

IBM UK Gender Pay Gap

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.

Although our IBM median gap is 14.6% and is less than the national average (which is 18.4% median in 2017 across all industries), IBM is committed to addressing any gender pay gap in our business through targeted initiatives and specific programmes.

IBM has a long-standing commitment to creating an equal opportunity workforce and welcomes this legislation.

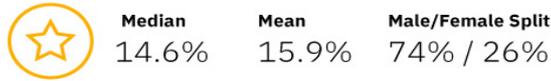
Having a gender pay gap can be an indicator of two key dynamics within an organisation and these can appear either on their own or in combination. These dynamics are inequitable pay, as measured against the "Equal Pay" criteria, or an imbalance in male and female representation across the levels within 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.

IBM has an equal pay practice of annual reviews which analyse and assess the fairness of pay across peer groups and where inequalities are identified, appropriate action is taken. Our analysis, which looks at the difference in salaries at the same band by role, indicates male and female salaries are within 1% of one another, at the aggregate level. 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.

Like many other organisations, our gap is a result of having a lower percentage of females in senior, higher paid roles. We are committed to reducing and eventually eliminating this gap over the coming years. It is a strategic focus for our business and has the full backing of our Executive team. Priority actions are already in place and we will 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.

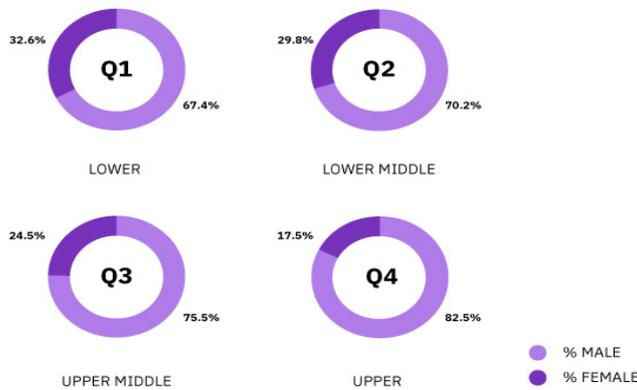
Snapshot Pay Results

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 2017.



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.



Increasing Female Representation

Increasing female representation in senior leadership roles through hiring and developing our future leaders has been and will continue to remain a key focus.

In 2018 IBM won the Catalyst Award for our global efforts to help advance women in business. We are the only tech company to be honoured this year and the first company to have been recognised for a fourth time.

The European Women's Leadership Council (EWLC) of which the UK is an active member, meets quarterly to discuss initiatives and share programmes and projects which benefit the advancement of women in IBM. The council is actively driving improvement of female representation in executive leadership and leadership development and working to attract, retain and promote women in IBM.

To achieve a gender balance in recruitment, IBM runs events designed specifically to attract and hire females from the STEM subjects, as well as targeting female only schools as part of the apprentice programme. We also raise awareness in schools of the exciting range of opportunities IBM has to offer, regardless of background.

Bonus Pay Results

a) This is the percentage difference between mean and median bonus for all females in the organisation who received 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 the bonus paid over a 12 months period preceding 5th April 2017.



Proportion men who received bonus
86.9%

Proportion women who received bonus
84.8%

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.

Culture of Inclusion

Diversity and inclusion are integral to IBM's strategy and its values. Our UK and Ireland Inclusion Council is chaired by our Chief Executive, Bill Kelleher, and our Business Resource Groups, all of which have executive sponsorship, have a mission to address unconscious bias, attract, retain and engage people from diverse backgrounds and to establish a diverse workforce mix.

In the UK we have five employee led Business Resource Groups including ConnectingWomen@IBM, which provide opportunities for women in IBM 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. Unconscious Bias training has also been rolled out across our business.



In 2016, IBM was listed in The Times Top 50 Employers for Women, in partnership with Business in the Community. The same year we were awarded the Stonewall Star Performer and included in the Inclusive Top 50 Employers in the UK.

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 +, which was awarded the European HR Excellence award in 2017.

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 including the Flexible/Agile Working Award by the Employers' Network for Equality and Inclusion (enei).

In 2018 IBM was a winner of the Timewise Power 50 award which is an accolade to IBM's commitment to flexible working. The award recognises two of our female Managing Consultants who successfully job share and are working with their current client to promote the benefits and opportunities for flexible working practices.

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.

*W Kelleher
Chief Executive
IBM UK and Ireland*