

Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Kyndryl Holdings, Inc. (Kyndryl) is a leading technology services company and the largest IT infrastructure services provider in the world, serving thousands of enterprise customers and with operations in over 60 countries. We have a long track record of helping enterprises navigate major technological changes, particularly by enabling our customers to focus on the core aspects of their businesses during these shifts while trusting us with their most critical systems. Our purpose is to design, build and manage secure and responsive private, public and multi-cloud environments to serve our customers' needs and accelerate their digital transformations. Kyndryl was spun-off of IBM in November 2021.

In our first full fiscal year as an independent company, we have made a commitment to ensure a sustainable and inclusive culture to drive positive impact at scale, while managing our impact on climate change by reducing our environmental footprint and achieving net zero emissions. As part of this commitment, we are integrating a focus on greenhouse gas (GHG) emissions and climate change risk management across our business. In December 2022, Kyndryl announced a plan to work toward achievement of net zero greenhouse gas emissions by 2040. Our net zero goal reinforces our dedication to operating responsibly as it lays the groundwork for a more sustainable future. On our path to net zero, we signed up to the Science Based Targets initiative and expect to reduce emissions for scopes 1 and 2 by 75% by 2030 and to achieve a 50% reduction in greenhouse gas emissions across our global enterprise. We have also committed to obtaining 100% of purchased electricity through renewable sources by 2030.

Mitigating key climate-related impacts improves our operation's environmental efficiencies, makes our business practices more sustainable, and leverages growth and business continuity opportunities to meet the expectations of customers and investors across the globe. We recognize the critical role that the IT infrastructure services industry can play in modernizing IT management and digital technology systems in the transition towards a low-carbon economy. Kyndryl has laid the foundation of our Environmental, Social, and Governance (ESG) and climate strategy to deliver positive impacts in the communities in which we operate. With 240 data centers in over 50 countries, approximately 90,000 employees globally, and serving thousands of customers, we understand the responsibility we have to provide business

continuity for our customers and align with stakeholder expectations on climate risk and resilience. We are working to decarbonize our operations and supply chain and leverage future sustainability offerings to help support our customers worldwide.

Forward Looking Statement: This Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may be identified by the use of words such as “will,” “anticipate,” “predict,” “project,” “contemplate,” “plan,” “forecast,” “estimate,” “expect,” “intend,” “goal,” “target,” “may,” “should,” “would,” “could,” “seek,” “aim” and similar words or expressions or the negative thereof or other variations thereon. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied. For a more detailed discussion of these factors, see the information under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC). Our forward-looking statements speak only as of the date of this Report or as of the date they are made and we assume no obligation to update or revise any forward-looking statements, except as required by law. Historical, current, and forward-looking environmental-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. We caution you that these statements are not guarantees of future performance, nor promises that goals or targets will be met, and are subject to numerous and evolving risks and uncertainties that we may not be able to predict or assess. In some cases, we may determine to adjust our commitments, goals or targets or establish new ones to reflect changes in our business, operations or plans.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

April 1, 2022

End date

March 31, 2023

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) Select the countries/areas in which you operate.

Argentina

Australia

Austria

Belgium
Brazil
Bulgaria
Canada
Chile
China
China, Macao Special Administrative Region
Colombia
Costa Rica
Croatia
Czechia
Denmark
Ecuador
Egypt
Estonia
Finland
France
Germany
Greece
Hong Kong SAR, China
Hungary
India
Indonesia
Ireland
Israel
Italy
Japan
Latvia
Lithuania
Luxembourg
Malaysia
Mexico
Netherlands
New Zealand
Norway
Pakistan
Peru
Philippines
Poland
Portugal
Republic of Korea
Romania
Saudi Arabia
Singapore
Slovakia
Slovenia

South Africa
Spain
Sweden
Switzerland
Taiwan, China
Thailand
Turkey
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Venezuela (Bolivarian Republic of)
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	KD
Yes, an ISIN code	US50155Q1004

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	Kyndryl's Chairman and Chief Executive Officer (CEO) is responsible for overseeing the overall direction of Kyndryl's business and ESG strategy, which includes climate-related objectives. The CEO is regularly updated on ESG and climate-related items through ESG Committee meetings, which are led by our Global Head of Corporate Affairs.
Board-level committee	The Nominating and Governance Committee oversees and evaluates programs and risks associated with Board organization, membership and structure and corporate governance, including director independence and related person transactions. The Nominating and Governance Committee also oversees and assesses risks associated with our corporate responsibility initiatives, including our environmental and sustainability goals and initiatives.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	Kyndryl's Board holds ultimate accountability for risk management and climate-related risks. On a regular basis, the Board is updated on Kyndryl's climate-related objectives. Our CEO is responsible for overseeing the overall direction of Kyndryl's business and ESG strategy, which includes climate-related objectives. The CEO is regularly updated on ESG and climate-related items through ESG Committee meetings, which are led by our Global Head of Corporate Affairs. All committee members meet to discuss ESG and climate-related initiatives. The Environmental Sustainability Council, which is part of the ESG Committee, is led by Kyndryl's Global Sustainability Officer and has as its Executive Sponsor, the Chief Operating Officer.

		The Council is responsible for overseeing Kyndryl's policies and programs related to climate-related impacts and other environment related topics as well as updating the Nominating and Governance Committee on environmental and sustainability goals and initiatives.
--	--	--

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	One of our Board members, Mr. Howard Ungerleider, is a member of the Michigan Climate Executive Advisory Group and the Michigan Sustainability Leadership Council. In addition, our Nominating and Governance Committee is responsible for recommending qualified candidates for election to the Board, consistent with the criteria approved by the Board and set forth in our Board Corporate Governance Guidelines and Nominating and Governance Committee Charter. The Board is responsible for selecting nominees for election. Our Nominating and Governance Committee and the Board seek to ensure that the Board, as a whole, possesses the expertise, qualifications, attributes and skills to carry out its oversight responsibilities effectively and to align with our long-term strategies. Accordingly, our Board Corporate Governance Guidelines provide that individuals are selected to join the Board based on all appropriate criteria, which may include strength of character, mature judgment, familiarity with our business and industry, independence of thought, ability to work collegially, existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations such as antitrust issues, business or professional experience, the diversity of their background and their array of talents and perspectives.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Sustainability Officer (CSO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Other, please specify
Global Head of Corporate Affairs, which reports directly to CEO

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Kyndryl's Global Sustainability Officer leads Kyndryl's Sustainability team and is responsible for advancing the company's overall strategic direction and execution of sustainability-related initiatives. The Global Sustainability Officer responsibilities include estimation, verification, and reporting of GHG emissions, benchmarking and development of climate-related goals, development of an emission reduction plan including budgets, tracking of progress against the emission reduction plan, execution of some of the initiatives to reduce emissions, assessing climate-related risks and opportunities and ensuring mitigation plans are in place, and executing some of the climate-related opportunities (sustainability-related business development).

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Other, please specify
Overseeing the overall direction of Kyndryl's business and ESG strategy, which includes climate-related objectives

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

As important matters arise

Please explain

Kyndryl's Chairman and Chief Executive Officer (CEO) is responsible for overseeing the overall direction of Kyndryl's business and ESG strategy, which includes climate-related objectives. The CEO is regularly updated on ESG and climate-related items through ESG Committee meetings, which are led by our Global Head of Corporate Affairs.

