

International Business Machines Corporation (IBM): Climate Policy Engagement Overview

An investor briefing on IBM's climate policy engagement to aid shareholder voting decisions at its 2024 Annual General Meeting (AGM)

Executive Summary

- **Context:** On April 30th, International Business Machines Corporation (IBM) investors will vote on a [shareholder resolution](#) requesting the preparation of a report, updated annually, disclosing “whether and how IBM is aligning its lobbying and policy influence activities and positions, both direct and indirect [...] with its target of net-zero emissions [by] 2030.” This briefing provides a summary of InfluenceMap’s assessment of IBM’s climate policy engagement and related disclosures.
- **Direct Climate Policy Engagement:** InfluenceMap analysis suggests that IBM’s direct climate policy engagement is partially aligned with science-based pathways for achieving the goal of the Paris Agreement to limit warming to 1.5°C. While the company appears to have limited public engagement on climate-related policy, IBM has demonstrated support for government regulation to set up market-based solutions such as a price on carbon. IBM has been a regular advocate for the Climate Leadership Council’s carbon tax proposal, and highlighted its support in its [2022 Impact Report](#), released April 2023. It is unclear whether IBM’s position on the future energy mix is aligned with IPCC recommendations. In its [“Climate change position and policy,”](#) accessed March 2024, IBM includes a statement on the energy mix with unclear implications, stating that it “believes a diverse energy portfolio is necessary to achieve an orderly adaptation” to a low-carbon future, without reference to a phaseout of fossil fuel use.
- **Indirect Climate Policy Engagement via Industry Associations:** InfluenceMap analysis indicates that IBM holds membership to 3 industry associations with climate policy engagement misaligned with the Paris Agreement (ranked D or below by InfluenceMap’s system): the International Air Transportation Association, BusinessEurope, and the US Chamber of Commerce. IBM also holds memberships to 9 industry associations with climate policy engagement that appear partially aligned with delivering the 1.5°C goal of the Paris Agreement (ranked B- to D+), including groups such as Edison Electric Institute, Business Roundtable, and Japan Association of Corporate Executives (Keizai Doyukai). A summary of recent engagement by IBM’s industry associations can be found in Table 3.
- **Accuracy of Climate Policy Engagement Disclosure:** InfluenceMap analysis suggests that IBM has not published a fully transparent account of its climate policy engagement. The company published its [“Climate change position and policy”](#) on its website, but does not disclose clear positions on climate policy. In its [2022 Impact Report](#), IBM highlights advocacy on the Climate Leadership Council’s carbon

tax proposal, but appears to exclude engagement on *climate-relevant topics* and policies such as the Build Back Better Act undertaken over the same period, as identified through the company's *Senate lobbying reports*. Similarly, IBM has not provided an account of its industry associations' climate policy positions and engagement activities. IBM published a partial list of industry association memberships on its *website*, but excluded more than 3 industry associations which are actively engaged on climate.

- **Climate Policy Engagement Review:** IBM has not published a review of its climate policy engagement activities in line with standards put forward by institutional investors as part of the *2022 Global Standard on Responsible Climate Lobbying*. The Global Standard highlights the need for companies to publish a detailed annual review to ensure that its climate policy engagement (direct and indirect via industry associations) is consistent with the 1.5°C goal of the Paris Agreement.

Context: Shareholder Resolution on Climate Policy Engagement

Engagement with companies over their climate policy engagement is now firmly on the investor agenda on climate change. It is an integral part of the *Climate Action 100+* (CA100+) investor-engagement process, which now has over 700 investor signatories with a total of \$68 trillion in assets under management.

As a research partner to CA100+, InfluenceMap maintains a global system for tracking, assessing, and scoring companies on their engagement with climate change policy against Paris-aligned benchmarks. This system currently covers around 500 companies along with 250 of their key industry associations.

InfluenceMap refers to the UN's *Guide for Responsible Corporate Engagement in Climate Policy* as a guide for what constitutes engagement. This can include advertising, social media, public relations, sponsoring research, direct contact with regulators and elected officials, funding of campaigns and political parties, and participation in policy advisory committees.

This briefing provides an overview of International Business Machines Corporation's (IBM) direct and indirect climate policy engagement, along with its related disclosure and review processes, in advance of the shareholder resolution at its Annual General Meeting (AGM) on April 30th, 2024, summarized in Table 1 below.

