

# INDEPENDENT LIMITED ASSURANCE STATEMENT



To: The Stakeholders of IBM Corporation

## Introduction and objectives of work

Bureau Veritas UK Ltd (hereafter 'Bureau Veritas') has been engaged by IBM Corporation (hereafter 'IBM') to provide limited assurance over Scope 1, Scope 2 and selected Scope 3 greenhouse gas (GHG) emissions data for the period 1<sup>st</sup> January to 31<sup>st</sup> December 2021. This Assurance Statement applies to the related information included within the scope of work described below. The aim of this process is to provide assurance to IBM's stakeholders over the accuracy, reliability and objectivity of the GHG emissions data.

## Scope of work

The scope of our work was limited to assurance over IBM's Scope 1, 2 and selected Scope 3 GHG emissions data (the 'Selected Information') for the period 1<sup>st</sup> January to 31<sup>st</sup> December 2021 for IBM's global operations (including but not limited to US, Canada, Germany, Italy, Switzerland, Japan, Philippines, Taiwan and Singapore).

The boundary of the verification included the following GHG emissions and associated data from the activities under IBM's operational control for the following:

- Direct (Scope 1)
- Indirect Electricity, Heat and Steam (Scope 2) location and market based
- Selected other Indirect (Scope 3):
  - Purchased Goods and Services (co-location data center electricity consumption only)
  - Upstream leased assets (lease vehicles only)
  - Business travel (rental cars and commercial carrier flights only)
  - Employee commuting (for US employees only)
  - Use of sold products (12 months of product use only)

## Limitations and Exclusions

Our assurance process was subject to the following limitations as we have not been engaged to:

- Review activities outside the defined reporting period;
- Review positional statements (expressions of opinion, belief, aim or future intention by IBM) and statements of future commitment;
- Determine the suitability of the Reporting Criteria;
- Determine which, if any, recommendations should be implemented;

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- Review the appropriateness of the reporting criteria.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

## Responsibilities

The preparation and presentation of the Selected Information is the sole responsibility of the management of IBM.

Bureau Veritas was not involved in the preparing of the Selected Information. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been appropriately and accurately prepared;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the management of IBM.

## Reporting Criteria

The Selected Information are reported in accordance with the IBM internal procedure for GHG reporting which is aligned to 'ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals' and the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition).

## Assessment Standard

We performed our work to a limited level of assurance in accordance with ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions and ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

## Summary of work performed

As part of its independent verification, Bureau Veritas undertook the following activities:

1. Assessed the appropriateness and accuracy of the Selected Information;
2. Conducted interviews with relevant personnel of IBM;
3. Reviewed the data collection and consolidation processes used to compile the Selected Information, including assessing assumptions made, the data scope and reporting boundaries;

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4. Reviewed a sample of the Selected Information against the corresponding source documentation provided by IBM (including US, Canada, Germany, Italy, Switzerland, Japan, Philippines, Taiwan and Singapore); and
5. Performed a selection of aggregation calculations of the Selected Information.

## Conclusion

On the basis of our methodology and the activities described above for the agreed scope, nothing has come to our attention to indicate that the GHG emissions data as stated below are not fairly stated in all material respects.

However, it should be noted that several residual mix emissions factors for indirect emissions from electricity (market based) are in CO<sub>2</sub> not CO<sub>2</sub>e as the CO<sub>2</sub>e factors are not available. Also, other indirect emissions from business travel are reported by IBM as CO<sub>2</sub>e but the emissions from commercial airlines are calculated for CO<sub>2</sub> only as per the US EPA methodology followed by the supplier.

IBM Entity-Wide Reported GHG Emissions 1 <sup>st</sup> January to 31 <sup>st</sup> December 2021		
<b>Direct (Scope 1):</b> 91,955 mtCO <sub>2</sub> e	<b>Indirect imported energy (Scope 2 location based):</b> 668,612 mtCO <sub>2</sub> e	<b>Indirect imported energy (Scope 2 market based):</b> 411,211 mtCO <sub>2</sub> e
<b>Other Indirect (Scope 3) Categories (mtCO<sub>2</sub>e):</b> <ul style="list-style-type: none"> <li>• Purchased Goods and Services (co-location data center electricity consumption only), location based: 326,653</li> <li>• Purchased Goods and Services (co-location data center electricity consumption only), market based: 194,800</li> <li>• Upstream leased assets (lease vehicles only): 12,845</li> <li>• Business travel (rental cars and commercial carrier flights only): 37,050</li> <li>• Employee commuting (for US employees only): 14,541</li> <li>• Use of sold products (12 months of product use only): 272,301</li> </ul>		

## Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years' history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified<sup>1</sup> Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of

<sup>1</sup> Certificate of Registration available on request

quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)<sup>2</sup> across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with IBM.

**Bureau Veritas UK Ltd**

**London**

**27<sup>th</sup> May 2022**



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<sup>2</sup> International Federation of Inspection Agencies – Compliance Code – Third Edition

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