Position or committee

Sustainability committee

Climate-related responsibilities of this position

Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Other, please specify
Reports to senior leadership ESG council

Frequency of reporting to the board on climate-related issues via this reporting line

As important matters arise

Please explain

The Environmental Sustainability Council, which is part of the ESG Committee, is led by Kyndryl's Global Sustainability Officer and has as its Executive Sponsor, the Chief Operating Officer. The Council is responsible for overseeing Kyndryl's policies and programs related to climate-related impacts and other environment related topics as well as updating the Nominating and Governance Committee on environmental and sustainability goals and initiatives.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Annual cash bonus opportunities are intended to encourage named executive officers (NEOs), as well as other employees, to focus on multiple performance objectives that are key to creating stockholder value by delivering financial, operating and strategic performance that is aligned with our business strategy and stockholder interests. The Compensation and Human Capital Committee annually evaluates a broad range of financial and non-financial metrics, including metrics relating to the Company's environmental, social and governance (ESG) strategies, to determine the appropriate annual bonus award metrics.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Chief Sustainability Officer (CSO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Annual cash bonus opportunities are intended to encourage named executive officers, as well as other employees, to focus on multiple performance objectives that are key to

creating stockholder value by delivering financial, operating and strategic performance that is aligned with our business strategy and stockholder interests. Kyndryl offers a cash-based annual incentive plan (AIP) pursuant to which we award annual cash bonus opportunities based on Kyndryl's achievement of financial and non-financial goals linked to Kyndryl's business strategies, including goals relating to Kyndryl's ESG strategy, that we set each fiscal year. This included the goal to "Establish our carbon baseline, set targets and announce Science Based Targets initiative (SBTi) targets by fiscal year 2023 year-end."

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Annual cash bonus opportunities based on non-financial goals such as those related to Kyndryl's ESG strategy encourages management to focus on the achievement of environmental, social, and governance goals that the Compensation and Human Capital Committee believes furthers Kyndryl's strategy.

Entitled to incentive

Corporate executive team

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Annual cash bonus opportunities are intended to encourage named executive officers (NEOs), as well as other employees, to focus on multiple performance objectives that are key to creating stockholder value by delivering financial, operating and strategic performance that is aligned with our business strategy and stockholder interests. Kyndryl offers a cash-based annual incentive plan (AIP) pursuant to which we award annual cash bonus opportunities based on Kyndryl's achievement of financial and non-financial goals linked to Kyndryl's business strategies, including goals relating to Kyndryl's ESG strategy, that we set each fiscal year.

Named executive officers at Kyndryl include the Chairman and Chief Executive Officer (CEO), Chief Financial Officer (CFO), Group President, General Counsel and Secretary, and Chief Human Resources Officer. As shared on page 52 of Kyndryl's 2023 Proxy Statement (<https://investors.kyndryl.com/static-files/6994fef0-bc07-447e-a7c4-d5cea64c8e2e>), 10% of the NEOs' cash bonus for Kyndryl's 2023 fiscal year

beginning April 1, 2022 and ending March 31, 2023 was based on ESG metrics. This included the goal to "Establish our carbon baseline, set targets and announce Science Based Targets initiative (SBTi) targets by fiscal year 2023 year-end."

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Annual cash bonus opportunities based on non-financial goals such as those related to Kyndryl's ESG strategy encourages management to focus on the achievement of environmental, social, and governance goals that the Compensation and Human Capital Committee believes furthers Kyndryl's strategy.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	5	
Long-term	5		long-term is 5+ years

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Kyndryl Enterprise Risk Management ratings are applied to climate risks and opportunities. A substantive risk is defined both with likelihood and impact. On the likelihood scale, this will include risks that are likely and certain, meaning that the risk is expected to occur within a year or occur multiple times within a year. For the impact scale, risks ranked as significant and catastrophic are considered substantive and are assessed on business indicators such as revenue, gross profit, operations, reputation, or market capitalization. For the significant/catastrophic ranking, the impact is rated above a 5% deterioration in the business indicator.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Kyndryl's Enterprise Risk Management (ERM) program is designed to support strong governance models and assign responsibility for identifying and mitigating risks. Our ERM program includes identification and assessment of our climate-related risks and opportunities alongside other environmental, social and governance risks across our operations.

Kyndryl identifies and assesses physical and transition climate-related risks within our corporate risk register. Risk assessment surveys are completed by management across all our global practices and enterprise functions. Identified inherent and residual risks are ranked based on their impact on Kyndryl's operations and revenue and their likelihood over 0-5 years. We considered climate risk and GHG management as one of our enterprise risks and worked with identified risk owners across the enterprise to conduct impact and likelihood ratings. Results of these assessments are then discussed and summarized with Kyndryl's Risk Management Working Group and recommended to our Risk Management Committee for presentation to the CEO and Board of Directors. Kyndryl's ERM Project Management Office develops an initial list of risks across the company and provides it to the Risk Management Working Group (RMWG).

Our RMWG meets four times annually and comprises key corporate and regional management, who provide input, review, and validate enterprise risks, including climate risks. Once the RMWG has received a preliminary risk register from the ERM Project Management Office, the RMWG leads the risk assessment process, including risks related to sustainability and climate change issues. Based on the risk assessment

results, the RMWG provides recommendations to the Risk Management Committee (RMC). The RMC is comprised of senior executives who report into the CEO, and present their recommendations to the CEO and audit committee of the Board of Directors. Our RMC meets on a bi-annual basis and has final approval over the classification and ranking of risks, including inherent and residual climate-related risks within the company. Climate-related risks controls are developed and managed by our Environmental Sustainability Council and reviewed with the executive sponsors of the ESG Executive Council, which includes the Chief Operating Officer (COO) and Global Head of Corporate Affairs. The review ensures that appropriate mitigation efforts are coordinated throughout the company. At this stage, individual executive ownership is assigned throughout the company to enable a coherent risk aware culture throughout the business. Kyndryl's Climate Action Plan has been developed alongside our ERM processes to ensure that appropriate resource allocation and regular internal reporting on environmental risk management is deployed.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	As we have physical assets such as data centers and office buildings, current applicable regulations related to energy efficiency standards for buildings and data centers and applicable environmental regulations that impacts climate-related risks are considered. Climate-related regulatory reporting requirements across relevant jurisdictions is monitored for compliance.
Emerging regulation	Relevant, always included	Kyndryl also considers upcoming regulations for data center energy procurement strategies and business operations. Emerging climate-related regulatory reporting requirements across relevant jurisdictions is monitored for future compliance.
Technology	Relevant, sometimes included	Technology-related climate risks such as unsuccessful R&D or capital investments into new climate related technologies were considered, but were not deemed material.
Legal	Relevant, sometimes included	Litigation relevant to climate-related matters (non compliance, greenwashing) was considered as a risk but was not deemed material.
Market	Relevant, always included	Our decarbonization plan and internal targets call for an increasing percentage of renewable energy. We have observed both price volatility and increased cost of procuring renewable energy in our regional markets. Reduced market availability of renewable energy in Kyndryl's areas of operation was also listed as a risk for markets with low penetration of renewable energy.

