

UPRIGHT  PROJECT  
NET IMPACT RATING

# AA

IBM (2021)

AAA	Prime
AA+	Excellent+
<b>AA</b>	<b>Excellent</b>
A+	Very good+
A	Very good
BBB	Good
BB	Fair
B	Adequate
CCC	Low
CC	Poor

IBM has received a net impact rating of **AA** (Excellent) in 2021, driven by its strong contributions to **knowledge** and **society**.

IBM's net impact rating of AA is higher than:

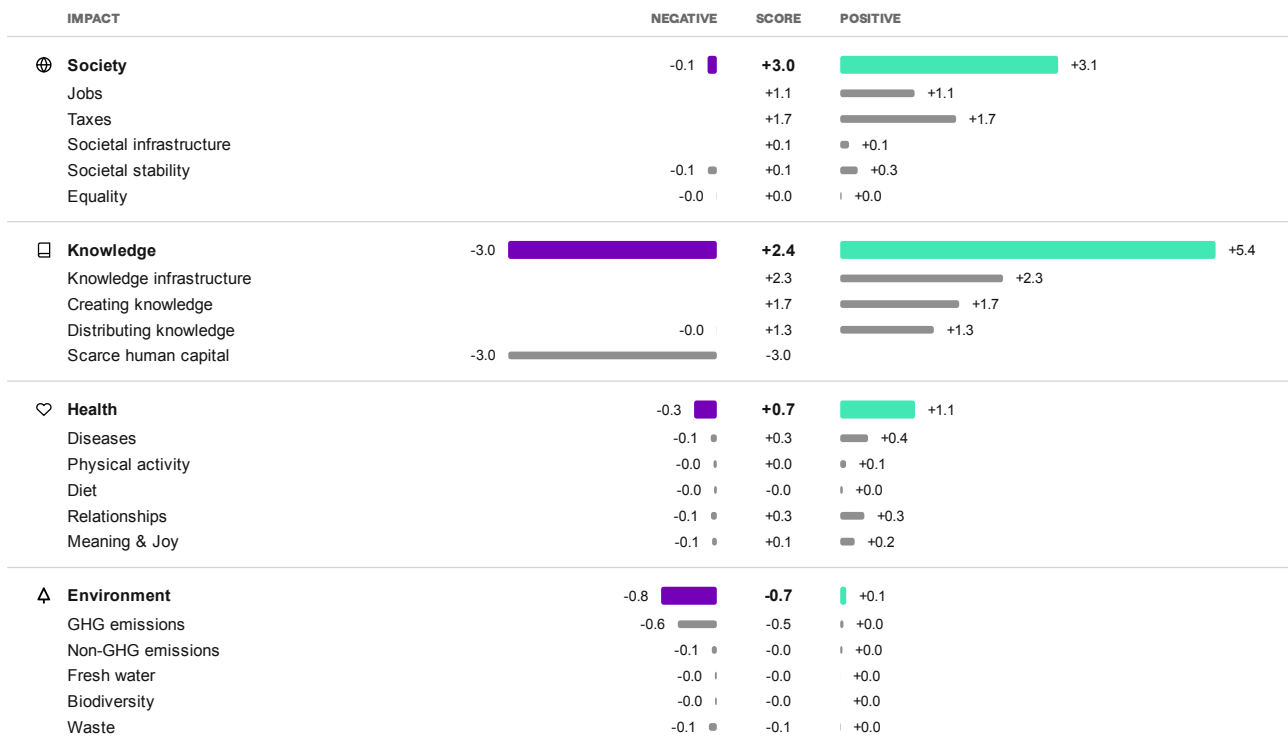
- **85.8 %** of all companies
- **86.1 %** of large U.S. companies
- **74.6 %** of companies in the technology sector

## NET IMPACT PROFILE

IBM's net value creation sums up to a net impact ratio of 56 %, indicating that the company consumes 56 % less value than it creates.

IBM creates the most significant positive value in categories *Knowledge infrastructure* and *Creating knowledge*. The largest positive contribution comes from its Knowledge infrastructure impact, which is mostly driven by its **cloud infrastructure services**, **cloud platform services**, and **systems hardware products**.

On the other hand, these positive outcomes are achieved by using *scarce human capital* and causing *GHG emissions*, which are IBM's most significant negative impacts.



Upright model master version  
on 15th Mar. 2021 at 16:10 GMT+0

**+56%**

**Net impact ratio**  
Value set: Equal weights

Free sample scorecard - for evaluation use only

## VALUES ALIGNMENT

This section shows how well the net impact of IBM is aligned with the values and priorities of different stakeholders. The analysis is done by weighing impact categories based on what different stakeholders value and prioritize. IBM's net impact is best aligned with the values of **millennials**, and well aligned with the values of the **most wanted workforce**.

