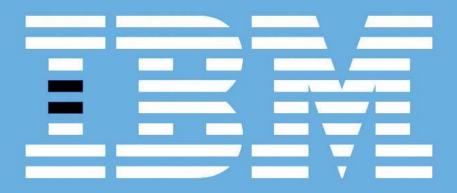
GLOBAL GAY LESBIAN BISEXUAL TRANSGENDER COUNCIL



ANNUAL REPORT 2010



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Meet the 2010 Global GLBT Council



Out Executives

IBM has always sought a dynamic, free-exchange of ideas, convictions and opinions when it comes to solving problems. It's where the most innovative solutions are found. And why we believe strongly in supporting a GLBT-friendly workplace—to foster innovation, to seek inspiration. We're proud of our diversity—and the thinking it inspires. Let's build a smarter planet. For over 25 years, we've been proud supporters of the GLBT community.

Our History

ANNUAL REPORT 2010

IBM GLBT MILESTONES

1984

Sexual orientation included in IBM's nondiscrimination policy

1993

IBM Canada provides full domestic partner benefits to gays and lesbians (six years before the mandate by the Supreme Court)

1994

IBM publishes "Valuing Diversity: An Ongoing Commitment" and includes an openly gay employee for the first time 1995 IBM acquires Lotus Development Corporation, a company that had granted same-sex domestic partner benefits

since 1991 1995

Launch of Gay and Lesbian Task Force (currently known as Global GLBT Council) It started with three "out" executives

1994

IBM Launches ISSC and declares services as a growth initiative - our policies of inclusion for the GLBT employees that will join IBM as part of outsourcing contracts become a powerful competitive differentiator

1997 Same-sex domestic partner benefits for US employees

1997 Eight GLBT

Diversity Network Groups announced

1999

Full time procurement program director appointed to pursue GLBT – owned business to provide products and services to IBM, the first major corporation to do so

2001

Formation of the dedicated GLBT sales team. First major company to establish such a B2B GLBT business development team.

2006 Introduction of the GLBT indicator in the

"About You" HR system, allows employees to self-identify as GLBT

2003

IBM receives a "perfect 100" score on HRC's Equality Index and HRC's "Equality Award"

2002

Acquisition of PwC Consulting and GBS is formed. In 2011, GBS has 11 "out" GLBT Partners.

2002

Gender identity and gender expression added to global EO policy

2009 IBM provides

written endorsement of the US Employment Non-Discrimination Act Legislation

2010

IBM receives a "perfect 100" score from HRC for the 8th consecutive year (a distinction achieved by only 10 other companies)

2011

Watson stuns the world with its display of natural language deep analytics. This project is created and managed by Charles Lickel, one of the first IBM "out" executives.

Foreword

FRANK KERN

I profoundly agree with something IBM's second CEO and the son of our founder, Thomas J. Watson, Jr. said in 1967: "IBM's dedication to the dignity of the individual is no myth. To me it is the very essence of our success." That statement captures a great deal about why, for more than 30 years, I have been proud to call myself an IBMer; and for the last few years, a partner to the Global GLBT Council in this vital direction.

In my role as the Executive Sponsor for the Global GLBT Council, I have a unique vantage point on the work that the community achieved in 2010, in the U.S. and around the world -- detailed in this report. Featured as well are the recollections of the two previous Executive co-chairs: Charles Lickel and Scottie Ginn. The impact of their work on IBM cannot be overstated. Charles, who recently retired from the company, was an inspiration behind the Watson computer team that took on the Jeopardy! grand challenge. Scottie, who is Vice President in the Microelectronics Division, led the company's Apple PowerPC business for many years, and has been one of the division's real innovators and leaders. Both were deeply committed to the idea that there is only one legitimate measure for our employees – their performance – and fought for this idea on behalf of the company's global GLBT community.