Reputation	Relevant, always included	Being a new company without a long history or track record we are building our reputation. We included increased stakeholder pressures due to perceptions of Kyndryl's climate resiliency and overall sustainability impacts as a material risk.
Acute physical	Relevant, always included	We evaluated a segment of our assets/locations (data centers, disaster recovery, offices) for physical climate risks. Kyndryl considered following acute physical risks: River Flooding, Extreme Rainfall Flooding, Coastal Flooding, Tropical Cyclones, Wildfire Weather, and Rainfall Induced Landslides. These acute weather events could cause disruptions to client services, and our operations
Chronic physical	Relevant, always included	We evaluated a segment of our assets/locations (data centers, disaster recovery, offices) for physical climate risks. Kyndryl considers following chronic physical risks: Extreme heat, Extreme cold, and Water stress. These chronic events may cause our service delivery to operate less effectively or cause an increase in operating costs.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Current regulation

Other, please specify

Energy efficiency standards

Primary potential financial impact

Increased capital expenditures

Company-specific description

Energy efficiency regulations requiring continuous investment in newer more efficient hardware and infrastructure.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost of response to risk

Description of response and explanation of cost calculation

Kyndryl will mitigate this risk by implementing improvements to operational equipment and/or processes. These may result in increased operating and capital costs and will be offset with a reduction in energy costs.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Enhanced emissions-reporting obligations

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Increased costs to gather, calculate, validate and report KPIs and metrics over many operational jurisdictions

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost of response to risk

Description of response and explanation of cost calculation

Increased regulatory reporting places a demand on data gathering, verification, assurance and publication. These may require additional investments to capture and synthesize metrics and could result in an increase in capital and/or operating cost. Kyndryl will mitigate this risk by reviewing upcoming legislation and merge requirements into existing data and reporting platforms.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market

Other, please specify

Increase renewable energy cost, reduce availability of renewable energy

Primary potential financial impact

Increased direct costs

Company-specific description

Price increases due to high demand of renewable energy or renewable energy certificates/GOs. Procurement in specific regions with lower availability will realize in higher costs. Electricity demand is driven mainly from data center operations.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost of response to risk

Description of response and explanation of cost calculation

Kyndryl will mitigate the risk with market studies of our global portfolio together with forecasted escalation of renewable energy prices from climate scenarios. Kyndryl is developing a renewable energy procurement strategy to address financial and non financial aspects.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Negative perceptions about the company's climate-related performance may reduce demand for Kyndryl services.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost of response to risk

Description of response and explanation of cost calculation

A slow or poor climate-related performance and/or reporting may prompt customers to switch to other suppliers. Kyndryl's ability to meet increasing customer demand on climate-related impacts will be crucial in determining the financial effect. Kyndryl will mitigate this risk by continuing to work with customers to understand their climate-related disclosure requirements and will develop our climate-related programs to meet and/or exceed customer expectations.

Comment

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

An inability to proactively address climate related concerns could directly impact our business operations and profitability. A loss of service event could potentially increase our direct costs and impact our ability to service and retain our customers.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost of response to risk

Description of response and explanation of cost calculation

On each assessed asset the likelihood and duration of operational interruption will be financially quantified and aggregated at the portfolio level. Kyndryl will mitigate this risk by evaluating and implementing resiliency measures.

Comment

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

An inability to proactively address climate related concerns could directly impact our business operations and profitability. A loss a service event could potentially increase our direct costs and impact our ability to service and retain our customers.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost of response to risk

Description of response and explanation of cost calculation

On each assessed asset the likelihood and impact on operation (higher operating cost) will be financially quantified and aggregated at the portfolio level. Kyndryl will mitigate this risk by evaluating and implementing resiliency measures.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Develop renewable procurement strategy to assess future availability and accessibility of renewable energy in areas of operations.

Enable generation/procurement of renewable energy annually to help Kyndryl source 100% of energy requirements from renewable energy sources by 2030.

Reduce our data center energy consumption by implementing energy efficiency program across Kyndryl operations and also through consolidation of data centers

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Proactive and timely entry into renewable energy purchasing opportunities will be required to secure supply and best available financial terms.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Provide IT services that continue to assist customers reduce their GHG footprint and/or mitigate climate related risk. Enable measurement of environmental benefit of existing products.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Market analysis will assist in determining demand of climate-related products and services. Partnering and organic development of climate-related services will allow us to realize the opportunity outlined above.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Other, please specify

Climate Procurement Strategy and Increased Climate Mitigation within Data Center Operations

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

- Improve climate resiliency requirements during supplier selection process.
- Implement further climate adaptation strategies within data centers to provide IT services that are resilient to climate-related impacts.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Mitigation measures to be implemented to improve resilience of operation and supply chain will be crucial to ensuring business continuity for our customers. The costs of implementing these measures will be offset with increased revenue due to improved operational resilience.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

We consistently and proactively engage with our investor community. Our discussions focus on a variety of topics, including our business transformation, strategy, industry trends, financial performance and ESG. Our engagement is conducted by members of our Board, our Chief Executive Officer, our Chief Financial Officer and other members of our senior leadership team across many of the Company's functions including Legal, Finance, Human Resources and Corporate Responsibility. We engage with existing and potential stockholders to ensure their understanding of our strategy, seek their input and feedback, and for us to remain well-informed regarding their perspectives.

In fiscal year 2023, this included proactive governance engagement conducted throughout the Fall where discussions focused on business strategy and ESG strategy, including executive compensation. Our governance outreach covered investors owning 41% of shares outstanding.

Shareholder inquiries may be submitted year-round at
<https://investors.kyndryl.com/shareholder-resources/contact-us>.

Frequency of feedback collection

Annually

Attach any relevant documents which detail your climate transition plan (optional)

Kyndryl looks forward to releasing our first ESG report in 2023 which will include more details on our climate transition plan. Before then, please find details about our climate transition plan on our webpage: <https://www.kyndryl.com/us/en/about-us/corporate-responsibility/environmental-sustainability>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios RCP 8.5	Facility		Kyndryl utilized present baseline conditions, as well as 2030 and 2050 future timeframes, the risk screening assessed 9 different climate hazards across 3 different future climate scenarios. This analysis was quantitative. The hazards were measured in warm spell duration index, cold spell duration index, forest fire danger index, rain-induced landslide index which are measured in number of days. Other measurements included rainfall flooding inundation depth, coastal flooding inundation depth, maximum cyclone wind speeds and water stress. This assessment allowed us to screen physical climate impacts against low, high, and very high GHG emission scenarios and assign minimal, low, moderate and high-risk scores, based on normalized climate data and asset exposure ratings.
Physical climate scenarios RCP 2.6	Facility		Kyndryl utilized present baseline conditions, as well as 2030 and 2050 future timeframes, the risk screening assessed 9 different climate hazards across 3 different future climate scenarios. This analysis was quantitative. The hazards were measured in warm spell duration index, cold spell duration index, forest fire danger index, rain-induced landslide index which are measured in number of days. Other measurements included rainfall flooding inundation depth, coastal flooding inundation depth, maximum cyclone wind speeds and water stress. This assessment allowed us to screen physical climate impacts against low, high, and very high GHG emission scenarios and assign minimal, low, moderate and high-risk scores, based on normalized climate data and asset exposure ratings.
Physical climate scenarios RCP 7.0	Facility		Kyndryl utilized present baseline conditions, as well as 2030 and 2050 future timeframes, the risk screening assessed 9 different climate hazards across 3 different future climate scenarios. This analysis was quantitative.

			The hazards were measured in warm spell duration index, cold spell duration index, forest fire danger index, rain-induced landslide index which are measured in number of days. Other measurements included rainfall flooding inundation depth, coastal flooding inundation depth, maximum cyclone wind speeds and water stress. This assessment allowed us to screen physical climate impacts against low, high, and very high GHG emission scenarios and assign minimal, low, moderate and high-risk scores, based on normalized climate data and asset exposure ratings.
Transition scenarios IEA NZE 2050	Company-wide		To assess transition risks, Kyndryl used inputs and assumptions from third-party developed scenarios such as the International Energy Agency's (IEA) scenarios, including "below 2C degrees" scenarios such as the Sustainable Development Scenario (SDS) and Net Zero by 2050 (NZE2050), as recommended by the TCFD. Using these energy system scenarios, we identified potential policy, regulatory, market and reputational impacts across our business and operations. This analysis was qualitative. Transitional risks were ranked as low, moderate and high over the short, medium and long term.
Transition scenarios IEA SDS	Company-wide		To assess transition risks, Kyndryl used inputs and assumptions from third-party developed scenarios such as the International Energy Agency's (IEA) scenarios, including "below 2C degrees" scenarios such as the Sustainable Development Scenario (SDS) and Net Zero by 2050 (NZE2050), as recommended by the TCFD. Using these energy system scenarios, we identified potential policy, regulatory, market and reputational impacts across our business and operations. This analysis was qualitative. Transitional risks were ranked as low, moderate and high over the short, medium and long term.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

What are the key physical and transition climate risks facing our existing business and strategy?

