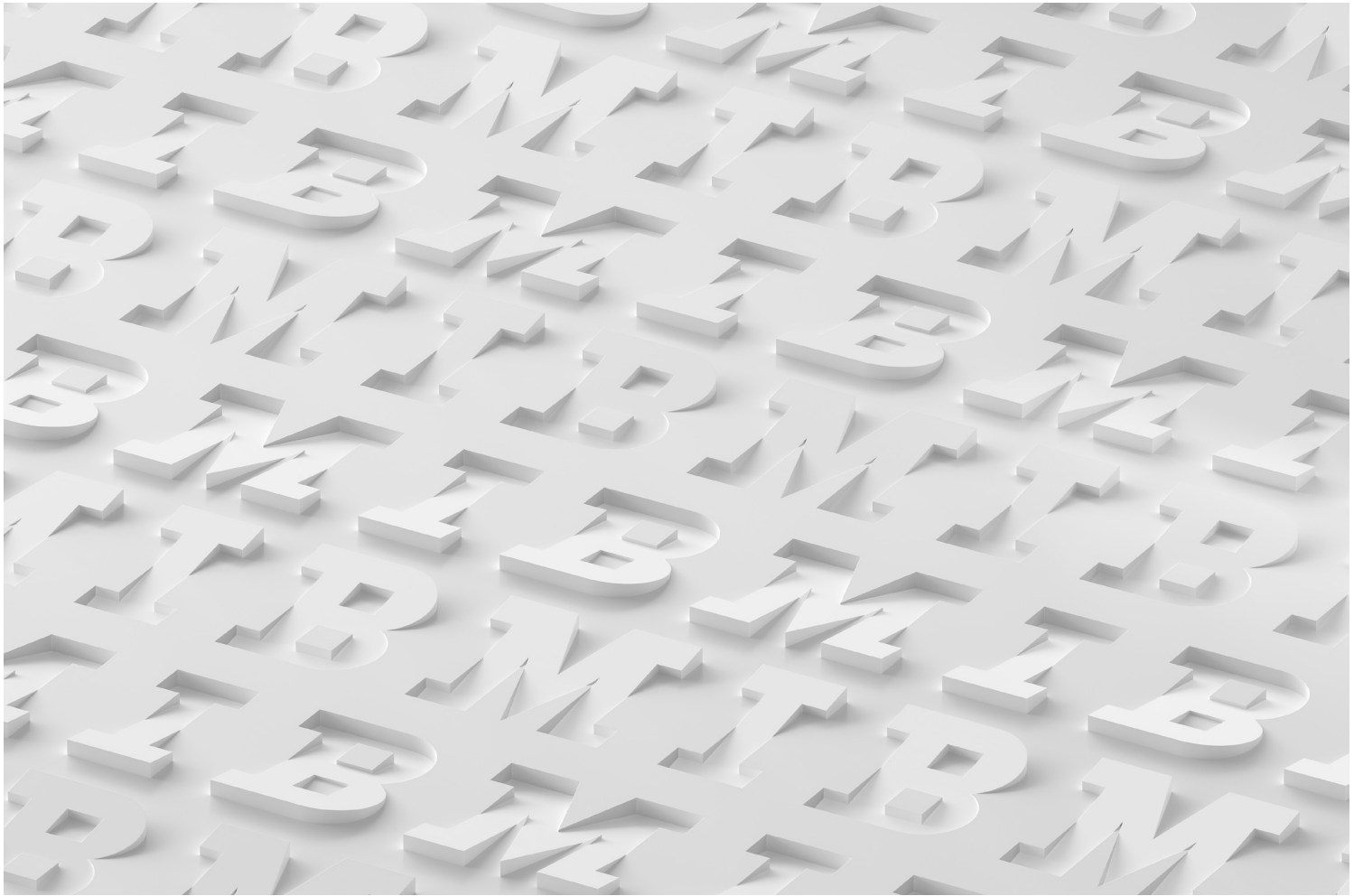


# IBM Modern Slavery Statement for 2025



This Statement, made pursuant to

- Section 54 of the UK Modern Slavery Act 2015, by IBM United Kingdom Limited, IBM United Kingdom Financial Services Limited, and IBM Services Centre UK Limited (together referred to as “UK IBM” throughout this statement),
- the Modern Slavery Act 2018 (Cth), by IBM A/NZ Holdings Pty Limited (ABN 12 105 319 248) and its subsidiary IBM Australia Limited (ABN 79 000 024 733) (together referred to as “IBM Australia” throughout this statement)

describes the actions taken by International Business Machines Corporation (referred to as “IBM”, “we”, “our” or “company” throughout this statement) and its covered subsidiaries during the financial year from 1 January 2025 to 31 December 2025, to prevent modern slavery and human trafficking in its operations and supply chain.