This year, IBM marks its 100th year in business. Though nearly everything tangible about the company has changed since its founding, its fundamental values have not. This is a company that was, and is, committed to a safe, inclusive work environment; to the recognition and rewarding of excellence; and to receiving all of the benefits and blessings that a diversity of culture, of background, and thought can bring. To me, the quest for the dignity and sanctity of any employee is the quest for the dignity and sanctity of all employees. This report is the record of that quest for our GLBT employees, and in the years ahead, I will do all that I can to assure that it is fulfilled.



IBM GLOBAL GLBT COUNCIL

IBM has a long history when it comes to GLBT workplace equality. As early as 1984 **IBM** included sexual orientation in their nondiscrimination policy. The manager's manual was updated to instruct all IBM managers that discrimination on basis of sexual orientation is against corporate policy. In 1995 a GLBT Executive **Task Force was** established. Today the Task Force is known as the Global GLBT Council, focused on making IBM a safe and desirable workplace for all people.

Reflection 30 years

SCOTTIE GINN

Working as part of the GLBT council has been one of the most wonderful opportunities of my rich career at IBM. Working together, we changed IBM for the better for GLBT people, which influenced the world to follow. Within my career with IBM, it has been so gratifying to see basic rights, such as a non-discrimination policy for sexual orientation and domestic partner benefits granted to IBMers. Our work in the US, Central and South America, Canada, Europe, Asia, and Australia has been significant and made a real difference. I was inspired by the brave IBM "out" executives who helped start this work, and I am just as inspired by the leaders who have stepped forward to keep our work moving forward until all our GLBT employees, around the world, have equal rights and can be authentic without fear. Charles and I did not intend to retire at the same time, but we have been emeritus in the GLBT Council for some time, providing occasional advice and support to our next generation of leaders: Fred Balboni, Claudia Wood, Theo Van Rooy, Peter Havelock and Jim Freeman.

IBM is a wonderful company to work for, and the rest of the world has taken notice of who we are at our core (we have received a perfect score on the HRC CEI for eight consecutive years, as well as countless other awards for our GLBT policy leadership). As I enter a new phase in my life, I will remain very proud to call myself an IBMer.



I am just as inspired by the leaders who have stepped forward to keep our work moving forward until all our GLBT employees, around the world, have equal rights and can be authentic without fear.



BM Germany Career Recruiting fair in Europe

Reflection 30 years

CHARLES LICKEL

Charles Lickel began with IBM over 32 years ago - at one of several desks crowded into building 707 in Poughkeepsie, NY. Charles and several others had just been hired to pick up development of JES2 from Gaithersburg. That team had a culture of very high performance and won Datamation's product of the year - and that wouldn't be the first time Charles' and his team would shape the market.

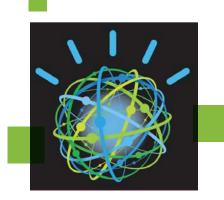
Charles, like most employees in those early days, maintained a private closeted life. His official coming out was to Lou Gerstner several years later. Lou asked for advice from IBM leaders on the different constituencies. He had announced that Dan McCurdy, Mac McInerney, and Leslie Wilkes would lead a Task Force on GLBT issues; however after encouragement from Linda Sanford, Charles wrote a note to Lou suggesting that as a high-level Vice President and a gay man, Charles would be an excellent person to help shape the GLBT agenda for IBM. Lou told Charles that he would do more than shape; he appointed him co-chair of the GLBT task force and would need him to define the Task Force's goals and objectives.

When Charles took on this task, he knew it would make a difference in the lives of GLBT IBMers - but didn't know how profound it would

> ultimately be. It made a big difference for IBMers which in turn drove the industry. And once industry starts moving, it isn't long before those influences are seen in society at large. It was another year before domestic

WATSON AND JEOPARDY! CHARLES' BRAINCHILD

There isn't much to write about Watson that you don't already know - - EXCEPT that it was brought into reality by Charles. After having led the effort to integrate over 70 products in the birth of z/OS, driving IBM's database management products to surpass Oracle, and introducing the SAN to the market place, Charles wanted one last market leading play. So when he landed in research 4 vears ago, he started thinking about "Great Ideas." And this time, he wanted something that would have an impact beyond the initial solution - one that would span industries; one that would help give an aura of innovation to all of IBMs businesses, one that would entice our youth to enter the sciences.