How do these risks vary for different climate scenarios?

Results of the climate-related scenario analysis with respect to the focal questions

Kyndryl screened sites in over 30 countries for acute and chronic physical risks. The risks were assessed against a baseline and over the 2030 and 2050 timeframe, using three climate scenarios. The risks were categorized from minimal to very high and change from the baseline was also measured. The results indicated very few of the screened sites faced very high or high levels of physical risk. The top climate hazards throughout all scenarios and across our portfolio are water stress, wildfires, tropical cyclones and extreme heat. Kyndryl will be including more of our portfolio for assessment in coming years. Kyndryl will proactively integrate risk management measures for those sites identified as high risk with the next year.

Kyndryl transition risks included:

Increased Energy efficiency regulations and standards: Existing and emerging regulations to address the energy and emissions footprint of data centers, such increased energy efficiency and reporting requirements, can increase Kyndryl's operating costs due to increased cost of compliance with regulatory requirements.

Limited availability of renewable energy: Various market mechanisms and policies drive a shift from fossil fuels to renewable energy technologies. Though global supply of renewable energy is expected to increase significantly, production of renewable electricity may be limited in some local market reducing its availability and increasing its costs.

Reputation risk: Changing perceptions of the ICT industry could increase pressure from investors for transparency and transformation. As preferences change, Kyndryl could experience increased reporting requirements and reduced access to capital from Kyndryl's investors.

Kyndryl has implemented a regulations tracking and monitoring service to understand emerging regulations and the impact this could have on our business. A renewable energy strategy, aligned to our business strategy is under development to ensure we meet our commitments in a fiscally prudent manner. Our net zero commitment and progress against this will be reported annually to our key stakeholders to manage reputation risks around the climate transition.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Several existing Kyndryl services provide energy or material efficiency benefits. We are working on providing demonstrable measurements of environmental benefits to clients. Additionally we are continuously increasing transparency on the carbon footprint of providing our services. We have a dedicated effort to develop new offers and services that enable our customers to reduce their emissions. These offers are made available on the Kyndryl Bridge: https://www.kyndryl.com/us/en/bridge
Supply chain and/or value chain	Yes	We are actively working on our procurement of renewable energy for our global portfolio, ensuring that the RECs and GOs are credible and consistent with local and global regulations and standards. We are ensuring that our supply chain is climate resilient by asking suppliers to sign up to EcoVadis and Responsible Business Alliance frameworks, and increasing awareness and education initiatives with our top tier suppliers around science based targets. Finally we are working with our suppliers to identify lower carbon products and services that can be used in our services to our customers. For more information, see https://www.kyndryl.com/au/en/procurement/Legacy-Supplier-Resources/environmental-sustainability/supply-chain-sustainability
Investment in R&D	Not evaluated	Kyndryl has not yet evaluated whether climate-related risks and opportunities influence our strategy in Investment in R&D but we will work to do so in the near future.
Operations	Yes	Our data center operations are impacted by transition and physical risks. Physical risk impacts are understood and mitigation plans will be put in place. These will improve the resiliency of service to our customers. We are in the process of implementing energy management and efficiency improvements. These include Environmental and Energy Management Systems with ISO 14001 and 50001 certifications and implementing energy efficiency program across Kyndryl operations.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures Acquisitions and divestments	Kyndryl has been rationalizing its real estate portfolio of data centers and offices to ensure higher utilization levels. This initiative has resulted in a reduction in the number of buildings, closure or sale of older inefficient sites, and consolidation into newer more efficient locations. Our energy efficiency projects are included in capital budgets and result in lower energy costs. Kyndryl also has established a process to evaluate acquisitions and strategic investments related to innovation-based partnerships that take into consideration ESG topics, including climate-related risks and opportunities.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	Yes, we identify alignment with our climate transition plan

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

CAPEX

Type of alignment being reported for this financial metric

Alignment with our climate transition plan

Taxonomy under which information is being reported

Objective under which alignment is being reported

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

Percentage share of selected financial metric aligned in the reporting year (%)

1

Percentage share of selected financial metric planned to align in 2025 (%)

1

Percentage share of selected financial metric planned to align in 2030 (%)

1

Describe the methodology used to identify spending/revenue that is aligned

Kyndryl currently tracks only capex allocated to infrastructure energy efficiency projects at data centers at less than 1%; however, Kyndryl also spends capital in IT hardware refresh, which reduces electricity consumption. Energy efficiency and IT hardware refresh capex will both be tracked in the future.

Financial Metric

OPEX

Type of alignment being reported for this financial metric

Alignment with our climate transition plan

Taxonomy under which information is being reported

Objective under which alignment is being reported

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

Percentage share of selected financial metric aligned in the reporting year (%)

1

Percentage share of selected financial metric planned to align in 2025 (%)

1

Percentage share of selected financial metric planned to align in 2030 (%)

1

Describe the methodology used to identify spending/revenue that is aligned

Operating costs for renewable energy purchases and energy efficiency projects. The Kyndryl business model is in transition. Over time more data centers will be in a

serviced model and the renewable energy costs are forecast according to these business plans.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2023

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 3

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

Base year

2023

Base year Scope 1 emissions covered by target (metric tons CO2e)

37,316

Base year Scope 2 emissions covered by target (metric tons CO2e)

281,013

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

390,206

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

58,619

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

138,568

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

1,115

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

2,022

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

32,429

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

102,613

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)
725,572

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
1,043,900

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

521,950

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

37,316

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

281,013

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

390,206

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

58,619

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

138,568

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

1,115

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

2,022

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

32,429

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

102,613

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

725,572

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1,043,900

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

New

Please explain target coverage and identify any exclusions

Kyndryl is a new company, which was spin off from IBM in November 2021. In December 2022 (our fiscal year 2023), we announced our net zero targets, including our near-term 2030 target to achieve a 50% reduction in greenhouse gas emissions across our global enterprise. Kyndryl's net zero targets align with the scientific recommendations of the United Nations Intergovernmental Panel on Climate Change (IPCC) to reach net zero global GHG emissions by 2050 to limit global warming to 1.5 degrees Celsius. This target is related to our net zero 2040 target, which is aligned with the guidance from the Science Based Targets initiative (SBTi) and includes 100% of our scope 1, 2, and 3 emissions. In April 2023, we announced our commitment to validating our GHG emission reduction targets through the SBTi Net Zero Standard. Following SBTi's guidance to ensure consistency with our intended reduction methods, our goals are based on our market-based emissions. Our target coverage is based on our GHG reporting boundary (based on operation control), established in alignment with the GHG Protocol.

Plan for achieving target, and progress made to the end of the reporting year

As Kyndryl has recently announced our target and established our baseline this past fiscal year (2023), we have not yet made progress in reducing our emissions against our baseline.