Table 1: Key information for shareholder resolution at Hewlett Packard Enterprise's 2024 AGM

Resolution: Report on lobbying in line with net zero GHG commitment			
Lead Filer:	Individual Filer - James McRitchie	AGM Date:	April 30, 2024
Proposal Summary: The full resolution text is available here .	<p><i>"Shareholders request the Board of International Business Machines ("IBM" or "Company") annually analyze and report to shareholders [...] on whether and how IBM is aligning its lobbying and policy influence activities and positions, both direct and indirect (through trade associations, coalitions, alliances, and other organizations) with its target of net-zero emissions [by] 2030, including the activities and positions analyzed, the criteria used to assess alignment, and involvement of stakeholders, if any, in the analytical process.</i></p> <p><i>In evaluating the degree of alignment between the Company's emissions goals and its lobbying, IBM should consider not only its policy positions and those of organizations of which it is a member but also the actual lobbying activities, such as legislative comment submissions. [...] [T]his request is consistent with investor expectations described in the Global Standard on Responsible Climate Lobbying."</i></p>		

Summary of International Business Machines Corporation’s (IBM) Climate Policy Engagement

Analysis of corporate climate policy engagement is a strong indicator of corporate governance and management-level thinking on the transition to a net-zero economy. Therefore, if a company's climate policy engagement is inconsistent with the Paris Agreement's 1.5°C goal, this suggests that the company's business model is not prepared for a low-carbon transition.

InfluenceMap's methodology, available [on our website](#), uses seven publicly available data sources to gather evidence of company and industry association engagement on a range of climate-related policy streams. Each item of evidence is scored against benchmarks based on the advice of [IPCC science](#) or the stated intentions of governments looking to implement the Paris Agreement. This process can result in hundreds of scored evidence items, providing a robust basis to assess the extent to which a company's climate policy engagement, and that of its industry associations, is Paris-aligned.

InfluenceMap's online profile of IBM, including access to the underlying data which forms this assessment, can be found [here](#). The analysis of IBM's industry association relationships, including detailed profiles for each association, can be explored via the "Details of Relationship Score" tab. An overview of this assessment is provided in Table 2 below.

Table 2: Overview of InfluenceMap's assessment of International Business Machines Corporation (IBM)

International Business Machines Corporation (IBM)		
Performance Band	C-	Performance Band (A+ to F) is a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations. A+ indicates full support for Paris-aligned climate policy, with grades from D to F indicating increasingly obstructive climate policy engagement.
Organization Score	57%	Organization Score (0 to 100) expresses how supportive or obstructive the company is towards climate policy aligned with the Paris Agreement is, with scores under 50 indicating misalignment with the Paris Agreement
Relationship Score	56%	Relationship Score (0 to 100) expresses how supportive or obstructive the company's industry associations are towards climate policy aligned with the Paris Agreement, with scores under 50 indicating misalignment, while scores between 50 and 74 indicate mixed alignment with the Paris Agreement.
Engagement Intensity	15%	Engagement Intensity (0 to 100) is a measure of the level of policy engagement by the company, with scores above 12 indicating active engagement, and scores above 25 indicating highly active or strategic engagement.

Summary of IBM's Direct Climate Policy Engagement

InfluenceMap's analysis of International Business Machine Corporation's (IBM) direct climate policy engagement is based on 143 independent datapoints, with 32 logged since 2022. Under InfluenceMap's system, recent evidence is heavily weighted in the calculation of metrics, as explained in the [methodology](#).

IBM's top-line messaging on climate policy in 2023-24 appears generally positive, albeit limited:

- In a September 2023 [blog post](#), IBM announced its role as an "Associate Pathway Partner" of the 2023 United Nations Climate Change Conference (COP28), stating "IBM will support the COP28 UAE Presidency's agenda by working with attendees to continue collaborating on solutions that move us all toward a low-carbon future."
- IBM references the IPCC target of limiting global temperature rise to no more than 1.5°C and achieving net zero emissions by 2050 on a [webpage](#) explaining decarbonization, accessed March 2024; however, the company does not clearly state its own position on these targets.

IBM demonstrates support for a price on carbon, but recent evidence of the company's engagement on specific climate policies is otherwise limited:

- In its [2022 Impact Report](#), released April 2023, IBM highlighted its own advocacy in support of the Climate Leadership Council's carbon tax proposal. IBM has stated support for this in the past, including in its [2020](#) and [2021](#) CDP responses.
- In a March 2024 [blog post](#), IBM referenced several climate-related policies and their provisions to stimulate renewable energy development, including the European Union's Green Deal Industrial Plan, the Inflation Reduction Act, and India's Production Linked Incentives, but does not take a clear position on any of the policies.
- In its [Climate change position and policy](#), accessed March 2024 on its website, IBM states that it "considers energy conservation to be a cornerstone of climate protection," but takes no position on the need for regulatory measures to support energy efficiency.