Stakeholder group	IBM	S&P 500	S&P 500 ESG	Dow Jones Industrial	Dow Jones Internet	Nasdaq Composite	IBM's alignment
Millennials	+55	+26	+29	+17	+33	+32	Well aligned
Most wanted workforce	+50	-5	+1	-16	+12	+7	Well aligned
Asset owners	+28	-32	-23	-43	-9	-16	Somewhat aligned

**Net impact ratio in stakeholder group's value set, %**

The values of stakeholder groups are based on Upright's annual **Impact at Work** and **Survey for professional investors** questionnaires (N=1500).

## IMPACT DELTA


The below table shows the difference between the impact of IBM and select reference indices and companies within different impact dimensions. The data shows that IBM outperforms the reference groups in the **Knowledge** impact dimension.

Dimension	S&P 500	S&P 500 ESG	Dow Jones Industrial	Dow Jones Internet	Nasdaq Composite	S&P Europe 350	FTSE 100	Accenture	Hewlett Packard	Microsoft	Amazon	Oracle
Society	+0.6	+0.7	+0.9	+0.5	+0.8	+0.6	+0.7	-0.9	+1.1	+0.2	+1.3	-0.1
Knowledge	+2.7	+2.7	+3.0	+2.6	+2.4	+3.0	+3.1	+1.2	+0.1	+1.5	+3.0	+0.9
Health	+0.3	+0.2	+0.3	+0.2	+0.4	+0.1	+0.9	+0.6	+0.3	+0.7	+0.3	-0.0
Environment	+0.9	+0.6	+0.8	-0.2	+0.2	+1.4	+2.2	+0.2	+0.1	+0.0	+0.0	+0.4
Net impact ratio, pp	+40	+35	+47	+25	+31	+51	+82	+1	+7	+23	+35	+11

The scores for reference indices used for calculating the deltas are index-weight weighted averages of the dimension scores of the companies that are included in each index.

# APPENDIX A: SHAREABLE ASSETS

Rating with drivers and all companies comparison - color - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING

**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021, driven by its contribution to **knowledge** and **society**.

Only 14.2% of all companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers and all companies comparison - grayscale - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021, driven by its contribution to **knowledge** and **society**.

Only 14.2% of all companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers and large U.S. companies comparison - color - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021, driven by its contribution to **knowledge** and **society**.

Only 13.9% of large U.S. companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers and large U.S. companies comparison - grayscale - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021, driven by its contribution to **knowledge** and **society**.

Only 13.9% of large U.S. companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers and technology companies comparison - color - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021, driven by its contribution to **knowledge** and **society**.

Only 25.4% of technology companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers and technology companies comparison - grayscale - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING

**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021, driven by its contribution to **knowledge** and **society**.

Only 25.4% of technology companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers and all companies comparison - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021.

Only 14.2% of all companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers and all companies comparison - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING

**AA**


IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021.

Only 14.2% of all companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Free sample scorecard - for evaluation use only

Rating with drivers and large U.S. companies comparison - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021.

Only 13.9% of large U.S. companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers and large U.S. companies comparison - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021.

Only 13.9% of large U.S. companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers and technology companies comparison - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021.

Only 25.4% of technology companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers and technology companies comparison - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021.

Only 25.4% of technology companies receive this or a higher net impact rating.  
Source: Upright Project, 2021

Rating with drivers - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021, driven by its contribution to **knowledge and society**.

Source: Upright Project, 2021

Rating with drivers - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021, driven by its contribution to **knowledge and society**.

Source: Upright Project, 2021

Rating only - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING


**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021.

Source: Upright Project, 2021

Rating only - facebook - twitter - 1200x628

UPRIGHT  PROJECT  
NET IMPACT RATING

**AA**

IBM (2021)

IBM has received a net impact rating of **AA** (Excellent) in 2021.

Source: Upright Project, 2021

Free sample scorecard - for evaluation use only

# ABOUT THIS SCORECARD

## The Upright Net Impact model

This net impact scorecard has been automatically produced by the Upright net impact model. The Upright net impact model is an mathematical model of the economy that produces continuously updated estimates of the net impact of companies. It is based on an AI-driven information integration algorithm that consolidates data from humanity's accumulated scientific knowledge and public statistical databases.