## Organisational structure, operations, activities and supply chains

IBM is headquartered in Armonk, New York, U.S.A., and is a globally integrated entity operating in more than 175 countries worldwide.

IBM is addressing the hybrid cloud and Artificial Intelligence (AI) opportunity with a platform-centric approach, focused on providing client value through a combination of technology and business expertise. We provide integrated solutions and products that leverage data, information technology, deep expertise in industries and business processes, with trust and security and a broad ecosystem of partners and alliances. Our hybrid cloud platform and AI technology and services capabilities support clients' digital transformations and help them engage with their customers and employees in new ways. These solutions draw from an industry-leading portfolio of capabilities in software, consulting services and a deep incumbency in mission-critical systems, all bolstered by one of the world's leading research organisations.

At year-end 2025, IBM's four business segments were: Software (Hybrid Platform & Solutions and Transaction Processing), Consulting (Business Transformation, Technology Consulting, and Application Operations), Infrastructure (Hybrid Infrastructure solutions including IBM Z, Distributed Infrastructure solutions such as Power and Storage solutions, and infrastructure support), and Financing (Client and Commercial).

IBM' long-term performance strategy integrates economic, environmental, and societal performance and leadership. The IBM Board of Directors oversees the company's long-term business strategy and is actively engaged in ensuring that our culture reflects our commitment to integrity, trust, transparency, and inclusion. The Board and its committees maintain oversight for responsible business initiatives, engaging with senior management on risk management and activities, policies and progress on these matters. Under their guidance and supervision, IBM senior management is responsible for the company's environmental and social performance. Our Responsible Business function coordinates day-to-day responsible business and corporate responsibility related activities and is led by the Vice President & Chief Impact Officer, who reports to the Senior Vice President, Marketing and Communications.

The following two groups work to integrate responsible business activities across the business:

The Responsible Business Executive Steering Committee provides leadership and direction on key corporate responsibility issues and organisation-wide goals. It meets quarterly, chaired by the Vice President, Corporate Social Responsibility & Chief Impact Officer, and includes senior executives from functional areas across the company. Each functional area is responsible for developing its specific goals and strategies. Members include:

- Chair: Vice President, Chief Impact Officer
- Vice President and Chief Operating Officer, IBM Research
- Vice President, Chief Sustainability Officer
- Vice President & Chief Talent Officer
- Vice President & Associate General Counsel, Responsible Technology
- Vice President, Chief Procurement Officer
- Vice President & Assistant Controller, Responsible Business & Technology
- Vice President, Government and Regulatory Affairs
- Global Head of Investor Relations
- Vice President, Assistant General Counsel & Corporate Secretary
- Vice President, Global Chief Risk Officer
- Global Managing Partner, IBM Consulting

The Responsible Business Sub-Committees execute and maintain awareness of responsible business matters occurring across our company, monitor regulators' and standard setters' sustainability-related matters and help bring the interests of external stakeholders and IBM's value chain forward for discussion. They include representatives from functional areas across IBM and meet regularly to review key policy and strategic issues, and to make recommendations to the Responsible Business Executive Steering Committee. During 2025, members of the Responsible Business Executive Steering Committee have reviewed IBM's internal and external efforts associated with the prevention of modern slavery.

IBM conducts business with suppliers that provide hardware components to IBM's manufacturing sites,

where logo products are produced, tested and customised for world markets. IBM currently does not manufacture, or have manufactured for it, hardware products in the UK or in Australia. Hardware supplier relationships are managed by purchasing groups in Asia Pacific, Europe, and the Americas.

For local procurement activities in Australia and the UK, dedicated teams are responsible for procurement in accordance with IBM's global charter, to meet the needs of IBM's operations and its clients in those countries. In 2025, there were substantial purchases by IBM Australia as well as UK IBM from a large number of suppliers, predominantly local, across the following broad categories:

- Facilities (for example: maintenance, food service, and security)
- HR Services (for example: administrative human resources)
- Logistics (for example: transportation of hardware products for customer installation)
- Marketing Communications
- Software
- Technical products (for example: non-IBM branded hardware and field maintenance)
- Technical services (for example: business and technical human resources)
- Telecommunications (for example mobile communications, office phones, and teleconferencing)

IBM entities worldwide align with and adhere to a uniform set of global policies and processes in place across IBM, including those outlined in this statement. IBM and the IBM subsidiaries covered by this statement consulted on supply chain practices and risks, including review and alignment on findings from RBA audits, for development of this statement.