To reach our decarbonization goals, some of the actions we are taking include:

- Consolidating and modernizing legacy real estate and data center footprints, ensuring that the utilization of our real estate portfolio is optimized.
- Managing energy efficiency at our locations to optimize our energy consumption through IT equipment refreshing, consolidation and virtualization of IT workloads, and cooling and airflow efficiency projects.
- Increasing our renewable energy use and exploring alternative fuel options to reduce reliance on fossil fuels at our facilities.
- Building out a roadmap for scope 3 emissions, which includes evaluating and engaging with suppliers and alliance partners to facilitate sustainable practices and encouraging suppliers to commit to their own net zero goals.
- Educating and engaging with our employees on our net zero strategy.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 2

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2023

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2023

Base year Scope 1 emissions covered by target (metric tons CO2e)

37,316

Base year Scope 2 emissions covered by target (metric tons CO2e)

281,013

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO₂e)

318,329

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO₂e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO₂e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO₂e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO₂e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO₂e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

75

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

79,582.25

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

37,316

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

281,013

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

**Total emissions in reporting year covered by target in all selected scopes
(metric tons CO₂e)**

318,329

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

New

Please explain target coverage and identify any exclusions

Kyndryl is a new company, which was spin off from IBM in November 2021. In December 2022 (our fiscal year 2023), we announced our net zero targets, including our near-term 2030 target to achieve a 75% reduction in our scope 1 and 2 GHG emissions. Kyndryl's net zero targets align with the scientific recommendations of the United Nations Intergovernmental Panel on Climate Change (IPCC) to reach net zero global GHG emissions by 2050 to limit global warming to 1.5 degrees Celsius. We have set our targets to align with the Science Based Targets initiative (SBTi), and in April 2023, we announced our commitment to validating our GHG emission reduction targets through the SBTi Net Zero Standard. Following SBTi's guidance to ensure consistency with our intended reduction methods, our goals are based on our market-based emissions. Our target coverage is based on our GHG reporting boundary (based on operation control), established in alignment with the GHG Protocol.

Plan for achieving target, and progress made to the end of the reporting year

As Kyndryl has just announced our target and established our baseline this past fiscal year (2023), we have not yet made progress in reducing our emissions against our baseline.

To reach our decarbonization goals, some of the actions we are taking include:

- Consolidating and modernizing legacy real estate and data center footprints, ensuring that the utilization of our real estate portfolio is optimized.
- Managing energy efficiency at our locations to optimize our energy consumption through IT equipment refreshing, consolidation and virtualization of IT workloads, and cooling and airflow efficiency projects.
- Increasing our renewable energy use and exploring alternative fuel options to reduce reliance on fossil fuels at our facilities.
- Educating and engaging with our employees on our net zero strategy.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2023

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2023

Consumption or production of selected energy carrier in base year (MWh)

1,442,478

% share of low-carbon or renewable energy in base year

51

Target year

2030

% share of low-carbon or renewable energy in target year

100

% share of low-carbon or renewable energy in reporting year

51

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

Yes, the emission reductions we achieve through our renewable energy target will contribute to our emissions reduction targets: Abs 1, Abs 2, and NZ1.

Is this target part of an overarching initiative?

Other, please specify

Target is part of our corporate climate-related targets.

Please explain target coverage and identify any exclusions

Kyndryl's goal to obtain 100% of our purchased electricity through renewable sources applies to all purchased electricity that falls under our GHG reporting boundary (based on operation control), established in alignment with the GHG Protocol.

Plan for achieving target, and progress made to the end of the reporting year

In fiscal year 2023, 50% of the electricity consumed across our global operations came from renewable sources. The determination of our renewable energy sources and percentage is aligned with guidance from RE100, which is considered an industry best practice. We are making progress toward our goal of achieving 100% renewable energy by 2030 by:

- Committing resources to developing a renewable energy sourcing strategy that provides additional impact and flexibility to business plans, manages risk, and is financially sound.
- Aligning our energy purchasing programs with SBTi.
- Establishing a baseline of renewable energy purchasing.

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Abs2

Target year for achieving net zero

2040

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Please explain target coverage and identify any exclusions

Kyndryl is a new company, which was spin off from IBM in November 2021. In December 2022 (our fiscal year 2023), we announced our 2040 net zero GHG emissions goal. Kyndryl's 2040 net zero goal aligns with the scientific recommendations of the United Nations Intergovernmental Panel on Climate Change (IPCC) to reach net zero global GHG emissions by 2050 to limit global warming to 1.5 degrees Celsius. We have set our targets to align with the Science Based Targets initiative (SBTi), and in April 2023, we announced our commitment to validating our GHG emission reduction targets through the SBTi Net Zero Standard. Following SBTi's guidance to ensure consistency with our intended reduction methods, our goals are based on our market-based emissions. Our target coverage is based on our GHG reporting boundary, established in alignment with the GHG Protocol.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

No

Planned milestones and/or near-term investments for neutralization at target year

Planned actions to mitigate emissions beyond your value chain (optional)

Beyond our net zero goal, we have partnerships and initiatives that contribute to mitigating emissions outside of our value chain. These activities include our partnership with One Tree Planted, our use of the volunteering platform Deed, and the creation of our internal EcoStream Network. Through our partnership with One Tree Planted, and to celebrate and honor our people, Kyndryl has sponsored the planting of over 90,000 trees in the name of each employee. The trees planted have taken root in communities around the globe to help rebuild forests after fires and floods, provide jobs for social impact, and restore biodiversity. Volunteering opportunities on Deed include tree planting activates for our employees as well as other climate-related activities, like beach cleanups. And our EcoStream network is a grassroots employee initiative focused on encouraging and implementing environmental activities both in and outside of the workplace.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	130	
To be implemented*	31	1,648
Implementation commenced*	103	1,474
Implemented*	161	2,112
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Other, please specify

Other, please specify

Cooling improvements, IT equipment refreshes, equipment rightsizing, lighting replacements, etc.

Estimated annual CO2e savings (metric tonnes CO2e)

2,112

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,090,000

Investment required (unit currency – as specified in C0.4)

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

These projects focused on improvements to cooling and air flow, rightsizing equipment based on current IT loads, IT hardware refreshes and optimizations, and lighting upgrades. To improve the efficiency of cooling, we have implemented projects related to floor tile management, air flow circulation, cold aisle installations, upgrading technology, right-sizing equipment, increasing free/indirect cooling, and shutting down or reducing the run time on unnecessary CRAC (computer room air conditioning) units. Rightsizing equipment includes adjusting our uninterruptable power supply (UPS) systems based on our current IT loads. For IT hardware, we identify and shut down zombie (idle) gear and replace legacy equipment with new technology. Lighting upgrades include installing LED lighting and motion sensors/limited to focus lighting on required areas.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Kyndryl is one of the largest participants in the EU Code of Conduct for Energy Efficiency in Data Centres, having 32 data centers accepted into the initiative. Kyndryl is currently working toward adding 16 additional data centers to the initiative. These data centers span across and beyond the EU. The European Code of Conduct for Energy Efficiency in Data Centres is a voluntary initiative that was launched in 2008 with the goal of improving energy efficiency in data centers, a sector of growing energy consumption. To be accepted into the initiative and to continue to be a part of the initiative, data centers must undergo detailed evaluations including comparison against best practices and plans to implement best practices in data center energy efficiency.
Financial optimization calculations	Kyndryl is committed to energy conservation and energy management across our organization. Aligned to our business strategy, we are managing energy efficiency at our locations to optimize our energy consumption through IT equipment refreshing, consolidation and virtualization of IT workloads, and cooling and airflow efficiency projects. We evaluate and prioritize energy efficiency and greenhouse gas reduction projects based on numerous factors, including a project's ROI, to drive investment in the project.

Marginal abatement cost curve	The MACC analysis was performed in addition to the vanilla financial optimization calculations to ascertain which profitable projects were producing the most efficient climate impact. The resulting list was prioritized for consideration.
Other Customer Requirements	Kyndryl has thousands of customers globally, many of which also place a high priority on improving their climate-related performances. This has in the past, and will continue to in the future, resulted in specific customer requirements related to Kyndryl's climate-related performance.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

Yes

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

37,316

Comment

Direct GHG emissions from stationary combustion, mobile combustion, and fugitive releases of refrigerants.

Scope 2 (location-based)

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO2e)

399,182

Comment

Indirect GHG emissions from the generation of electricity, steam, hot water, and chilled water purchased by Kyndryl for site operations using the location-based method.