Reflection 30 years

CHARLES LICKEL

(continued)

partnership benefits to be were adopted in the US and Canada, but once the program became official; the work began to get equivalent benefits for domestic partners rolled out to other IBM countries.

As a result of speaking at the 2002 Leadership conference, Bruno Di Leo became engaged with GLBT issues, and Charles approached Bruno about support for GLBT employees in Latin America. Through Bruno's support, Domestic Partnership benefits were established across all SSA countries by early 2005.

Charles is also convinced that giving education and visibility about the GLBT employees to IBM leadership has enabled IBM's global growth strategy. That growth strategy calls for increasing dependence on a globally integrated leadership - a much more diverse composition than we have seen to date. Furthermore, as we increasingly rely on non-Western colleagues for their contribution, the need to drive the diversity message in the daily lives of IBMers in those regions becomes increasingly important, and enabled by, the GLBT advocacy work that Charles and his colleagues championed.

He began designing a system that could play Jeopardy! Like DeepBlue, it was a very complex problem to solve. Unlike Blue, it was a more common scenario: question and answer format as opposed to the language of Chess; broad swaths of knowledge to be learned, not just deep, domain-specific algorithms; and broad, consumer recognition to drive very big visibility. You can only imagine the passion and excitement that lead up to the event. And, by the way, they didn't ask for any special funding, or special assistance - they just found it in themselves to pursue their passion.





Vital Few 2010

ANNUAL REPORT 2010

GLOBAL BENEFIT EQUITY

IBM currently provides Domestic Partner Benefits to same-sex couples in all regions of the world, but not yet in all countries. We will continue to evaluate in which countries we can start providing Domestic Partner Benefits and we are specifically looking at deploying them across the Growth Markets and Asia in particular.

WORKPLACE CLIMATE

We want to ensure that thew workplace at IBM is a safe and welcoming environment for GLBT employees regardless of their physical location in the world. We particularly want to increase the number of straight allies and further deploy our GLBT reverse mentoring program.

LEADERSHIP DEVELOPMENT

We want to see that the GLBT population at IBM is equally represented in all layers of the organization, including the top layers. We need to develop GLBT leaders and we want to encourage the use of the About You voluntary self-identification tool combined with Business and Technical Leadership Resources, both for leadership development training and for high potential identification.

COMMUNTY VITALITY

BUSINESS

DEVELOPMENT

We want to leverage

into our business

help us win deals.

our diversity messages

development activities

value that differentiates

us and that can actually

and make it an added

We count on everyone in our community to help and make IBM an even better place for GLBT employees. It's important that people, regardless of age or years of service, feel motivated to participate where they can and that they feel valued for their contributions. There are many areas the **Global GLBT Council can** work upon, however, to make an impact each year the IBM GLBT Council identifies several key initiative to be accomplshed during the year - initiatives that make a difference. These initiatives span activities and topics all aimed at the GLBT community memebers to support the desire to work for IBM, buy from IBM and view IBM as ally in the community.

The annual intiatives are known as the Vial Few. The following are the Vial Few areas of topics and activities for 2010.

- Benefit Equity
- Leadership Development
- Community Vitality
- Workplace Climate
- Growth Markets
- Business Development

GROWTH MARKETS

In some countries in the world penal code that criminalizes gay relationships is still in place, especially in the growth markets. We do have GLBT employees in these locations and we need to ensure that our global policies are understood and applied globally, also in these more difficult countries.

Vital Few Global Benefit Equity



ANNETTE COFFEY

IBM's long-standing commitment to equality and diversity is the very essence of our Company's values. As IBM grows into new markets, our Diversity imperative is crucial in gaining competitive advantage. The global economy is a talent economy. IBM is competing as never before to attract and retain the best and brightest talent throughout the world. The Growth Market GLBT Benefit Equity initiative is differentiating IBM as an employer of choice.

