Driving progress with 21 goals for environmental sustainability

Setting goals has long been an essential part of IBM's global environmental management system, with formal goals involving energy conservation (1970s); pollution prevention and recycling (1980s); chlorofluorocarbons (1989); design for the environment (1991); ISO 14001 (1996); CO2 (2000); and specific perfluorinated compounds, PFOS and PFOA (2007), being characteristic of IBM's journey.

In 2021, we conducted an extensive review and evaluation of our goals and announced 21 goals for environmental sustainability. Collectively they covered energy and climate change, conservation and biodiversity, pollution prevention and waste management, supply chain and value chain, and our global environmental management system. Following is our progress against each of these goals.

Guiding principles: transparency and authenticity

IBM has always sought to be transparent and authentic in its quest for environmental leadership. Applying that to IBM's voluntary goals, we shall:

- Establish near-term targets to promote action and accountability, and to accompany any long-term objectives.
- Encompass 100 percent of IBM's business operations unless otherwise specified.
- Adjust goals for acquisitions and divestitures.
- Avoid opaque representations of achievement.

Energy and climate change

1. Procure 75% of the electricity IBM consumes worldwide from renewable resources by 2025, and 90% by 2030.

— Includes both renewable electricity in the grid mix IBM receives from utilities and renewable electricity for which IBM contracts over and above what's contained in the grid mix.

Ongoing - We increased our renewable electricity consumption to approximately 1,480,000 MWh in 2024, representing 79.6% of our total electricity consumption and meeting our 2025 renewable electricity procurement goal a year early.

2. Reduce Operational GHG emissions by 65% by 2025 (from 2010, adjusted for acquisitions and divestitures).

— Covers IBM's Scope 1 and Scope 2 emissions, including emissions associated with IBM's electricity consumption at co-location data centers.

Met - After meeting our 2025 operational GHG emissions reduction target in 2023, we continued to reduce our operational GHG emissions to 265,000 mtCO2e in 2024, a 77.1% reduction versus our 2010 baseline emissions. We continue to reduce emissions towards meeting our 2030 net zero goal.*

*The company's goal is based on science. The United Nations Intergovernmental Panel on Climate Change (UN IPCC), in its "Special Report: 1.5 C°," indicates that anthropogenic CO_2 emissions must decrease 45% between 2010 and 2030 to limit Earth's warming to 1.5 degrees Celsius above pre-industrial levels. This translates to an annual rate of reduction of 2.25%. IBM's goal achieves a rate of reduction of 4.3% per year.

3. Reach net zero Operational GHG emissions by 2030.

Ongoing - 77.1% reduction in GHG emissions versus 2010 baseline emissions.

4. Implement a minimum of 3,000 energy conservation projects to avoid the consumption of 275,000 MWh from 2021 to 2025.

Met - As of year-end 2024, we completed 2,650 energy conservation projects since 2021, resulting in 355,000 MWh of energy consumption avoided, surpassing our 2025 conservation target a year early. We continue to implement additional energy conservation projects to further reduce emissions.

5. Improve average data center cooling efficiency 20% by 2025 (from 2019).

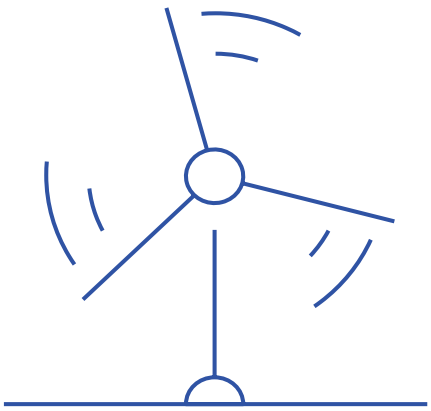
Met - In 2024, we improved weighted average cooling efficiency as measured by Power Usage Effectiveness (PUE) of data centers by 25.5% versus our 2019 baseline year. We continue to further improve the cooling efficiency o our data centers.

6. For server products with a valid upgrade path, reduce power consumption per unit of valid delivered work vs previous generation.

Ongoing - No covered products were released in 2024.

7. Establish by year end 2021 individual baselines for fleet carbon intensity for IBM product carriers and suppliers. Starting in 2022 convene with each supplier to set a fleet carbon intensity reduction target.