The model is designed to satisfy the following requirements:

- **Measure net:** The model must consider both costs and gains, and provide their net sum. This is a minimum requirement for informing decision-making on resource allocation.
- **Comparability:** All estimated costs and benefits produced by the model must be comparable. Comparisons must be possible within industries, across industries, and across different types of costs and benefits.
- **Comprehensiveness:** The model must consider all types of costs and gains, not only e.g. environmental costs or financial gains. This is a minimum requirement for understanding the whole value creation of a company and thus informing decision-making on resource allocation.
- **Whole value chain:** The model must capture the cost and benefits created in the entire value chain of a company, not just what happens inside the company or how it affects its immediate stakeholders (shareholders, clients, employees).
- **Adaptable values:** The model must not

assume universal values, and must instead accommodate for the fact that every individual decision-maker has a different view of value and different optimization criteria when making decisions in different roles. The model must also be practical and provide reasonable fact-based defaults for these sets of values.

- **Scalability:** The marginal cost of estimating the impact of an additional company should be close to zero, meaning that it should not require any manual work. This is required for large-scale adoption and thus significance of the data.

## Net impact ratings

The net impact rating is a simple summary of a company's overall net impact. The rating of a company is determined by the percentile the company belongs to based on its net impact. This means that every year a fixed percentage of companies qualify for a given rating (e.g. for AAA this is 3%).

The table also includes the percentile and net impact ratio thresholds for a given rating for 2021.

Rating code	Rating description	Percentile threshold	NIR* threshold
AAA	Prime	97th	72%
AA+	Excellent+	93th	65%
AA	Excellent	86th	54%
A+	Very good+	76th	42%
A	Very good	60th	27%
BBB	Good	38th	0%
BB	Fair	22th	-39%
B	Adequate	12th	-97%
CCC	Low	6th	-202%
CC	Poor	1st	-396%
C	Dismal	0th	N/A

\*NIR = net impact ratio

## Net impact ratio

Net impact ratio is quantitative measure that represents the net impact of a company. It is defined as

$$\text{net impact ratio} = \frac{\text{positive impacts} - \text{negative impacts}}{\text{positive impacts}}$$

The maximum value for net impact ratio is 100%, representing a theoretical company with no negative impacts. The minimum value is  $-\infty$ . It can be interpreted similar to net profit ratio, which is defined as:

$$\text{net profit ratio} = \frac{\text{revenue} - \text{costs}}{\text{revenue}}$$

Similar to net profit ratio, net impact ratio is a relative measure - otherwise identical companies of different sizes have the same net impact ratio.

## Net impact profile

The net impact profile is a graphical summary of a company's net impact within the Upright net impact model's 4 dimensions (Society, Knowledge, Health, Environment) and 19 impact categories. The numbers shown in the net impact profile are *relative scores*, which represent the magnitude of each impact relative to the size of a company.

## Values alignment

The net impact scorecard's *values alignment* section summarizes how well the net impact

of a company is aligned with the values and priorities of different stakeholders. The analysis is done by weighing impact categories based on what different stakeholders value and prioritize.

The numbers shown in the heatmap are *value-weighted net impact ratios*. Net impact ratios greater than 30% are considered to *well aligned*, values between 0% and 30% are considered *somewhat aligned*, and values lower than 0% are considered *poorly aligned*.

The net impact ratios for the comparison indices are *index-weight weighted averages* of the value-weighted net impact ratios of companies included in a given index.

## Impact delta

The net impact scorecard's *impact delta* section compares the impact of a company to industry peers and select reference indices. Comparisons are shown for both individual dimensions (like Society or Environment) and net impact ratio.

For individual dimensions, the numbers shown in the comparison table is the *relative dimension net score* of the company subtracted by the relative dimension net score of the reference. Relative dimension net scores represent the magnitude of company's total impact within an impact dimension relative to the size of the company.

For net impact ratio, the numbers shown in the comparison table is the *net impact ratio* of the company subtracted by the net impact ratio of the reference.

## NOTICE AND DISCLAIMER

*The data provided is generated by experimental AI technology that is under constant development. It is provided by Upright and possible 3rd party data contributors "as is", without warranty or guarantee of accuracy of any kind, express or implied, including, but not limited to, the implied warranties of mercantability and fitness for a particular purpose. In no event shall Upright or contributors be liable for any direct, indirect, incidental, special, exemplary, or consequential damages however caused and on any theory of liability, whether in contract, strict liability, or tort (including negligence or otherwise) arising in any way out of the use of the data, even if advised of the possibility of such damage. This data is not intended to be used as investment advice.*

Free sample scorecard - for evaluation use only