We are driving this initiative in eight Growth Market Teams: Greater China Group, India/South Asia, Latin America, Central and Eastern Europe, Middle East and Africa, Australia/New Zealand, Association of South East Asian Nations, and Korea. The Benefit Equity Project ensures equal access to HR Policies and Benefits by all IBM employees. Local benefit policies and plans are aligned with our global Equal Opportunity/Diversity Policy. The policy language is modified to be inclusive of GLBT and Domestic partners provided there is no conflict with local laws or customs. The Benefits in scope are: Marriage/Wedding Leave, Compassionate/ Bereavement/Funeral Leave, Maternity Leave, Paternity Leave, Pension Plans, Life/Medical/Travel Insurance.

The equity assessments of Australia/New Zealand and Latin America are complete; A/NZ and LA are compliant with our Equal Opportunity/ Diversity Policy. In 2010, we brought internal IBM policy into compliance in Greater China Group and worked to have the majority of our external providers amending contracts to extend benefits to same-gender Domestic Partners. Work continues in ASEAN with initial focus on Thailand, Singapore and Philippines. Preliminary assessments have been completed for the remaining regions (India/Southeast Asia, Central and Eastern Europe, Middle East and Africa, Korea). Legal and cultural challenges exist in these regions but as laws change, the Project Team will reassess. **IBM Executive** sponsorship is a critical success factor. Visible endorsement and support have made a significant difference in the **Benefit Equity** Team's ability to influence dramatic change, not only within our policies, but with our colleagues around the world. Together we will continue the tradition of differentiating **IBM** as the diversity leader and employer of choice.

Vital Few Global Benefit Equity

ANNUAL REPORT 2010

ACHIEVEMENTS AND GOALS

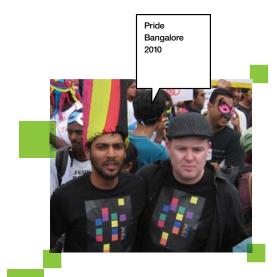


Looking Back

• Focused on Greater China Group and reviewed country policies with regards to maternity leave, wedding leave and all other leaves, health care plans and retirement pension Defined preliminary recommendations for all policy categories Met with Greater China Group Compensation and Benefits team to review recommended changes

2011 Looking Forward

 Assess local Benefit policies and plans in the Association of South East Asian Nations and implement changes as required Assess Legal and Cultural challenges in India, Central and Eastern Europe, Middle East and Africa to determine additional equity opportunities



Vital Few Leadership Development

TOM FLEMING FRED BALBONI PETER HAVELOCK

By accelerating the development of high potential GLBT talent, we strengthen IBM. By advancing current and future leaders, we build leadership capability that differentiates us in the marketplace. The GLBT talent program is also developing visible and active role models for the GLBT community and demonstrating an investment in career paths that will attract and retain talented people to IBM.









Vital Few Leadership Development

ANNUAL REPORT 2010

ACHIEVEMENTS AND GOALS

2010 Looking Back

During 2010, we identified GLBT hi-potential candidates through the Business and Technical Leadership Resources (BTLR) cycle, the annual process IBM uses to identify and develop the leadership pipeline. We then sought their permission to use their private status in the BTLR process for the purposes of focusing on their development. We then took several actions:

 Provided active mentoring relationships and executive interviews with Out executives for a targeted group

• Conducted pan-European GLBT leadership development conference in Paris Invited each hipotential candidate to initiate an IBM Competency Survey to gain valuable insights on developmental needs Hosted bi-monthly teleconferences with senior executives to give the GLBT hi-potential community a broader perspective on business issues and professional development

"

As a longtime ally, I am pleased to be a member of the Global **GLBT Council to** futher inclusion, equality and fairness - things that are at the core of our Values. I readily volunteered for Leadership **Development** because I could use my background to mobilize HR processes to make a difference.