Met.



Conservation and biodiversity

8. Achieve a year-to-year reduction in water withdrawals at specified IBM locations in high or extremely high water-stressed regions.

Ongoing - In 2024, our water withdrawals at these locations only decreased by 0.1%, largely due to the ongoing return-to-office of employees.

9. Source paper and paper-wood based packing directly by IBM from forests that are sustainably managed and certified as such.

Embedded into operations (retired) - In 2024, 99.5% (based on spend) of the paper and paper/wood-based packaging IBM directly procured worldwide came from suppliers that warranted that the source was derived from sustainably managed forests. Going forward, this will be part of our ongoing operations.

10. Plant 50 pollinator gardens at IBM locations globally by year-end 2023 to support biodiversity.

Met - We have established and continue to maintain pollinator habitats at IBM locations.

11. Pursue third-party sustainability certification for major office-construction and renovation projects executed by IBM globally.

Embedded into operations (retired) - In 2024, a total of 11 projects received third-party certifications. Going forward, this will be part of our ongoing operations.

Pollution prevention and waste management

12. Divert 90% by weight of IBM's total nonhazardous waste from landfill and incineration by 2025 through reuse, recycling, composting and waste to energy processes. Use waste-to-energy processes for no more than 10 percent (by weight) of the diverted waste.

Met - In 2024, we diverted 94.4% (by weight) of nonhazardous waste worldwide, meeting the first component of our goal. Of the total amount diverted, 8.6% (by weight) was sent to waste-to-energy processes, also meeting the second component of our goal.

13. Send no more than 3% by weight of end-of-life product waste to landfill or to incineration for treatment. Recycle or reuse at least 97%.

Met - In 2024, we processed approximately 10,300 mt of end-of-life products and product scrap, with 96% (by weight) resold, reused or sent for recycling, 3.2% sent to waste-to-energy processes, and 0.7% sent to landfills or for incineration for final disposition.

14. Eliminate nonessential, single-use plastic items from IBM managed cafeteria operations globally by 2025.

Embedded into operations (retired) - At year-end 2024, we had removed all nonessential SUP items from 55 of the 58 IBM-managed cafeterias. The remaining cafeterias will be completed in 2025. Going forward, this will be part of our ongoing operations.

15. Eliminate nonessential plastic from the packaging IBM logo hardware by year end 2024. For essential plastic packaging ensure they are designed to be 100% reusable, recyclable or compostable; or incorporate 30% or more recycled content where feasible.

Embedded into operations (retired) - We completed 18 projects from 2021 to 2024 which eliminated or replaced the use of an estimated 119 mt per year of virgin plastic materials. One project remained outstanding at year-end 2024, which will be completed in 2025. Going forward, this will be part of our ongoing operations.

Supply chain and value chain

16. Require all first-tier suppliers to maintain their own environmental management system; set goals regarding energy management, GHG emissions reduction, and waste management; and publicly disclose progress.

Embedded into operations (retired) - Going forward, this will be part of our ongoing operations.

17. Require key suppliers in emissions-intensive business sections to set an emissions reduction goal by 2022, addressing their Scope 1 and Scope 2 GHG emissions.

Embedded into operations (retired) - As of year-end 2024, 98% of these suppliers have set such targets, and we continue to engage with the remaining 2% of in-scope suppliers and will track the status of their goal setting process through completion. Going forward, this will be part of our ongoing operations.

18. Convene an annual sustainability Leadership Symposium to recognize progress and achievement among suppliers in emissions-intensive business sectors across applicable areas of environmental stewardships.

Met.

19. Document 100 client engagements or research projects by 2025 in which IGM products, capabilities, and/or solutions have enabled demonstrable environmental benefits.

Met - As of year-end 2024, we had documented 104 such engagements or projects, meeting our goal a year early.

Management system

20. Maintain a single global registration of the ISO 14001 standard for the EMS.

Embedded into operations (retired) - Going forward, this will be part of our ongoing operations.

21. Ensure IBM's EMS conforms to the ISO 50001 standard for Energy Management Systems.

Embedded into operations (retired) - Going forward, this will be part of our ongoing operations.