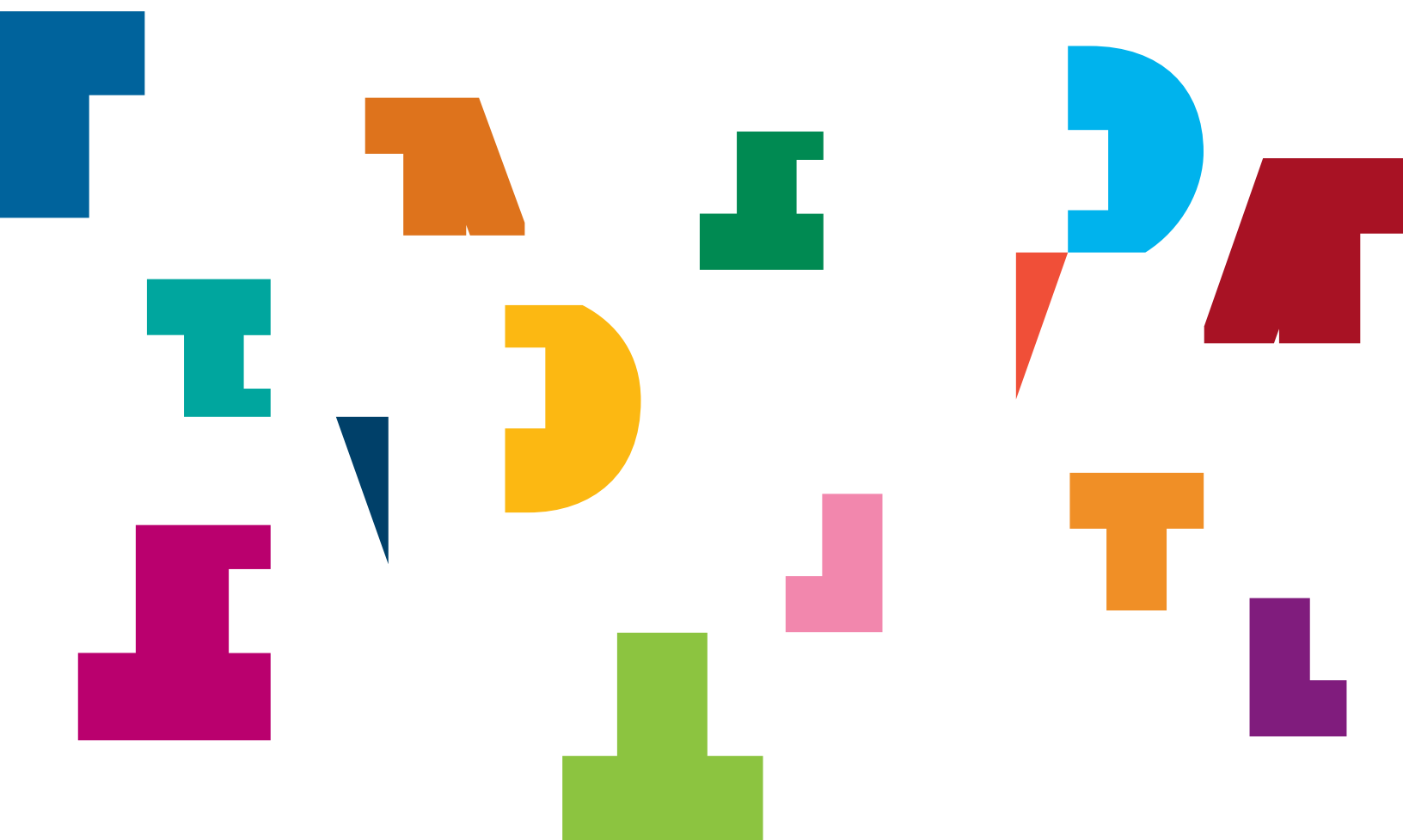




Diversity & Inclusion

Diversity of People. Diversity of thought.
A smarter planet for everyone.





