



## **Softlayer Technologies UK Limited – Section 172 Statement**

### **Financial period ending 30 June 2022**

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The Board of Directors, in line with their duties under s.172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely promote the success of the Company for the benefit of its members as a whole and in doing so have regard to a range of matters and stakeholders when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s.172 factors.

The Company's strategy is in line with that of its ultimate parent company, IBM. IBM's group strategy and business model are described on pages 11-15 of IBM's annual report for the year ended 31 December 2021 (which does not form part of this report).

In addition to the governance provided by the Board of Directors, as a subsidiary of IBM the Company is subject to extensive organisational and management systems which enable the Board through its Directors, and through corporate delegations, to organise and oversee governance of the day-to-day operational activities of the Company.

The Board recognises that the long-term success of the Company's business is dependent on the way the Company interacts with stakeholders, including employees, customers, suppliers, the community and the environment.

#### **Employees**

Through the IBM management system, the Company engages with and listens to employees in many ways, including through the annual employee engagement surveys; virtual town hall meetings; internal publications; weekly updates from business leadership; virtual round tables; fireside chats and newsletters. Through the same management system, the Company maintains responsibility for safeguarding the interests of employees. In addition, the Company, through the Board of Directors and applicable delegations, manages and oversees the Company's obligations in relation to the employee pension schemes.

#### **Customers and suppliers**

We build strong relationships with our customers and suppliers. The Company's only customers are other companies within the IBM group of companies. Consideration was also given to the impact of the Company's operations on the wider community and the importance to the Company of maintaining its reputation for high standards.

#### **Community and Environment**

Softlayer Technologies UK Limited, as a part of the broader IBM group and supported by the Board, seeks to ensure that it makes a positive contribution to the communities and societies of which it is a part, and it recognises its responsibilities to those communities.

The Company Board recognises that trust and responsibility lie at the heart of IBM's business, and that this is the basis upon which that business operates and flourishes. All stakeholders - employees,



customers, suppliers, etc. - depend on the integrity by which IBM operates. Each year all Company employees undertake mandatory global business conduct training and commit to following IBM's comprehensive 'Business Conduct Guidelines'. Similarly, all employees undertake mandatory training annually on matters such as cyber-security and data privacy.

### **Covid-19**

Throughout 2021 and 2022, the health, safety and well-being of our employees, clients, and community continued to be a primary focus of the Board.

In 2020 IBM established an operational framework to guide its response and this involved the IBM UK Board of Directors creating a local crisis management team (CMT) to address specific local actions required in response to the crisis, while ensuring a safe working environment for IBM employees, Clients and Partners for whom it was essential for them to work in IBM locations. Directors of Softlayer Technologies UK Limited interlock with the CMT guidance and align the company's response with that of IBM UK.

During 2021 the IBM UK Board of Directors continued to make various decisions through the CMT that were applied consistently by Softlayer Technologies UK Limited to support the health, safety and well-being of employees by limiting travel and in person meetings and events, required self-screening before accessing workplaces and imposing strict social distancing and mask wearing. The company has a robust case management system to manage COVID-19 exposures and a comprehensive playbook on workplace health and safety measures that allow our offices to reopen when conditions improve. Employees are supported with 24/7 access to IBM's world-class Health and Safety team, education, timely updates and forums to ask questions and raise concerns.

Additionally, from the outset of the COVID-19 pandemic, IBM has focused on mental health and supporting our employees for the long run with programs shaped by frequent survey polls and employee input sessions. Such programs include: training for employees on resilience and for managers on how to identify and address mental health issues and financial counseling offerings tailored to pandemic-related matters.

### **Transfer of business**

In 2022 the Board made the decision to sell the company's business, assets and liabilities to IBM United Kingdom Limited. In making their decision the board of directors took into account the impact on the company's strategic objectives and concluded that it was for the commercial benefit of and likely to promote the success of the Company for the benefit of its shareholders to enter into the asset sale agreement.