IBM appears to support the energy transition, though with limited evidence of recent direct engagement:

- In a November 2023 [blog](#), IBM appeared to support a move towards decarbonization of the economy, highlighting the economic benefits of a transition to renewable energy.
- In its [Climate change position and policy](#), however, IBM demonstrates an unclear position on its support for transitioning the energy mix, stating its support for a "diverse energy portfolio," without including a timeline for the phaseout of fossil fuel use in line with the IPCC.

Summary of Indirect Climate Policy Engagement via Industry Associations

InfluenceMap's LobbyMap platform tracks and analyzes the climate policy engagement of over 250 industry associations, using the same benchmarks and scoring process applied to companies. This assesses each association's engagement against Paris-aligned benchmarks.

This section details InfluenceMap's analysis of some of International Business Machine Corporation's (IBM) key industry associations. A full ranking table of IBM's industry associations, including links to each association's online profile, is available in Appendix A.

- Based on organizations currently assessed in InfluenceMap's database, IBM appears to be a member of 3 industry associations with climate policy engagement that is misaligned with the Paris Agreement (ranked D or below by InfluenceMap's system). These include [BusinessEurope](#); [International Air Transport Association \(IATA\)](#); and the [US Chamber of Commerce](#), where an IBM executive sits on the Board of Directors. The US Chamber is strategically, obstructively engaged on climate policy in the US and has opposed key legislation including [clean hydrogen provisions](#) in the Inflation Reduction Act, [Corporate Average Fuel Economy \(CAFE\) standards](#), and the Environmental Protection Agency's (EPA) proposed [2027-2032 emissions standards](#) for light- and medium-duty vehicles.
- InfluenceMap analysis indicates that IBM likely holds memberships to 9 industry associations with climate policy engagement that is partially aligned with delivering the 1.5°C goal of the Paris Agreement (ranked B- to D+ by InfluenceMap's system). Of these, IBM executives sit on the Chairs' Committee at [Consumer Goods Forum](#); [Edison Electric Institute](#); and [Dutch Employers' Federation \(VNO-NCW\)](#), and regional IBM executives sit on the General Board at [Japan Electronics and Information Technology Industries Association](#); [Japan Association of Corporate Executives \(Keizai Doyukai\)](#); and [Korea Semiconductor Industry Association](#).

Table 3 gives an overview of 6 industry associations in which IBM is a member, with examples of recent climate policy engagement. Detailed profiles for all of IBM's industry associations can be explored via the links in the table, Appendix A, or the "Details of Relationship Score" tab on IBM's online [profile](#).

Table 3: Evidence of recent climate policy engagement by IBM's key industry associations

Industry Association	Performance Band	Type of Membership	Examples of recent climate policy engagement
<i>Business Council of Australia (BCA)</i>	C	Member	<ul style="list-style-type: none"> November 2023: BCA submitted a response on Australia's Future Gas Strategy advocating for investments, production, and new exploration in fossil gas.
<i>Japan Electronics and Information Technology Industries Association (JEITA)</i>	C	Member	<ul style="list-style-type: none"> December 2023: JEITA contributed to a report studying "value-adding of green commercial products," broadly supporting economic incentives to drive decarbonization.
<i>Edison Electric Institute (EEI)</i>	C-	Associate Member	<ul style="list-style-type: none"> February 2024: EEI opposed implementation of the Inflation Reduction Act's clean hydrogen tax credit in comments to the IRS, advocating to weaken the ambition of the policy. August 2023: EEI submitted comments to the EPA in opposition to the proposed powerplant emissions rules, suggesting the Agency did not have authority to implement such regulations.
<i>Business Roundtable</i>	D+	Member	<ul style="list-style-type: none"> February 2024: In comments to the U.S. Internal Revenue Service, Business Roundtable supported weakening parameters surrounding the Inflation Reduction Act's clean hydrogen tax credits, and advocated for production of hydrogen using natural gas. May 2023: In a co-authored article published by <i>RealClearEnergy</i>, Business Roundtable advocated for permitting reform to expedite and increase fossil fuel production, citing the need for "energy security" in the context of the war in Ukraine and OPEC production cuts.
<i>BusinessEurope</i>	D-	Member	<ul style="list-style-type: none"> February 2024: In a letter to the President of the Economic and Financial Affairs Council, BusinessEurope opposed provisions in the Energy Taxation Directive aimed at transitioning the energy mix.

