate the impacts without significant disruptions to our business. Based on our assessment of suppliers we anticipate their management systems will enable them to anticipate and adapt to potential risks and mitigate the impacts without significant disruptions to IBM’s business.

W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

IBM continues to look for opportunities to improve water stewardship across water stressed regions. For example, IBM implemented three major projects involved lawn conversions that replaced over 100,000 square feet of grassy area with drought resistant native plants reducing the total annual landscape irrigation by approximately 9,200 cubic meters. In addition, we reused or recycled over 24,000 cubic meters of water for landscape irrigation. Other water conservation efforts consisted of the installation of faucet aerators, reduce flush cisterns, and automatic faucet sensors in washrooms. IBM installed over 100 meters in India giving us a higher degree of accuracy on total water withdrawal and usage.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	No, and we do not plan to do so within the next two years	IBM has established a water conservation goal applicable to specified IBM locations in high or extremely high water-stressed regions and has established other general requirements for water management. We believe our program and goal are effective and appropriate for IBM given the nature of IBM's business, focusing on AI and hybrid cloud.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

IBM does not consider internal pricing on water to be a relevant or effective tool to compel action. We rely on our corporate policy and a decades-long global EMS with clearly delineated roles, responsibilities and accountability across our business to drive resource conservation and efficient use, and execution against our corporate goals to minimize our operational demand on water. IBM's current water goal is to achieve year on year reductions in water withdrawals at specified IBM locations in water-stressed regions.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	IBM's products and services have low or no demand on water.	As an AI and hybrid cloud company, IBM's offerings generally are not considered to have high water impact. For example, IBM offers products and services including those that help clients reduce the cost, time, and burden of reporting with a single system of record, enabling organizations to focus on realizing their ESG strategic goals. We help our clients measure, analyse, report, and operationalize ESG data with our IBM Envizi ESG Suite, Maximo Asset Management Suite to help clients make data-driven decisions such as scheduling proactive maintenance actions before something becomes a problem, OpenPages and Planning Analytics software and through an ecosystem of partnerships. And to leverage AI-derived insights from Environmental Intelligence Suite (EIS) to proactively manage the economic impact of severe weather and climate change events.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	IBM’s operations are not water intensive. IBM's goal is to achieve a year-to-year reduction in water withdrawals at specified IBM locations in high or extremely high water-stressed regions. This goal continues IBM’s longstanding focus upon resource conservation
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	IBM’s operations are not water intensive. IBM's goal is to achieve a year-to-year reduction in water withdrawals at specified IBM locations in high or extremely high water-stressed regions. This goal continues IBM’s longstanding focus upon resource conservation.
Other		

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Target coverage

Other, please specify

IBM locations in water-stressed regions worldwide as defined by WRI Aqueduct tool, combined with site specific information and expert judgement.

Quantitative metric

Year target was set

2016

Base year

2015

Base year figure

Target year

2022

Target year figure

Reporting year figure

% of target achieved relative to base year

Target status in reporting year

Please explain

This is a year-on-year goal and as such the target year is perpetual. Year on year percent reduction in withdrawals from IBM locations in water stressed regions. In 2022, water withdrawals at these IBM locations in water stressed regions decreased by 0.19% versus 2021 achieving our percentage reduction in withdrawals target for IBM locations in water stressed regions.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain	IBM has a longstanding commitment to environmental leadership and sustainability. IBM's environmental management programs date back more than five decades and were formalized under a Corporate Environmental Policy in 1971. This policy calls for environmental leadership in all aspects of IBM's business activities. Our policy objectives are implemented across our business through our global environmental management system (EMS). Environmental goals, such as those related to resource conservation, pollution prevention and waste management, are an integral part of IBM's EMS which drives continual improvement of our environmental performance across IBM globally. For example, IBM established its first voluntary nonhazardous waste recycling goal in 1988. This goal has evolved over time and since 2012, IBM has consistently sent more than 85% of the total nonhazardous waste that we generate (by weight) for recycling.