- Tom Fleming

2011 Looking Forward

 Develop plan to further strengthen the BTLR process to bring more focus on the GLBT hi-potential community • Expand development efforts into the identified talent pipeline and continue successful activities began last year, while examining scalable, impactful ways to accelerate development • Continue to apply IBM's world class leadership development process to accelerate the capability and careers of GLBT colleagues

Vital Few Community Vitality

SCOTTIE GINN (RETIRED) PETER HAVELOCK THEO VAN ROOY

Formalized GLBT communities have existed for over ten year now in IBM. They started in the US and were mirrored in Europe. Nowadays formalized GLBT communities have been established in several of the growth countries. In practice we see that the first established networks erode in vitality (compared with their peak in activities) but often stabilize with a relative small level of energy. The Vital Community initiative tries to expand the life cycle of experienced communities and encourages groups to create new initiatives in areas that matter to the GLBT community and IBM.

Communities are an important way to share best practices. Having vital GLBT communities around the world, demonstrates that IBM encourages the ability to speak openly about GLBT subjects that matter in IBM or with clients. The more GLBT people participate actively, the better it is for the climate for GLBT constituency which will lead to improved productivity and leveraging the mix of insights of a diverse community.

Being the community leader of Europe for 4 years, it was inspiring to see the appreciation in various countries and to get a better understanding of diversity in general.









Vital Few Community Vitality

ACHEIVEMENTS

ANNUAL REPORT 2010

2010 Looking Back

 Delivered Frank
 Kern message to all managers of Diversity
 Network Group leaders to reinforce DNG
 related GLBT efforts are considered when assessing PBC results

Paired Diversity
 Network Groups leaders
 with Out executive
 mentor

 Established new Diversity Network Groups in Thailand and Italy

 Created and published Diversity Network Groups
 Employee value proposition

• Expanded role of executive sponsors to communicate directly with management of Diversity Network Group leadership – requesting support for their role and to be rewarded accordingly

• Created Global Pride month campaign collateral, including posters and w3 article

Established a Lotus
 Connections global
 GLBT Community with
 a current community of
 400+ members

"

I believe that this effort contributes to a better acceptance of GLBT employees within IBM. Especially in growth countries, the role of communities can be significant

- Scottie Ginn

2010 Looking Forward

Rollout a Value
 Proposition in North
 East and South West
 regions, focusing on the
 different levels of GLBT
 community growth in
 each country

Energize the
 Employee Alliance for
 Gay, Lesbian, Bisexual,
 and Transgender
 Empowerment (EAGLE)
 organization and
 focus on driving

Diversity Network Group business impact

• Establish GLBT Networking cadence call

Vital Few Community Vitality

ANNUAL REPORT 2010

EMPLOYEE ALLIANCE FOR GAY, LESBIAN, BISEXUAL AND TRANGENDER EMPOWERMENT (EAGLE)

In 1997 IBM announced eight Chapters of the GLBT Diveristy network group, EAGLE - Employee Alliance for Gay, Lesbian, Bisexual, and Transgender Empowerment. In 2001, we announced the first EAGLE Chapter outside of North America in Australia/New Zealand, In 2011 we announced our 49th chapter, Thailand.

Italy	Germany	East Fishkill
India	Hungary	Raleigh / RTP
Brazil	Ireland	South Africa
Spain	Rochester	Central Region
Austin	Slovakia	Silicon Valley
Dallas	Slovenia	Washington DC
France	Southeast	Czech Republic
NYPenn	Thailand	Rocky Mountains
Oregon	Burlington	United Kingdom
Tucson	Singapore	Mid-Hudson Valley
Watson	Tri-State	Washington/Alaska
Belgium	Costa Rica	Eastern New England
Canada	Guadalajara	Greater China Group
Sweden	Mexico City	Australia/New Zealand
Austria	Netherlands	Spanish South America
Phoenix	Philippines	
Denmark	Switzerland	

Vital Few Workplace Climate

KATHY COLUCCI CLAUDIA WOODY

IBM is an innovative company with a diverse and talented global workforce. Our objective for the Workforce Climate initiative is to ensure GLBT IBMers have an environment that welcomes and allows them to bring their whole personal identity into the workplace.