### **Organisational policies**

The company has extensive policies and practices addressing how its business units are to operate ethically and sustainably. A list of relevant data and policies for 2025 is provided on the [IBM Reports and Policies](#) website. In 2019, IBM adopted a Human Rights Statement of

Principles that represents our commitment to respect all human rights in line with international standards such as the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

- In particular, IBM addresses its stance on the prevention of modern slavery through its Global Employment Standard (e.g., Freely Chosen Employment provision, young workers), also known as Corporate Instruction HR-114. HR-114 is aligned to the Responsible Business Alliance (RBA) Code of Conduct, and it is our means of integrating that Code into IBM's global operations. These two standards are embedded in the practices across the countries in which IBM operates.
- All employees and external stakeholders have access to these standards.
- On an annual basis, all IBM employees are required to complete an online certification of compliance with [IBM's Business Conduct Guidelines](#).

IBM expects its direct suppliers of hardware, software, and services to work toward and comply with the Responsible Business Alliance (RBA) Code of Conduct. The establishment of these standards aims to promote the expectation of safe working conditions in supply chains, as well as responsible, ethical, and human rights-respecting business conduct. It is also anticipated that the direct suppliers will incorporate the code, principles and requirements into their supply chain. Setting this expectation with suppliers begins during onboarding, when IBM introduces the RBA Code of Conduct and our expectation of full conformance. As part of onboarding, new suppliers in all countries are expected to sign a contractual agreement (called the RBA Letter Agreement) to comply with the RBA Code, or to demonstrate equivalency through a respective code and practices. The RBA Code explicitly addresses the prevention of slavery and human trafficking as well as child labour:

- Forced labour in any form, including but not limited to, bonded (including debt bondage) or indentured labour, involuntary or exploitative prison labour, slavery, or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction, or fraud for labour or services. There shall be

no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company- provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language, or in a language the worker can understand, that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in workers' contracts. Participants shall maintain documentation on all leaving workers. Employers, agents, and sub-agents may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Notwithstanding the foregoing, employers can only hold documentation if necessary to comply with the local law. In this case, at no time shall workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

- Child labour shall not be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Participants shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations. Participants shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Participants

shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labour is identified, assistance/remediation shall be provided.

### **Assessing and managing risk of modern slavery, forced labour and child labour**

We have identified salient human rights issues relative to our business and have prioritised areas for future due diligence within our human rights strategy, and we are performing a broader assessment to identify areas in which we can advance our human rights initiatives.

For large companies, the risk of modern slavery typically resides in the extended upstream supply chain, where the rigorous controls of a global company's policies and practices can be challenging to implement and sustain. Our internal hiring and engagement practices are robust, and existing procedures are designed to help ensure that no modern slavery exists within our organisation. Externally, we have taken an active role in social responsibility in the supply chain dating back more than 20 years when we established a dedicated department to focus exclusively on the establishment of policies, practices, and initiatives to identify and take measurable action on areas of concern in the supply chain. This department facilitates efficient and direct business partnerships between IBM suppliers and appropriate procurement personnel, who then embed the RBA Code into practice.

Across IBM's global operations, Global Procurement has responsibility for all purchases needed to run IBM's business and to fulfil the delivery of our products, software, and services to clients. IBM has an effective global/regional procurement structure responsible to select suppliers and commit IBM funds via contracts and purchase orders.

IBM verifies its suppliers' RBA Code of Conduct compliance requirements with a robust annual assessment programme that engages a cross-section of companies in countries where the risk of non-conformance is elevated.

In the period from January through December 2025, IBM received and analysed 59 RBA audits (39 initial audits and 20 re-audits) from suppliers in: Chile, China, Germany,

India, Italy, Japan, Malaysia, Mexico, Philippines, Singapore, South Korea, Taiwan, Thailand, United Arab Emirates, United Kingdom and the United States.

### **Due diligence processes and assessment of effectiveness**

Analysis of the RBA audits indicated that 33 suppliers, located in Chile, China, Germany, Japan, Malaysia, Mexico, Philippines, Singapore, United Kingdom, United States, Taiwan and Thailand had findings under the prohibition of forced labour and child labour provisions as well as under the Working Hours, the Wages and Benefits and the Supplier Responsibility Provisions of the RBA Code of Conduct. Severity aligned to RBA Code of Conduct ranged from Priority to Major and Minor non-conformances. 22 findings belonged to the Prohibition of Forced Labour provision of the RBA Code. Instances of non-compliance with RBA Code of Conduct or local legal requirements were identified in management systems, as well as instances of the absence of an adequate management system, the failure to conduct risk analyses, the withholding of workers' identity documents, the requirement for bonds and deposits, inaccurate and/or incomplete job advertisements, no day off provided every seven days, worker-paid fees during the recruitment process, excessive working hours or overtime, and supply chain management failure/absence of adequate supply chain management systems. While no instance of forced labour itself was found, the analysis identified ILO Indicators of Forced Labour in our extended supply chain. No instances were found of child labour.