Scope 2 (market-based)

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO2e)

281,013

Comment

Indirect GHG emissions from the generation of electricity, steam, hot water, and chilled water purchased by Kyndryl for site operations using the market-based method.

Scope 3 category 1: Purchased goods and services

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO2e)

390,206

Comment

Scope 3 category 2: Capital goods

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO2e)

58,619

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

138,568

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

1,115

Comment

Scope 3 category 5: Waste generated in operations

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

2,022

Comment

Scope 3 category 6: Business travel

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

32,429

Comment

Scope 3 category 7: Employee commuting

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

102,613

Comment

Scope 3 category 8: Upstream leased assets

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

Comment

Based on the type of leased assets in Kyndryl's value chain, emissions corresponding to these assets are included in Kyndryl's scope 2 and scope 3 categories 1 and 2.

Scope 3 category 9: Downstream transportation and distribution

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

Comment

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Scope 3 category 10: Processing of sold products

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

Comment

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Scope 3 category 11: Use of sold products

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

Comment

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Scope 3 category 12: End of life treatment of sold products

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

Comment

Due to the current processes and disposal methods in place, all product end-of-life management (PELM) is treated similarly as operational waste. Therefore, emissions corresponding to PELM are accounted for in category 5: waste generated in operations.

Scope 3 category 13: Downstream leased assets

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

Comment

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Scope 3 category 14: Franchises

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

Comment

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Scope 3 category 15: Investments

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

Comment

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Scope 3: Other (upstream)

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO₂e)

Comment

No other upstream emissions in Kyndryl's GHG inventory.

Scope 3: Other (downstream)

Base year start

April 1, 2022

Base year end

March 31, 2023

Base year emissions (metric tons CO2e)

Comment

No other downstream emissions in Kyndryl's GHG inventory.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

Energy Information Administration 1605(b)

IEA CO2 Emissions from Fuel Combustion

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

US EPA Center for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases

US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity

US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources

US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources

US EPA Emissions & Generation Resource Integrated Database (eGRID)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

37,316

Comment

Direct GHG emissions from stationary combustion, mobile combustion, and fugitive releases of refrigerants.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

We are calculating and reporting both market-based and location-based scope 2 emissions data.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

399,182

Scope 2, market-based (if applicable)

281,013

Comment

Indirect GHG emissions from the generation of electricity, steam, hot water, and chilled water purchased by Kyndryl for site operations.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

390,206

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Spend-based method with application of EPA emission factors (EF) based on spend data from procurement record

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

58,619

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Spend-based method with application of EPA emission factors (EF) based on spend data from procurement record

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

138,568

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Grid loss - Scope 2 electricity consumption less any purchase of bundled RECs
multiplied with grid loss EF

WTT - Well to tank (WTT) of fuel & energy related activities, based on direct and indirect
energy consumption

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

1,115

Emissions calculation methodology

Spend-based method

Distance-based method

**Percentage of emissions calculated using data obtained from suppliers or
value chain partners**

Please explain

Well to wheel (WTW) - Based on our logistic supplier (supplier specific) emissions data,
extrapolated to 100% spend basis and full 12 months

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

2,022

Emissions calculation methodology

Waste-type-specific method

**Percentage of emissions calculated using data obtained from suppliers or
value chain partners**

Please explain

Waste - Based on waste types and disposal method using EPA emission factor

Wastewater - Based on the waste water from the facilities, using UK Gov emission
factor

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

32,429

Emissions calculation methodology

Spend-based method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Hybrid; supplier-specific method for the primary travel activities and spend-based method for other general business travel items, where these are the improved methods of calculation than the previous basis. Emission factors include a combination of Supplier-specific and spend-based EPA EF

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

102,613

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Average data - Calculated based on headcount by the employment type and workplace indicator. Using Quantis EF.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Based on the type of leased assets in Kyndryl's value chain, emissions corresponding to these assets are included in Kyndryl's scope 2 and scope 3 categories 1 and 2.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Due to the current processes and disposal methods in place, all product end-of-life management (PELM) is treated similarly as operational waste. Therefore, emissions corresponding to PELM are accounted for in category 5: waste generated in operations.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Categories 9, 10, 11, 13, 14, and 15 are not relevant as Kyndryl is not a product manufacturing company and does not own franchises or downstream leased assets.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant as there are no other upstream emissions in Kyndryl's GHG inventory.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant as there are no other downstream emissions in Kyndryl's GHG inventory.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00001868

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

318,329

Metric denominator

unit total revenue

Metric denominator: Unit total

17,026,000,000

Scope 2 figure used

Market-based

% change from previous year

0

Direction of change

Reason(s) for change

Other, please specify

No change

Please explain

The intensity figure provided is scope 1& 2 metric tons/revenue in billion. Scope 1 and 2 is market based.

Kyndryl was spun-off of IBM in November 2021 as an independent company. Because of this, this is our first year calculating and disclosing our greenhouse gas emissions and thus emission intensity figure. Kyndryl looks forward to working toward our net zero goals and reducing our gross emissions and emission intensity figure in our next fiscal year.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO ₂ e)
Asia Pacific (or JAPA)	2,756
Europe, Middle East and Africa (EMEA)	13,562
Latin America (LATAM)	999
North America	19,998

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO ₂ e)
Direct GHG emissions from stationary combustion	31,431
Direct GHG emissions from mobile combustion	25
Direct GHG emissions from fugitive releases of refrigerants	5,859

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Asia Pacific (or JAPA)	116,787	111,044
Europe, Middle East and Africa (EMEA)	133,795	59,837
Latin America (LATAM)	27,005	16,255
North America	121,595	93,877

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Indirect GHG emissions from the generation of electricity, purchased for site operations	394,822	276,651
Indirect GHG emissions from the generation of steam, hot water, and chilled water purchased for site operations	4,360	4,362

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

This is our first year of reporting, so we cannot compare to last year

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	183,521	183,521
Consumption of purchased or acquired electricity		731,454	711,024	1,442,478
Consumption of purchased or acquired heat		0	9,197	9,197
Consumption of purchased or acquired steam		0	2	2
Consumption of purchased or acquired cooling		0	35,272	35,272
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption		731,454	939,016	1,670,470

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Oil

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

46,736

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Diesel and Fuel Oil are used for the generation of electricity via generators onsite.

Gas

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

136,786

MWh fuel consumed for self-generation of electricity

8,857

MWh fuel consumed for self-generation of heat

127,929

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

The "MWh of fuel consumed for self-generation of heat" cell includes gas used to produce heat and steam because these are not currently distinguished at Kyndryl. The "MWh of fuel consumed for self-generation of electricity" is based on a single location which utilizes an onsite fuel cell which uses natural gas to produce electricity. This fuel cell is operated by a third-party, and Kyndryl receives a portion of the produced electricity. However, Kyndryl is only provided detail for the total natural gas consumption by the fuel cell which is why it is included in this category.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Total fuel

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

183,521

MWh fuel consumed for self-generation of electricity

55,593

MWh fuel consumed for self-generation of heat

127,928

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)

Electricity				
Heat				
Steam				
Cooling				

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Wind

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

66,186

Tracking instrument used

US-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Country/area of low-carbon energy consumption

Germany

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Wind and solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

62,163

Tracking instrument used

REGO

Country/area of origin (generation) of the low-carbon energy or energy attribute

France

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Country/area of low-carbon energy consumption

Denmark

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Wind and solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

23,710

Tracking instrument used

REGO

Country/area of origin (generation) of the low-carbon energy or energy attribute

France

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Country/area of low-carbon energy consumption

Finland

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify
Wind and solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2,157

Tracking instrument used

REGO

Country/area of origin (generation) of the low-carbon energy or energy attribute

France

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Country/area of low-carbon energy consumption

France

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify
Wind and solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1,981

Tracking instrument used

REGO

Country/area of origin (generation) of the low-carbon energy or energy attribute

France

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Country/area of low-carbon energy consumption

Greece

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Wind and solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1,812

Tracking instrument used

REGO

Country/area of origin (generation) of the low-carbon energy or energy attribute

France

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Other, please specify

EACs purchased by landlords on behalf of Kyndryl's electricity consumption

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Low-carbon technology type varies based on region of purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

259,754

Tracking instrument used

Other, please specify

Tracking instrument varies based on region of purchase

Country/area of origin (generation) of the low-carbon energy or energy attribute

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

The country selected for this row is "United States of America", however, this category includes global EACs provided by landlords. This question does not allow for the selection of multiple countries in one category.