			<ul style="list-style-type: none"> June 2023: In a letter to Representatives of the Governments of the Member States on the EU Electricity Market Design reform, BusinessEurope showed mixed support for renewable energy provisions, advocating that two-way contracts for difference (CfDs) be implemented on a voluntary basis.
US Chamber of Commerce	E	Executive on Board of Directors	<ul style="list-style-type: none"> March 2024: In a letter to the US Secretary of Energy, the US Chamber called on the Biden administration to reverse its decision to pause export license reviews for liquefied natural gas (LNG), advocating for continued production of fossil gas July 2023: The US Chamber opposed ambitious goals for greenhouse gas regulation in comments on the EPA's proposed emissions standards for 2027 – 2032 light- and medium-duty vehicles

Disclosure and Review of Climate Policy Engagement

The [Global Standard on Responsible Climate Lobbying](#) - instigated by investors and launched in March 2022 - is the leading best practice framework for climate policy engagement disclosure. The Global Standard sets out 14 indicators covering disclosure, governance and oversight processes to ensure alignment between a company's climate policy engagement and delivering the 1.5°C goal of the Paris Agreement.

In September 2023, InfluenceMap's methodology to assess corporate disclosures on climate policy engagement was formally updated in line with the Global Standard and stakeholder input. InfluenceMap has two distinct assessments of disclosures:

Accuracy of Climate Policy Engagement Disclosure: An assessment of the accuracy of a company's reporting on its direct and indirect (via industry associations) climate policy engagement activities.

- InfluenceMap analysis suggests that IBM has not published a transparent account of its climate policy engagement. In its "[Climate change position and policy](#)," IBM stated support for the Climate Leadership Council's carbon tax proposal, and highlights related advocacy in its [2022 Impact Report](#). However, quarterly Senate lobbying reports filed throughout the reporting period (January – December 2022) indicate that IBM was engaged on other climate-relevant topics and policies that it did not disclose, including [energy and smart grid investments](#), [US participation in the Paris Agreement](#), and the [Build Back Better Act](#).

- InfluenceMap analysis suggests that IBM has not provided an account of its industry associations' climate policy positions and engagement activities. IBM published a partial list of industry association memberships on its [website](#), and also excludes disclosure of more than 3 industry associations which are actively engaged on climate, such as the [Business Council of Australia](#), [Edison Electric Institute](#), [Confederation of British Industry](#), and the [International Air Transportation Association](#). In its [2023 CDP Response](#), IBM only discloses on its membership in [BusinessEurope](#), [Business Roundtable](#), and the [US Chamber of Commerce](#), and does not include detail of the groups' climate policy positions and engagement, stating "We do not believe it is helpful to publicly detail all our differences with trade association policies, climate change or otherwise, while attempting to influence those policies."

Corporate Climate Policy Engagement Review: An assessment of the quality and robustness of a company's process to identify, report on, and address specific cases of misalignment between its climate policy engagement activities and delivering the 1.5°C goal of the Paris Agreement.

- IBM does not appear to have published a review of its climate policy engagement. The Global Standard on Responsible Climate Lobbying highlights the need for companies to publish a detailed annual review to ensure that its climate policy engagement (direct and indirect via industry associations) is consistent with the 1.5°C goal of the Paris Agreement. No information technology companies in the US have published a review as of April 2024.

Appendix A: Ranking of International Business Machines Corporation’s Industry Association Memberships

The table below provides a ranking of International Business Machines Corporation’s (IBM) industry associations currently covered by InfluenceMap’s database by Performance Band, i.e. a full measure of a company’s climate policy engagement, accounting for both its own engagement and that of its industry associations. Detailed profiles for all industry associations can be explored via the links in the table.

Industry associations are categorized by InfluenceMap as having climate policy engagement that is aligned, partially misaligned or misaligned with delivering the 1.5°C goal of the Paris Agreement by Performance Band:

- Aligned = Performance Band A+ to B
- Partially Misaligned = Performance Band B- to D+
- Misaligned = Performance Band D to F
- Low Engagement = Performance Band N/A

Industry Association	IM Performance Band	IM Assessment
Confederation of British Industry (CBI)	B-	Partially Aligned
Confederation of Indian Industry (CII)	B-	Partially Aligned
Consumer Goods Forum	B-	Partially Aligned
Associated Chambers of Commerce and Industry of India (ASSOCHAM)	C+	Partially Aligned
Japan Association of Corporate Executives (Keizai Doyukai)	C+	Partially Aligned
Business Council of Australia	C	Partially Aligned
Dutch Employers’ Federation (VNO-NCW)	C	Partially Aligned
Japan Electronics and Information Technology Industries Association (JEITA)	C	Partially Aligned
Edison Electric Institute	C-	Partially Aligned
Business Roundtable	D+	Partially Aligned

<i>Kansai Economic Federation</i>	D	Misaligned
<i>International Air Transport Association (IATA)</i>	D	Misaligned
<i>BusinessEurope</i>	D-	Misaligned
<i>US Chamber of Commerce</i>	E	Misaligned
<i>Korea Semiconductor Industry Association</i>	N/A	N/A