

# 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 Direct and Indirect (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 2023. This Assurance Statement applies to the related information included within the scope of work described below. The objective is to provide assurance to IBM and its stakeholders over the accuracy and reliability of the reported information and data.

## Scope of work

The scope of our work was limited to assurance over IBM's Direct and Indirect (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 2023 for IBM's global operations.

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 GHG emissions (Scope 1)
- Indirect GHG emissions from Imported Energy (Scope 2) location and market based
- Indirect GHG emissions from transportation (Upstream leased assets (lease vehicles only), business travel (rental cars and commercial carrier flights only), employee commuting (US employees only))
- Indirect GHG emissions from products used by the organisation (Purchased Goods and Services (co-location data centre electricity consumption only))
- Indirect GHG emissions associated with the use of products from the organisation (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;
- Conduct additional sampling where a third-party has provided confirmation of emissions factor for energy supply (including renewables);
- 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;

4. Reviewed a sample of the Selected Information against the corresponding source documentation provided by IBM (including sites in Argentina, Australia, Brazil, Canada, China, Global, Mexico, Netherlands, UK and USA); and
5. Performed a selection of aggregation calculations of the Selected Information.

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## 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 Selected Information as stated below are not fairly stated in all material respects.

However, the following should be noted, which are not considered to have a material impact:

- For business air travel (Indirect GHG emissions from transportation) the 2022 factor has been used instead of the most recent 2023 emissions factor, this is due to the way the data are reported by the provider.
- 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.

IBM Entity-Wide Reported GHG Emissions 1 <sup>st</sup> January to 31 <sup>st</sup> December 2023 (rounded to the nearest thousand metric tonnes of CO <sub>2</sub> e)		
<b>Direct (Scope 1):</b> 71,000 mtCO <sub>2</sub> e	<b>Indirect imported energy (Scope 2 location based):</b> 306,000 mtCO <sub>2</sub> e	<b>Indirect imported energy (Scope 2 market based):</b> 150,000 mtCO <sub>2</sub> e
<b>Other Indirect (Scope 3) Categories:</b> <ul style="list-style-type: none"> <li>• Indirect GHG emissions from transportation (Upstream leased assets (lease vehicles only), business travel (rental cars and commercial carrier flights only), employee commuting (US employees only)): 145,000 mtCO<sub>2</sub>e</li> <li>• Indirect GHG emissions from products used by the organisation (Purchased Goods and Services (co-location data centre electricity consumption only)): 271,000 mtCO<sub>2</sub>e (location based)/ 143,000 mtCO<sub>2</sub>e (market based)</li> <li>• Indirect GHG emissions associated with the use of products from the organisation (Use of sold products (12 months of product use only)): 297,000 mtCO<sub>2</sub>e</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 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**  
**28<sup>th</sup> March 2024**



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

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