IBM carefully follows the RBA audit process, requiring root cause and corrective actions to be implemented for all Code nonconformance including immediate corrective actions for priority findings as required. IBM takes non-conformances seriously, monitors Corrective Action Plan (CAP) implementations and dedicates time to advising its vendors on best practices to achieve and maintain code conformity. IBM and its suppliers have implemented or are developing corrective action plans to address and resolve these issues. As of end of March 2026, Corrective Action Plans have addressed approximately 42% of the identified non-conformances and re-audits will confirm this or have already. IBM works with suppliers on resolution of remaining findings with appropriate timelines. The corrective action plans for identified Priority findings are

completed or in progress, and immediate actions have been taken where required.

IBM assesses the effectiveness of corrective actions through RBA re-audits on non-conformance findings and regularly assesses higher risk suppliers on RBA Code conformance. Although IBM continuously strives to uphold human rights standards, we acknowledge that violations may still occur. Therefore, we believe that grievance mechanisms are crucial. These mechanisms serve as both a means of identifying potential risks and uncovering actual violations, allowing us to take prompt corrective and preventive actions.

Section 1.3 of the Business Conduct Guidelines (BCGs) explains how IBM offers and expects IBMers "to report potential wrongdoing - whether a violation of the BCGs or other unethical or unlawful conduct involving IBM". There are several options available, which in themselves represent IBM's commitment to adherence to human rights principles. Options range from approaching the employee's manager with questions and concerns, with discussions representatives from the "Talk It team to Over@IBM" evaluate a concern and provide guidance to the ideal grievance channel, raising and reporting risks or violations in the employee concerns channel and review the process and check the status or approaching Human Resources directly.

Suppliers can use the IBM Ombudsman process to communicate concerns or complaints. The IBM Procurement Ombudsman provides an avenue for suppliers, IBM employees, and others to address procurement-related concerns and issues that, for any reason, cannot be resolved satisfactorily through the normal business channels. Notwithstanding the aforementioned options, everybody can reach out to IBM Trust and Compliance to report concerns or suspected violations.

### **Training provided**

In 2025, online educational materials were made available to IBM suppliers relating to the RBA Code of Conduct elements (Labour, Health and Safety, Environment, Ethics, and Management Systems). Furthermore, a training course pertaining to the recent update of the Code of Conduct and Standard Version 8, which became effective in February 2024, has been incorporated. These materials have been developed by RBA with input from various members and

external stakeholders. We enhanced our supplier communications and education materials by emphasising the proactive measures suppliers need to take to address all aspects of conformance to the RBA Code. IBM targeted these courses to its suppliers undergoing RBA audits as further investment in growing the capabilities of our suppliers in terms of social responsibility.

Internal online training on modern slavery and human trafficking is available to all IBMers. The course raises awareness of the scale and practices of modern slavery, explains the profit-driven business model behind it, lays out foundational information on existing regulations and provides insight into actions IBM is taking to address modern slavery in the extended supply chain.

All IBMers have access to this and, in 2025, the Procurement staff for UK and Australia also participated in the refreshed online course on Modern Slavery and specific aspects of Forced Labour prevention learnings.

#### **Further information**

During 2025, UK IBM sponsored the following activities to build on the momentum of our actions to prevent Modern Slavery:

- London Innovation Studio: UK IBM worked with Stop the Traffik (STT) to establish a TAH demo in IBM's London Innovation Studio. This gave IBM the opportunity to profile the global plight of human trafficking and show how IBM people and technology have disrupted modern slavery with TAH. The demo was installed in October 2023 and it remains available for all IBM visitors to see and learn.
- Modern Slavery awareness and best practice sharing with UK IBM staff augmentation suppliers: UK IBM invited staff augmentation suppliers to give an overview on Modern Slavery and implications, also in the UK, discussed best practices and the importance of a program to fight Modern Slavery along with challenges for prevention and how to raise awareness.

This report was reviewed and approved by the management boards of the covered companies as well as by IBM Responsible Business Executive Steering Committee representatives.

In closing, we are pleased to publish our Modern Slavery Statement, which was also approved by the boards of the IBM subsidiaries covered in this statement, for the period ending December 31, 2025.

Sincerely,

*Justina Nixon-Saintil*

Justina Nixon-Saintil

Vice President, Chief Impact Officer

International Business Machines Corporation

June 2026