			Specific to our longstanding waste management program, the following hierarchy defines our strategic practice in order of preference as: (1) prevention, (2) reuse, (3) recycling, (4) recovery, (5) other treatment, and (6) land disposal. Prevention and reuse are the most effective ways to conserve natural resources. IBM completed a reassessment of IBM's use of plastics and management of plastic waste in 2020. IBM has had a product Design for the Environment (DfE) program since 1991. The DfE program provides IBM's business organizations with direction and goals, infrastructure, tools and expertise to apply environmental life cycle considerations to IBM's products, from product concept through product end-of-life management, including the selection of materials We have identified use of plastics in packaging for our logo hardware product and single-use plastics in our cafeterias as two areas that present an opportunity for IBM to contribute toward reducing plastic waste, and established goals to reduce plastic waste in these two areas.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	The nature of IBM's business does not place a high demand for or have a dependency on plastic. We have established goals to eliminate nonessential plastic from packaging of IBM logo hardware, and eliminate nonessential, single-use plastic items from IBM-managed cafeteria operations globally. We believe our focus is appropriate and commensurate with our impact and opportunities.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain

Row 1	No, risks assessed, and none considered as substantive	Through the implementation of our global environmental management system we did not identify use of plastic materials as a significant environmental aspect, and we do not consider that the exposure to plastic-related risk provides a potential or actual substantive financial or strategic impact to our business operations worldwide. That said, we have identified two areas where IBM can contribute to plastic pollution reduction and have set goals to drive action. These two areas and respective goals are: 1) Eliminate nonessential plastic from the packaging of IBM logo hardware by year-end 2024. Further, essential plastic packaging must be designed to be 100 percent reusable, recyclable, or compostable; or incorporate 30 percent or more recycled content where technically feasible. 2) Eliminate nonessential, single-use plastic items (e.g., cups, straws, cutlery, plates, carry bags, and food containers) from IBM-managed cafeteria operations globally by 2025.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic polymers Plastic packaging Waste management Other	Eliminate problematic and unnecessary plastic packaging Increase the proportion of post-consumer recycled content in plastic packaging Increase the proportion of plastic packaging that is recyclable in practice and at scale	While we have not identified plastic-related risk to the business worldwide to be substantive IBM has established plastics-related targets associated with our product packaging and for our facility operations as part of our pollution prevention program. These goals and targets are: Product packaging: IBM's goal, set in 2021, is to eliminate nonessential plastic from the packaging of IBM logo hardware by year-end 2024. Further, essential plastic packaging must be designed to be 100 percent reusable, recyclable, or compostable; or incorporate 30 percent or more recycled content where technically feasible. Elimination of plastic items from IBM-managed cafeterias: IBM's goal set in 2021 is to eliminate nonessential, single-use plastic items (e.g., cups, straws,

			Increase the proportion of plastic packaging that is reusable Increase the proportion of plastic packaging that is compostable Other, please specify	cutlery, plates, carry bags, and food containers) from IBM-managed cafeteria operations globally by 2025. For more info: 1. IBM's materials use and products design: https://www.ibm.com/about/environment/product-design 2. IBM's pollution prevention program and plastics waste elimination: https://www.ibm.com/about/environment/pollution-prevention 3. IBM's global Environmental Management System: https://www.ibm.com/about/environment/management-system

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	IBM specified packaging engineering design specifications to suppliers for fulfillment of IBM Logo products (i.e. server and storage hardware)
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	Third party products associated with IT solutions for clients.

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging used		% virgin fossil-based content % virgin renewable content % post-industrial recycled content % post-consumer recycled content					Plastic accounts for approximately 13 percent (by weight) of the product packaging put on the market by IBM. IBM's product packaging engineers minimize waste associated with plastic packaging by eliminating nonessential plastics and increasing the use of recycled content or other materials that have the potential to be commercially recovered and recycled. IBM formalize this commitment, by setting a goal in 2021 to eliminate nonessential plastic from the packaging of IBM logo hardware by year-end 2024. Further, essential plastic packaging must be designed to be 100 percent reusable, recyclable, or compostable; or incorporate 30 percent or more recycled content where technically feasible.

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging used	% reusable % technically recyclable % recyclable in practice and at scale	90	90		Percent reusable and technically recyclable percentages are estimates based on subject matter expert input. IBM set a goal in 2021 to eliminate nonessential plastic from the packaging of IBM logo hardware by year-end 2024. For essential plastic packaging, our goal is to ensure such packaging is designed to be 100% reusable, recyclable, or compostable, or incorporates 30% or more recycled content where technically feasible. We established a team of packaging engineering and logistics experts to execute the goal. The team completed an inventory of plastic packaging items and determined whether the items were essential. We have started to eliminate nonessential items and identify possible alternatives for the remaining items.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Wayne Balta	Chief Sustainability Officer (CSO)

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	60,500,000,000

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	No, this is business confidential data.

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Please confirm below

I have read and accept the applicable Terms