We are working with key leaders in IBM such as our Geography and Country General Managers, who play an important role in making sure an open and welcoming work environment is maintained for all IBMers, regardless of sexual orientation, gender identity or gender expression. We ask these IBM leaders to become an "ally" and take on a Reverse Mentor role with a local GLBT community member. This reverse mentoring allows IBM leaders to better understand the challenges, realities and opportunities of their GLBT community.







"

I am honored to serve as an executive sponsor and ally for IBM's **Global GLBT Council.** My proudest moment as an IBMer came this past October, when I ioined 40 members of our IBM GLBT community on stage in Los Angeles to accept the 2010 Workplace **Excellence** award at Out & Equal. It is important to me that IBM's expectations of equality and inclusion are fully realized for our **GLBT** community around the world.

-Kathy Colucci

Vital Few Workplace Climate

ANNUAL REPORT 2010

ACHIEVEMENTS AND GOALS

2010

Looking Back

 Paired Out Executives with Country General Managers as a reverse mentor

 Created a w3 presence for a Straight Ally brochure during June pride month • Delivered Frank Kern message to Country General Managers, encouraging them to become straight allies and offering them a GLBT reverse mentor

 Deployed Straight Ally program in Denmark Grew the identified
 GLBT population in the
 About You indicator to
 2,662 employees – this
 represents approximately
 1% of the employee
 population where About
 You has been deployed

2011 Looking Forward

• Strengthen the Straight Allies program and implement similar programs in additional countries • Continue to expand the GLBT mentoring

• Develop Manager Awareness Education with a train the trainer approach



Vital Few Communications



For me, there is nothing that can't be accomplished with a team of impassioned IBMers. I have been on IBM teams when in the closet and when I have been out of the closet – for me, being out enabled a much higher level of inclusion that lead to higher cohesion and performance. When asked to lead the communications team this year, I jumped.

The mission of the communications team is to enable the other vital few. We have drawn together a multidisciplinary team that has expertise in project management, learning, collaboration and community, business transformation and communications to stand up a platform for the other teams to exploit.

"

We need to have others in leadership understand that inclusion is an imperative for success.

—Jim Freeman

2011 Looking Forward

- Drive awareness
 of GLBT resources
- Enhance effectiveness of Vital Few programs
- Publish an annual report
- Reach out to GMU
- Pilot WW version of Radio Eyrie

- Discussions lead by GLBT professionals on their role in their part of IBM
- Let GLBT gain an insight about other parts of IBM
- Enhance the WW community/collaboration presence through Lotus Connections

- Including volunteer database
- Set up a quarterly newsletter that has material about the GLBT community geared to let local Eagle leaders insert relevant content



Vital Few Business Development

ESTHER DRYBURGH FRED BALBONI

In the same way our clients look to IBM as a leader in technology and business solutions, they often turn to us to better understand our GLBT program and our journey to live GLBT diversity as a core value for every IBM-er.

The GLBT Business Development initiative advises IBM clients on how GLBT diversity can address the needs of their employees and creates new market opportunities. This program works with the IBM sales teams and GBS Human Capital consulting practice to showcase IBM's global GLBT practices as clients seek to build GLBT diversity into their business. The Business Development initiative has the specific task of strengthening the IBM's existing account position and assist in creating new relationships with key client decision makers.

The GLBT Business Development team has identified significant opportunities for IBM's products and services related to innovation, human capital management, and collaboration. As such we add value to IBM's core business and we help our GLBT colleagues in other companies seeking to learn.





This is good business for IBM. This is good for our clients. This is good for the GLBT community



Vital Few Business Development

ANNUAL REPORT 2010

ACHIEVEMENTS AND GOALS

2010 Looking Back

The Business Development team worked with clients around the world including Europe and Asia. The team had particular success taking the GLBT diversity message to clients in the Growth Markets, with specific success in China, Brazil, Poland and South Africa. In 2010, the team had a strong result:

Generated over \$30M
 of signings and revenue
 pipeline and created over
 60 new qualified client
 opportunities

Conducted over
 30 client workshops
 and briefings around
 GLBT diversity as a
 business imperative and
 speaking at numerous
 forums that generated
 awareness of IBM's global
 commitment to GLBT
 diversity

• Launch of the program across Greater China Group (China, Hong Kong, Taiwan) including our first paid engagement on GLBT diversity with a Chinese client

2011 Looking Forward

 Continued focus and expansion in growth markets

 Strengthening our participation and sponsorships in key European markets • Expanded awareness in North America by targeting multi-national clients Increased participation in strategic partnerships to expand our mission through geographybased initiatives and by expanding IBM's visibility

Vital Few Growth Markets

CHARLES LICKEL (RETIRED) CLAUDIA WOODY

The Growth Market initiative is aimed at creating the best of IBM culture in countries that may not have what we have come to expect in many of our mature markets. It is, in many ways, a horizontal workstream compared to the others as it represents more of a go-to-market strategy than a development functional strategy.

2010 was a very, very successful year for this initiative. IBM's diversity leadership, and corresponding business benefit is best exemplified by our stalwart support of Europride, which, for the first time ever, took place in a former communist country, in Warsaw, Poland. We hosted the GLBT Business Leader Forum in Warsaw and decided to make a visible statement of support by marching as a contingent of IBMers in the pride parade. Several of our colleagues were nervous due to the security risks involved because of the local political tensions around this issue.

IBM's values and global support gave the team the confidence and strength to march and it captured the attention of the United States State Department - specifically Ambassador Lee Feinstein. In his letter to IBM, he thanked Sam Palmisano for IBM being an early, visible and unwavering corporate sponsor of Europride and he volunteered to help IBM in its business ventures - a direct example of our diversity principles being put into action and driving business value, not just for the

Copenhagen Pride 2010



GLBT constituency, but for all of IBM.

That accomplishment is just the beginning. Another beginning is the Business Exchange that Morgan Stanley and IBM sponsored in Hong Kong. It was an event that pulled together GLBT business leaders in a forum to discuss the effective deployment of diversity policies in an otherwise stifling climate. We need to look to drive similar and more visible leadership opportunities outside of Hong Kong - Beijing, Delhi, and Buenos Aires.



"

This is personally important as running global teams effectively requires complete inclusion. If we can establish an environment where the whole person can come to the job, those individuals have that much more strength to overcome the other barriers of cultural. time zone, language and distance.

-Charles Lickel

Vital Few Growth Markets

ANNUAL REPORT 2010

ACHIEVEMENTS

2010

Looking Back

• Established face to face meeting with India Country General Manager, Shanker Annaswamy's diversity leaders and presented GLBT awareness to the local senior leadership team and HR • Created a GLBT pride month note sent to all China employees

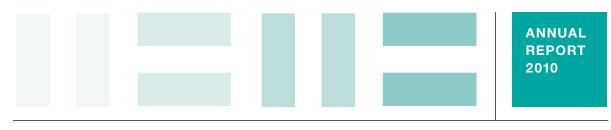
• Co-sponsored a GLBT resource guide for Hong Kong employers Hosted GLBT
 Business Leader Forum
 in Warsaw, Poland

Hosted 1st
 Hungarian Business
 Leader Forum



Titled "Creating Inclusive Workplaces for LGBT Employees in Hong Kong", the guide discusses the difficulties LGBT employees face in the workplaces, and presents the business case for employers to address the needs of LGBT employees. It also and provides a set of recommendations on what companies can do to build an inclusive workplace.





EXTERNAL RECOGNITION

"... I would like to congratulate IBM for being an early, visible and unwavering corporate sponsor of EuroPride Warsaw 2010. By sponsoring and participating in EuroPride in this way, IBM has taken a leadership position in Poland on this important issue, and I believe you set an example for both international and Polish companies on the merits of making equality and diversity pillars of your employment and marketing philosophies. I hope that IBM's example will be followed by other American companies doing business in Poland."

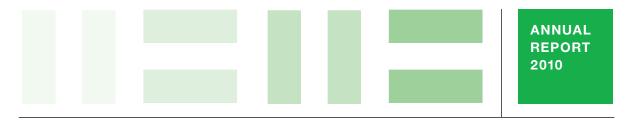
-Lee Feinstein, US Ambassador, Warsaw Poland

 IBM scores 100% on the 2010 HRC Corporate Equality Index for the 8th consecutive year

 IBM ranks 1st in the 2010 Stonewall
 Equality Index

IBM ranks 1st in the 2010 IGLCC International Business Equality Index and IBM wins the Out & Equal Workplace Excellence Award

Letter from American Ambassador to Poland thanked IBM for being an early, visible and unwavering sponsor of Europride Warsaw (excerpt at left)



MEET THE 2011 GLOBAL GLBT COUNCIL

With Scottie Ginn and Charles Lickel recently retired, the Global GLBT Council would like to introduce Annette Coffey and Esther Dryburgh to the Executive Council. Annette and Esther are strong leaders and will be a great asset to IBM's Global GLBT Council.

GLOBAL GLBT COUNCIL

Senior Vice President Sponsor Frank Kern

Vice President Sponsor Kathy Colucci

Geographic Sponsors

David Cornick (NE Europe), Harry J Van Dorenmalen (SW Europe), Ian McClenaughan (GMU), Masatsugu Shimono (Japan) Human Resources VP Sponsor Tom Fleming

Council Co-Chairs Fred Balboni, Claudia Woody

Executive Council

Annette Coffey, Esther Dryburgh, Jim Freeman, Peter Havelock, Theo van Rooy

Staff Silvy Vluggen

2011 VITAL FEW LEADERSHIP

Global Benefit Equity Annette Coffey

Leadership Development Tom Fleming/Peter Havelock

Community Vitality Theo Van Roy Workplace Climate Claudia Woody/Kathy Colucci

Business Development Esther Dryburgh/Fred Balboni

Communications Jim Freeman

OUT EXECUTIVES

Alan Dickinson

IBM Systems and Technology Group, Director, Storage OEM Partnerships

Janis Morariu Global Business Services, Learning Innovation Practice Leader

Annette Coffey

Human Resources, Director, HR Enterprise Process Program Office

Jeff Welser IBM Research, Director, Nanoelectronics Research Initiative

Bernice Casey

IBM Software Group, Strategy IBM Search Transformation

Jim Freeman Global Technology Services, VP Global Delivery Client Enablement

Bettina Hines Global Technology Services. Director Delivery Executive

Joseph Bertolotti IBM Sales and Distribution, Director Strategy and Sales Transformation

Bronwyn Guthrie Global Process Services, Vice President Canada

Judith Purves IBM Executive Staff Chief Financial Officer -IBM Canada

Carl Kraenzel Global Technology Services Workplace Services, Strategy Consultant

Mary Garrity IBM CHQ, Director, Storage and Systems Technology Licensing

Chris Whelan Global Technology Services, Director Services Patents and Intellectual Property

Matthew Porta

Global Business Services, VP Global Technology Strategy

Christopher Flynn

IBM Software Group, Director Rational Client Support and Portfolio Manager

Pat Bolton Global Technology Services Strategy Consultant

Claudia Woody IBM CHQ, IP, Managing Director Intellectual Property Licensing

Patrick McMahon Global Technology Services, Executive IT Strategy, Architecture and Middleware

Dave Minear Global Process Services Chief Technology Officer

Peter Havelock Global Business Services Partner, Insurance

OUT EXECUTIVES

Dawn Hall

IBM Systems and Technology Group Director, Design Enablement

Rick Mallette

Global Business Services,

Dawn Hall IBM Systems and Technology Group Director, Design Enablement

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Esther Dryburgh Global Business Services Partner, Financial Services Sector

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