

IBM Services Centre UK Limited

Gender Pay Gap – 2022 Results

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.

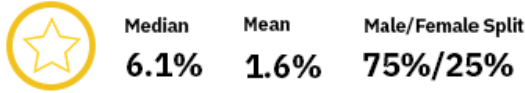
Our positive 2022 Gender Pay Gap results continue to demonstrate our focus in this area and reflect the impact our initiatives are having in reducing the current gap.

Despite significant progress in the global technology industry in recent years, latest statistics indicate women make up only 26% of the workforce. Many of our initiatives are helping to improve our proportionate female representation, with women now making up 25% of our IBM Services Centre UK Limited population in 2022. However, like many other organisations in the tech industry, our gender pay gap is as 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 although we have increased our female representation in senior roles, it is an area we continue to focus on.

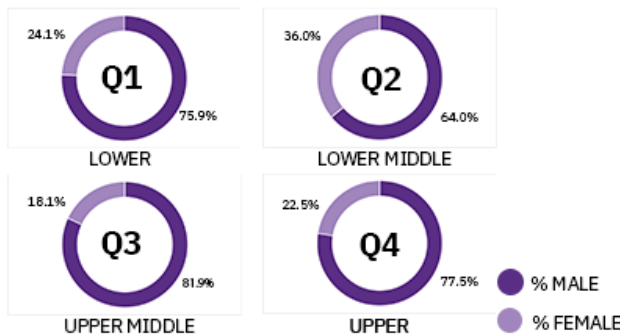
Snapshot Pay Results

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 2022.



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.

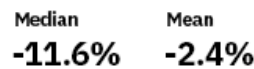


Bonus Pay Results

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 2022.



Proportion men who received bonus
60.6%

Proportion women who received bonus
61.2%

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.

2021 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 two senior Vice Presidents 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 Centre 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

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IBM prides itself on creating a workplace that is inclusive where every employee can bring their whole self to work. In 2020 IBM published the Global Diversity and Inclusion Report which reaffirms that IBM is making significant advances in diversifying our workforce. IBM is always focussed on the challenges and complexities facing today's world. The 2021 Environmental, Social and Governance report lays out IBM's commitment to creating opportunities for everyone by focusing on diversity, equality and inclusivity within IBM as well as globally.

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. 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.

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 in the region of 70 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. Within IBM Services Centre UK Limited we have seven employee led Employee Champion Teams including our Women-of-CIC Team which provides opportunities for women and allies to extend their networks, share experiences and attend events, training or workshops. We also have access to the IBM UK Business Resource Group ConnectingWomen@IBM, which provides further opportunity to extend their network and attend shared events with other major IT companies participating in the 'Connecting Women in Technology' (CWT) network.

MeForShe@IBM is a solidarity campaign promoted within IBM UK and Ireland for the advancement of women, based on the UN's HeForShe initiative. 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 IBMers of all genders in the gender equality conversation, by promoting allyship of women and IBM's commitment to gender equality.

At IBM, we want to normalise 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.

IBM Services Centre UK Limited have pioneered the first Tech Re-Entry programme for IBM in the UK and are committed to increasing the diversity of our technical employee population by attracting, recruiting, developing and retaining an experienced workforce. Tech Re-Entry is a global programme for experienced technologists who are re-entering the workforce following a career break of at least 1 year. Re-Entry hires (Returners) participate in a 6-month programme to refresh their skills and prepare for transition to permanent opportunities. The experience provides personalised technical and professional learning to update Returners' skills. Returners demonstrate those skills with on-the-job training & earn badges, certifications and transferable credentials along the way.

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.

Workplace Enablement

IBM 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 Services Centre UK Limited also provides access to our Employee Assistance Programme which provides information, advice and support to employees who may have caring responsibilities.

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.

Gary Kingsbury

Chief Executive and Director IBM Services Centre UK Limited