

IBM UK Gender Pay Gap – 2021 Results

IBM Confidential



The Equality Act 2010 ([Gender Pay Gap Information](#)) Regulations 2017 require all companies employing 250 or more employees to publish their gender pay gap results. The government defined gender pay gap metric measures the difference between the average earnings of all females in the organisation and the average earnings of all males, irrespective of their seniority or role. This is not the same as equal pay, which compares what men and women are being paid for the same or similar work.

Having a gender pay gap can be an indicator of two key dynamics within an organisation and these can appear either on their own or in combination. These dynamics are inequitable pay, as measured against the "Equal Pay" criteria, or an imbalance in male and female representation across the levels within the organisation. For many years we have been focused on equal pay and comparing like for like, however this legislation has shone a further light on the imbalance in male and female representation across our organisational structure.

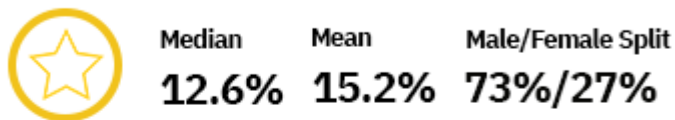
In IBM, overall women earn \$1 for every \$1 earned by men for similar work. Pay equity analysis is performed in every country where we have IBM employees. We look at how to correct any pay equity, as well as how to prevent it. To support this, we have developed IBM Compensation Advisor with Watson – an AI-driven solution that gives managers salary increase recommendations based on skills and pay competitiveness. Since 1935 when our founder Thomas J Watson Snr declared a policy of 'Equal Pay for Equal Work', this is a principle to which IBM has remained committed.

Our 2021 Gender Pay Gap results show an improvement in our median Gender Pay Gap position and reflects the impact some of our initiatives are having in reducing the current gap.

Like many other organisations, our gap is a result of having a lower percentage of females in senior, higher paid roles. Addressing the Gender Pay Gap continues to be a strategic focus for our business and has the full backing of our Executive team. Priority actions are in place and we continue to look at initiatives to increase our female representation in senior roles and redress our current gender imbalance, through inclusion and opportunity, as well as investment in continuous and tailored learning.

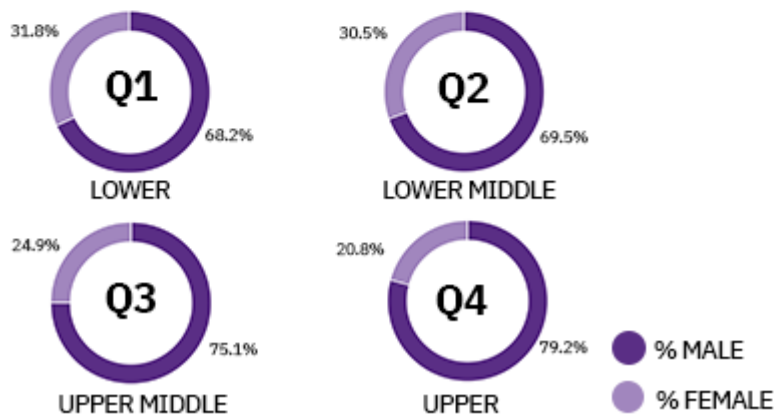
Snapshot Pay Results

This is the percentage difference in mean and median pay for all females in the organisation versus all males in the organisation, as at 5th April 2021.



Pay Quartiles Results

This shows the percentage of men and women in each pay quartile. The quartiles are divided into equal employee numbers. Quartile 1 has the lowest paid employees and quartile 4 has the highest paid employees.



Bonus Pay Results

a) This is the percentage difference between mean and median bonus for all females in the organisation who receive a bonus versus all males in the organisation who received a bonus.

b) The proportion of male and female employees who received a bonus during the same 12 month period.

The analysis covers bonuses paid over a 12 month period preceding 5th April 2021.



Proportion men who received bonus
38.6%

Proportion women who received bonus
27.5%

The gender pay gap is always expressed as a percentage. It is calculated by working out the difference between the average male pay and average female pay and dividing that number by the average male pay. This is expressed as a mean or median.

Mean average - sum of all the values divided by the number of values.

Median average - mid-point value when the data is sorted in ascending order.

2020 Gender Pay Gap results can be viewed by following this [link](#).

Increasing Female Representation

Gender equality in leadership is a high priority for IBM and we have worked hard to drive progress in this area. Advancing women in the workplace and developing future female leaders continues to remain a key focus.

Whilst we invest in learning and leadership development programmes that benefit women, we recognise that gender equality is created in partnership across the genders. Our IBM Women's Executive Council is a Global group sponsored by one of IBM Senior Vice Presidents, co-chaired by a Vice President and a Global Managing Partner and made up of highly accomplished male and female executives from around the world. These volunteers

are passionate about the attraction, growth, development, engagement with and retention of all women at IBM. As we develop many great female leaders, we also seek to create an environment that attracts the best female talent from the marketplace.

To achieve a gender balance in recruitment, IBM runs events designed specifically to attract and hire females at all levels. We also raise awareness in universities and schools of the exciting range of opportunities IBM has to offer, regardless of background.

Research by the Center for Talent Innovation indicates that following an extended career break, only 73% of highly qualified women who wanted to return to the workplace were able to do so and of those, just 40% found a regular full-time job. The IBM Academy of Technology 'Women in Technology Returning to Work' initiative and programme aims to address this, by offering a structured approach that enables women with technical backgrounds to return to the workforce after a leave of absence or career break. The framework provides a comprehensive set of guidelines and resources to support returning women, paving the way for them to excel in their professional careers in IBM.

Culture of Inclusion

IBM prides itself on creating a workplace that is inclusive where every employee can bring their whole self to work. The corporation defines this as; 'I Believe, I Belong, I Matter'. In 2020 IBM published the Global Diversity and Inclusion Report which reaffirms that IBM is making significant advances in diversifying our workforce.

IBM recognised that the unique conditions created by the pandemic required some new approaches and policies which were focused on flexibility and wellbeing as well as providing strong support to women. There was a global working at home charter that recognised the importance of the family, where parents were having to home school and support vulnerable family members. To mitigate some of these challenges, employees were offered sabbaticals, the support of Mental Health First Aiders, resilience training, additional manager support and access for all to the Employee Assistance Programmes. The creation of a new Carers community, offering a carers passport that allowed for reasonable adjustments to working patterns and additional carers leave, this culminated in a 3-day virtual event run in September. IBM has for many years looked at mental health and wellbeing programmes for employees. As part of our retention strategy talent programmes for the different constituency groups have been invested in, there is a case study of the women's programme called Elevate+, there are also LGBT+ and Ethnic Community talent programmes. IBM recognised the importance of the #MeToo movement and Black Lives Matter. There is a comprehensive suite of training and support on both topics with the IBM Emb(race) pledge. In IBM we always aim to lead on diversity & inclusion and not to wait for legislation or public opinion to create change. This leads to great employee engagement and voluntary effort to make the world a more inclusive place and IBM a great place to work.



In 2021 IBM UK was recognised by workingmums Top Employer Awards, winning the Best for Diversity and Inclusion Award which recognises the actions taken during the Covid-19 pandemic to support our workforce and ensure equality of opportunity for all.

Attracting, retaining, and developing female talent across the world is not only essential to IBM's company culture, but also a business imperative. Women have played a critical role in driving innovation at IBM since its founding in 1911. Globally, across industries in the business world, women represent just 26% of the AI workforce. In response, we created the annual Women Leaders in AI Program in 2019, as a force for change, because we believe inclusivity and gender equality drive better outcomes. We are also proud to have showcased more than 100 women-led projects using IBM's portfolio of AI solutions.

Mentorship and sponsorship are at the forefront of IBM's company culture. We currently have 45 active Women's Business Resource Groups (BRGs) worldwide. These groups have executive sponsorship and a mission to help members expand their personal and professional networks, develop their skills, receive mentorship and sponsorship and advocate for issues important to women at IBM and in the world. In the UK the ConnectingWomen@IBM Business Resource Group provides opportunities for IBM women to extend their network, share experiences and attend workshops, including shared events with other major IT companies participating in the 'Connecting Women in Technology' (CWT) network.

MeForShe@IBM is a solidarity campaign for the advancement of women, initiated by UN Women and promoted within IBM UK & Ireland. Gender equality has often been for women by women; however, all genders have a role to play and MeForShe actively mobilises this 'new' demographic to re-energise and accelerate progress towards the achievement of gender equality. Its goal is to achieve equality by encouraging men and boys to be agents of change and act against negative inequalities faced by women and girls. We encourage all IBMers to sign up to this programme and become advocates.

At IBM, we want to normalize the conversation on menopause and ensure all impacted women can receive the support they might need during this life stage. There are several resources available including education for all IBM employees, personal stories and additional resources to support women.

To further support its employees, IBM has developed a specific programme of training to help all employees identify, address and seek support in instances of Sexual Harassment and Workplace Bullying to drive prevention of such behaviours. Additional voluntary training includes the Be Equal Ally Badge, which is earned by IBMers who demonstrate volunteer effort and advocacy representation in support of IBM's diversity, inclusion, allyship, talent and business priorities.



In 2020 IBM received external recognition with a Global Diversity Award from the Employers' Network for Equality and Inclusion (enei).

Skills and Development

Developing new skills and ensuring all employees have the right skills for the changing market is a business imperative. IBM is committed to investing in and creating an environment that offers employees the opportunity for development and advancement, enabling new learning experiences and career progression without barriers.

“Your Learning” provides every IBMer with a personalised learning environment, enabling them to find, undertake and track their individual learning from an extensive range of online, self-study, virtual and classroom learning.

IBM also offers world class learning and development experiences for leaders at all levels of the organisation via the IBM Leadership Academy. IBM has two key award-winning development programmes specifically tailored to developing women and accelerating their careers through the organisation; Building Relationship and Influence programme and Elevate +.

Workplace Enablement

We are committed to providing all employees with flexible working choices, helping them to achieve greater work life integration, reduce stress and enhance productivity.

Our flexible working policy ranges from standard part-time working to compressed hours, term-time working, job share, annualised hours, mobile working and working from home. Aside from these formal arrangements, employees are also encouraged to adopt a flexible approach to working. Our flexible working practices have received external recognition.

IBM also supports its employees to manage their care responsibilities, by partnering with My Family Care, a specialist provider of family friendly employee benefits.

I confirm IBM's gender pay calculations are accurate and meet the requirements of the Regulations. We have followed advice provided by our specialist external consultants on our methodology and data, in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

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