Country/area of low-carbon energy consumption

Uruguay

Sourcing method

Default delivered electricity from the grid (e.g. standard product offering by an energy supplier) from a grid that is 95% or more low-carbon and where there is no mechanism for specifically allocating low-carbon electricity

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Based on country's grid mix

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

113

Tracking instrument used

Other, please specify

Managed by country

Country/area of origin (generation) of the low-carbon energy or energy attribute

Uruguay

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Low-carbon technology type varies based on region of purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

280,654

Tracking instrument used

Other, please specify

Tracking instrument used varies based on region of purchase

Country/area of origin (generation) of the low-carbon energy or energy attribute

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

The country selected for this row is "United States of America", however, this category includes global EACs included in retail supply contracts. This question does not allow for the selection of multiple countries in one category.

Country/area of low-carbon energy consumption

Brazil

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

32,390

Tracking instrument used

I-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

Brazil

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Other, please specify

Americas (North America and Latin America)

Consumption of purchased electricity (MWh)

558,565

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

2

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

558,567

Country/area

Other, please specify

Europe, the Middle East and Africa (EMEA)

Consumption of purchased electricity (MWh)

677,718

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

42,249

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

719,967

Country/area

Other, please specify

Asia Pacific (APAC)

Consumption of purchased electricity (MWh)

206,195

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

2,221

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

208,416

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Kyndryl FY23 GHG Limited Assurance Review Report 02.AUG.2023-signed.pdf

Page/ section reference

https://www.kyndryl.com/content/dam/kyndrylprogram/cs_ar_as/Kyndryl%20FY23%20GHG%20Limited%20Assurance%20Review%20Report%2002.AUG.2023-signed.pdf

letter as part of the ESG report

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Kyndryl FY23 GHG Limited Assurance Review Report 02.AUG.2023-signed.pdf

Page/ section reference

https://www.kyndryl.com/content/dam/kyndrylprogram/cs_ar_as/Kyndryl%20FY23%20GHG%20Limited%20Assurance%20Review%20Report%2002.AUG.2023-signed.pdf

letter as part of the ESG report

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Kyndryl FY23 GHG Limited Assurance Review Report 02.AUG.2023-signed.pdf

Page/ section reference

https://www.kyndryl.com/content/dam/kyndrylprogram/cs_ar_as/Kyndryl%20FY23%20GHG%20Limited%20Assurance%20Review%20Report%2002.AUG.2023-signed.pdf

letter as part of the ESG report

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Scope 3: Capital goods

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Scope 3: Waste generated in operations

Scope 3: Business travel

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Page/section reference

https://www.kyndryl.com/content/dam/kyndrylprogram/cs_ar_as/Kyndryl%20Assurance%20Statement%20DRAFT%20-%2008-08-2023.pdf

letter as part of the ESG report

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we are waiting for more mature verification standards and/or processes

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers/clients
- Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers
Collect targets information at least annually from suppliers

% of suppliers by number

5

% total procurement spend (direct and indirect)

90

% of supplier-related Scope 3 emissions as reported in C6.5

90

Rationale for the coverage of your engagement

We are currently focusing on collecting information such as GHG emissions, metrics and targets, etc. through the EcoVadis Platform from our Tier 1 material suppliers who contribute to approximately 90% of our scope 3 category 1 and 2 emissions. We are also in the planning process of establishing engagement and education activities with our top suppliers. Targeting our suppliers that contribute to 90% of our scope 3 category 1 and 2 emissions enables us to address the emissions coming from the categories contributing the largest amount of emissions to our scope 3 emissions.

Impact of engagement, including measures of success

Our engagement process will help us quantify and track how many Tier 1 material suppliers have net zero targets and how their actions to reduce scope 1, 2, and 3 will help us achieve our net zero goal. Measures of success include an increasing percentage of Tier 1 suppliers having net zero targets when compared to previous years as well as an increasing percentage of Tier 1 suppliers reporting positive progress on emission reductions when compared to previous years.

Comment

Percentages shared above are based on supplier data related to scope 3 category 1 and 2.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Collaboration & innovation

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

1

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Kyndryl's customers often ask us about our ESG strategies and how our solutions can support their sustainability efforts. We are currently establishing partnership with some of our key customers to find ways to reduce their carbon footprint and also understand our customers' efforts to mitigate climate-change impacts.

Kyndryl is working to share existing sustainability-related solutions with our customers, as well as develop new offerings. Examples of existing solutions include:

- Sustainable Data Centers: We assess the energy efficiency of our customers' data centers to identify opportunities for improvement and can then co-create and execute personalized solutions.
- Cloud technologies: We work with our alliance partners – Microsoft Azure, Google, and AWS – to migrate our customers to the cloud, reducing energy usage by as much as 85% and reducing emissions through the cloud's use of up to 100% renewable energy.
- Automation, AI, and Data: We work with our customers to figure out how to best automate processes and use the mass amounts of data coming from their value chain to highlight opportunities to improve efficiency, resulting in reduced waste and more sustainable operations.
- Digitizing the workplace: We provide solutions for a hybrid office strategy that can help our customers reduce their employee commuting and onsite emissions. Kyndryl digitizes workplace processes and provides paperless solutions to reduce waste and improve sustainability.

Kyndryl also continues to innovate new sustainability solutions for our customers and is running various proofs of concept (POCs). Find some of these new sustainability-

related services, including our IT Sustainability Assessment, on Kyndryl Bridge (<https://www.kyndryl.com/us/en/bridge>). Kyndryl Bridge is an open integration platform that leverages Kyndryl's core strengths — data-driven insights and decades of expertise — to give enterprises visibility across their technology estates with actionable insights that help understand, predict, and act for better business outcomes.

Impact of engagement, including measures of success

Engaging with our customers to innovate and implement sustainability-related services that reduce our collective climate-related impacts allows us to go beyond what we can accomplish for our own operations and positively impact the operations of our thousands of global customers. Measures of success will be tracked through the revenue we receive from these engagements as well as the emission reductions that our customers achieve through our sustainability-related services.

Type of engagement & Details of engagement

Education/information sharing

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

5

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Kyndryl is receiving a growing amount of customer inquiries related to our ESG programs and strategies, including climate-related inquiries. In the last year, we have developed a customer ESG inquiry (internal) process that allows us to efficiently and effectively communicate our ESG and climate-related progress with our customers.