IBM's commitment to Diversity

IBM thinks about diversity the way we think about innovation — both are essential to the success of our business. When we innovate, technology becomes smarter for clients and creates new opportunities for growth. When we incorporate diversity into our business, we create better innovations and outcomes. IBM has embraced diversity, and it gives opportunities for IBMers and our clients to achieve their full potential.

A handwritten signature in black ink that reads "Virginia M. Rometty". The signature is written in a cursive, flowing style.

Virginia M. Rometty
Chairman, President and Chief Executive Officer

Employee Inclusion in a new world of global business

IBM has seen many crossroads since its humble beginnings in 1911, and not all of those decisions were easy to make. As IBM continues to innovate and its people evolve as IBMers, the company is positioned to respond to challenges as it has always done—head on and anchored by its values.

Historically, IBM has responded to the kinds of challenges we now face in parts of the world where women, for example, continue to struggle for a safe and harassment free work environment or society, where Lesbian, Gay, Bisexual and Transgender people lack legal recognition and feel unsafe, and where People with Disabilities lack equal access to employment opportunities due to non-existent accessibility standards or flat out discrimination.

Our willingness to take on issues of equity, fairness and equal opportunity in the United States or anywhere in the world have not only set us apart, but positively distinguished our company and made us a magnet for the smartest and most talented people in the world. More so, as IBMers, we have come to a realization that we are a company of “firsts”—a company that has led and not followed from its earliest days to the present.

Supporting our existing diversity constituencies

In 1995, IBM commissioned eight Executive Task Forces—Asian, Black, Hispanic, Lesbian/Gay/Bisexual/Transgender (LGBT), Men, Native American, People with Disabilities, and Women. The task forces were asked to look at IBM through the lens of their group and answer these questions:

- What is required for your group to feel welcomed and valued at IBM?
- What can IBM, in partnership with your group, do to maximize your productivity?
- What courses of action can IBM take to influence the buying decisions of your group?
- Which external organizations that address the interests of your constituency should IBM have a relationship with?

In 1914 we hired our first employee with a disability, 76 years before the Americans with Disabilities Act.

The result of this work was the implementation of the IBM Global and U.S. Constituency Councils, and the answers to these questions continue to serve as a guide to our diversity structure and priorities. The councils helped and continue to ensure that IBM attracts, retains and develops the best talent from their respective constituencies and creates an inclusive environment enabling people to be authentically themselves and one in which candid cross-constituency dialogue and relationships are the norm.

From there, we established the Diversity Network Groups, defined as volunteer employee groups that come together with the goal of enhancing IBM's success through meeting, teaming, networking, mentoring, and coaching. They have also been instrumental in enhancing recruitment and welcoming new IBMers. In addition, the Market Development Group was established. This group has been responsible for the growth of IBM products and services in the global Women's marketplace, LGBT, as well as U.S.-based Hispanic and Black owned businesses. And finally, IBM established relationships with external local and global organizations to expand our Diversity agenda.

By 2013, our 236 global Diversity Network Groups began the transition to Business Resource Groups: Talented groups of diverse IBM professionals whose mission is to engage IBM's Diversity Network Groups, Constituencies and Communities in a transformation process that will enable us to better support IBM's people, clients and the business. IBM Business Resource Groups consist of IBM employees who voluntarily come together with the ultimate goal of enhancing the success of IBM's business and people, by helping their fellow IBMers succeed.




Recruiting—how we attract and recruit diverse talent

While our commitment to diversity in the past 100 years remains constant, how we execute against that commitment has enabled us to become—and remain—one of the world’s leading globally integrated enterprises. For more than a century, we’ve viewed the diversity of cultures, people, thoughts and ideas as an imperative to successfully delivering innovative, superior technologies to the marketplace.

This next generation of diversity moves beyond hiring practices and protection for our employee constituents and encompasses how those disparate pieces fit together to create an innovative, integrated whole through inclusion. What that means to us as a company is that while our differences shape who we are as individual IBMers, our shared corporate culture and company values remain central to our mutual success. IBMers around the world work in an environment where diversity—including diversity of thought—is the norm. This in turn, yields a commitment to creating client innovation in every part of our business. Our diversity is reflective of the global marketplace and is integral to our corporate character.

Simply put, it’s what we do together that sets us apart.

Recruiting and cultivating diverse talent is critical to maintaining our success. To attract a pool of outstanding candidates, IBM has strategic partnerships in diversity recruiting programs such as:

- Entry Point
 - Hero 2 Hired
 - INROADS
 - National Action Council for Minorities in Engineering (NACME)
 - National Society of Black Engineers (NSBE)
 - Society of Hispanic Professional Engineers (SHPE)
 - Society of Women Engineers (SWE) and
 - Women in Technology International (WITI).
- 



In the U.S., Project View is IBM's own diversity recruitment program that offers candidates a unique opportunity for IBM career opportunities nationally. Participation is by invitation only to candidates who demonstrate potential leadership qualities or eminence in their field. Programs are open to students receiving undergraduate or graduate degrees.

IBM's Virtual Recruiting Sessions are open to all candidates, including Women, People with Disabilities, and Under-represented Minorities. Virtual Sessions are conducted through IBM's Cloud-based Web meeting platform and feature outstanding minority IBMers speaking about their experiences and career paths.

Leadership in work/life flexibility

The global business environment is a competitive one. If IBM is to maintain its leadership position as one of the world's top globally integrated enterprises, it is imperative to create an environment that offers employees not only financial security but also autonomy, meaningful work, and the opportunity for development and advancement. Additionally, flexibility must be a cornerstone of our employment value proposition—IBMers need time to cultivate personal interests and integrate the demands of the job with the demands of their personal lives.

To address both employee and business needs, IBM has developed six flexibility principles. These are the core global flexibility principles which can be adapted by country as needed based on legislation, local custom, and other factors.



IBM's Six Flexibility Principles

1. *The Enterprise does not stop:* In a globally integrated enterprise, the enterprise never stops working. Somewhere in the world, IBMers are working on solutions for our clients.
2. *Balancing of Needs:* IBM is committed to providing its employees the greatest degree of flexibility while balancing the needs of our clients, our business, team effectiveness and the individual IBM employee.
3. *Trust & Personal Responsibility:* Consistent with our core value of “trust and personal responsibility in all relationships,” IBM expects managers and employees to make decisions, including those about flexibility options, consistent with this value and to demonstrate personal responsibility to ensure business commitments are met.
4. *Range of Options:* Flexible work options are a vehicle for IBM to meet the needs of our global clients and can be employee or management initiated and approved based upon the needs of the business, clients or individuals.
5. *Understanding Differences:* IBMers must consider the needs of our global stakeholders — clients, customers, colleagues and the communities in which we operate. Each of us must take responsibility to explore, understand and reflect differences in culture, customs, time of day, holidays, language, business requirements, the personal needs of stakeholders and the impact of our decisions on business dealings.
6. *Focus on Results:* IBMers must focus on results, setting goals and measuring performance with an eye toward providing an outstanding experience for IBM customers, clients and employees.

Our diversity is reflective of the global marketplace and is integral to our corporate character. Simply put, it's what we do together that sets us apart.



Partnerships

Supplier Diversity

IBM recognizes that a diverse supplier base is integral to company profitability and strategic objectives—solidifying the connection between customer satisfaction and winning in the marketplace. IBM’s supplier diversity program expands purchasing opportunities for businesses owned and operated by Under-represented Minorities, Women, Lesbian, Gay, Bisexual and Transgender (LGBT), Veterans and Service-Disabled Veterans, and People with Disabilities. Purchasing opportunities are also expanded for our non-profit organizations that hire disabled persons and for HUBZone companies.

Building and maintaining a community of diverse suppliers increases IBM’s opportunity to hear new ideas, apply different approaches, and gain access to additional solutions that respond to customer needs. Such collaboration helps IBM deliver innovation, quality products, and world-class service to a growing global marketplace.

Market Development

The Market Development team increases IBM mind share and market share with businesses owned by Asians, Blacks, Hispanics, Native Americans and Women in North America. We show these business owners how to accelerate the growth of their businesses by marrying their technology and business strategies and leveraging IBM’s Smarter Planet™, Big Data and Cloud solutions to provide innovative solutions to their marketplace.

IBM Market Development also markets to businesses owned, led and influenced by Women, in select countries globally. The influence of our Global Women Initiatives can be seen in many countries including Brazil, Chile, Canada, France, Germany, Greece, Turkey, China, India, Russia, and Japan.



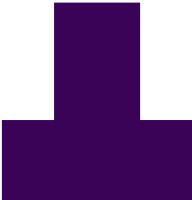
Diversity partnerships

IBM places great emphasis on the role of technology as a tool to address societal issues and demonstrate our reputation as a solutions provider. We are proud to partner with many organizations both local and global to demonstrate our ongoing commitment to all constituencies.

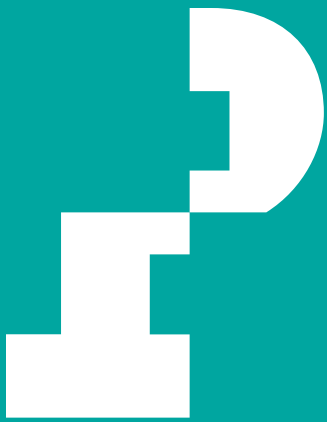
Recognition

Acknowledgment of IBM’s commitment and accomplishments in supporting diversity has come from a broad spectrum of organizations and publications. We appreciate that the marketplace has recognized our efforts consistently throughout the years.

- DiversityInc named IBM #1 on its Top 10 Companies for Global Diversity list
- DiversityBusiness.com ranks IBM in Top 50 “Multicultural Business Opportunities” list
- IBM named among top 40 companies for diversity by Black Enterprise Magazine
- IBM scores 100% on the HRC Corporate Equality Index
- IBM awarded first place, in Stonewall’s global workplace equality index
- Latina Style ranks IBM #16 for diversity and inclusion
- IBM listed in Top 10 of the NAFE Working Mothers Top 50 Companies for Executive Women
- IBM named one of the 25 “Best Companies for Multicultural Women” by Working Mother
- Working Mother named IBM to Working Mother’s Top 100 Best Companies list
- IBM received the Employer of Choice for Women Citation from the Equal Opportunity for Women in the Workplace Agency (EOWA)



For more awards, visit: ibm.com/employment/us/diverse/awards.shtml



More than two decades ago, IBM launched the first national corporate child care initiative that evolved into a five-year, USD\$25 million IBM Funds for Dependent Care Initiative to help employees manage their work and personal responsibilities. In 2001, the company created the Global Work/Life Fund with a five-year, USD\$50 million commitment — the first fund of its kind to address employee work/life issues on a global basis. The Fund is now active in 42 countries and has a continued focus on increasing the supply and improving the quality of dependent care in communities where IBMers work and live. It provides a full range of dependent care services for young children, school-age children, elders; and employees themselves who are caregivers of children and elders.

Since 1983, IBM has committed more than USD\$263 million to dependent care programs and services around the world, and we are frequently recognized by non-governmental organizations, public institutions, and business publications for our commitment to helping employees manage work/life issues.





Cultural Adaptability and Intelligence

Every IBMer is considered a Global IBMer. That means each employee must be able to seamlessly collaborate and enable the business to share resources across borders and business units. Leading and working in multicultural teams to solve complex client problems has become the norm as IBMers do business around the world.

IBM sponsors an annual Cultural Intelligence Awareness Week to help increase the cultural intelligence of the entire organization—from the most senior executive to the most recently hired IBMer.

Historical perspective or Our history reflects our values

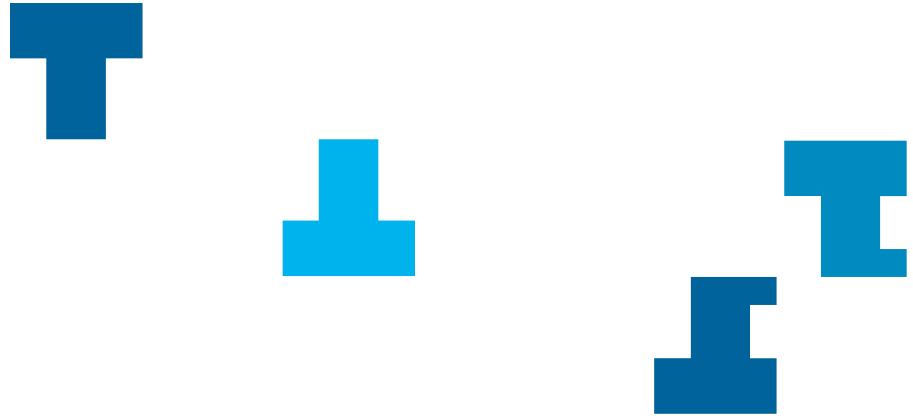
In 1953, IBM's first written Equal Opportunity Policy called for equal opportunity in hiring "Regardless of race, color, or creed." This policy was signed by T. J. Watson, Jr., and written as a result of IBM's building manufacturing plants in the South and being confronted with demands that we maintain segregated facilities. He said there would be, "No separate, but equal facilities"—one year before the Brown decision ending "separate but equal" in public education and 11 years ahead of the 1964 Civil Rights Act in the U.S.

In each of these cases, IBM leadership chose to manage employees in line with our values and beliefs and to engage governments, communities and other corporations in our effort to change, even if our efforts were unpopular or disruptive to normal business relationships.

As we approach decisions and negotiations regarding expanding IBM operations around the world, where our values are not held in the same regard, it is critical that our client teams and business leaders have appropriate dialog with those who don't know "us" or understand how we conduct ourselves in the world of business and a global community.

IBM will not be deterred by different cultures or beliefs but will share who we are as a company so that we can conduct business within any country that is in concert with our global corporate values and employment policies.



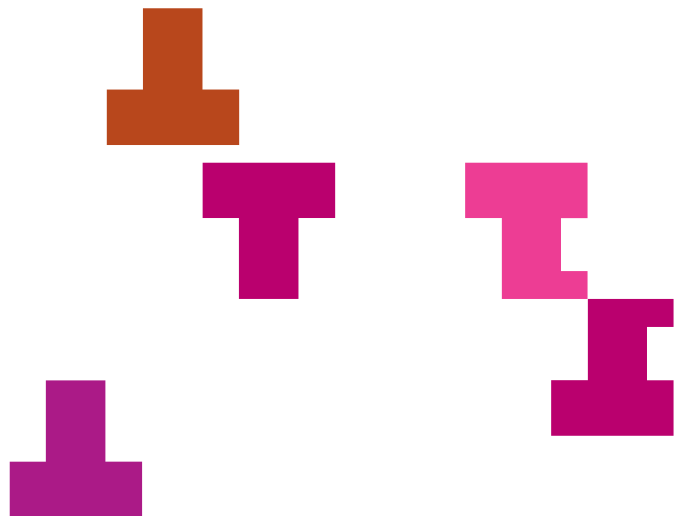


IBM's philosophy

IBM's enduring commitment to diversity is one of the reasons we can credibly say that IBM is one of the world's leading globally integrated enterprises. We also understand that diversity goes beyond fair hiring practices and protection for all employees. It also includes a focus on how those disparate pieces fit together to create an innovative, integrated whole. We call this approach "inclusion."

While our differences shape who we are as individual IBMers, our shared corporate culture and values remain central to our mutual success. IBMers around the world work in an environment where diversity—including diversity of thought—is the norm, which yields a commitment to creating client innovation in every part of our business.

ibm.com/employment/us/diverse







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Software Group (or appropriate division)
Route 100
Somers, NY 10589

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