Impact of engagement, including measures of success

The development of our customer ESG inquiry (internal) process has allowed us to more effectively respond to customer questions and allowed us greater opportunity to communicate our ESG and climate-related progress with our customers. Measures of success include an increasing number of successfully completed inquiries and the number of distinct customers we engage with.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Partnerships with our internal and external stakeholders enable us to develop a holistic approach to sustainability and strengthen the outcomes of our sustainability programs. Our

climate-related engagements with other partners in the value chain include the work we do with our alliance partners (<https://www.kyndryl.com/us/en/about-us/alliances>) to deliver and develop sustainability-related solutions for our customers, working with major strategic partners to deliver events and/or education to our employees, and our educational partnerships to allow our employees additional opportunities to learn about topics such as carbon literacy and the ocean's role in our climate. Learn more about our partnerships in our first annual ESG report coming later in 2023. In the meantime, find information about some of our climate-related partnerships here: <https://www.kyndryl.com/us/en/about-us/corporate-responsibility/environmental-sustainability>

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Climate-related disclosure through a public platform

Description of this climate related requirement

To promote sustainable operations throughout our supply chain, Kyndryl joined the Responsible Business Alliance (RBA) in January 2022. The RBA is the world's largest industry coalition dedicated to responsible business conduct in global supply chains. Kyndryl is committed to complying with the RBA Code of Conduct in our operations, as well as progressively applying it to our first-tier suppliers. The RBA Code of Conduct contains environmental requirements as well as provisions on labor, health and safety, ethics and management systems.

Kyndryl requires its suppliers to sign an agreement that they will practice sustainable and regulatory compliance in line with the Responsible Business Alliance (RBA) Code of Conduct: <https://www.responsiblebusiness.org/code-of-conduct/>. Exemptions to the requirement for RBA Code of Conduct are only allowed when Kyndryl validates that the supplier's own code of conduct meets or exceeds the RBA Code.

The RBA Code of Conduct specifically outlines the following climate-related requirement:

"Participants are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal.

Participants are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions."

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Grievance mechanism/Whistleblowing hotline

Other, please specify

We monitor the application of the RBA Code of Conduct using RBA tools and support our suppliers to do the same. This includes capacity building, self-assessments, audit processes, and corrective action plans.

Response to supplier non-compliance with this climate-related requirement

Other, please specify

If a supplier is found to violate the RBA Code of Conduct, the supplier must take corrective actions to remediate the violation or risk termination. Also note hotline at <https://www.kyndryl.com/us/en/company/report-concern>.

 responsible_business_alliance.pdf

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, but we plan to have one in the next two years

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

In Kyndryl's first full fiscal year as an independent company, we are laying the groundwork for our partnerships with trade associations and other organizations. Consistent with applicable law regarding lobbying, Kyndryl has worked with elected

officials and regulatory agencies on issues such as:

- Climate Risk & Resiliency
- Responsible Legal & Regulatory Engagement
- Cybersecurity, Privacy, Data Protection, AI, IP, Spectrum, Tax, and Cross-border data flows

Trade associations we have engaged with on climate-related topics include Business Roundtable and Tech UK. As we mature as a company, we will more systematically consider how/whether these and other organizations are consistent with our climate commitments.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Please see comment below for full list.

Is your organization's position on climate change policy consistent with theirs?

Mixed

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

In Kyndryl's first full fiscal year as an independent company, we are laying the groundwork for our partnerships with trade associations. Consistent with applicable law regarding lobbying, Kyndryl has worked with elected officials and regulatory agencies on issues such as:

- Climate Risk & Resiliency
- Responsible Legal & Regulatory Engagement
- Cybersecurity, Privacy, Data Protection, AI, IP, Spectrum, Tax, and Cross-border data flows

Kyndryl belongs to organizations within the key countries in which it operates, helping to drive business relations and innovation. Trade associations we have engaged with on climate-related topics include Business Roundtable and Tech UK.

A sampling of other trade associations we engage with includes:

- Information Technology Industry Council (ITI)
- U.S. Chamber of Commerce
- BSA | The Software Alliance
- AmCham EU
- German Datacenter Association
- Digital Companies Association (AMETIC) (Spain)
- Business Association for Innovation (COTEC) (Portugal)
- Association of Business Service Leaders (ABSL) (Poland)
- US-India Strategic Partnership Forum (USISPF)
- Japan Electronics and Information Technology Industries Association (JEITA)
- Brazilian Software Association (ABES)
- Council for Competitiveness Promotion in Costa Rica (CPC)
- Uruguayan Chamber of Information Technology (CUTI)
- Tech Council of Australia

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Underway – this is our first year

Attach the document

Page/Section reference

As a new company, Kyndryl does not yet have an ESG report. Kyndryl looks forward to publishing its first annual ESG report in 2023. Please visit our sustainability website:
<https://www.kyndryl.com/us/en/about-us/corporate-responsibility/environmental->

[sustainability](#) for the most current information and, once available, links to the ESG report.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Please visit our sustainability website: <https://www.kyndryl.com/us/en/about-us/corporate-responsibility/environmental-sustainability> for the most current information and, once available, links to the ESG report.

Publication

In voluntary communications

Status

Complete

Attach the document

 Kyndryl Commits to Achieve Net Zero Greenhouse Gas Emissions by 2040.pdf

Page/Section reference

All pages, also see: <https://www.kyndryl.com/us/en/about-us/news/2022/12/kyndryl-commits-to-net-zero-carbon-emissions-by-2040> for live version.

Content elements

Emission targets

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

 Proxy Statement final2023.pdf

Page/Section reference

Kyndryl's 2023 Proxy Statement, pages 29-31

Content elements

Governance

Strategy

Emission targets

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

 Annual Report final2023.pdf

Page/Section reference

Kyndryl's 2023 Annual Report, pages 8-9 and 22-23

Content elements

Strategy

Risks & opportunities

Emission targets

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Other, please specify Responsible Business Alliance	Kyndryl is a member of the RBA and has adopted its code of conduct which reflects environmental, social, and ethical industry standards. As an Affiliate Member of the RBA, Kyndryl supports the RBA's vision of driving sustainable value for workers, the environment, and business throughout the global supply chain.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues
Row 1	No, but we plan to have both within the next two years

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, but we plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
-------------	------------------	---

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Since becoming an independent company in November of 2021, we have worked hard to establish our sustainability programs. As we grow and mature as a company, we look forward to making additional meaningful progress toward our climate-related targets.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Global Sustainability & ESG Officer	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Kyndryl strives to be a leader in sustainability in all of its business activities, products, and services. We will share more about our sustainability-related programs in our first ESG report coming later this year. In the meantime, please visit: <https://www.kyndryl.com/us/en/about-us/corporate-responsibility/environmental-sustainability>. If you are interested in connecting further to determine how we can partner to help your company achieve their sustainability goals, please contact your Kyndryl representative and cc sustainability@kyndryl.com

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	17,026,000,000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Kyndryl's revenue shared above in SC0.1 can be found in our 2023 Annual Report: <https://investors.kyndryl.com/static-files/1488970a-672b-4caa-ad23-00c77e2b2434> on page 30.

Kyndryl's scope 1, 2, and 3 emissions data used to calculate allocated emissions for each requesting customer is shared in this CDP Climate Change questionnaire and will also be in our first annual ESG report, coming later this year (2023).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Other, please specify	In order to accurately allocate emissions to various customers, customer specific data and corresponding emissions is needed. Obtaining customer specific data is the challenging part. Especially in the data center industry that houses various customers

Data collection	at various types of data centers, it is difficult to allocate scope 1, scope 2, and scope 3 for a specific customer. Kyndryl is working on this challenge to generate a methodology that can estimate customer specific scope 1, 2, and 3 emissions data.
-----------------	---

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

Kyndryl is working to more accurately and automatically allocate emissions to our customers based on a growing number of requests from customers. This work includes identifying the input data and sources needed for these calculations such as our own emissions data and customer-specific data to 1) determine and address gaps and 2) develop connections between the input data to allow us to more efficiently calculate allocated emissions for each of our customers 3) determine methods to allocate shared activities or resources between customers. This work is underway and we look forward to sharing our results once ready with our customers.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

Yes

SC2.2a

(SC2.2a) Specify the requesting member(s) that have driven organizational-level emissions reduction initiatives, and provide information on the initiatives.

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms